

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
May 24, 1983

EVENING SESSION

COMMITTEE OF FINANCE

CONSOLIDATED FUND BUDGETARY EXPENDITURE

FINANCE

Ordinary Expenditure — Vote 11

Item 1 (continued)

HON. MR. ANDREW: — An earlier question with regard to the expenditures of '82-83, with regard to anything over \$5 million, I believe, was the question — where there was underspending of \$5 million. The shrinkage was across the board as a result of administrative savings. That's a general statement. There's only four areas that have changed in excess of \$5 million — and these are all unaudited figures; I hope you can bear with me on that.

Social Services — about \$7.5 million cash flow not spent on the JOBS program, but was simply pushed over into the next year, and that's simply because the take-up didn't get on stream. They had to be worked with the federal government, and therefore our total allocation was not all used up. There was another \$3 million in Social Services for retroactive salary payments that we understood that we had to pay, and I guess it worked out that we didn't have to pay. So that didn't come.

And the MIRP program or the Mortgage Interest Reduction Program was \$10 million because interest rates went down more significantly than we had anticipated they would.

There was general shrinkage in DNS of about \$5 million, and I'd hate to have to go in and try and explain that one for you at this point in time.

And the energy — the heritage fund payments for all incentives were down \$5 million below what we budgeted for. As well, there was \$10 million to \$20 million in authorized spending for spending on accounts payable which never was in fact paid, and that was a requirement of the auditor to, in fact, put that type of thing in that we objected to. But there's about \$10 million into that. That can sort of explain the overall reduction in the cost that we would see from the member's questions.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, then it would appear that the big changes were in the Mortgage Interest Reduction Program because of the drop in interest rates, and Social Services for one reason or another because the JOBS program was not picked up, and other cuts in Social Services. That explains that sufficiently.

I want to turn, Mr. Chairman and Mr. Minister, to page 122 and the estimates for the heritage fund, and particularly, to coal and to ask whether or not the estimate of \$10,171,000 for 1982-83 was reasonably accurate. Is there any reason to change that estimate?

HON. MR. ANDREW: — That number looks fairly solid to us, as well as the \$13 million number that we budgeted for this year.

HON. MR. BLAKENEY: — With respect to the tonnage estimated in '82-83 and '83-84, can you give me those figures?

HON. MR. ANDREW: — '83-84 is based on production of over 7.9 million tonnes with an average fair market value of \$11 per tonne.

HON. MR. BLAKENEY: — With respect to natural gas, the royalty receipts in '82-83 were estimated at \$660,000 and for the current year, \$5,050,000. Is there any reason to change either of those estimates?

HON. MR. ANDREW: — Well, our understanding is the '82-83 numbers could be up moderately. We are still optimistic with regard to the \$5 million number for '83-84.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, with respect to the volumes for '83-84, could you give me the volume estimate and the royalty rate for the '83-84 figure which produces the \$5,050,000?

HON. MR. ANDREW: — The present royalty rate, of course, is 10 cents per Mcf. That's based on production of 40.45 — an estimate of 40.45 billion cubic feet.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, turning to oil and turning to own source: firstly, \$597,010,000 — is there any reason to revise that figure?

HON. MR. ANDREW: — I'm advised that we're down a hair on own source and up a bit on land sales that would maybe make that figure slightly lower than it is now. The 710 total would be slightly lower than that.

HON. MR. BLAKENEY: — With respect to the \$515,060,000, can you tell me how many barrels of production that is estimated to be?

HON. MR. ANDREW: — That's based on a projection of 55.1 million barrels production.

HON. MR. BLAKENEY: — How does that compare with the previous year?

HON. MR. ANDREW: — It's about 2 million barrels more in production than last year.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, I wonder if you can tell me what the price of Saskatchewan crude was on January 1st '82 and January 1st '83. There would have to be a certain amount of averaging but I'd like you to tell me that.

HON. MR. ANDREW: — We'll undertake to get it for you. We don't have that now.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, isn't it true that the price of Saskatchewan crude at January 1st '82 was approximately \$22.20 per barrel, and that January 1st '83 was approximately \$27.55 per barrel, representing an increase of \$5.30 per barrel during the calendar year?

HON. MR. ANDREW: — I indicated I didn't have that information and I'd undertake to get it for you.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, what we see here is an increase of \$5 per barrel on 55 million barrels of crude, producing an increase in the value of production, the gross value of oil production, of close to \$300 million. Does the minister agree that on the basis of his figures there will be an increase in the value of crude produced in the current fiscal year over last fiscal year of close to \$300 million?

HON. MR. ANDREW: — Our numbers, and we base it on weighted average price over the year, from '82-83 is 26.71, to '83-84 of 28.54. So that's approximately \$1 a barrel that we're talking about — weighted average — over the year. And I think that's probably a more appropriate figure.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, I am going to have to ask you to go through that weighted average a bit, because I just cannot understand how those figures can be arrived at.

The price at January 1, 1982, after the increase of that date was, will one concede, \$22.20, as the Saskatchewan field price of conventional old oil, 26 per cent API, 2.3 per cent sulphur, which is sort of a standard, will one concede . . . Will you concede that the price was \$22.20?

HON. MR. ANDREW: — These are numbers that we would receive, normally, from the Department of Energy and Mines, and you know, I don't have that information. That would just be information that we would get from the Department of Energy and Mines. I would hate to try to get into that. This is the information they provide us as to what the weighted average across the year is going to be. That's the numbers that we work with to come through with those production figures and everything else, to come to our numbers, as you are fully aware. Now I suppose if you want to debate again the Department of Energy and Mine estimates, well, we'll try to do the best we can, but it's certainly not completely our field.

HON. MR. BLAKENEY: — I don't want to discuss production. I want to talk money, and the money that's in the heritage fund revenue and the money which constitutes \$515 million — a very, very large sum of money. And I'll ask the minister whether there was an increase of . . . popularly called \$2 a barrel on July 1, 1982 which will produce an increase of something over \$1.90 a barrel on the average barrel of Saskatchewan crude.

HON. MR. ANDREW: — Well, I'll go back simply to 1981-82. The average weighted price per barrel of oil, '81-82, was \$19.28. It jumped from there to \$26.71. That's almost over a \$7 a barrel weighted average increase, '81-82 over to '82-83. 28.54, that's approximately less than a \$2 a barrel increase from last year to this year. The royalty take was, '81-82, 324.9 jumped to 467 and now is increasing to 473. So you have to look at the weighted averages and look at the royalty increases from that.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, I would like you to . . . I'm not interested in '81-82 at the moment, except only that the increases are on January 1st and July 1st, and obviously they don't come in March so you have to, in effect, split the difference, but from the point of view of . . . There is no doubt that in the 12 months of calendar '82 —taking January 2nd to July 1st, if you count January 2nd, '82 to January 1st, '83 — counting the January 1st increase of \$3.50 a barrel which was \$3.45 about on Saskatchewan crude, you have an increase in the period from . . . There were \$2.00 on January 1st, '82; another \$2.00 — call it \$1.90 — on July 1st, 1982, and another

\$3.50 on January 1st, '83. We don't know what it will be on July 1st, '83. It may well be nothing — we don't know — but in that period of 12 months plus a day, but 18 months, there is \$7.50. And much of that is going into the current year, right up to July 1st.

What I am saying, Mr. Minister, is that there has been a very, very substantial increase in the price of Saskatchewan crude; that the threshold on which you can levy your royalties has gone up more than the \$2.00 you say. On the face of it, it's a great deal more than that. The same number of barrels of crude will yield close to 300 million more dollars, and I want to know how much extra royalty you're collecting for that extra money.

HON. MR. ANDREW: — The most significant increase in cost of oil came in '82-83 to put the base up. The increase from '82-83 to '83-84 is not that significant. In fact, come July, we're probably going to have a reduction in price because of the world price situation on NORP oil.

I think you mentioned earlier today the point you were making is that we are running out of old oil which you know draws us a better dollar than does the new oil. And there's obviously an increasing amount of new oil; decreasing amount of old oil; and therefore, correspondingly, you take fewer dollars because the oil that you're producing in the new oil is more expensive oil to produce. The significant increase in both price and price was in the year '82-83.

The increase which I talked about in weighted averages is not significant, as anybody knows. The world price of oil is in fact going down and therefore that's what we're facing. So your argument that the significant increase of those kind of dollars is not factual at all. I just simply go back to the weighted average price — '81-82 was \$19 per barrel — 19.28 weighted average — and '82-83 jumped at 26.71; and '83-84 to 28.54.

HON. MR. BLAKENEY: — Your estimate of it for '83-84 of 28.54; what does that assume for July 1st, '83, and January 1st, '84?

HON. MR. ANDREW: — Those are based on the two assumptions: number one, that NORP will fall, tracking world price; and that the federal government will not move to limit old oil 75 per cent. In other words, we'll allow it to remain . . . You know, that it would not be rolled back; it would stay constant if the price went over the 75 per cent rule. That's based on those assumptions. If those assumptions are wrong, then we could receive less.

HON. MR. BLAKENEY: — You're not assuming, Mr. Minister, that there will be increases on old oil to get us closer to world price. You are assuming that if the world price declines so that the current prices exceed 75 per cent there will be no roll-back?

HON. MR. ANDREW: — That's the assumption we made.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, I clearly do not accept your weighted average figures, and I point out the very substantial increase that has taken place between January 1, '82 and January 1, '83 of over \$5.30 a barrel, which will produce, as I say, an increase in the value of production of \$300 million, with royalties at an average of something over 40 per cent — perhaps not over, but approximately 40 per cent. One is looking at potential increase in royalty for that period

of \$120 million, which is a very substantial increase in royalty coming about because of increases in prices.

Now that has to be balanced off against what will be a decrease in the export tax, because we can't have it both ways. But during this period when we were suffering the decrease in the export tax, we were having the opportunity at least for much, much greater increases in royalties than we lost on the export tax. And I want to make that point because the minister, from time to time, suggests that there's no relationship between the loss of export tax and the potential increase in royalties. And there obviously is.

The big loss in export tax is not because of a fall in world prices, but rather because of an increase in domestic prices, making the spread between world prices and domestic prices much smaller. But for every increase in domestic price which causes us to lose export tax, we have an opportunity to get far more money out of royalties. And I think there's no doubt that, given that the international prices, if they would stay constant, we would be better off to see the domestic price in terms of royalties. We would be better off to see the domestic price rise; to see our export tax revenues go down, because we can more than compensate for that by royalty increases.

And I trust the minister agrees with that. But in many of the statements, it doesn't always appear that he does. And I want to make that point. The question I want to ask the minister is: how much does he anticipate the value of oil production will increase in '83-84 over '82-83 — the gross value of oil production on which you can levy royalties?

HON. MR. ANDREW: — It's approximately 11 per cent we would see the gross value of production increasing.

HON. MR. BLAKENEY: — I am surprised at that low figure. Even on your own figures, if there's going to be 2 million extra barrels produced at close to \$30 a barrel is \$60 million and that has got to be 5 or 6 or 7 per cent of the gross value of production before we have compensated for anything in price. I am very surprised to hear a figure of 11 per cent.

HON. MR. ANDREW: — I gave the numbers indicating that production '82-83 would be 53 million barrels at a weighted average price of 26.71. We increased 2 million barrels to 55.1 at a weighted price of 28.54. You have a difference of 1.415 billion to 1.572 billion. That's 11 per cent.

HON. MR. BLAKENEY: — And on \$1 billion you're collecting ... On 1.512 billion, you're collecting \$515 million in royalties or just over 30 per cent.

HON. MR. ANDREW: — We're looking at 473 in royalty take on that 1.5.

HON. MR. BLAKENEY: — Which is less than 30 per cent royalty you're collecting in the ... projected in the year '83-84.

HON. MR. ANDREW: — It's more than 30 per cent.

HON. MR. BLAKENEY: — We'll calculate it out then. You may well be right. What is the gross figure?

HON. MR. ANDREW: — The exact amount, if you don't trust our calculators, is 30.1.

HON. MR. BLAKENEY: — 30.1 per cent. You're right. It's more than 30 per cent. What was the percentage collected in the previous year on royalties?

HON. MR. ANDREW: — 33 per cent.

HON. MR. BLAKENEY: — How do you account for a decrease of 3 per cent on average, or 10 per cent reduction in royalties?

HON. MR. ANDREW: — Okay. There's basically two areas. Number one, there is more NORP (new oil reference price) oil and more EOR oil which means that from that production we take less royalties. That's number one. Number two, we made some royalty adjustments and obviously everybody knows about those.

HON. MR. BLAKENEY: — Even conceding your figures, the royalty adjustments are substantial and that's the point I wish to make.

Moving on to the export charge, the figure of 213 million last year included about 109 million of owed money and 104 million that accrued in the year '82-83. Do you agree with those figures?

HON. MR. ANDREW: — Yeah, I indicated that the last time in estimates; that was the number.

HON. MR. BLAKENEY: — With respect to the figure of \$23,700,000, what is built into that estimate with respect to world prices?

HON. MR. ANDREW: — Okay, that's premised on an assumption of \$29 a barrel U.S. price, and the export charge varies from 25 cents to \$1 at the maximum, depending on the quality of the oil, as I take it.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, when you say \$29 a barrel U.S., that's for the bench-mark Alberta crude, not for our standard crude. Is that. . . (inaudible) . . .

HON. MR. ANDREW: — That's the Saudi bench-mark; ours is lower value than that.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, am I right in saying that that corresponds with the \$34 figure which used commonly to be used?

Mr. Chairman and Mr. Minister, with respect to potash, the 60,100,000 figure for '82-83 — any reason to revise that figure?

HON. MR. ANDREW: — I believe public statements were made, even prior to the budget, that the figure would be closer to 34. Those statements were made by Energy and Mines, and that's the figure that we tended to plug in — the 34 as opposed to 60.

HON. MR. BLAKENEY: — With respect to the '83-84 estimate of \$64.1 million, do you have any reason to revise that figure?

HON. MR. ANDREW: — Okay. With regard to that number, I suppose it's difficult to really gauge what total potash is going to do. We are confident of production in potash,

but the price is still very soft and just exactly what's going to happen with regard to price, I would say that that number would be . . . You know, we're still holding with it. There is, I suppose, some concern that maybe it wouldn't quite reach that figure.

HON. MR. BLAKENEY: — With respect to the production to which you referred, could you give me an estimate of the number of tonnes which you believe will be produced, either K₂O or KCl, however one calculates it?

HON. MR. ANDREW: — That's based on estimated sales of 5,375,000 tonnes, K₂O tonnes at \$114 a tonne.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, with respect to the sodium sulphate, is there any reason to revise either of the estimates shown?

HON. MR. ANDREW: — They both look fairly reasonable.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, with respect to uranium: '82-83 estimate, \$28 million; '83-84 estimate, \$25,800,000 — any reason to revise either of those?

HON. MR. ANDREW: — No.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, with respect to the anticipated production in '82-83, or alternatively the composition of the \$25,800,000, could you tell me how much you anticipate collecting in basic royalty, how much in graduated, and how much in other, if any?

HON. MR. ANDREW: — 6.4 in basic. Graduated royalty will be 19.2. Other revenues will be 25.8.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, turning to land sales, could the minister tell me — this \$13.3 million — how much he expects will come from the sale of land bank land and how much from lands branch land, cultivated and grazing?

HON. MR. ANDREW: — We are estimating about 5 million from land bank sales and almost 8 million from land branch sales.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, with respect to the lands branch, is it anticipated that most of that will be cultivated land or mostly grazing land, or am I getting into more detail than your officials have?

HON. MR. ANDREW: — You got the extent of what I have.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, I turn now to dividends and I want to take a little time on this. I would ask the minister to tell me all the dividends that were received in '82-83 and the date they were received and from whom.

HON. MR. ANDREW: — We had a dividend of \$42 million from CIC, period.

HON. MR. BLAKENEY: — Can you indicate in what month you received that dividend?

HON. MR. ANDREW: — I believe it was March.

HON. MR. BLAKENEY: — March of 1983, obviously.

When the CIC annual report indicates that on the source and application of funds table, it shows a source . . . It gives the figures and then application dividend \$42 million for the calendar year ending 1982. Is that the same \$42 million or are we talking about another \$42 million?

HON. MR. ANDREW: — Same one.

HON. MR. BLAKENEY: — With respect to '83-84, you have a figure here, dividends Crown corporations. Can you tell me — I take it you're estimating \$50 million still — and from whom?

HON. MR. ANDREW: — We simply, in coming to that figure, went to CIC, indicated to them what we could be expecting from them this year. Our answer back is that collectively we should be able to receive 50 million in dividends from the Crowns, Where that is coming from would be more appropriate to ask CIC. That's where our number came from and that's where we plugged it in.

HON. MR. BLAKENEY: — Mr. Chairman, the heritage fund expects to get it from CIC, and do you have any indication of when you expect to get it? Is it likely to be in March again? Is that the pattern?

HON. MR. ANDREW: — We would anticipate receiving that in the first quarter of 1984.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, a few questions about capital financing. I wonder if the minister could provide me with copies of all prospectuses and offering statements issued by the province of Saskatchewan, or issued by underwriters of securities of the province of Saskatchewan, for which prospectuses or underwriting statements the government of Saskatchewan supplied information in the ordinary way, in respect of any securities issued from, say, May 8, 1982 to the present.

AN HON. MEMBER: — If he asked them, certainly. They are public documents.

HON. MR. ANDREW: — Those are public documents. They will be supplied to you. There is one European prospectus in the summer of 1982.

HON. MR. BLAKENEY: — I wonder, Mr. Minister . . . At estimates a few months ago you supplied me with a schedule of capital financing activity from March of '82, to and including some in February of 1983. Could you provide me with a schedule of financing activity from February '83 — you could either repeat February or just tag it on — from February '83 to date? And there probably won't be many issues.

HON. MR. ANDREW: — There's only a small amount. We will be happy to provide that for you.

HON. MR. BLAKENEY: — And would you, in dividing it, divide it into the last fiscal year and the current fiscal year? I suppose it'll divide itself, from March from April; but . . .

HON. MR. ANDREW: — We haven't done any in the fiscal year '83-84.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, I wanted to inquire about an

issue last December — December 8, 1982 — which puzzled me a bit. It was \$75 million approved by order in council no. 1974 of '82, and I would ask whether or not the minister can advise the purposes for which the issue was to be used.

HON. MR. ANDREW: — That's a European private placement. The 75 million: 55 of it was for CIC and 20 million of it was for Sedco.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, with respect to such an advance to Sedco, is that advance made by the Department of Finance or is it made by CIC?

HON. MR. ANDREW: — CIC.

HON. MR. BLAKENEY: — So, strictly from your point of view, the 75 million goes to CIC and 20 million will go to Sedco from CIC. Do I understand that correctly?

HON. MR. ANDREW: — That's correct.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, I noted, and we have already reviewed this, that you are proposing to collect an increased amount from sales tax. I'll come in a minute to how much more, but I wanted to call to your attention the advertisements, and this one is from the *Humboldt Journal* of April 7 of 1982, advertising the merits of Mr. Domotor and Mr. Boutin and Mr. Berscheid, which says that a Progressive Conservative government will phase out the education and health tax over four years. I'm wondering when you were going to commence that action, since we've already had two budgets, and the phasing out is going slowly.

HON. MR. ANDREW: — Well, we could start on it, I suppose. I've always been criticized for giving this little lecture. We went into the election campaign and identified issues that we saw there as being important. Whether the opposition saw, or the now opposition saw those as important, whether the media saw those as important or not, we thought they were important, and we think by and large the people thought they were fairly important.

First priority we looked at was the price of gasoline, and for a variety of reasons. Number one, Saskatchewan is the most distant-related province of all the provinces of this country, as well as the fact that it's the coldest province, as well as the fact it's one of the two provinces that produce oil. We felt it only right that we should turn some of that back to the people, and we did it through a sales tax cut. That was the number one thing we did.

You go back to about a year ago now, you'll have to remember that the mortgages on houses were what —anywhere from 19 to 22 per cent. We felt that those were too high and the people thought they were too high. So we brought in a program that would deliver those mortgages down to 13.25. Now that maybe doesn't look like much now when the rate is even below that 13.25, but at that point in time . . . and we have to go back to that year; we have to recall people concerned at whether or not they were in fact going to retain their house or not. So we brought in that program.

We thought we would bring in a program as well that would help the young farmer buy his land as opposed to simply renting his land from the government as the government bought more and more land. So we brought in an 8 per cent mortgage program for the young farmer. And that program again has gone over extremely, extremely well.

Now those we saw — and I think most people saw — as the main thrusts of our election campaign; that and the fact that we were promoting a new leader, somebody that had new and fresh ideas, and a government that would have new and fresh ideas. And we believe that we lived up to those commitments. Those were the primary commitments of our election campaign.

Clearly we would like to reduce taxes every place, and I think every government would, because I think everybody must recognize that the taxpayer come to the point where he said, 'Enough is enough,' with regard to taxes and with regard to charges. And so I think it's important that we as a government do move towards reducing taxes where we can; income taxes, sales taxes, whatever we can do. I think it's important for a government to try to move in that direction. And we are committed to move in that direction.

But we're also committed to be responsible and we're not going to simply run the deficit higher and higher and higher, only to deliver on those particular promises. We believe that the people consider that the government that they have now is genuinely concerned about the interests of those people. And I think they believe that we will do what we have in our power to do to help them get by, to help them prosper and grow in this province. And that's the commitment we give above all else is to do what we see that the people of this province would like us to do as government, because after all that is really what government is for; not simply to tell them you should be doing this, this and this and we want to charge you more and more and more taxes. They want a bit of freedom; they want a bit of elbow-room to be able to do that. We believe that we have lived up to the main commitments that we have made as a party and as a government, and I believe the people respect that. I suppose the last time we had a chance to gauge that was in the by-election in P.A.-Duck Lake. In the by-election in P.A.-Duck Lake, the results were resounding by any stretch of what a poll is. Now sure we would like to cut back in taxes further, and I think the people know that, and we've said that. But we can't do it until such time as we have the money to do it.

Now if you come back to the election campaign, sure we thought there was going to be more money. We believed what you people were pumping out to the population of this province that there was gold — there was gold and silver, and gold sitting in great sacks around here in the heritage fund — what they called the heritage fund — that we'd probably be able to use. Then we found when we got here that the cupboard was bare; there was no money there. And so we had to make do; we had to make do with something less than we had. And so we had to make do; we had to make do with something less than we had. And so we've tried to do that, and I think by and large, given the results of the election in April, given the results of the P.A. by-election, I believe that the people respect what we've done. And I believe if we had an election today, the results would be very little different than they were on April 26th, 1982.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, I take it then that all that means that this promise, which was number two by the way in this ad for not one, but three candidates, said: phase out the education and health tax over four years. We're not talking about any of the next four years or any four years in the foreseeable future, but perhaps in the 1990s or something.

HON. MR. ANDREW: — I am glad that the Leader of the Opposition has now come to the recognition that we are not here for simply four years, but we're here till the 1990s. I've always felt that, and I think many of my colleagues have always felt that, and I believe, quite frankly, that the people of Saskatchewan . . . If we can live up to the commitments that we have delivered over the last year, I agree with the Leader of the Opposition that,

in fact, we will be here in 1990s, and quite frankly, we will be delivering some more of those promises.

SOME HON. MEMBERS: — Hear, hear!

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, the minister misunderstood me. I was not talking about when he's going to deliver on his promises. I don't expect that ever to come. I'm trying to deal with the qualifications he's now putting on his promises so as to justify his non-delivery. And I read it. It says, 'over four years'. It doesn't say which four years, and presumably that's his out, because certainly there's no doubt of the promise he made, and there's equally no doubt that he has no intention of fulfilling it.

Mr. Chairman and Mr. Minister . . . (inaudible interjection) . . . There's the member for Moosomin . . . (inaudible interjection) . . . When you're dealing with the issue of nursing homes, which comes about because of his heavy responsibilities as Legislative Secretary to the Minister of Health . . .

Mr. Chairman and Mr. Minister, I deal with the matter of how you propose to deal with the tax rebate which is from time to time promised by the Minister of Small Business . . . (inaudible interjection) . . .

MR. CHAIRMAN: — Order!

HON. MR. BLAKENEY: — Is the tax rebate going to be provided to the taxpayers by way of a rebate on taxes, or is it going to be provided by a payment out in cash, and if so, is it anticipated that any of this will be in the current fiscal year, or will it all be in the next coming fiscal year, '84-85?

HON. MR. ANDREW: — It'll be in the '84-85 fiscal year when money is paid out. The money is going to be paid out to probably in the area of 4,000 businesses. We have put a cap on it of \$20 million, and what it will be, it will be in the form of a targeted tax cut but paid out like a grant. Okay, when the guy hires a person, when the business man hires a person, employs that person for a full year, we send them \$5,000, and that's to be applied towards both forward and back income tax, business tax, property tax, sales tax, tobacco tax, inheritance tax, whatever you want.

The thing that we try to get through to you, and I've had a difficult time and I know my learned friend, the Minister of Tourism and Small Business has had a difficult time, the businesses are concerned across this province that they're paying too much tax. And so what we have said is, 'Okay, for each job you create we're going to put \$5,000 back in your pocket.' Now if you want to get in, you and some of the members of the media, talking about whether it's a grant or whether it's going to be, you can take that argument and take it all night if you want.

I've talked to the Minister of Tourism and Small Business; he says that the people out there are very happy with that program. The take-up is great. The numbers are just coming through day after day after day, and there's no confusion out there. They're saying, 'Good, if I hire somebody, if I'm going to get \$5,000 for hiring that guy, that's going to help me, and I'm going to make that extra effort. Maybe I would hire that guy; maybe I wouldn't have otherwise.' And that's what the program is all about. It's working

well. The business community doesn't confuse it. Perhaps the Leader of the Opposition . . . The NDP confuse it. Some of the members of the media confuse it. That's to be expected. But the business community out there are not confused, and the business community are very happy with that and I understand the program is working very, very well, and the applications coming in extremely well.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, I don't think any one is concerned about whether or not an individual understands the tax. What we're trying to find out is how you propose to deal with it as a minister, and what I'm trying to find out is: is it available to someone who runs a grocery store and rents his premises and has not made a profit? Is it a new entrant in a grocery store, and therefore does not by and large pay sales tax? He may pay modest amounts on some goods that he's rented — his counters and scales — but doesn't pay any corporate income tax, or any business income tax, and doesn't pay very much taxes to the provincial government. And I'm trying to work out just how this is a rebate — and there's a reason why it should be a rebate — but I'm trying to find out why you call it a rebate so that I can try to figure out whether it should be available to some others who are in the same shape as this person; they don't pay any tax.

HON. MR. ANDREW: — If you have a chap who runs a small corner store and he is going to increase his number of employees over last year because of this program, you have him send in an application form to the Minister of Tourism and Small Business, and they will take care of it for him. We are fully cognizant of the fact that he will have either have paid those taxes or will in the future. There will be no problem for him. He will get his money. Don't confuse it that way with him. Tell him, if he hires and increases his staff and gives another person a job in this province, the government is going to go along and give him his \$5,000. Tell him to apply. Don't confuse him with this tax stuff. It will all work out, simple.

HON. MR. BLAKENEY: — Can I tell the town of Lumsden the same thing, that if they hire someone and give them a job, and they pay their taxes — their E&H taxes on all sorts of things they use, their trucks and that sort of thing — can I tell them that if they pay their E&H taxes on all those sorts of things they use that they can come in and get the same tax rebate?

HON. MR. ANDREW: — The town of Lumsden was not our idea of a . . . small business. Small business is a person that goes into business. You used to be in business practising law. That's a businessman. The town of Lumsden is a form of government. It's called a municipal form of government. They don't apply. What we did was we targeted this whole project towards people that are involved in small business, and that means the lawyer; that means the corner grocery store; that means a small contractor; a thousand other small businesses. The heart and soul of the Saskatchewan economy outside of agriculture is small business. That's the area we targeted towards. Those are the people that are really going to pull the economy back out of its down-cycle, and that's where we targeted that whole program — toward small business.

Now I know the members opposite always can be critical of the business side — always can be critical of the business side — that everything, somehow, because it's business, it's wrong . . . (inaudible interjection) . . . And as the member from Shaunavon just says, 'Well, it's capitalism.' So it's wrong. That's the type of system that they're against. Well, I can assure you that I believe, I think, with all my soul, that the small business in this province and across the country is a fundamental and important element of our economy. You people don't agree. That's your philosophy. Ours is different. We believe

that the private initiative of the individual running a small business, employing some of his capital, is a primary and fundamental system of our economy of this country and of the western world. We support that. You are against it. That's where we differ. Fine. I believe that right now, the people of Saskatchewan think our system is better than your system.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, the Minister of Finance is talking a great deal of rubbish . . . (inaudible interjection) . . . Well, members opposite may talk about small business but I venture to think that the member for Elphinstone, and the member for Elphinstone's father, and the member for Elphinstone's grandfather were in business a lot longer than almost anybody across there has been in private business . . . (inaudible interjection) . . . Yes, yes, yes!

MR. CHAIRMAN: — Order, order!

HON. MR. BLAKENEY: — It's never been small business that our party's been against. It's been business that has monopolized and driven out of business, small business. I think of our own situation. I think of the situation of our own family, and my dad was in small business and my brother ran that same small business, and that my brother has sold his business and closed it. And he has closed it, not because of any governmental activity, but because the customers to whom he sold had been bought up by a chain of . . . a grocery chain who bought their own wholesale house and his wholesale business was out. And that is what is happening. And when we talk about what is happening in the business community, it's not any objection to small business.

I will invite small businessmen . . . After this government has been around for two years I will say to them, 'How does your profit and loss statement look under two years of Tory government and the last two years of NDP government?' And that's the acid test of whether you're doing a job for a small businessman. That's the acid test. And you people are failing the acid test. You're failing the acid test because small businessmen are not going to do as well; they're not doing as well and they're not going to do as well; and any small grants that you make, whether or not called tax rebates, are not going to compensate for the lack of economic activity which your policies are bringing to this province . . . (inaudible interjection) . . .

MR. CHAIRMAN: — Order, order! Allow the member to make his comments.

HON. MR. BLAKENEY: — Mr. Speaker, I think we have established the fact that what the minister is talking about is a grant, and he's going to give it to a certain class of people. Fair enough — and they're a worthy class of people; no one denies that. It, I think, if it were designed to assist job promotion, might well have been given to other people who promote jobs and who carry on business activities. And if there is a road ambulance company out there that runs a road ambulance and they hire an extra person, the Ajax Road Ambulance Company, fair enough. You're going to give them a sum of money. It seems to me that if in the next town the road ambulance is run by the union hospital board, the same type of business activity, hiring the same type of person, they might at least get the same type of assistance from your government, not because . . . We're not arguing that they are 'a small business'. We are arguing that they provide the job and — after all, we're trying to provide jobs for our young people and for others — that it is a perfectly proper and appropriate role for a hospital board to run an ambulance. It's perfectly proper and appropriate to be run privately, but certainly properly and appropriately that it be run by the hospital board. If they provide the extra job, they should get the extra money. They should have the same incentive. This is the position

we take. The member opposite may feel differently, and we're not, in any way, suggesting that the business people who provide extra jobs shouldn't receive some recognition from the government opposite. We have no concern with the minister excluding activities which are purely governmental. But if it's a business activity, like running an ambulance, it's just as much a business activity if it's run by the hospital board as if it's run by the ABC Ambulance Company. And the job is just the same type of job, with the same pay cheque, and the same stimulus to the economy. That's the point we make.

Mr. Chairman and Mr. Minister, I would like to refer the minister to his budget address and pages 30 to 34, and particularly to the value of manufacturing shipments. And he has such an economic indicator there, as he will note, on the middle of page 30, Mr. Chairman, I wonder whether the minister would indicate what he feels the value of manufacturing shipments is likely to be in 1983. He has got the figures for 1981 and 1982, and a significant decline in 1982, and I wonder whether he will give any projections for '83.

HON. MR. ANDREW: — Well, we don't have projections for that. We don't have projections for the value of manufacture shipment for this year. Those are figures basically we take.

I would like to respond to a couple of the points the hon. member made. I would like to respond to a couple of the points that the hon. member made with regards to the small business program. Number one, you have to bear in mind that we had the JOBS program that we joined in with the federal government. And that program is geared primarily to non-profit organizations, but mostly to municipal councils, municipalities, that type of thing. So that's where that was geared to. We put a fair amount of money into that. And we believe that local government, like provincial government and senior levels of government, have an obligation to some of the lower income people, to try to hire those type of people onto jobs. And we would hope that under the JOBS program, in conjunction with the NEED program, we could hire some of those.

The point that you make, I believe — and here's where the problem comes — is that you indicate that, 'Why shouldn't the municipality get the money equally as much as small business?' Now we targeted to small business as opposed to municipality. Your argument then goes on, 'Well, the municipality is creating a job every bit as much as small business is creating a job.' Or, 'The municipal funded group is creating a job every bit as much as small business sector is creating a job.' But if you use that same argument, you wouldn't have started the hoot and cry after the budget, that the only people who were going to get this program is going to be big business — Shell, Hudson's Bay, Imperial Oil — that was your criticism of it.

Now they're hiring people. If we're to follow your logic, they're going to hire somebody off the unemployment rolls or somebody else, same as anybody else. They're going to hire it.

That concern was not there because, as I understand from the minister, there was none of those. Now, the only other thing I would say in closing would be this: the hon. member makes reference to his father and to his grandfather having run a small business, and I fully understand that. I've also heard the hon. member say very often that both his father and his grandfather were Tories in Nova Scotia, and damn proud of it.

So what does that say about small businessmen? It says small businessmen tend to support what we're talking about, and less to support the socialist view. You say that within a year's time small business is going to be running to the doors of the NDP to buy memberships. I suggest that they're not. I suggest the small business community in this province is happy with the government. They believe the government is responsible. They believe the budget was a responsible budget, and I believe that the small business sector of this province are going to support this government for a long time to come.

SOME HON. MEMBERS: — Hear, hear!

HON. MR. BLAKENEY: — I wonder if I could recap one other thing that we dealt with earlier. The minister has indicated that we had spent a good deal of money for the public sector governments and that sort of thing in the JOBS program. I noted that the estimate for the JOBS program was \$10 million for '82-83. And as I understood you to say, it was underspent by around 7 million, so that in fact perhaps two or three million dollars will have been spent in the last fiscal year on the JOBS program. Did I understand you correctly?

HON. MR. ANDREW: — What you understood there was this: whether rightly or wrongly, when the federal government came out with their program called the NEED program (new employment expansion and development), we indicated that we would, instead of trying to set up a parallel organization and bureaucracy to try to screen this through, throw our money in with the feds' money and collectively we'd try to get the program going. Now we got most of our program up and running fairly quickly. The problem we ran into is a lot of bureaucratic problem with the federal government with approving programs. The problem is that they ended up with each of the programs had to be cleared through various stages of the bureaucracy and finally had to have the stamp of approval from the minister on it. And we believe that's an unfortunate happening of the federal government and quite frankly a lot more of their programs could have got up and running.

We put our money collectively into the pool of the federal government. The federal government for all intent and purposes are the screening people and the people that are really holding the program up. So I suppose if we can be criticized for that, then we should be criticized for it. Clearly it was not our fault. We tried all in our power to expedite that, to get it moving, and I'm sure that you know, if you've ever tried any joint operations with the federal government, what is well-meaning and good-intended at the start sometimes doesn't always work out that way. However, having said that, we're still optimistic that program can take a number of people that are destitute, that are people that are falling off UIC or on UIC now, and give them a meaningful job to do. I think that's what those people are asking.

So from that point of view —whether the bureaucracy of it is running as well as it should —I do think there is some merit to that program and I wouldn't tend to make any apology for that.

HON. MR. BLAKENEY: — Mr. Chairman, I'm not in any way denying that there's merit in the program. I'm just saying that there's not a whole lot of money in the program, and merit is splendid, but when it comes to paying wages it helps to have some money in the program. And when we're talking about expenditure last year of perhaps \$3 million, that's not a large spending of money. You're indicating that the delay comes about because of delays of the federal government. Perhaps so. Too bad, but it's just as bad

for the person who's looking for a job.

With respect to the value of manufacturing shipments in 1982, I'm sure the minister will have noted in his budget speech that this is down by 6.5 per cent in nominal terms and probably 10 to 15 per cent in real terms. Retail sales, up from 3.8 million to 4 million, up about 4 per cent in nominal terms; in real terms down about 5 per cent. I'm looking at value of investment — public and private investment — down from \$5.1 million to \$4.7 million, down 7 per cent in nominal terms; and in real terms down probably 14 or 15 per cent. That is a very unspectacular record in 1982, and I'm wondering whether the minister believes that his 1983 figures will be significantly better.

HON. MR. ANDREW: — Well, I suppose we can go all day if you like, and say that . . . Now your argument is basically: 'Because I'm not the government anymore, things aren't as rosy and beautiful as they used to be.' Our view is that the people of Saskatchewan quite frankly are prepared to look at a government that's prepared to face up to the problems. Sure, we've had reductions in, had problems with regard to manufactures, with regard to people buying our product. There's a world recession on, and when the world recession is on, people don't buy as much of the product that either you manufacture or you produce the raw materials. They don't buy as much of it and the price tends to be lower because of that — supply and demand. So I suppose we can't do a great deal about that other than bear with it, do what is reasonable, try to make do with the best that there is.

I think if you want to look at the projection as to what is coming, you can, as I said earlier, take the numbers in the statistics that you want; we can take the statistics that we have. I was encouraged a couple of weeks ago when the new chairman of the Royal Bank was in Saskatchewan. He indicated that over the decade of the 1980s, Saskatchewan is going to probably have the healthiest economy of any province in the entire country. Now you can perhaps say, 'Well he's all wrong,' or 'He's all wet.' But I take those kind of figures as very encouraging.

We were optimistic in this province that the potential is here; that we have one of the greatest provinces in the entire country; that we're going to have one of the greatest gross of any province in the entire country. People are prepared to face up to the reality that there is a world-wide recession and that world-wide recession is having an effect on the purchase of goods manufactured or produced in the province of Saskatchewan. I hope not only for the province of Saskatchewan, but basically for the entire world, that that recession turns around and that recovery is strong, and everybody else has more money and buys more goods. Everybody's going to be better for it.

But it's not going to do anybody any good to simply sit around and day in, day out, saying, 'The world is falling in and the sky is falling in, and the economy is going to hell in a bread-basket.' Where does that get you? Where does that get anyone? I've always been of the view when times get tough, then you just simply face up to it, and not be loom and doom and not be pessimistic, but have a sense of optimism about you. Have a sense that the world is going to be better, and people slug together and pull together and make it happen, and make a better world for it. And that's what we're in right now.

I believe that that's the sense of the people. Perhaps you feel different. Perhaps you want to hear doom and gloom and you want to hear pessimism spread to the people of this province and this country. I don't happen to believe that. I don't believe it's healthy

for the economy and I don't believe it's healthy for the individual and the whole health of the individual. Surely we want a system and surely we want some leaders who are prepared to go out and be optimistic — be optimistic — that things are going to get better, and collectively in this country, we are going to make it better. The world is going to turn around. The recovery is in fact happening now, and I think people are going to be happy about that.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, what always surprises me about that sort of a statement is the built-in assumption that the world recession started in April or May of 1982. A few figures will indicate that the world recession has been around for quite awhile before that, so that when we contrast 1982 with 1981, we're contrasting years, each of which was a year of world recession. There can be no denying that. The proposition that somehow the world just got into a recession because the people of Saskatchewan elected a Conservative government is not true. That may indeed have contributed in our little part of the world, but there was a very significant world recession on in 1980 and 1981 and 1982. And, therefore, it's perfectly reasonable to ask how you people are managing the world recession, because we were living in a world recession prior to April of 1982. And no one can deny that. A simple look at the figures all across the world will indicate that.

It is our submission, of course, that we were doing rather better — that we were doing rather better — that there was not the widespread unemployment then that there is now, and that the minister of finance of that day didn't need to report all of these dismal figures which the current Minister of Finance needed to report in his budget speech. He didn't need to report that, in real terms, there was the decline in manufacturing shipments and the decline in retail sales and the decline in public and private investment. He didn't need to report that. But this time we do.

Admittedly, there may well be a larger impact now because of oil or because of some other commodity, but I hope no one is suggesting that the U.S. farm economy just got in trouble last April or May. That is hardly true. Or I hope no one is suggesting that the international uranium market just dropped April or May of last year — not true. There were lots and lots of problems prior to the government opposite assuming office. And members may well remember, when the members opposite were in the opposition, they found a great deal to criticize with respect to the way we were managing affairs. Fair enough. And they were pointing out that power rates were too high, and that telephone rates were too high. Many people would have characterized those comments as doom and gloom. We did not. We just thought that they were the criticisms of an opposition which is attempting to call to the attention of the people real problems and asking the government to address them. And that's what we intend to do just as you did when you were in opposition.

The fact that you don't want to address them, but rather want to avoid them by labelling them doom and gloom, rather than addressing them as real problems of real people and saying what you're going to do about them . . . And it may not be that they can all be solved, but they can all at least be acknowledged. And they can all at least be acknowledged and not passed over with saying, 'We can't even admit they're there; we must be optimistic, we must be upbeat, otherwise people will be downcast.' People are very realistic. They know whether there are problems out there and no amount of optimistic hype is going to make them believe there weren't problems. What they want to hear from their government is what the government proposes to do. They don't really want to hear how great things are going to be, although they're not averse to a little bit

of optimism. They would be much more pleased with a little bit of realism as to what the government proposes to do — what the government proposes to do about the value of manufacturing shipments which is going down, and is there something the government can do, and if so, what they have in mind. Those are the sorts of things which we are addressing and which I think the public want us to address.

The question I want to ask the minister is this, and I'm asking now about his broad budgetary policy. He has said a couple of times on a number of occasions in the House, and I quote now from July of '82, but I could have quoted from others:

We intend to pursue a fiscal policy over the next four years that we are in office that will lead toward balanced budgets in the province of Saskatchewan over a four-year cycle.

That well-known statement by the minister, repeated a good number of times — my question to him is: is that still the policy of your government? —

HON. MR. ANDREW: — We obviously would like to get back to the balanced budget. I think anybody who is in the job of Minister of Finance would like to do that. That's clearly the direction that we would like to go with . . . (inaudible interjection) . . . The member from Quill Lakes starts talking about deficit policy. I look at the members opposite and they really are hoisted on their petard on this one. They're really hoisted on the petard on this one. Here we have their national leader. Eddy Broadbent, and he goes into Hamilton — six months ago was it? — and here is a new policy of the NDP. A new policy of the NDP; we're going to hold the line on the deficit; start reducing the deficit down; and, whoa! Organized labour just went up in arms. And so all of a sudden the NDP policy is no longer balanced budgets — just let them go higher and higher and higher.

Well, that's the policy of your national party. That's the policy of your national party, and that is the policy of every NDP party across the entire country — higher and higher deficits; more and more government spending. Best example in the province of Manitoba dwarfs us, dwarfs us by what they're doing.

Now you're talking, then . . . Okay, are we going to be in a . . . Should we have a deficit or shouldn't we have a deficit? Our situation is basically that our target . . . My target would be to come back to a balanced budget situation, and I am convinced that we're going to get back to a balanced budget situation. I am convinced that we will start that trend very soon, Mr. Speaker. I believe that we are going to approach that in a proper and reasoned way. And the way you're going to do that is to control your expenditures.

And if you're going to control your expenditures, then you have to control things like salary of the public sector. You're against controlling the public sector salaries. We believe that seven per cent is a reasonable and fair amount of money to be paid to the private sector by the public sector. You're against that; you would rather let it go twice that high.

So when you say one thing with regard to the deficit, then you have to be, I think, as a reasoned person. You can't call, number one, for further and further expenditures: no cuts, no cuts, higher salaries, higher salaries, no cuts, no deficit. And the only thing you can get to that . . . The only way you can get to that route is higher and higher and

higher taxes — higher and higher taxes, that's what you're looking at. Our expenditure base in this budget was under seven per cent and that is the best expenditure base of any province in the entire country. We're proud of that. We're proud of that. With regard to the deficit, we are very cognizant of our credit rating in New York. And we, I believe, we believe . . . We strongly believe we were . . . The people were down there last week and they're confident that our credit rating is in good stead. And that can't be said for some other provinces — many other provinces —including Manitoba, including your home province of Nova Scotia, who have both been downgraded. So given that, I suppose yes, we are going to move towards a balanced budget. But we are going to do it in a responsible way, and when that happens it's going to be a product of when and how fast the recovery takes place. And that's the best I can say. I'm certainly not going to make a commitment that I'm going to cut social programs, cut health programs, in order to balance the budget, because I won't do it. And neither will we increase taxes — sales tax, income tax, etc. — in order to balance the budget. We won't do that. It's not appropriate at this time. As it becomes appropriate, then we'll move in the direction of balancing the budget, but not until.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, I'm always amused when the minister is seeking to compare our fiscal situation with that of Manitoba, which simply does not have the revenue base. And incidentally, when it had its last Conservative government there a couple of years ago, it had a deficit every single year in the Conservative regime, at a time when we had a surplus here every single year. I noted the member for Kindersley was then not comparing the two, nor were we, because our situation was frankly better than Manitoba's, and is frankly better than Manitoba's, and ought to be better than Manitoba's.

If we're talking about large deficits —and I don't lay this at your door, but I well might — I don't think anyone can match your party compatriots in Alberta at the moment. They're looking at a deficit of somewhere between \$2.4 billion and \$3 billion, the largest per capita deficit in any province. So, that is hardly a particular example for us to follow. As for what the NDP say, I think that there's no point in our arguing that; it's what the NDP does, that is . . . (inaudible) . . . perhaps the acid test, and the acid test is 11 straight surpluses and I somehow don't think that the members opposite are going to manage that. I don't think that they're going to manage that. The supposition that 1971 to 1982 were all beer and skittles in Canada is rebutted by the fact that countless Tory governments had countless deficits all during those years, and in Manitoba, and in Ontario and the rest, so it's not all beer and skittles.

The question I want to ask the minister is this: does the minister agree with a statement as follows — that government deficits and more particular failure by our governments to understand their implications for further progress on rates could threaten the lower interest rates we all want to see? Do you agree that persistent and prolonged government deficits promise the people of Canada high interest rates in the future?

HON. MR. ANDREW: — I don't think it's quite that simple. I think clearly that deficits are to be shied away from as much as possible, but, you know, you have to look at the options as to what you're looking at. Surely and clearly, if deficits move up like they are, in particular the federal government, federal government of the United States, then clearly those problems start to have an impact on interest rates. I doubt very much that if our deficit went from \$200 million to \$300 million in one year to the next that it would have a great impact on the interest rates across North America. I just can't believe that that would probably happen, but it certainly would happen . . . Governments like the United States, running close to 200 billion — those would have an impact on inflation.

And I suppose in final in closing, that we were making some comparisons to the province of Manitoba. I would simply like to advise the minister that I have just received, and heard the results of Brandon-Souris, and Lee Clark of the Progressive Conservative was elected in Brandon-Souris tonight in the by-election.

SOME HON. MEMBERS: — Hear, hear!

HON. MR. BLAKENEY: — Well, I must say that we can hardly be surprised. Mr. Dinsdale held the seat for 21 years, was it, and it has been retained by the Conservatives.

I want to make the point that while it's true that no single government contributes to the problems of government deficits sufficiently to affect North American interest rates, with the possible exception of the U.S. government, all governments acting together certainly do, and this is the point being made by the person I quoted who is Mr. Harrison, the chairman and chief executive officer of the Canadian Imperial Bank of Commerce, and I doubt whether I will be accused of quoting from a New Democratic Party stalwart when I quote Mr. Harrison . . . (inaudible interjection) . . . Not so. I was just making the point that prudent administration is something which is urged by many people, including the New Democratic Party, but also including, strangely enough, the Canadian Imperial Bank of Commerce.

The question I want to ask this time has to do with a guarantee which may be issued, or perhaps has been issued by the Minister of Finance dealing with a drag-line, and I wonder if the minister can advise whether he's been called upon to guarantee any securities of a company in the amount of about \$45 million in respect of the purchase of a drag-line.

HON. MR. ANDREW: — I understand you're going to have to bear with me. This is a Sask Power operation that we simply became involved in. It's rather a complex financing arrangement. Manalta issues to Sask Power notes. Under the rules, Sask Power, of course, cannot guarantee anything else. They then turn around and sell the notes to the public at 45 million, 20 years, 12.75 coupon. It's not bad. They sell those to the public; the Government of Saskatchewan guarantees the endorsement of those notes by Sask Power as they're marketed. So you can cut that any way you want. We see it as a reasonable deal.

HON. MR. BLAKENEY: — In effect then, Manalta Coal is giving promissory notes to Sask Power; Sask Power is endorsing them; and the Government of Saskatchewan is guaranteeing them, or . . .

AN HON. MEMBER: — Endorsing them.

HON. MR. BLAKENEY: — Well, let's not be too . . . The order in council 727 of May 5th says:

Guarantee by the province of Saskatchewan. By virtue of the powers conferred by the legislature of the province of Saskatchewan, and an order of the Lieutenant-Governor in Council, the province of Saskatchewan hereby unconditionally guarantees to the holder of the promissory note for the time being the due and punctual payment upon default.

That's a straight guarantee. And any way you slice that, that's a guarantee. You

guarantee 'the due and punctual payment' by the Saskatchewan Power Corporation as endorser, and perhaps you can argue that's a guarantee of the endorsement, but it matters not. The province of Saskatchewan, and therefore the Minister of Finance, is guaranteeing the due payment of this money. Is the minister aware of whether or not the minister of Sask Power has any security for, respectively, the guarantee or the endorsement? Or is this a gratuitous guarantee of some securities issued by a private company?

HON. MR. ANDREW: — I'm not completely cognizant of the entire security, other than that the security is written into the coal agreement, which means that if Manalta was to default, you would have a first charge on the drag-line and on various other assets of Manalta, probably including the coalfield. I'm not sure of that other than that the guarantee is a fairly solid guarantee. And what it is is a financing mechanism that got fairly inexpensive financing for Sask Power, that has the net result of being passed on to Sask Power, which is an administrative step to try to lower the costs of operation of Sask Power. I suppose you can criticize that and say we shouldn't have done it. Then we would have had to get a few more dollars from the power bills, and so we sought ways of trying to avoid that. And that's the purpose of it.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, does the arrangement involve the Minister of Finance operating a sinking fund?

HON. MR. ANDREW: — I understand the answer to that is yes, under the conditions of the notes, etc.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, has the minister done any calculations of what loss this will mean to the Minister of Finance in the collection of corporate income tax, by selling the drag-line to Manalta in this way, the reason for which I think few will deny is to permit Manalta to claim capital cost allowance against the drag-line of \$45 million? I ask the minister whether he's done a calculation of what this is likely to cost him over the next 20 years.

HON. MR. ANDREW: — I'm advised that it wouldn't make . . . There wouldn't be a great deal of difference. We can't be that specific with it, but there would be very little difference from the lease arrangement made before — apparently about four years ago — impacting upon the corporation's tax as this situation would. So there really would be no difference from this situation from the lease situation.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, the lease situation, at least with Manalta, did not involve ownership by Manalta of an asset of that size or that magnitude which was capable of being depreciated or being the basis for capital cost allowance and a reduction, therefore, of corporate income tax. I don't therefore, understand the minister's answer.

HON. MR. ANDREW: — I didn't get the question.

HON. MR. BLAKENEY: — Well, I'm just saying I don't understand the minister's answer in saying that it's similar to the lease arrangement. The lease arrangement did not involve Manalta having an extra asset of \$45 million that they could claim capital cost allowance against and presumably over time reduce their corporate income tax by 45 million, which will cost us more than \$6 million over the life of the deal.

HON. MR. ANDREW: — Well, I suppose only to say that we haven't looked at the taxable

income of Manalta before and after this situation. As you know, in corporation tax, three-quarters of that corporation tax goes to the federal government, one-quarter goes to the provincial government, in approximate terms. But we haven't made that calculation. There could be some; I just wouldn't know what the situation was.

Item 1 agreed to.

Items 8 to 9 inclusive agreed to.

Item 10

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, I wonder if you can indicate why this figure has gone up so much — almost \$4 million between '82-83 and '83-84.

HON. MR. ANDREW: — I'm advised that the UIC rates have gone up approximately 35 per cent and that explains that significant increase.

Item 10 agreed to.

Item 11 agreed to.

Item 12

HON. MR. BLAKENEY: — Mr. Minister, there was obviously a change of policy here with respect to provincial disaster assistance program. I wonder if the minister would outline it.

HON. MR. ANDREW: — They're both, well I suppose, cosmetic. You don't know what you're going to be in for. And if you're in for a big disaster, you could be in for a whopper. If not . . . So, instead of using \$100,000, you might as well use \$1,000. The vote is there.

Item 12 agreed to.

Item 13 agreed to.

Vote 11 agreed to.

CONSOLIDATED FUND BUDGETARY EXPENDITURE

FINANCE — INTEREST ON PUBLIC DEBT: GOVERNMENT SHARE

Ordinary Expenditure — Vote 12 — Statutory.

Item 1

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, with respect to interest on the public debt, would you please give me the gross figure of interest on the public debt, which in a sense is owed by the Department of Finance since all the money is borrowed in their name, and then the net figure following that?

HON. MR. ANDREW: — Okay. I'm advised that the answer to your question is 576,530,900. Page 117, the Crown share is 510 million; government share is 65.853.

HON. MR. BLAKENEY: — Taking the figure of vote 57 on page 117 and page 39, the 510.676 and the 65.853, that is the gross. So it's \$576 million a year we're paying in interest in, for all of the debt.

Would the minister know, on a per capita basis, where Saskatchewan stands now on a gross basis, the gross debt outstanding?

HON. MR. ANDREW: — We're second in the country behind the province of Alberta. And that doesn't take into consideration P.E.I. because of the size, etc. It doesn't sort to fit into the categories. But all other provinces, we are second to the province of Alberta.

CONSOLIDATED FUND DEBT REDEMPTION

SINKING FUND AND INTEREST PAYMENTS

FINANCE

Vote 55 — Statutory.

Vote 56 — Statutory.

Vote 57 — Statutory.

SASKATCHEWAN HERITAGE FUND BUDGETARY EXPENDITURE

RESOURCES DIVISION

FINANCE

Ordinary Expenditure — Vote 12

Item 1

HON. MR. BLAKENEY: — Mr. Chairman, I'm just puzzled . . . Mr. Minister, we're dealing with the 630 million rather than the 632, are we? Not that it's . . .

MR. CHAIRMAN: — I'm sorry. I read the wrong number. It's \$630 million.

Item 1 agreed to.

Vote 12 agreed to.

SASKATCHEWAN HERITAGE FUND BUDGETARY EXPENDITURE

RESEARCH AND DEVELOPMENT DIVISION

FINANCE

Ordinary Expenditure — Vote 55

Item 1

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, I wonder if you would outline for the benefit of the committee just what you have in mind with respect to the spending of this \$5 million of research money? If there are people who have research projects, are they invited to send proposals to your department, or how do you propose to spend that money?

HON. MR. ANDREW: — Well, I think that anyone with certainly an interesting or innovative proposal with regard to research and development, we would certainly like to hear about it. I think the details will probably be forthcoming on that very shortly with regard to the regulations, that type of thing, that we would see. But by and large it's major . . . (inaudible) . . . research and development activities — try to adopt some of the newest technologies towards Saskatchewan firms, that type of thing — any of the areas of high technology that we would see as being practical in the province of Saskatchewan. We would certainly encourage and invite any application from anyone with an innovative idea, I think as any other province would.

Item 1 agreed to.

Vote 55 agreed to.

CONSOLIDATED FUND BUDGETARY EXPENDITURE

PUBLIC SERVICE COMMISSION

Ordinary Expenditure — Vote 33

Item 1

MR. CHAIRMAN: — Would the minister introduce his officials?

HON. MR. ANDREW: — Mr. Chairman, this is Tor Veltheim, Dave Babiuk, Trev Roadhouse, Murray Bender, Rick McKillop.

MR. LINGENFELTER: — Mr. Minister, I wonder if you could tell me how many permanent employees there are in the civil service at this time, if you will give me that number, as well as the non-permanent. I would like a total number. There seem to be some conflicting numbers flying around and I'd like that clarified.

HON. MR. ANDREW: — Total positions by type. Are you ready? Total permanent positions, 11,693; temporary, 676; part-time, 670; seasonal, 39; total, 13,078. And these are occupied positions.

MR. LINGENFELTER: — Can you then tell me, Mr. Minister, how many vacant positions there are at the present time in each of those categories?

HON. MR. ANDREW: — We only have vacant permanent positions and that is 1,642.

MR. LINGENFELTER: — Do you have a breakdown on the vacant positions by department?

HON. MR. ANDREW: — No, we wouldn't have those numbers by department. I think that . . . just don't have them. I assume that you would ask that of each department. We

don't have them. We have a total number and that's all we have.

MR. LINGENFELTER: — Mr. Minister, are you saying you don't have it, or you don't have it with you? If you have it I would appreciate a breakdown of those vacancies, if you could do that for me. It may be impossible, but . . .

HON. MR. ANDREW: — It's going to take some time, but we'll get it for you.

MR. LINGENFELTER: — In wonder, on the issue of the board of the Public Service Commission, if you can give me the make-up of that board at the present time and any changes that have occurred — let's say over the past year — if you can give me an update of who is on the board, the list of names — if you would read that out to me.

HON. MR. ANDREW: — Members of the board are as follows: Tor Veltheim, Roland Muir, Isabelle Butters, Harold Hoffman, and William Fyles who replaced Roland Crowe who had resigned effectively December 8th, 1982. Bill Fyles replaced him; he's the former Public Service Commission chairman and secretary.

MR. LINGENFELTER: — I wonder, can you tell me about remuneration for these individuals, what it is at the present time, and if that has changed in the recent years?

HON. MR. ANDREW: — I believe it's \$110 a day.

AN HON. MEMBER: — It's \$110? Is that a change?

HON. MR. ANDREW: — I understand it's increased from \$80 to \$110.

MR. CHAIRMAN: — Would the members ask their questions from their feet and answer from their feet, so it's on the record? Thank you.

MR. LINGENFELTER: — My question was to the minister: if he could give me the per diem. I guess it would be called, that individuals of the board are being paid at the present time, and I understand it's \$110 which is an increase from \$80. Can you tell me the date of effectiveness of that increase?

HON. MR. ANDREW: — The \$80 — the last time that was changed was April of 1980 when we took over government. The proposal was to increase them at that time. I think we've delayed them for a year. The increases were effective March 9th, 1983.

MR. LINGENFELTER: — What about travel expenses — hotel rooms or meals and that sort of thing — is that area increased as well, or is that just the going rate at any particular time, or is that, as well, a per diem rate that is charged by those members?

HON. MR. ANDREW: — They go by government rates, whatever an employee of the government would get, they would get the same rate.

MR. LINGENFELTER: — Mr. Minister, it had come to light shortly after the election that individuals who were seeking employment with the government were being called on to send their application to the Legislative Building, and I know that we've discussed this letter before from a Mr. Forsythe, I believe, who had asked individuals to send their application to the Legislative Building. I believe at the last time we did estimates, you informed me that that process was being geared down or done away with. I would like

confirmation today that this committee . . . I believe it was part of the transition committee . . . Is it still active? Are people still being requested to send their applications to the Legislative Building to be screened and scrutinized, or has that process been disbanded and the normal process of dealing with the Public Service Commission in place at the present time?

HON. MR. ANDREW: — I take it that you're talking about people going into the public service. They make their application to the Public Service Commission. They're screened there through normal process. If somebody was, I suppose, looking to hire on for the Minister of Agriculture in his office, or something like that, you'd probably send the application directly to the Minister of Agriculture. But otherwise it goes through the Public Service Commission process.

MR. LINGENFELTER: — Then the process of going through a committee here in the Legislative Building, where political input was, apparently in the early days of your administration, being taken into consideration on hiring, is no longer in existence and no longer the practice of the government?

HON. MR. ANDREW: — It doesn't . . . You know, I think the way I answered that question before is that when we took office there was just literally a thousand people writing a letter saying, 'I want to come to work for the government.' There was first of all no jobs. With thousands of people coming to look for jobs, we just set up a mechanism and sent those over into the process here. I think I responded to that last time we did public Service Commission. I said, at that point in time it was done; it certainly hasn't started up again.

MR. LINGENFELTER: — Mr. Minister, you would be well aware that anyone who would write for a letter with the government certainly wouldn't be Progressive Conservative, because they would all be out seeking employment in the private sector, and using your own philosophy which many of your members have talked about many times, you would understand that people who would seek jobs with the government, and work for a Crown corporation or a government, would necessarily by definition not be members of your political persuasion. So therefore I would encourage you not to use a committee like that to screen individuals for their politics. And on a serious side, I would think that practice, which was in place in this government for some months, is shocking and revealing of what you would like to be able to carry out. When it was brought to light, you had to cease that process. I hope that that process does not come back and has been done away with permanently.

I would like to turn to a different area. That deals, I suppose, in part with the transition committee, but mainly to deal with people who have been dismissed by your government. I would like the number of people who have been dismissed since your taking office — dismissed and fired — if you would give me the number of people who have been dismissed or fired since you came to office.

HON. MR. ANDREW: — Well, I'll undertake to get that. I think the hon. member makes . . . I indicated that when we took office, thousands of people came and wanted a particular employment. I was never one to suggest that, number one, just because you work for the government you had to be an NDP. There is a lot of good people that work for the government regardless of their political stripe and there is a lot of competent and good people that work for the government . . . (inaudible) . . .

There were thousands of people applied to work for the government. I didn't know what

their politics were, but they were happy to see the change. They thought that it was an opportunity by which they could come in and work and create a new climate in the government of the province of Saskatchewan. So I think it would be unfair for you to indicate just because they applied for the job that somehow they were tagged politically.

There are 77 OCs that have been terminated. If you would wish, I could go through the list of who they are.

AN HON. MEMBER: — Read them into the record.

AN HON. MEMBER: — If you would.

HON. MR. ANDREW: — Marjorie Benson, Frank Bogdasavich, Elizabeth Dowdeswell, Dennis Foley, Gerry Gartner, Howard Leeson, Don McMillan, Grant Mitchell, John Sinclair, Robert Weese, Florence Wilkie, Garry Wouters, John Scratch, Thomas Dore, Marvin Blauer, Gordon Vichert, William John Dryden, David Walter Goldsmith, Ashley Steven Blackman, Margaret Fern, Wayne Wouters, Gwyneth Monna Weese, John Burton, Barbara Bond, Mervin Buckle, Don L. Faris, Dickson Bailey, Harvey Abells, Normal Bell, Brian Dagdick, Richard Deaton, Craig Dotson, Paul Dudgeon, Linda Dufour, George . . . (inaudible interjection) . . . D-u-d-g-e-o-n, Paul J., George Ford, Maura Gillis, Merry Harbottle, Frank Hart, Harold Hayes, Robert Henderson, Mervin Hendrickson, Larry Iwan, David Kelly, Glenn Lindgren, Howard Lucas, David Penman, Valorie Preston, Faye Rafter, John Rafter, John Reed, John Reid, Karen Rowan, Robert Sass, Arlyne Stoneham, Rebecca Taylor, Randall Martin, John Allan Thain, Yvonne Ruth Reid, Charles William Parker, Wesley D. Ashwin, Murray McConnell, Raymond Famega, Larry Fancy, Lydia Gauthier, Beverly Hamm, Gordon Koshinsky, Kenneth Neil, Louis Roy, Iris Ryhorchuk, Roy Chenard, William Tait, William Costiuk, Lawrence Dean Norton, Vernon Good, David Hawkes, Howard McMaster, Brian Hill.

MR. LINGENFELTER: — Mr. Minister, I wonder if you can tell me what the amount of severance pay paid to individuals who were fired or dismissed, that has been paid out to date to settle up severance claims.

HON. MR. ANDREW: — The total numbers, I think, are contained in OCs which you probably have, and can go through those numbers. The total to date is about 1.3 million. The formula that we use is a formula established by the members of the opposition with regards to when they terminated . . . the 69 people that they terminated prior to taking over government. They had a formula set out. We followed that formula with regards to this.

MR. LINGENFELTER: — The 1.3 million that has been paid out to date: can you tell me how many individual settlements that would be, and how many are outstanding at this time?

HON. MR. ANDREW: — That's about 72 out of the 77. It comes to that figure. About four are left, I understand, pending.

MR. LINGENFELTER: — Mr. Chairman and Mr. Minister, in regards to the women's division, there was much discussion and much debate when the women's division in the Department of Labour was dismantled. And there was talk at that time that some of the people were being transferred to the Public Service Commission. What I would like

to know is: how many positions were transferred to your department, and of those, how many are filled at the present time? And if you would give me a list of individuals who were transferred.

HON. MR. ANDREW: — Six positions were transferred; four were filled at the time; four continue to be filled.

MR. LINGENFELTER: — Can you tell me the four individuals who were transferred and also whether or not you intend to fill the two that are now vacant in your department?

HON. MR. ANDREW: — The ones that are filled now are J. Coombe, M. Bickley, R. Edwards and M. Twigg. With regard to vacancies, I don't know whether we're going to fill them or not.

MR. LINGENFELTER: — As the minister will know, in the Department of Labour the women's division was a unit which was set up with the main interest of promoting women within the public service and was doing, by everyone's admission, an excellent job. What I would like to know . . . Well, I suppose with the exception of the Conservative government, I think are the only people that I have heard who were having a difficult time with that division in the Department of Labour. But what I would like to know, are these four individuals, or six positions, in a block within your department working directly with women's concerns in the public service, or are they spread out and diffuse? Can you give me some idea of how that structure has fitted in to the Public Service Commission and what the outline of their job is at the present time?

HON. MR. ANDREW: — They're working with the affirmative action program of the government dealing with the natives, handicapped and women. It's affirmative action programs dealing with those three groups, if you like, looking at the economies of scale, with regard to affirmative action program of those three different groups, and one of those are women's group.

MR. LINGENFELTER: — Are they spread out throughout the department, or are they working in one area? Is there a section set aside, and if so, what is the title of that division within the public service? Or are they spread out to the point where they are of very little effect, which is what many people were concerned about when they were moved out of the Department of Labour? And the reason for questioning is to find out whether or not what we see to be an attempt to eliminate the women's division in the Department of Labour and that process of putting forward the views and the needs of women in the public service in being carried out, or whether you have effectively done away with that whole process.

HON. MR. ANDREW: — They are what is called a special projects unit . . . special programs unit, and they are all working as one unit in PSC.

MR. LINGENFELTER: — And then the two positions which are vacant at the present time . . . You have no intention right now of filling them, so what you have done in fact is reduce by a considerable amount the number of individuals who are working in that area. I wonder if the commitment made by the Premier some time ago in this Assembly. When that shift did take place, that there would not be a reduction in that service, how you justify that now in light of the fact that you're cutting the staff in this area from six to four positions, and you have no intention of filling the two vacancies as you mentioned earlier. How do you square that with what the Premier has said earlier, that this exact point would not take place? And is this being done with his knowledge and his

permission?

HON. MR. ANDREW: — Well, I indicated that until we see a need to hire two more people within that unit of the Public Service Commission, we're not going to proceed with it. That's not to say that they're not . . . Perhaps two further people would not be hired in Advanced Education and Manpower. If we would see the need bigger there, in other words out into the private sector, as opposed to in the government side, then we would tend to staff-up over there. Until we come to that rationalization, then we're not simply going to go out and hire people because there's two vacancies. We're going to wait and see whether the demand is there for new positions to do a particular function, and at that point in time we'll hire it.

With regard to the whole concept of our commitment to try to get women's concerns forward, I'm perfectly in agreement with the view expressed by the Premier. We undertake to do that, and we believe that we've done every bit as good a job as the previous government has done with regard to employing women in the public sector.

MR. LINGENFELTER: — I'm not too sure what would have to be done by individuals in the province —and maybe you could outline that for me — to impress upon you and your department the need for women in this special project area which you talked about earlier. But I'm sure the women's groups in the province would very quickly tell you that the six people who were transferred to your department probably weren't enough, and to cut that by two positions . . . I'm sure that they will not say that this is satisfactory and could give you some pretty good reasons why you should be filling those positions at the earliest opportunity.

I would like you to explain to me and tell me what kind of insistence and what kind of pressures have to be put on you before these two positions will be filled, because I think it was the understanding at the time that the transfers took place that six positions were being transferred and six positions would be filled in your area. I think it will come as a bit of a surprise to many people that these two positions are vacant, and that the minister is now saying that that's all right; there's no need for the two positions to be filled, and he's not convinced that we have to fill these positions.

I would like you to tell me what kind of pressure it will take before you will see the light: that these positions are needed, that more individuals are needed in your department to promote women's needs and interests in the government and in the civil service.

HON. MR. ANDREW: — I suppose all you can look at is the number of government service female representation as of April 30th, 1982 when we took office, and of April 27th, 1983 in the various categories. Senior management has increased three positions; middle management has increased four positions; first-line management has increased seven positions — seven out of ten positions totally. These are women. There's a total of ten there — seven of them were women. Policy analysis and research, increase of two; human services, increase of 101 over the previous government; technical trades and skills, an increase of 70 over the previous government; technical trades, unskilled, 17 increase over the previous government. So I would say looking at that, the record hasn't been all that bad.

MR. LINGENFELTER: — Well, I'm not too sure where you're quoting your numbers from, but I suppose the obvious area that is very obvious to everyone, at the top of the civil service, would be deputy ministers. My understanding is that at the time the government changed, there were two women deputy minister, and I would like you to tell me whether or not it's true that at this time there are no women deputies under your

government.

HON. MR. ANDREW: — Yes. There has been two deputies that were there before that are not there now. One was Elizabeth Dowdeswell, and the other one was Lynne Pearson. Lynne Pearson moved on to the federal government, and I'm not sure where Liz Dowdeswell went.

MR. LINGENFELTER: — I think this is a good example of the reality of the situation, where you see, I believe, both these deputy ministers who have left their positions to work with other governments. I think it's a sad example of the work and effort that is being done by your government to fill the upper echelons of the civil service with women. And here again I express the need and the insistence that you move quickly to fill the two positions, because this is only one example of the need — I think the crying need — for more women to promote the needs of this group in the civil service. I would like to ask of you that you would use what power you have to see that these positions are advertised quickly, and that these positions are filled, so that those views and ideas are put forward. I think that you'll have a hard time and a difficult time explaining to me or to my colleagues, or in fact to the women of the province, why you have seen fit to cut back from six to four the number of women in that area.

HON. MR. ANDREW: — Well, I can explain that what we're trying to do at this point in time is, through the senior management area, to increase the number of women employed there, so that we can promote from there up into the deputy minister classification. I always get quite a chuckle out of the member opposite talking about his grand . . . that only he speaks for women, and that the NDP are the only side that ever spoke for the women, and that Tories don't. I think one of the important things you have to bear in mind is this government has two women members in the cabinet; they have five women in their caucus; and I don't think that . . . Well, we know you don't have any women now; you didn't have any the last session of the legislature. I'm not sure when it was the last time that you had an NDP woman. There was a member of your caucus . . .

AN HON. MEMBER: — They've never had a woman run until 1982.

HON. MR. ANDREW: — They've never had a member of the NDP caucus has been a woman? Am I to understand that? Never had a woman elected as an NDP in Saskatchewan. Certainly never had a woman in the cabinet of the Government of Saskatchewan. You can hardly stand up there with a straight face, it seems to me, and say that only you speak for women in the province of Saskatchewan. If that was the case, how come you don't have women amongst your caucus either now or in the past?

MR. LINGENFELTER: — You bring up an interesting point about the five women that you have in your caucus. And the comment has been made by members from their seats, that the NDP has not had NDP candidates running in elections . . . (inaudible interjection) . . . No, not one. I don't know. It would be seven, and I'll get a list for the member from Maple Creek. But we have had a great number of women candidates running in the past, and I would expect that in the future that that would continue.

But getting back to the case in point. I suppose that it makes it even more interesting — the fact that you are not filling these six positions, which were there under an NDP administration, when you have five women in your caucus. I would express to them, as well as to you, Mr. Minister, that they use their influence — two of them in cabinet and three of them in the caucus — to use their influence as well, to see that these positions are filled.

I think that in many areas in the past year . . . We need only look in the area of the Saskatchewan Assistance Plan, where very negative changes have taken place, which affect very straightforwardly the women of many families. When we see cut-back in certain areas in the Saskatchewan Assistance Plan, where we see the lack of increase in day care subsidies being paid, even though the inflation rate in Saskatchewan is at about 7 per cent, we are seeing cut-backs in the area of actual moneys being paid to day care centres, even though you have a cadre of five women MLAs.

I would say to you, Mr. Minister, that you use a poor example when you say that having that representation is the only reason that women's views are going to be made known to the public, and that more women will be increased — and included in the public service — and so I think that is not a terribly good explanation for the women of the province as to why the two positions which you are seeing fit not to fill at the present time.

HON. MR. ANDREW: — Well, I mean I'm not sure how you respond to it. We have for the first time ever, the first time ever in the history of the province of Saskatchewan, women represented on the treasury benches of government — first time in history. We have the largest contingent of women that are members of a caucus, and it's the largest number of women ever to sit in this Assembly.

We have more women working for the government of Saskatchewan now than worked for the previous government. We may have fewer employees, but there's still more women. I suggest to you that you talk with a pretty hollow voice, my friend, a pretty hollow voice, when you criticize this government for its commitment to women and to women's issues. We have done a far better job than you have done. The proof is in the pudding, my friend. You haven't elected women in your caucus; you've never had them, and you should be ashamed of it. And when you talk about women's issues you're talking with a hollow voice, and you are the one that should be looking inside at your party, just to see how well you've done.

SOME HON. MEMBERS: — Hear, hear!

MR. LINGENFELTER: — Mr. Minister, you can say that I have a responsibility to see that certain people are elected, but what I am saying is that the five women who were elected in the last election — I'm very happy to see that women were elected — but what I'm saying and asking now is that they use their influence within the caucus and within the cabinet to see the things that negatively impact on women — including the staff that you need within your department — are put in place; as well as increases in day care, for example; as well as cut-backs in the Saskatchewan Income Plan which reflect basically on women and the family at home.

I would encourage them to insist that this kind of sending take place, that deputy ministers be appointed who are women. I'm sure that all members of your caucus should be impressed upon them that the need for this kind of representation in caucus, in cabinet, is important. And that's the point I make, and I think that it's important that all members of your caucus take that view and insist to you that these two positions are filled, so that women's views are made known and represented from the public's point of view.

HON. MR. ANDREW: — Well, the logic is as follows: that we have two vacant positions in the women's division, or the group in Public Service Commission, and they would be

able to do all — collectively the two of them — more than the five women that we have in our caucus, the two women we have in our treasury benches.

I can advise you, while you perhaps didn't like it, I understand that there has been a large number of letters sent into this government congratulating this government on moving the women's division — into, number one, the Public Service Commission, and into Advanced Education and Manpower — as a positive move, and out of the Department of Labour, where nobody could ever understand why that was sitting there anyway. We have had positive reactions to that; perhaps you've had different ones. I simply say to you that we don't take any back seat to the NDP, ever, with regard to women's issues, and we will stand with you, toe to toe on those, at any time, any place.

MR. LINGENFELTER: — I would ask that the minister would table those hundreds of letters. I just simply don't agree with him that there is a ground swell of approval of the movement in the shut-down of the women's division in the Department of Labour. It's funny they haven't talked to reporters and the press, because the press that I have seen on the issue, and the letters that we have received, and the representation that we have received is quite contrary to what you're saying.

On another issue, Mr. Minister, I would like to ask you about the guide-lines for the civil service. You had talked earlier about guide-lines that would be put in place so that individuals, I suppose like Sharon Young and Harry Van Mulligen, who got caught up in the problem that you seem to have one set of guide-lines for those who support the government, i.e., Rene Archambault, and another set for the Harry Van Mulligens of the world . . . Whether or not you have come to grips with that problem and whether or not you are in the process of developing guide-lines for the civil service at the present time.

HON. MR. ANDREW: — Well, as I indicated before, that what is happening now is the Ontario situation is before the Supreme Court, I understand it was going before the Supreme Court in June, and that was always my understanding before. We are simply saying that we will wait until — what many believe — directions will come down from the Supreme Court on the interpretation of the charter of rights, just exactly what those rights are with regard to political activity, and we will act accordingly to the directive of the Supreme Court. So we are in contact with the province of Ontario. We are watching and waiting to see what happens there, and you know, I think that you can make a lot to do about Harry Van Mulligen of the world, but there's 13,000 people working for the civil service and I think that the problem is not near what the members opposite and some of the members of the media would have us believe, that everybody is hiding in a civil service of this province are functioning very well. They're functioning at a level of numbers below what they were before, they've had some additional programs added on to them, they work very hard, and I say that they should be commended. By and large the civil service of this province should be commended of being doing a very good job. And I think you try sometimes in your whole view to paint that somehow there is some kind of a system out there where everybody is sitting, shivering and shaking in their boots. You know, a lot of people that work for the government don't want to be politically active. The largest majority of the people that work for the government want to come and do their job and do it well, and don't want to be politically active. You're the one that tends to want to encourage that, I would suggest.

MR. LINGENFELTER: — Mr. Minister, I think that the point of this whole argument is that those people who want to be involved politically, whether it's the brother-in-law of the Premier, Rene Archambault, and whether he wants to canvass in P.A.-Duck Lake. I don't argue with that point. But what I'm saying is that if another civil servant who works for

the land bank commission, at the time it was in existence, or lands branch, if he wants to go to the same constituency and campaign for the Liberals, should be allowed the same privilege and the same political freedom.

That's the question. The question isn't whether or not we're encouraging people to become politically involved with any party. What we're saying is that when Harry Van Mulligen gets up in city council and says something that doesn't fit, doesn't fit with the Conservative government's policy, you have one policy for him, but when it's the Premier's brother-in-law, who works for the government, and wants to campaign in a by-election for the Conservatives, you have another policy for him.

That's the thing that the guide-lines were about. So you trying to diffuse the issue by saying that we're attempting to make everyone political, is a bunch of baloney and you know it. And the question is, when do you intend to come forward with guide-lines? You have used the escape that you're waiting for some decision in Ontario. But what we are saying is that you already have a policy in place — and it's very clear. You have one policy that if you want to campaign for the Conservative Party, it's all right, but if you want to campaign for any other political party it's not. I say that that is unfortunate, and I believe that that's the first time that has been the law of the land in Saskatchewan.

You have been quoted, and I quote from a *Star-Phoenix* article of January 15th where you have talked about a white paper. I quote:

Bob Andrew, minister responsible for the Public Service Commission, says rules might take the form of a white paper encouraging public input before a final version is drafted.

And you are the one who is accusing me of having public input in getting the public involved in this process, which I think is a very legitimate process, but here you are quoted in the *Star-Phoenix* saying the same thing. Now here tonight, you're saying the public isn't concerned and shouldn't be concerned.

What I would like to know is for you to clarify that point — whether you think the public should be involved in a white paper or whether they shouldn't be.

HON. MR. ANDREW: — Well, I would have no problems with the white paper. The only problem I have is that if the Supreme Court comes down and interprets the constitution in such a way that you have to be A, B, and C, then obviously we're going to have to carry on A, B, and C, and it's not going to be whatever the people of Saskatchewan's views might be on it. If the Supreme Court says, 'Here's the conditions that it must be for employment, and here's the political freedoms you must have,' then that's the law of the land and we must live by that. That's all I'm simply saying that we're waiting for.

You talk about dismissals like everybody that has been dismissed by this government has been dismissed for political reasons. I didn't hear you standing up and wailing and crying and kicking your feet when the member for Regina North, when his son was terminated from SGI. That was no problem.

I would like though, to go out . . . I was speaking at an annual meeting of the member from Canora. I was out there and there was about 250 people at the meeting; it was a good crowd. And the one thing that people came up to me and said is, 'You know, it's really great that there is a new government.' And I said, 'Yes, I know that; I feel the same way myself.' And the reason that they like the new government was this: in the town of

Canora they felt, and most importantly the thing that they felt, was that they could walk along all of a sudden and say what they were. You know that, 'I'm not a member of the New Democratic Party.' Where before, whether they ran a small business, whether they were a SGI insurance agent, or anything like this, that somehow they were afraid to . . . Either that they had to go the party line of the NDP or somehow they were going to be stepped on. There was a sense out there of fear almost.

And you can say 'Oh' if you want. I've heard it hundreds and hundreds of times, and I dare to say every member of this side of the Assembly has heard it hundreds of times themselves. For people are happy to say, 'Finally I've got a sense of, that I can be part of it too, and don't have to be sort of under the thumb of Big Brother.' And there was a big sense out there that they were under the thumb of Big Brother, whether they were in business, whether they were in a job or what they were in. They feel far easier about that whole situation now — certainly the people that I've talked to.

MR. LINGENFELTER: — To answer and speak to some of the comments you made in the response to whether or not you're having a white paper on civil service guide-lines. You got a little carried away, and I'm sure the chairman of the committee will allow me the same freedom in talking a little bit about the fear that does in fact exist out in the country by many people who work in the Crown corporations and in the civil service. And many of those people, when they think that the time is right, will speak to one and tell them that they can no longer be involved in a political movement other than the Conservative Party, no longer can come to public meetings, no longer can be involved politically for fear of repercussions which will come in dealing with their job by the government.

Of course, the reason that they say that is well founded because the examples of the individuals who have been fired by your government for political involvement, the people who have been moved around — the Sharon Youngs, the Harry Van Mulligens — for very innocent types of political activity, would lead them to believe that if they were seen at a public meeting sponsored by the New Democratic Party, whether they were members or not, or at a Liberal meeting, that their job would be in jeopardy. You may try to explain to me how there was great fear prior to April of 1982, but I tell you it's a different story than I get when I go to very similar meetings, whether it's in Kinistino or Moose Jaw or Shaunavon or Maple Creek, because the people who work for the government are telling me that they can no longer belong to a political party and have a job unless it's the Conservative Party of Saskatchewan.

And your comments of the great freedom is something like the Minister of Highways talking about the great freedom that he gave to the people he dismissed from the Department of Highways. It simply isn't believable, Mr. Minister, and I would challenge you any time to go to the individuals in the civil service, although they probably wouldn't tell you because if they did they would lose their job tomorrow. And that's the attitude out there. It's quite different from the one that you attempt to give us here tonight.

But getting back to the original question, I would like to know whether or not you still intend to go with the white paper the way you informed the public in January of this year.

HON. MR. ANDREW: — I indicated that I am going to wait to see what the Supreme Court rules and then we will act accordingly. If they leave us enough running room, then clearly the white paper is an option.

The member makes reference to people being afraid to go out to the NDP meetings. Well, prior to us forming government, and we used to watch them on TV back in April of 1982 — NDP meetings — and I didn't see many people there that were probably civil servants because I didn't see many people there that were young enough to be civil servants. Most of them were 65 years of age or over. Most of those people had already retired from government, if they'd worked for government for one time or another. So I would suggest that your suggestion is somewhat hollow with regards to that.

With regards to the area of people working for the NDP, I am sure that you have . . . The alderman from Regina that works for the Department of Co-ops that ran for the NDP in . . . Oxelglen — I think he's still working for the government. I think Pat Atkinson, who ran for the NDP in Saskatoon, is probably still working for the government . . . Various other people who have not only been active in the NDP, but have ran as candidates for the NDP — still working for the government. So I suggest to you that perhaps you'd better have a second look at that before you make all those wild accusations that you've been making over the last period of one year.

MR. LINGENFELTER: — Mr. Chairman, I'm sure that the statements that I have made here tonight about fear within people in the civil service . . . I suppose the people who come to me and to other members of our caucus, I suppose they will be convinced by your little speech here tonight. You may hope that they are, but I can tell you that there is a fear within the departments. I hear it regularly; it's not going away. In fact many of the people within the civil service feel very stifled because they feel that they cannot come forward with new ideas that would challenge anything other than a Conservative view.

I say to you very simply that you're losing a great number of good ideas because of this fear that exists within the civil service. That may only be my opinion, I don't know, but I get it from a good number of people, both within the city of Regina and in the smaller communities. I would challenge you any time to express to me, or tell me, where that fear was before April of 1982, because it very simply was not there and is there now. I think that we're losing a good number of potential people, not only the ones that you dismiss, but the ones who would get involved in the civil service if they weren't fearful that if they were to become involved in politics at some time in the future, that they would not have job security.

I think we're losing in two ways: one, the people lose freedom because they can not be involved in politics, and secondly, we lose a great number of people who will not become involved in the civil service because of the fear that exists at the present time.

I'd like to ask you, Mr. Minister, on the policy of hiring executive assistants: can you explain to me why the new policy of signing letters of agreement, or whatever the new policy is — I believe it's letters of agreement — was put into place over the policy with had been in existence, that of orders in council? Can you explain to me the rationale behind the change in your government's policy?

HON. MR. ANDREW: — The reasons why we moved to that concept was that employees working as assistants to ministers are operating on orders in council, number one. I think it's foolhardy to suggest that assistants to the minister, the people that work in the ministers' office, do not come in touch with political questions and political activity. And I'm sure that the members opposite would be not so foolhardy to submit that the EAs that worked for you were political in nature. What we're trying to do is move those EA positions away from the public sector generally — from the concept of the civil

service — and in that way make the civil service far more professional than it was in the past. And I suggest, from that point of view, I think it makes eminent sense to move in that direction, though that is not uncommon with a situation used in both Ontario, Alberta and the federal government — the process that is used there — and that's where we basically took that from.

MR. LINGENFELTER: — I have here a number of the letters . . . Apparently you are telling us and leading us to believe that these letters will be made public, although you'll know that in the past orders in councils which have come through have been numbered, and it has been a very easy task to keep track of who is coming and going. At the present time we have only your word to go on that all these letters are made public. But at the other end, we have no way of knowing when an executive assistant leaves the employment of a minister. And I'm wondering why this change is in place and whether you will be notifying and making public when executive assistants and special assistants leave the employment of ministers in the future.

HON. MR. ANDREW: — You know, I think you can ask any minister at any day who they have as executive assistants, and they're not something that we're ashamed of. We would readily admit it at any point in time. Now you don't have to be in the House — you don't have to be in the House for question period or estimates. If you met the Minister of Agriculture in the hallway and asked him, 'Who have you got as your EAs?' he would tell you — bing, bing, bing and bing. If you asked the Minister of Highways, he would tell you. And we're proud of them; we're proud of those people. And they function; they function, and let's not try to hide the view that the assistant to the minister sometimes becomes involved in the political aspects of the minister, because the minister is a politician. Why hide and run away from that fact? Why hide and run away from that fact? That's all we're doing.

I have never ever at one time been concerned as to suggest who my EAs are, and I don't know of one minister that would be in the same position that wouldn't be prepared to admit that. So any time you want to know that, just pick up the phone and give us a call. And we can confirm it if you want with some kind of documentation; nobody cares.

MR. LINGENFELTER: — I find this great openness and good-heartedness of the government interesting when even the orders in councils, which are supposedly available to the opposition and to the public — by some people's estimation in one week, by the Premier's estimation in hours after they are signed — that even some of those are now over a month old and we are not able to get them from the government. And so for you to stand here and say, 'Well, just ask and we'll give you any answers,' is a little bit difficult for us to believe that you're really sincere in saying that, because in the return or whether it's been in the form of questions — has been anything but easy to get, including estimates. So for you to say that this change in policy will mean nothing to no one and it doesn't really matter — all you have to do is ask the minister — is not to be accepted in that vein, because it simply is not true. It is difficult to get information out of this government — as we have seen in estimates; as we have seen in motions for return. When they're put on the order paper, they are amended in many cases so that we are not getting the information that we requested originally.

I would say to you, Mr. Minister, that we find this change from order in council to letters disturbing, because it does hide the fact of where executive assistants are. And we would like to know and like to have a policy set in place, where it becomes public when the ministers either have an executive assistant who leaves their employment or who is

dismissed — and I imagine that that happens from time to time.

I would like to know as well, on the date of the letters that was signed establishing these positions . . . It was April 1st, I believe, but the OC making the change is dated April 20th. Can you tell me the effective date of these letters? Is it actually when the change took place? Is it April 1st or is it April 20th, Mr. Minister?

HON. MR. ANDREW: — I'm advised that the appointment was to be made effective April 1st.

MR. LINGENFELTER: — Well, are you . . . If they took effect April 1, are you saying that they would then have been included in the 6 per cent increase that took place and affected a number of other individuals in government? People who are executive assistants, would they have been included in the 6 per cent increase?

HON. MR. ANDREW: — No, because they were subject to the terms and conditions of the letter of April 20th.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, you earlier read out a list of people who had been separated from the government and indicated that settlements had been arrived at with respect to all but four or five or six. Could you give me the names of persons who have been discharged and with respect to whom no settlement has yet been arrived at?

HON. MR. ANDREW: — We can undertake to get that for you. If we're not finished today, and it doesn't look like we would, I'll try to have those provided for you tomorrow, if I could.

MR. LINGENFELTER: — On the issue of the executive assistants, Mr. Minister, and special assistants, the procedure, as I understand, is that you mentioned earlier. They would apply to the minister to have a job interview, I suppose. Is there also a process that they would appear before a committee of your cabinet to be approved, or how does that process work? Can you just fill me in?

HON. MR. ANDREW: — What you do is, the process is such that a minister would apply before a committee of his cabinet colleagues to apply for a position. Let's say if he wanted an extra position, or if he had a person moved off, moved away, and he wanted to replace that person, he would make a proposal before the committee, the committee would then approve it or not approve it, and the committee would try to then standardize, and it is in fact standardizing the process, and that's the function of it.

MR. LINGENFELTER: — I wonder if the minister could give me the guide-lines and salary guide-lines for the different scales within the executive assistant and special assistant area. I don't know whether you would have that with you or not, but if you will give me a guarantee that you will get that information for me, sort of the bottom and the top, what kind of an area they fit into.

HON. MR. ANDREW: — It's in the regulations, but we'll pull the regulation and provide it for you.

The committee reported progress.

The Assembly adjourned at 9:59 p.m.