

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
May 24, 1983

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

WELCOME TO STUDENTS

MR. SVEINSON: — Mr. Speaker, I would like to introduce to you and to the Assembly 35 students from Al Pickard School, and their teachers, Sheila Acton and Wayne Dale, who are with them this afternoon.

I've heard members earlier suggest that travelling hundreds of miles through the province to get to the Assembly is an accreditation to students. I'd like to say it is, but certainly I would also like to suggest to the Assembly that students from Regina are more than welcome in the Assembly, and I'd like to welcome you this afternoon and ask the Assembly to do the same thing.

HON. MEMBERS: — Hear, hear!

HON. MR. BERNTSON: — Mr. Speaker, I'd like to introduce to you and through you to the members of the legislature five students from Redvers School sitting in the Speaker's gallery, and they are accompanied today by their teacher, Elaine Yaychuk. I would ask all members to welcome them here today, and later this afternoon — I believe at 2:30 — I will be meeting with them in the rotunda, followed by refreshments in the members' dining room. Thank you.

HON. MEMBERS: — Hear, hear!

QUESTIONS

Lake Diefenbaker Pipeline

MR. SHILLINGTON: — Thank you, Mr. Speaker. A question to the Minister of Urban Affairs. The foul-water season is fast approaching, and the people of Regina and Moose Jaw want to know when your government is going to start making good on last year's election promise to solve the water problems. Specifically, they're wondering just how much longer they're going to have to wait before your government gets on with the solution to the problem, the Lake Diefenbaker pipeline.

My question, Mr. Minister, has to do with last Friday's meeting between yourself, the mayor of Moose Jaw, and the mayor of Regina. Have you in fact requested a meeting with the federal government in Ottawa to discuss federal support for the pipeline project, and if so, has the date for the meeting been set?

HON. MR. SCHOENHALS: — Yes, and no.

MR. SHILLINGTON: — Does the minister expect the meeting within the next four to six weeks?

HON. MR. SCHOENHALS: — We've asked for a meeting at the earliest possible convenience of the federal minister. We anticipate that meeting, or we hope to have that meeting, next week, as early as possible.

MR. SHILLINGTON: — Mr. Minister, supplementary. Will the province and the two cities be going to Ottawa with a specific proposal concerning the federal government's role in financing of this pipeline, or will you simply be going asking how much money Ottawa's prepared to put into it?

HON. MR. SCHOENHALS: — Mr. Speaker, as I'm sure the hon. member is aware, we are in the process of trying to put together a package to solve this long-standing problem. We have moved a considerable distance. I would contend, in the past 12 months since we took office, I don't think it would do the negotiations any good to make public exactly where each of the three partners are; and I think we would keep that until we go to Ottawa, to make that information public.

MR. SHILLINGTON: — New question, Mr. Minister. We know from the comments of a federal civil servant, Mr. Art Wakabayashi, that the federal program, the special projects funding program, only reacts to specific proposals. Does the minister not agree that the opportunities for getting federal assistance are infinitely greater if you have a specific proposal to put to the federal government?

HON. MR. SCHOENHALS: — That may very well be true, and we will be taking a proposal to the federal government.

MR. SHILLINGTON: — Mr. Minister, do you still promise the people of Moose Jaw and Regina that the pipeline will be under construction by the end of the summer as you did last year?

HON. MR. SCHOENHALS: — Mr. Speaker, the only thing we have ever promised is that we will resolve this problem in much shorter order than the previous administration did.

SOME HON. MEMBERS: — Hear, hear!

Saskatoon NHL Franchise Application

HON. MR. BLAKENEY: — Mr. Speaker, I have a question for the Minister of Culture and Recreation, the minister responsible for the government's role in the Saskatchewan and Saskatoon search for an NHL franchise. The minister will be aware of comments made Friday by one Peter Pocklington, the owner of the Edmonton Oilers, who says that he supports the Saskatoon bid for an NHL hockey team, but he did not support the financial package which your government and Coliseum Holdings put together and presented to the NHL board of governors last week; and I want to quote briefly from what Mr. Pocklington is said to have said:

'No one could back the proposal these people made . . . There was no equity in the deal. It was all borrowed money. And then there was money coming in from the citizens — maybe.

If this works, and this works, and this works, and ten other things work, this thing can go together,' said Pocklington . . .

That was his comment on the financial deal. My question to the minister is this: does the minister deny that the financial package put together with the assistance of himself and his government was one of the reasons for the rejection of the Saskatoon bid?

HON. MR. SCHOENHALS: — Mr. Speaker, I realize this is increasingly difficult for the opposition to understand, but our role was simply that of guarantor of the mortgage. Now that is a portion of the financial arrangement; there is no question. In answer to your question, it is my belief that all the reasons presented were simply smoke-screens, and that the decision had been made long before the NHL received any documentation or had seen the information. And that's basically what I indicated in this House on Friday.

HON. MR. BLAKENEY: — Supplementary, Mr. Speaker. The minister suggests that the financial package was not part of the reason. May I quote from league president, John Ziegler, who said that one of the main reasons the deal wasn't approved was the complicated financial arrangement for the \$64-million package comprising the sale, transfer fees and construction of the coliseum.

My question to the minister is this: at the presentation meeting in New York, is it not true that the persons representing the NHL raised questions about the financial package?

HON. MR. SCHOENHALS: — Mr. Speaker, it's certainly true that questions were raised. Mr. Boyd Robertson from the Royal Bank, in my opinion and in the opinion of many people I talked to, answered them very clearly —made it very obvious how the financial package was put together. In terms of Mr. Pocklington's comments, that's fairly easy when he didn't have a vote. I would contend that he's simply indicating the stance of the NHL.

Mr. Speaker, I find it as well very interesting to listen to the party opposite. I won't bother quoting. I would refer to *Hansard* on page 1045 and 1239, when the member from Regina Centre argued long and loud that the provincial government should not get involved in the deal, that we were putting too much into it; and now I have the Legislative Assembly apparently arguing that we should have got more involved and taken a more active position. It's the same old doom and gloom and 'talk out of both sides of your mouth' attitude that has been prevalent for so long.

HON. MR. BLAKENEY: — Mr. Speaker, a new question to the Minister of Culture and Recreation, concerning the application for the NHL franchise. Mr. Speaker, the proposition put forward by the government opposite was their proposition, not ours, and my point is that they conducted themselves in a very incompetent way. I want to preface my question with this: since the minister has agreed that the presentation was not effective because, in his judgement, the governors had made up their mind before they listened to the minister and his colleagues, can I ask the minister what steps he and his colleagues took to speak to the governors before that meeting? What lobbying was done by Coliseum Holdings, Ralston Purina, or by the government, to ensure that the proposition was understood before you made your presentation in New York?

HON. MR. SCHOENHALS: — Mr. Speaker, I repeat once more: the proposition was that of a private company — private, free enterprise company which had our support. In specific terms, the Premier of this province had contact with each of the NHL owners and boards of governors prior to the presentation. There was contact made through Batoni-Hunter, through Coliseum Holdings, through Ralston Purina, through all the

groups involved.

Our position has always been one of supporting a private enterprise company in their attempts to bring a very worthwhile, very exciting and challenging industry, if you will, to the province of Saskatchewan. It will remain so.

HON. MR. BLAKENEY: — Mr. Speaker, do I understand the minister to say that prior to going to New York you certainly had in hand the votes of St. Louis and Montreal, and possibly one other, and that the Premier had contacted all of the governors, and that following the vote it was 15-3?

HON. MR. SCHOENHALS: — Mr. Speaker, as is the case in most instances, the research from which you are quoting is some press material. The vote was, in fact, a secret ballot. The results of the voting were never released. The 15 to 3 is conjecture. I have no reason to believe it's not true, but it is conjecture.

I am saying that the approval was turned down. In my opinion, and in the opinion of the mayor of Saskatoon, and a number of other people in the party, the decision was made before we arrived. And yes, the Premier of this province had contact with each of the members of the board of directors.

Grain-Handlers' Strike in Vancouver and Prince Rupert

MR. TUSA: — Mr. Speaker, there are indications today that there is a possibility of a strike of grain-handlers in the ports of Vancouver and Prince Rupert. Being a farmer yourself, Mr. Speaker, you know the woes that farmers are having trying to get their crops in the ground this spring. This threatened strike will further magnify their problems and threaten their livelihood.

A question, Mr. Speaker, to the Minister of Agriculture: what action have you taken and what suggestions have you made in order that we might resolve this perennial problem of strikes at the terminals in Vancouver and Prince Rupert?

HON. MR. BERNTSON: — Mr. Speaker, unlike the previous administration, this was not a staged question, and in fact, Mr. Speaker, it was very spontaneous and I think, raised out of a genuine concern by the member for Last Mountain-Touchwood because these people have more important things on their mind. I don't think there is anything more important than agriculture in the province, and for that reason I'm going to answer the question, Mr. Speaker.

My understanding is that the grain-handlers have in fact, indicated that this week they may walk out, they may be locked out. I think if that were to happen, it would be a serious aggravation of an already disastrous situation in the prairie basin. We've got surpluses of grain all over the world, and if this grain-handlers' strike in fact takes place or if they're locked out, Mr. Speaker, it will terribly erode our position in a competitive international market.

I think, Mr. Speaker, that Mr. Senator Argue's comments this morning do nothing to give us a great deal of confidence. He has said that the federal government will not intervene. It seems to me, we in the prairie basin are victim to a dispute that we have absolutely no control over, as management and labour in British Columbia can hold us up as victims and it seems there is nothing we can do.

In the past I have argued for some sort of third-party liability legislation where these labour disputes are clearly doing a violence to an innocent third party. I still argue that position, Mr. Speaker. Unfortunately, it's out of our jurisdiction. We have lobbied the feds before and we'll do it again, and we will continue to do whatever we can to get these disputing parties back together, back to the table, so that agriculture in the prairie basin does not suffer because of it.

SOME HON. MEMBERS: — Hear, hear!

MR. TUSA: — Supplementary, Mr. Speaker. Mr. Pepin's proposed transportation policy is being debated at this moment in Ottawa. The question to the Minister of Agriculture: how can Mr. Pepin propose to guarantee the railroads' performance under his new transportation policy if these strikes continue on an annual basis at our terminals?

HON. MR. BERNTSON: — Obviously, Mr. Speaker, the federal minister can make no such guarantee, because obviously the federal minister . . . Unless he's prepared to take action each time a strike comes along, it's out of his jurisdiction. So obviously the clauses in his proposed legislation that deal with guarantees of performance are nothing more than clauses, because they simply can't offer that kind of guarantee under the circumstances.

And while I'm on my feet, Mr. Speaker, an answer in part to the earlier question, 'What are we going to do?' I would invite members opposite to join with me this afternoon to send a telex to the federal government, urging them to do whatever they have to do to get these people back to the table and to prevent, Mr. Speaker, a walk-out or a lock-out, and to stand up for the cause of agricultural Canada here in the prairie basin.

SOME HON. MEMBERS: — Hear, hear!

Guide-lines for Answering Opposition Questions

MR. LINGENFELTER: — Mr. Speaker, a question to the Acting Premier. It has to do with his government's continual claim that they are an open government, but also has to do with a memo which he sent on May 10th to the Premier of the province which outlined some of the guide-lines that ministers and the Premier should follow when answering opposition questions. I would like to quote part of that memo:

Requests for information or documents that may be politically sensitive, embarrassing to individuals or other governments, or take considerable time to assemble, should be dealt with by having the minister tell the opposition to follow the usual parliamentary procedure of placing a question or a motion for return on the order paper.

Mr. Minister, I wonder, in light of the fact of all your claims of open government, how you square this when you are now telling the Premier and the other cabinet ministers how to answer opposition questions?

HON. MR. BERNTSON: — Mr. Speaker, I'm certainly not going to claim any originality in this particular memo, because where I got the idea, Mr. Speaker, was from a memo —and by the way, the Premier hasn't acted on that memo yet, so I don't know if it'll become policy or not, but I thought it was a good idea —this memo is from one Roy. J. Romanow to Premier Allan Blakeney, Q.C., and all cabinet ministers, re: PC requests for information. And, Mr. Speaker, it says:

It has come to my attention that while I was in China, the PC caucus office asked my department to provide copies of position papers on energy and medicare, which the province has used in the premiers' conference. Graham Taylor and Grant Devine subsequently used details from these papers to criticize our energy and security fund proposal. So that we are all consistent in our dealings with the PC MLAs and the PC caucus office, I recommend that we adopt the following procedures: (And I will read the procedures into the record, Mr. Speaker.)

All opposition requests for information from departmental officials be referred to the minister's office for approval. Position papers and press releases which we have previously made public at conferences will be made available to the opposition on request. Requests for other materials be dealt with on a case-by-case basis with the recommendation to the minister to be made by the executive assistant in consultation with the deputy minister. Where the information which the Tories want is routine, and can be assembled quickly by the department staff, ministers should provide the information directly to the opposition member. However, where the information may be politically sensitive, or would require the department to spend considerable time preparing it, ministers should advise the opposition that the usual parliamentary procedure is to place a question, or a motion for return, on the order paper.

It goes on to say:

Do you foresee any difficulties with this approach?

I don't know if the former premier or prime minister or premier saw any difficulties with this approach. I kind of suspect that he didn't because I know that we ran into several road-blocks trying to get information. I can't speak for the present Premier because he's been away since I sent this memo to him, and so I don't know whether this will be adopted as policy or not. I would argue that it is in fact a very good policy, but I don't claim, Mr. Speaker, to be the original author of this particular policy.

SOME HON. MEMBERS: — Hear, hear!

MR. LINGENFELTER: — After that long diatribe from the Minister of Agriculture, I wonder if he could inform me that the date of the letter, May 10th, which also happens to be the day that the Premier was advising the House that members of his staff were getting no increase, if this letter or instruction from the Acting Premier went to him after or before he answered inappropriately some questions that were asked here in this Assembly? Was it before or after that that you sent this letter to him telling him how to answer questions in the House?

HON. MR. BERNTSON: — Quite frankly, Mr. Speaker, I don't have the foggiest, but if you're interested in that sort of chronology, I'll dig it up and get it for you. I saw this document from days of yore. I thought it was a great idea, so I recomposed it to suit the day, so to speak, and I've sent it on to our Premier.

MR. LINGENFELTER: — Final supplementary, Mr. Speaker. It would be interesting to know if that thought occurred to you after watching the Premier's performance in estimates or after. When did it dawn on you that you needed that type of a memo sent to the Premier, before or after you heard him answer questions?

HON. MR. BERNTSON: — Mr. Speaker, the thought occurred to me when I saw this memo from one R. M. Romanow. And it occurred to me because I thought it would be a beautiful way to get a question like this in question period so I could read this memo back to them. And obviously they fell for it so it's worked, Mr. Speaker.

Availability of Orders in Council to Public

MR. KOSKIE: — I want to ask a question to the Deputy Premier. About a week and a day ago, I asked you whether you'd undertake to do a little mission for us. You've had an opportunity over the long weekend and I'm sure that you have fulfilled that request. But we were concerned with two OCs, 628 and 629, which you passed on April the 20th and which have not been made available for the public, and I was wondering whether the Deputy Premier could report whether he has located them and whether he could give us an indication what policy was behind the delay in allowing these OCs to be made public.

HON. MR. BERNTSON: — Mr. Speaker, I don't recall when that question was raised with me . . . (inaudible interjection) . . . What date?

AN HON. MEMBER: — Eight days ago Page 2189 and 2190.

HON. MR. BERNTSON: — Eight days ago. And my humble apologies to the member, Mr. Speaker, because I haven't got the information here and that's not to say that my staff and the staff of Executive Council haven't provided it for me. It may, in fact, be in this bundle. But I will provide it for the member as soon as I get my hands on it.

MR. KOSKIE: — . . . (inaudible) . . . as you know, Mr. Deputy Premier, that the Premier indicated that you had such an open government that OCs were made public within hours or within a few days. These two have been passed on April the 20th. I think it's a real concern that you're obviously hiding something. And I want your assurance that by tomorrow you will report to this House.

HON. MR. BERNTSON: — Well, Mr. Speaker, I will give the hon. member the assurance that I will report to the House just as soon as I have the information and feel so inclined. And when he's talking about hiding something, Mr. Speaker, I think that the hon. member is just a little bit sensitive because he got sucked in because his administration didn't get this one hidden properly.

MR. SHILLINGTON: — Thank you, Mr. Speaker. My questions follow a similar vein, also to the Acting Premier. Last Monday on page 2189 of *Hansard* you took notice of a series of questions concerning the salary increase provided to the Premier's executive assistant, one Craig Dutton. And I'll repeat the question for your benefit. When your government has frozen the minimum wage for two years, when your government has kept salary increases for some of its lowest paid employees to 6 and 7 per cent, how do you justify a salary increase of 26.4 per cent for this member of the Premier's personal

staff? My question to the Acting Premier is: do you have an answer to that question which, I would remind you, requires nothing more than a perusal of the relevant OC?

HON. MR. BERNTSON: — Again on that one, Mr. Speaker, my understanding is . . .

AN HON. MEMBER: — You must have had a lost week-end. You should have had lots of time to do it.

HON. MR. BERNTSON: — I want to tell you about my weekend. My weekend, Mr. Speaker — I spoke at a graduation in Manor on Friday night, and I was in Alameda on Saturday night doing a similar thing. I spoke to several hundred air cadets in Oxbow on Sunday, and I had a very enjoyable weekend back in my constituency.

Now, as it relates, Mr. Speaker, to the question raised by the member for Regina Centre, my understanding is that it was a reclassification and a promotion. And, if that doesn't satisfy the member opposite — and I think I expressed that same answer the last day the question was raised — if that doesn't satisfy the member opposite, I'll go back and I'll come up with an answer that likely won't satisfy you, but I'll come up with an answer anyway.

WELCOME TO STUDENTS

HON. MRS. SMITH: — Mr. Speaker, with leave, I would like to introduce some students. Thank you, Mr. Speaker, it gives me great pleasure today to introduce to this House, and to you, a group of neighbouring Canadians from the province of Newfoundland. They are 16 students in number, and they have three co-ordinators, or three adults, accompanying them. They are participating in an integrated eight-day youth exchange program, and I might add, Mr. Speaker, it is the first truly integrated exchange in Saskatchewan and one of the first in Canada. The Saskatchewan Association for the Mentally Retarded have been instrumental in initiating this project in Saskatchewan, and have been the Saskatoon co-ordinating body. The purpose of the exchange, Mr. Speaker, is to educate students about Canada in a fun, integrated setting, and it is . . . (inaudible) . . . that we hope that their stay in our province is educational and one of fun. The member from Regina Rosemont and myself will be meeting with this group, at 3 o'clock, and I would hope that all the Assembly would join in wishing them a very good stay and a safe trip home.

HON. MEMBERS: — Hear, hear!

INTRODUCTION OF BILLS

Bill No. 62 — An Act to amend The Saskatchewan Farm Ownership Act

HON. MR. BERNTSON: — Mr. Speaker, I move first reading of a bill to amend The Saskatchewan Farm Ownership Act.

Motion agreed to and the bill ordered to be read a second time at the next sitting.

Bill No. 63 — An Act to amend The Rural Municipality Act

HON. MR. BERNTSON: — Mr. Speaker, on behalf of the hon. member, I move first reading of a bill to amend The Rural Municipality Act.

Motion agreed to and the bill ordered to be read a second time at the next sitting.

Bill No. 64 — An Act to amend The Municipal Revenue Sharing Act (No. 2)

HON. MR. BERNTSON: — Mr. Speaker, I move first reading of a bill to amend The Municipal Revenue Sharing Act (No. 2).

Motion agreed to and bill ordered to be read a second time at the next sitting.

Bill No. 65 — An Act to amend The Western Development Museum Act

HON. MR. BERNTSON: — Mr. Speaker, I move first reading of a bill to amend The Western Development Museum Act.

Motion agreed to and bill ordered to be read a second time at the next sitting.

Bill No. 66 — An Act to amend The Statute Law

HON. MR. ANDREW: — Mr. Speaker, I move first reading of a bill to amend The Statute Law.

Motion agreed to and bill ordered to be read a second time at the next sitting.

Bill No. 67 — An Act to amend The Corporation Capital Tax Act

HON. MRS. DUNCAN: — I move first reading of a bill to amend The Corporation Capital Tax Act.

Motion agreed to and the bill ordered to be read a second time at the next sitting.

Bill No. 68 — An Act to amend The Summary Offences Procedure Act

HON. MR. ANDREW: — Mr. Speaker, I move first reading of a bill to amend The Summary Offences Procedure Act.

Motion agreed to and the bill ordered to be read a second time at the next sitting.

Bill No. 69 — An Act to amend The Beef Stabilization Act

HON. MR. BERNTSON: — Mr. Speaker, I move first reading of a bill to amend The Beef Stabilization Act.

Motion agreed to and the bill ordered to be read a second time at the next sitting.

Bill No. 70 — An Act respecting Cable Services in Saskatchewan

HON. MR. ANDREW: — Mr. Speaker, I move first reading of a bill respecting cable services in Saskatchewan.

Motion agreed to and the bill ordered to be read a second time at the next sitting.

Bill No. 71 — An Act to amend The Exemptions Act

HON. MR. ANDREW: — Mr. Speaker, on behalf of Mr. Lane, I move first reading of a bill to amend The Exemptions Act.

Motion agreed to and the bill ordered to be read a second time at the next sitting.

Bill No. 72 — An Act to amend The Homesteads Act

HON. MR. ANDREW: — Mr. Speaker, on behalf of the Hon. Mr. Lane, I move first reading of a bill to amend The Homesteads Act.

Motion agreed to and the bill ordered to be read a second time at the next sitting.

Bill No. 73 — An Act to amend The Corrections Act

HON. MR. ANDREW: — On behalf of the Hon. Attorney-General, I move first reading of a bill to amend The Corrections Act.

Motion agreed to and the bill ordered to be read a second time at the next sitting.

Bill No. 74 — An Act to amend The Small Claims Enforcement Act

HON. MR. ANDREW: — On behalf of the Hon. Attorney-General, I move first reading of a bill to amend The Small Enforcement Act.

Motion agreed to and the bill ordered to be read a second time at the next sitting.

Bill No. 75 — An Act to amend The Queen's Bench Act

HON. MR. ANDREW: — On behalf of the Attorney-General, I move first reading of a bill to amend The Queen's Bench Act.

Motion agreed to and the bill ordered to be read a second time at the next sitting.

Bill No. 76 — An Act to amend The Regulations Act

HON. MR. ANDREW: — On behalf of the Hon. Attorney-General, I move the first reading of a bill to amend The Regulations Act.

Motion agreed to and the bill ordered to be read a second time at the next sitting.

Bill No. 77 — An Act to amend The Surrogate Court Act

HON. MR. ANDREW: — I move first reading of a bill to amend The Surrogate Court Act.

Motion agreed to and the bill ordered to be read a second time at the next sitting.

Bill No. 78 — An Act to amend The Tobacco Tax Act

HON. MRS. DUNCAN: — I move first reading of a bill to amend The Tobacco Tax Act.

Motion agreed to and the bill ordered to be read a second time at the next sitting.

Bill No. 79 — An Act to amend The Education and Health Tax Act

HON. MRS. DUNCAN: — Mr. Speaker, I move first reading of a bill to amend The Education and Health Tax Act.

Motion agreed to and the bill ordered to be read a second time at the next sitting.

Bill No. 80 — An Act to amend The Insurance Premiums Tax Act

HON. MRS. DUNCAN: — I move first reading of a bill to amend The Insurance Premiums Tax Act.

Motion agreed to and the bill ordered to be read a second time at the next sitting.

Bill No. 81 — An Act respecting the Operation of Vehicles

HON. MR. BERNTSON: — Mr. Speaker, on behalf of the hon. member I move first reading of a bill respecting the operation of vehicles.

Motion agreed to and the bill ordered to be read a second time at the next sitting.

Bill No. 82 — An Act to amend The Department of the Environment Act

HON. MR. HARDY: — Mr. Speaker, I move first reading of a bill to amend The Department of the Environment Act.

Motion agreed to and the bill ordered to be read a second time at the next sitting.

Bill No. 83 — An Act to amend The Income Tax Act

HON. MR. ANDREW: — Mr. Speaker, I move first reading of a bill to amend The Income Tax Act.
Motion agreed to and the bill ordered to be read a second time at the next sitting.

Bill No. 84 — An Act respecting the Provision of Financial Assistance for Capital Works Projects

HON. MR. ANDREW: — Mr. Speaker, I move first reading of a bill respecting the provision of financial assistance for capital works projects.

Motion agreed to and the bill ordered to be read a second time at the next sitting.

Bill No. 85 — An Act to amend The Superannuation (Supplementary Provisions) Act

HON. MR. ANDREW: — Mr. Speaker, I move first reading of a bill to amend The Superannuation (Supplementary Provisions) Act, and I'm sure there's many senior citizens across the province who are very happy to hear that today.

Motion agreed to and the bill ordered to be read a second time at the next sitting.

Bill No. 86 — An Act to amend The Heritage Fund (Saskatchewan) Act

HON. MR. ANDREW: — Mr. Speaker, I move first reading of a bill to amend The Heritage

Fund (Saskatchewan) Act.

Motion agreed to and the bill ordered to be read a second time at the next sitting.

ORDERS OF THE DAY

MOTIONS FOR RETURNS (Debatable)

Return No. 110

MR. SHILLINGTON moved, seconded by Mr. Lusney, that an order of the Assembly do issue for return no. 110 showing:

Regarding the hiring of candidates who were defeated in the election of April 16, 1982: (1) for the period May 8, 1982 to May 3, 1983, a list of all such individuals employed by any department, Crown corporation or agency of the Government of Saskatchewan; (2) the department, Crown corporation or agency in which each such individual is employed; (3) the salary of each such individual; (4) the job description of each such individual.

Motion agreed to.

Return No. 112

Mr. ENGEL moved, seconded by Mr. Shillington, that an order of the Assembly do issue for return no. 112 showing:

A copy of all contracts and agreements entered into by the Saskatchewan Grain Car Corporation since its inception with railway companies or with the Canadian Wheat Board.

Motion agreed to.

Return No. 113

MR. SHILLINGTON moved, seconded by Mr. Lusney, that an order for the Assembly do issue for return no. 113 showing:

For the period May 8, 1982 to May 12, 1983 the departments, agencies or Crown corporations of the Government of Saskatchewan for which the law firm of Dutchak, Balicki and Company of Prince Albert provided legal services.

HON. MR. BERNTSON: — Mr. Speaker, I just want to offer an amendment here to adjust the dates so that the things may be put in perspective. I move, seconded by the minister of revenue and supply, that motion for return no. 113 be amended by striking out the words 'May 8, 1982,' and substituting 'May 1, 1980' therefor.

Amendment agreed to.

Motion as amended agreed to.

Return No. 114

MR. SHILLINGTON moved, seconded by Mr. Lusney, that an order of the Assembly do issue for return no. 114 showing:

For the period May 8, 1982 to May 13, 1983 the total amount paid to the law firm of Dutchak, Balicki and Company of Prince Albert by any department, Crown corporation and agency of the Government of Saskatchewan.

HON. MR. BERNTSON: — Mr. Speaker, I will be moving a similar amendment to this order for return. I think it's a measure of the quality of candidate we're able to attract to represent our party in this legislature. When these returns are tabled, it will be there for everyone to see that even the previous administration recognized the talents of this individual. And so we are therefore going to voluntarily and with a great deal of delight offer the information and more asked for by the members opposite. We're going to take you back to May 1, 1980, to put things in perspective.

I'm sure that even members opposite will agree that while he was doing work for the previous government, he was doing excellent work; and while his firm was doing work for this government, it was doing excellent work; and I don't think that members opposite will be too critical of us for volunteering this additional information.

I therefore move, Mr. Speaker, seconded by the minister of revenue and supply, that motion for return no. 114 be amended by striking out the words 'May 8, 1982,' and substituting:

May 1, 1980.

Amendment agreed to.

Motion as amended agreed to.

GOVERNMENT ORDERS**COMMITTEE OF FINANCE****CONSOLIDATED FUND BUDGETARY EXPENDITURE****FINANCE****Ordinary Expenditure — Vote 11****Item 1**

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

HON. MR. ANDREW: — Mr. Douglas Rowlatt, Mr. Costello, Mr. Micklejohn, and Mr. Mackrill.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, I'd like to ask a few questions of a preliminary nature, asking for information as follows: could the minister give me the names, positions and salaries of all members of the minister's staff?

HON. MR. ANDREW: — You're talking about the immediate staff, or the office staff of the minister, I take it?

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, yes, I am talking about the immediate staff of the minister. What I would like to get is the same information in the same form as provided to me by the minister in March, by letter of March 10, in which he outlined the minister's staff and their names, their positions, and their salaries; and then the executive salaries which included the deputy minister, the assistance deputy minister, the executive director, investment and finance, the comptroller, the director of tax and fiscal policy, the executive director of BMI, the director of the budget bureau, and the director of the administration branch.

HON. MR. ANDREW: — I can undertake to provide all that information to the hon. member if the form that I used before was satisfactory. With regard to the staff in the minister's office, the staff is still the same. There is two secretaries, one EA. However we are in the process of recruiting and hiring a second EA.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, with respect to the minister's staff, are any of the persons on the minister's staff paid in any way other than by salary, such as by contractual fee or consulting fee?

HON. MR. ANDREW: — No.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, excluding automobiles, with which I will come in a moment, do any of these persons have any perquisites paid in lieu of salary or in addition to salary, other than normal perquisites?

HON. MR. ANDREW: — With respect to everyone? The only extras that we have would be cars, and that's all.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, that in effect was what I was asking. Are there living allowances; are there apartments or other perquisites other than automobiles, which, as I say, I will come to in a moment, which is a fairly standard perk?

HON. MR. ANDREW: — No, there is not. And I welcome the question on my car because it's got 125,000 miles on it. I'm scared to drive it out of town.

HON. MR. BLAKENEY: — Well, some of those, Mr. Chairman and Mr. Minister, are some of the best. The one that I used from 1971 to 1980, at the end had just about 100,000 miles on it and I've not had a better car, before or since . . . (inaudible interjection) . . . That's right, Mr. Chairman and Mr. Minister, could you provide to me, not necessarily now, the total amount of entertainment expenses incurred from, let us say, the date of the last statement, which I believe to be March 10 but thereabouts, March 1 or March 10, incurred by the minister, the deputy minister and each special assistant and executive assistant?

HON. MR. ANDREW: — I'll undertake to do that.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, are any members of the minister's staff, and I refer now to the immediate staff or to anybody who might be thought to be in an executive capacity, on secondment to the department from any other agency, or on secondment from the department to any other agency?

HON. MR. ANDREW: — I'm advised there's two admin analysts seconded into the Department of Finance. They're at the level of BMI or budget bureau and that's all.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, could the minister advise from which agencies they are seconded?

HON. MR. ANDREW: — Urban Affairs and systems centre.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, I would like to ask the minister and like him to supply me with the names of each person in the department who is on contract or who has been on contract since May 8th, 1982 and who — let us attempt to confine it to what I am talking about, to people who are on more or less permanent employment but are on contract — people who have had, let us say, been paid for more than 60 days in total and have been paid at a rate which would be greater than say \$30,000 per annum. I'm not talking about little contracts that you might have but something that goes beyond, let us say, 60 days in total and involves a significant payment.

HON. MR. ANDREW: — I will undertake to do that and provide that information to you. I'm advised that there's perhaps one in the budget bureau which was worked out between an interchange with the private sector of an accounting firm. I will get the details and get that to you. The other two that are no longer there was the information I provided you last time when Garnet Garven and I believe Paul Robinson, but they're no longer with us and that's the only . . . (inaudible) . . . been on contract.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, last time you provided me with information on Mr. Garven and Mr. Robinson, you advise me that they are no longer with you. You undertake to get the information, and you think there is one who may be associated with an accounting firm and who may be seconded or on contract with the department. Thank you, Mr. Minister.

Mr. Chairman and Mr. Minister, with respect to the number of employees in the department, totalling 105 permanent and two non-permanent —and those are person-years, I acknowledge — could you tell me how many vacant positions there are in the department at this time? How many of the blue book or establishment positions are now vacant?

HON. MR. ANDREW: — I'm advised not more than six.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, do any of the minister's staff have assigned CVA vehicles and, if so, which persons have assigned CVA vehicles? What are their names and positions?

HON. MR. ANDREW: — I'm the only person in the minister's office and staff that has a CVA vehicle. As I understand . . . I don't think you want to get down the department of deputy.

HON. MR. BLAKENEY: — That's the next question.

HON. MR. ANDREW: — Okay, the deputy has a CVA vehicle and then I think maybe there's one in investment and financial services, which is a runner car, so there's two in

the department and one for the minister — no more.

HON. MR. BLAKENEY: — So that the minister, of course, has a car. The deputy, in accordance with tradition and custom, has a car, and you think there's one in treasury and financial services which is used for running back and forth in the active way that that outfit runs back and forth.

I would like to ask the minister for a record of all CVA aircraft flights charged to the department since May 8th, indicating the date, place of departure, and destination and the names of the persons whose flight was charged to the department. I think that's a fairly standard question, and would like to ask whether you will provide that information? I don't expect you to give it to me now.

HON. MR. ANDREW: — Yeah, I would undertake to provide that and the information. If you want to run through the various pieces of information requested last time in estimates, and I would certainly undertake to take those as a block and provide the same information to you.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, I'm not sure I asked all of these last time. And I don't have before me — and I'm sure I have it here — but I don't have it before me, the letter of the 10th of March. I don't have all the appendages to it, so I will ask the next one.

Mr. Chairman and Mr. Minister, I would also like to have the number of charter flights charged to the department since May 8th, indicating the date, place of departure and destination, and the persons whose flight was charged to the department and the cost for each such charter.

And I say, Mr. Chairman and Mr. Minister, if this information has been provided previously, up to a given date, then all I ask is the update. I don't think that I asked this before and it's probably because there probably weren't any. But I will ask it now, and I ask that you undertake to provide me that information.

HON. MR. ANDREW: — Mr. Chairman, I will undertake to provide that information.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, I'd also like a list of out-of-province trips taken by the minister since May 8th. Or again, an update, if this has already been provided — which I think is not the case — indicating the date and the destination, the persons who accompanied him at government expense, and the total cost for each such trip, and the travel agency, if any, used to arranged the travel ticket.

HON. MR. ANDREW: — I will undertake to provide that, as I believe I did before on a similar type question.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, I ask: does the minister have a Legislative Secretary and is the remuneration of the Legislative Secretary that set out in the legislation, or are there any other arrangements for payment of the Legislative Secretary for overtime work, or for whatever reason?

HON. MR. ANDREW: — No, any reimbursement for the Legislative Secretary is as set out by the legislation. It's statutory in nature. There's no extra charges for that. The only extra charge that one would have is in the event that the Legislative Secretary went on government business in place of the minister, in which case he would then — we would

cover his travel costs or his hotel costs — that type of thing. That's the only costs. And while my Legislative Secretary puts in a lot of overtime, he does not get paid for that.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, would you provide me with the names of all persons having a salary in excess of \$30,000 per year who have been appointed since May 1, 1982, over and above those previously provided to me on March 10, 1982?

HON. MR. ANDREW: — I will undertake to provide that.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, I want to ask some questions about the minister's personal staff. I first raise the name of one Dawn Dobni, and I'm referring to sessional paper no. 79 of 1983 session, and it is indicated there that for the period from May 8th to November 26, or for a portion of that period, Dawn Dobni was an executive assistant. May I ask the minister from what part of the province does that person come, and where is that person now employed?

HON. MR. ANDREW: — Dawn Dobni was originally from Kindersley. She had a degree in economics, plus a degree in law. She articulated to the firm Wedge McKercher in Saskatoon, specialized in corporate law. She moved from there . . . Instead of economics she had a degree in commerce. She then was in a chartered accounting firm in Calgary articling for her C.A. At that point in time, when the government changed, she was recruited to work for the Government of Saskatchewan. She worked for me as an EA for a period of time, as probably set out there, at which time an opening came available in, I believe, the department of Sask Housing, or Sask Housing, in the area of legal work, which she preferred — to do the legal work as opposed to the work that was normally done by an executive assistant — and moved from my office, my personal office, into filling the legal job at Sask Housing.

HON. MR. BLAKENEY: — Thank you, Mr. Minister. That answers the question I had in mind. The same name, or a person of a very similar name, came up in our consideration of the annual report of Saskatchewan Housing, and that indicates that it's the same person.

I want to ask you a question or two about a Mr. Jack Upshall, and ask whether he worked with you, and if so, when?

HON. MR. ANDREW: — I'll undertake to find the exact period of time that Jack Upshall worked for me. Jack Upshall was recruited in, again, shortly after we took office. He was from the Lloydminster area of Saskatchewan. He worked in my office for awhile, and then transferred over and is doing some work in Highways. He's now in some area of Highways or highway traffic board. He initially came in as a . . . I think he had a degree in journalism or a similar type area to that, and found a better niche over there than he had in the minister's office. But I will provide that information as to how long he worked, and what his salary was, and when he transferred.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, I would ask you, if you have the records there, to advise me when he left your office, because I am confused with the documentation that I have before me on this. If you do have that information I would be pleased to have it.

HON. MR. ANDREW: — I don't have the exact information, if you could read from the information you have. What he did was, I think, he officially terminated in February or

March in our office, but he had spent some time working in Highways prior to that. He was on our salary for some period of time, working over there back and forth, doing some work for me and a fair amount of work over there. But he's paid by Finance, I believe, until February or March of '83.

HON. MR. BLAKENEY: — My difficulty is as follows, Mr. Minister. In the sessional paper no. 79, to which I previously referred, it is indicated that for the period up to and including May 26, 1982, he was an employee of your office as executive assistant getting \$3,013 a month, I give the salary because it is more than \$30,000 a year.

In the material provided on March 10, asking who are on the minister's staff, his name does not appear, not as minister's staff, nor does it appear in the list of people who . . . appointments above \$30,000 per year since May 1, 1982, from which I assume that this latter list includes those, not who were appointed, but who were appointed and still on staff. That is my first problem. With respect to the material provided on March 10, 1983 by your letter dated that day, the appointments above \$30,000 per year since May 1, 1982 does not include his name. That's my first puzzle.

My second puzzle is that by order in council no. 60983, dated April 13, 1983, the order purports to do as follows: cancel the appointment of John Eric Upshall as executive assistant to the minister of the Department of Finance, which was made by order in council 78682 — and then I'll leave out some other material — appoint Mr. Upshall to the position of acting director, public communications, in the communications branch of the Department of Highways.

My point is that on April 13th, he appears, according to the order in council, to have had his position as executive assistant to the minister of the Department of Finance cancelled. That seemed reasonable since in November he had been such an executive assistant, but on March 10 he is not listed either as in the employ of your office or as having been appointed with a salary of about \$30,000 a year which he clearly had. There appears to be some lack of consistency with the material, and I would ask the minister whether he has any comment to offer.

HON. MR. ANDREW: — I think the comment would be as follows: that Mr. Upshall came to work for us, and that would be the November '82, indicated at that point in time he was still working for us. I believe probably sometime after the first of the year, first of January, he was over doing some work in Highways, whichever department — I believe you're right out on the OC — so would be spending some time. I take it that when we answered the information with regard to the estimates in March, we tended to want to indicate that the people who were currently working for us. At that time, he was really over in Highways and not in Finance. We were still playing for him but he was over there working there. I hope that was not designed to mislead at all. It certainly was not my intention to.

As I indicated, I believe on several questions back in the estimates time, that I had three. One, Dawn Dobni, moved to housing; Mr. Upshall moved to Highways. I would simply indicate that I hope I wasn't misleading. I believe the salary read out was 3,000-and-something a month. It's my understanding his salary was around 36,000 a year. But that would be the explanation. At March when you did the estimates he wasn't in fact working; he was probably over in Highways, and that's probably led to confusion.

HON. MR. BLAKENEY: — Thank you, Mr. Minister, and I'd appreciate it if you would sort

that out for me.

I now turn to another matter, and this has to do with the level of economic activity in the province as indicated by the cheque clearances in Saskatchewan, and particularly in Regina.

I give to the minister the following information — and it's a month old now, or close to a month:

'Only \$2.3 billion of cheques and other payments were processed through the deposit accounts at chartered banks in Regina and area in February of 1983,' The Canadian Bankers' Association reports. 'That's down from 3.3 million to 2.3 million in January, and 3.7 billion in February of 1982,' the Canadian Bankers' Association said in a news release. The figures provide a general indication of the volume of economic activity, mainly in the private sector, but do not include cheques drawn on the Bank of Canada, the federal government, and banks themselves.

I would ask the minister whether he has any comment to make on the fact that bank clearances were down from \$3.7 billion in February of 1982 to \$2.3 billion in February of 1983 — a very sharp drop in bank clearances.

HON. MR. ANDREW: — Well, my comment would be that that, like many other statistics, I suppose, can be volatile, and I would tend not to want to judge an economy by the number of cheques that were cleared through the central bank in Regina. Obviously it's one of many indicators, and what value you put on those indicators — I suppose you can draw your own conclusions from it. With regard to the fact that, you know, it seems to me we can spend a whole lot of time if we like, talking about what one economist says versus what another economist says. Or we can — as we have done many times in this House — talk about what the predictions are of a given banking institution, or the predictions are of the conference board, or the predictions are from Genstar corporation. I think that was one that the hon. member used here a week or two ago. I think you have to take that all.

You indicate how the economy is. I think most people would see the economy as follows: that we have gone through a recessionary period of time; probably Saskatchewan was insulated from that recession as well as any province; that the conventional economic view now would be that we have probably hit the bottom of that recession; that we are looking for some growth, some better days ahead. I suppose the debate now becomes how long that recovery is likely to be, how strong that recovery is likely to be. And we can talk about that most of the afternoon, I suppose, and ask ourselves where we're going with regards to that. The only thing that I can say is a lot of those numbers will be available when we . . . I think it usually comes down about the first part of July. The detailed statistical numbers that we have for how that year went will be made public, and I suppose for all to comment on.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, I wasn't talking about any predictions, but about the facts — the past facts — of bank clearances in February. One, as you rightly point out, can draw many different predictions, because predicting is a hazardous occupation. But calculating bank clearances two months later is not hazardous. Assessing their meaning may well be hazardous, but the facts are pretty clear; down from 3.7 billion to 2.2. billion, which is a startling drop in bank clearances. And, if there's no further comment, fine, but . . .

HON. MR. ANDREW: — I think, you know, perhaps . . . You know obviously that means, I take it, that there was fewer cheques drawn during that period of time. I think the other economic fact that we see in this country is the significant increase in savings by people, and many economists indicate that that savings in fact has been brought on by an uncertainty with regard to the economic future that we face. People are therefore saving more money, and I would assume that, correspondingly, as people save more money they spend fewer dollars and therefore fewer number of cheques and therefore collars are cleared through. I assume that's maybe one of the reasons; I don't know.

HON. MR. BLAKENEY: — Well, thank you, Mr. Minister. I will not pursue that further except to note the fact.

I want now to turn to the accounts for 1982-83, the year which we have just finished, and ask whether the books were kept open until April 30th, in what is now the normal way, to take in revenue in respect of the old year up till April 30th, and to pay bills incurred in the old year but not paid until April 30th.

HON. MR. ANDREW: — I'm advised that we did in fact follow the procedure that has been in place for some time, that we did keep the books open until the 30th of April and did process accordingly.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, were funds available to pay all the bills which were on hand in April respecting the old year?

HON. MR. ANDREW: — Yes.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, were there any unusual number of unpaid bills which had not been paid during April and which were awaiting the new appropriation for the new year?

HON. MR. ANDREW: — I'm advised nothing unusual, and that when the *Public Accounts* come out they will document all unpaid bills, and it's not an excessive amount and not out of the normal.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, I refer to an order in council no. 856 and '83 dealing with . . . It's a . . . This is just purely for my information . . . dated April 28th, 1983 and it has to do with a bond issue — \$75 million issued under the authority of The Power Corporation Act on April 28th, and I'm just curious to know what the rate of interest was.

HON. MR. ANDREW: — That was April 28th, '83, Al?

HON. MR. BLAKENEY: — Yes. April 28th, '83 which is a . . . That's the date of the order in council, April 28th, '83, and it has a form of the bond attached, and it says:

This debenture is issued under the authority of the power corporation and The Saskatchewan Loans Act and order in council number 'blank.'

And it authorizes \$75 million. And I suppose it was issued very shortly thereafter. I was just curious to know what the rate of interest was since it appears to be one of the latest issues.

Mr. Chairman and Mr. Minister, I may call attention to the fact that there are references to Canada Pension Plan and the Minister of Finance of Canada in the order in council and it may in fact be by a CPP issue. I haven't read the document with sufficient clarity to know whether it has to be or whether it can be.

HON. MR. ANDREW: — I am advised that the money that we're talking about there is Canada Pension Plan money, that would be up to 75 million or it would be used for Sask Power. Our best number is that there's probably 120 million available through Canada Pension Plan this year, and the interest rate will be set as the time that you draw it down. Today we have drawn nothing down, so we couldn't give you an interest rate. But that entitles us to then proceed to work that Canada Pension borrowing.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, are you then . . . For what purposes are you using Canada Pension Plan money and is it likely that Canada Pension Plan money will be cheaper — will have a lower rate of interest — than other money borrowed on the open commercial market?

HON. MR. ANDREW: — Yeah, we understand that it will be cheaper, for the simple reason it's long-term money; it's money that can be borrowed . . . The rate is set at the Government of Canada borrowing rate, and that is about a half a point below what we can do.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, could the minister outline just generally what his financial plan is, in the sense of . . . And I'm asking a very narrow question now. For what purposes are you using the CPP money and for what purposes are you using the open market money?

HON. MR. ANDREW: — In the past the Canada Pension Plan money has been used for land bank, FarmStart, Sask Housing. There will be no more land bank money needed; FarmStart will be lower than normal; we would anticipate housing will still use that money from the Canada Pension Plan. So the power corporation would then step in and use the money that otherwise wouldn't go to those two agricultural areas. Our view now is that primarily it'll be Sask Power and Sask Housing that would use the Canada Pension Plan moneys. There could be a few more smaller ones, but the main area would be those two.

HON. MR. BLAKENEY: — Thank you, Mr. Minister. I wonder if the minister has given any consideration to providing any money through Canada Pension Plan for the municipal financing corporation, on the assumption that you're going to provide long-term money to municipal financing corporation.

HON. MR. ANDREW: — We haven't put that in at this point in time, but that's certainly not to exclude that as a potential area.

HON. MR. BLAKENEY: — Thank you, Mr. Minister. Mr. Minister, I think that it would be wise to provide money — if you're going to provide long-term money for the municipal financing corporation — to provide it as cheaply as possible from the Canada Pension Plan. The rate that you charged to the cities and towns and villages is in effect related to the rate that you had to pay, and it would be of considerable assistance to cities, towns, villages and school boards and the like if they could get their money even a half of one per cent cheaper than they otherwise would have to pay, and I urge that upon you.

I would like to turn to another matter, and I would like to turn to the budget speech, and I will refer to it in a moment. Mr. Chairman, I refer to your budget speech made on March 25th, and I would like to refer to page 5 of the budget speech, and refer to the special projects fund:

I am announcing the government's intention to create a new \$30 million special projects fund to help finance future productive investments in the Saskatchewan public sector.

I would like to ask the minister: has the fund been set up?

HON. MR. ANDREW: — To go back first of all to municipal financing corporation, I'm also advised that the match sometimes doesn't work between Canada Pension Plan and municipal financing corporation. That's one reason that they've not moved into that area with regards to dollars.

With regard to the question just referred to on that capital fund, the legislation was just introduced today to provide for that mechanism for that \$30 million. The legislation was introduced as first reading today. We'll probably proceed tomorrow or Thursday by way of second reading.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, is the special projects fund going to be a budgetary expenditure, or money going into the special projects fund going to be a budgetary expenditure, or a non-budgetary expenditure?

HON. MR. ANDREW: — Okay, that \$30 million, of course, is budgetary dollars from the year '82-83. So it is there. The fund will now be set up and as it is expended from now on, it would be appropriated to the particular year in which it was spent.

HON. MR. BLAKENEY: — Well, Mr. Minister, you're working under some pretty tight deadlines, are you not? If you announce on March 29th that you intend to set up a fund, but that it is going to come out of the money for the year that ends on March 31st, you none the less set up the money. You announced your intention to set up the fund on March 29th, and you are taking it out of the money for the year which ended on March 31st, two days later. Do I have that right?

HON. MR. ANDREW: — Right.

HON. MR. BLAKENEY: — In what state has the fund been between the time you have announced it and its current statutory position? You tell me that it's money that was budgetary expenditure for a year which is now well over — it's nearly two months over. We don't have any fund yet. Where has the money been held?

HON. MR. ANDREW: — Okay, because the money was not spent last year, it would be into the cash balance of the government. What we would do is bring in legislation that would allow us to then retroactively allocate that money.

What we would intend to do is — it's money that was not spent last year — it would be \$30 million that we would see being able to use to cover off costs of projects that would come up, that type of thing, in the future. I think that's what I said during the budget.

HON. MR. BLAKENEY: — I'm not sure how this is going to come out of last year's money. It's budgetary money. Is it going to appear in any supplementary estimate for the year

1982-83?

HON. MR. ANDREW: — It would be as a statutory appropriation for '82-83. Therefore it would not require further appropriation for the next year or future years.

HON. MR. BLAKENEY: — With respect to the year which is just past, we will not have a supplementary estimate for the fiscal year ending March, 1983, which will show this money anywhere, but that appropriation will be done by statute and will not appear in any of the budgetary documents. Am I correct in saying that?

HON. MR. ANDREW: — It's the act that creates the fund that will create the statutory appropriation.

HON. MR. BLAKENEY: — So that anyone who is taking the budget documents, 1982 documents and 1983 documents . . . This money, although spent, will not show up in any budget. It will not show up in . . . It didn't show up in last year's regular budget. I don't find it anywhere in any supplementary estimates. I don't find it in this current year's budget. Is it going to show up anywhere in any set of estimates or supplementary estimates?

HON. MR. ANDREW: — I'm advised it will show up in *Public Accounts* '82-83, and it's the same mechanism that was used by the previous government in 1974 to set up the community capital fund, the same type of concept, so if that can be of any assistance to you.

HON. MR. BLAKENEY: — With respect to the '82-83 figures, I'd like you to take me through those figures in approximate terms. The budget presented last November predicted a deficit of \$220 million, and I'm now speaking of '82-83 year. Was there a shortfall in revenues, and approximately how much? And you indicated that there was in your budget speech.

HON. MR. ANDREW: — I'm advised that the audited figures are not available . . . will be available with the white paper within about a month's time. I can advise that the deficit would be slightly higher than was announced in November — slightly, but not significantly, higher. Revenue shortfall would be primarily in the areas of potash, which was down, and it has been announced publicly several times. With regard to the expenditure base, it's pretty much as predicted in November. That includes the 30 million, of course.

HON. MR. BLAKENEY: — Let me run through this. I refer you to page 10 of the budget speech which says, 'Since that time . . . ' meaning . . . Well, I'll just read the whole thing:

The November budget set out a revenue and expenditure plan that would yield a combined deficit of \$220 million.

Since that time, there has been a modest decline in revenues, largely as a consequence of lower potash revenues.

I think the question I now ask is: approximately what do you think this decline in revenues will be?

HON. MR. ANDREW: — The overall change would probably maybe be in the area of 5 to

10. The most significant number was, I think we showed in the November budget 60 million coming from potash. I think that was announced, and down to around 34 is what we actually see in that area that we would have received from potash. So a few adjustments from the other were about from \$5 million to \$10 million.

HON. MR. BLAKENEY: — So you tell me that the deficit will be 220 million plus a modest amount; that the revenue decline is of the order, on a net basis, of 5 million to 10 million; that the special projects fund is 30 million; and that the supplementary . . . I now ask you: were the supplementary estimates for the year '82-83 in the Consolidated Fund approximately \$36 million?

HON. MR. ANDREW: — I wonder if you'd put that question so we can fully understand exactly what you're trying . . .

HON. MR. BLAKENEY: — My question is: how much are the supplementary estimates for the year ended '82-83 — the supplements that were not incorporated in the November budget? If I am not wrong, we had a November budget. There were some supplementaries and these were all subsumed — the first couple of batches of supplementaries, it seemed to me. Then in February of 1983 there was a further group of supplementaries which were not included in November budget, and my recollection is that these were \$35.9 million. That's what my notes say, and I ask whether that is accurate.

HON. MR. ANDREW: — I take it the hon. member's question is directed . . . Just so I can see if I understand what he's trying to say: is that the budget comes down and then, in addition, what he is saying is supplementary estimates of additional \$36 million . . . The question is: are those factored into the spending, total spending of the spending targets for the year '82-83 or is it money over and above that?

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, my question is: yes, the '82-83 budget had those spending figures or expenditure estimates. And now I'm talking only about Consolidated Fund of \$2,000,839,000 . . . or \$839 million, I should say — \$2,839,000,000 — and that compared with the budgetary revenue produced a deficit of \$220 million. Now I am saying that you sought and obtained authority from the legislature to spend more money than that in supplementary estimates — supplementary estimates totalling about \$36 million — and I ask whether my information is accurate.

HON. MR. ANDREW: — As I understand the nature of your question, you're basically saying: in November you asked for X number of dollars of expenditures. You then came and asked for X plus 36 in expenditures. Then you come along and say, well we saved \$30 million.

AN HON. MEMBER: — I'll come to that in a moment.

HON. MR. ANDREW: — Okay, So my understanding is: what the \$30 million is, the total expenditure for that fiscal year was \$30 million less than the X that was asked for in November. The total dollars was still 30 under it, so we didn't take that supplementary for 36 to use it as a saving for 30. That was the question that you were getting at.

HON. MR. BLAKENEY: — My question is a fairly narrow one right now. I don't want to extend it; I just want to ask a narrow question. Were there supplementary estimates

which approved expenditure above the budgetary amount of \$2,839,000,000 and if so, were they approved by this legislature last February or March, and how much were they in total?

HON. MR. ANDREW: — Obviously they were. Obviously, you know as well as I do, the supplementary estimates cover areas where you budgeted to spend and didn't spend, and therefore you're spending them in other areas. That's exactly what happened. Your information is correct.

HON. MR. BLAKENEY: — I lead now to my question. The November deficit was estimated to be \$220 million. The revenue decline was \$5 million or \$10 million. If there were no other aspects to the matter, then the deficit would be around \$230 million. There were then supplementary estimates of \$36 million, and if there were no other aspects to the matter, then the deficit would be increased by that amount. We now have \$266 million. Then there's a special projects fund of \$30 million, and if there were no other aspects to the matter, that would get the deficit up to \$296 million.

Now, you tell me that the deficit is going to be of the order of \$225 million. Accordingly, about \$70 million of expenditures, which were budgeted either in the main estimates or in the supplementary estimates, were not spent. My question is going to direct your attention to that. Do you agree with my rough calculations that there were under-expenditures of the order of \$70 million in the amounts budgeted in either the regular budget or the supplementaries?

HON. MR. ANDREW: — The 36 million supplementary estimates, plus the 30, were covered by shrinkage and therefore were very close to the target that we set out in November.

HON. MR. BLAKENEY: — Correct. And now I'm going to try to find out where the shrinkage was, I'm trying to find out where you saved \$70 million in rough terms — the 36, plus the 30, plus, say, the revenue shortfall of 5 million. That makes \$70 million. If the revenue shortfall was \$10 million, it makes it \$75 million. And could you give me the areas that exceed \$5 million where there was, as you say, an expenditure shrinkage? My question then is: where did you budget to spend the money but you didn't spend the money?

HON. MR. ANDREW: — Well, that type of information is the information audited that comes out in the white paper, and that's the exact stuff that will come out. The one that would come to mind first would be the mortgage plan, the home-owners' 13 and a quarter mortgage plan. As you are aware, the interest rates continued to fall and therefor it became less and less expensive for it. That would be, I would guess, the largest single cost factor, but with regard to the other ones certainly we would . . . We normally provide that in the white paper, and I would propose to do that. I would try to be able by the end of the day maybe to highlight some of the larger ones for you, but it's going to take some time.

HON. MR. BLAKENEY: — Well, I wouldn't expect the minister to be able to give me a detailed list, but when there's an expenditure shortfall of \$5 million, or \$10 million, whatever it might turn out to be, on Sask Hospital Services Plan or highway capital construction, I would think that somebody would be able to recall that to mind. I'm just asking for a rough outline of the major shortfalls. You, in your budget speech, put it down to what you called prudent management, careful management — on page 10. And I just want to know what your definition of careful management is. You didn't spend

the money where you budgeted, and it depends on where you made the so-called savings as to whether I would agree with you as to whether it was careful management.

HON. MR. ANDREW: — I take it the largest amount of that money would be in the vacancy freeze, by being able to freeze positions and not fill those positions. And I think you're going to see it pretty much across the board — the bulk of it being in that area. It's one of the few areas government have to manage, so I think that's where you'll find the most of it, but we'll try and work through the afternoon and come up to be able to identify a few of them for you if there's some that stand out.

HON. MR. BLAKENEY: — Very well, we'll come back to that then, Mr. Chairman.

I want now to go through the revenue estimates, and I'll try not to take too long on these. Corporation capital — you estimated last year for '82-83, \$21,100,000. Do you have any reason to revise that estimate now?

HON. MR. ANDREW: — I'm advised it's a little higher but not significantly.

HON. MR. BLAKENEY: — Referring to 1983-84, are the rates still the same for 1983-84 as they are for 1982-83?

HON. MR. ANDREW: — Yes. I believe there was an adjustment made in the November budget for insurance companies.

HON. MR. BLAKENEY: — Mr. Minister, were there any sort of carry over? In the previous year the '82-83 figures included a provision of \$2 million for taxes which were due in '81-82 but were not received until '82-83. Do the '83-84 figures contain any similar carry over? Is it about the same or a substantial difference?

HON. MR. ANDREW: — I am advised there would be no reason why it would change significantly.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, I turn now to corporate income taxes. The estimate for last year, or '82-83, was \$106,789,000. Is there any reason to question that estimate, or to revise it at this time?

HON. MR. ANDREW: — It's down somewhat.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, we had an estimate last spring which suggested that, as I recall it, this tax was likely to be up a bit, from 106 to 110, and that admittedly was a rough calculation at that time. What is thought to be now the likely figure for '82-83?

HON. MR. ANDREW: — Okay. I think, as you're aware, those numbers are provided to us by the federal government. That was the best guess we had then from the federal

government. The federal government has since that time reversed it back the other way. And so it's lower than the 106 — under the 100 figure, probably.

HON. MR. BLAKENEY: — What is the current estimate? I understand that this is information provided by the federal government, and you're not strictly responsible for its accuracy. I ask you what information you now have?

HON. MR. ANDREW: — The best guess of the federal government now would be around 90 down to 87.

HON. MR. BLAKENEY: — And we are now talking about the year '82-83? Does that figure show up in the estimates you were giving me earlier as to the likely result of '82-83? Is that revenue shortfall included in the one which netted out at \$5 million to \$10 million?

HON. MR. ANDREW: — Yes.

HON. MR. BLAKENEY: — I now return to '83-84 and the estimate of corporation income tax of \$116,600,000. Do you have any reason to question that estimate at this time?

HON. MR. ANDREW: — Well, it's a federal estimate, and as you have seen, in the past they can go up and they can go down, so I don't know. It's the best guess we have from the federal government and that's all we can do for it.

HON. MR. BLAKENEY: — I guess my question then is: they have not given you any later guesses than the ones which were incorporated in the estimates which you provided to the House at the end of March?

HON. MR. ANDREW: — I am advised that we're still fairly comfortable with this figure at this point in time.

HON. MR. BLAKENEY: — I now turn to gasoline tax, and the figure of \$15,700,000 for '82-83. Any reason to question that figure?

HON. MR. ANDREW: — No.

HON. MR. BLAKENEY: — With respect to the year '83-84 and the figure of \$12,100,000 . . . Do you have any reason to revise that figure?

HON. MR. ANDREW: — I'm advised that we would expect that price to stay there provided that the railways stay in business over the period of that fiscal year.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, I understood your answer to say that 12.1 million seems to be a reasonably accurate estimate for the forthcoming year. Mr. Chairman and Mr. Minister, I'm still right in understanding that this tax is paid by CP Rail and CN Rail and Air Canada and Pacific Western Airlines and Frontier Airlines; but not by Norcanair or Athabasca or by private aircraft; and not by CP Express or Greyhound or anybody that uses the roads. Do I understand the basis of the tax?

HON. MR. ANDREW: — You've got it right.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, I turn now to individual income tax.

I think I'll turn to insurance premiums since I have . . . The figure for 1982-83 is \$11.5 million. Do you have any reason for revising that figure?

HON. MR. ANDREW: — No, the figures that we have look fairly good, and the '83-84 figures at this point look fairly good.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, in order to save the time of the committee, I would ask the minister whether he would provide for me the information on the insurance base where the insurance premiums tax — the same information which he provided on March 10 — which sets out the estimated taxable premiums for automobile accidents, insurance, property, life, and the rest.

HON. MR. ANDREW: — I'll provide that.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, I turn now to the sales tax and ask the minister whether or not his estimate for '82-83 of \$321,800,000 is in need of any revision, or is that approximately accurate?

HON. MR. ANDREW: — We are down a bit, perhaps about \$10 million.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, I wonder if you can give me the main areas where your taxes will have increased? You have indicated that potash was down, and the corporate income tax was down, and the sales tax was down. I suspect it to be personal income tax, but I'll let you say so.

HON. MR. ANDREW: — Personal income tax was up significantly.

HON. MR. BLAKENEY: — Well, I'll continue with sales tax, and we'll come to personal income tax in a moment. The '83-84 estimate of \$359 million — do you still feel that to be a good estimate?

HON. MR. ANDREW: — Yes, notwithstanding the numbers you gave in the clearing of cheques through the Regina bank.

HON. MR. BLAKENEY: — That figure was for February of 1983 and will have impacted on the last year and not the one I just asked, Mr. Minister. But would you give me the tax base on which this \$359 million is calculated? More particularly, would you tell me what you estimate retail sales to be, non-retail sales to be, and liquor sales to be?

HON. MR. ANDREW: — The base would be as follows: retail sales, \$3 billion; the non-retail sales, 3.3 billion; liquor, 4.36. And I might also indicate from the previous question, the conference board, if we're to believe anything that they say, indicate that sales, retail sales, look to be stronger than they had been projecting before.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, again to save the time of the committee, I would ask that you send me the same table you sent me in March dealing with gross tax and commissions and the like, I note, Mr. Minister, that the figures in the budget are the net figures and that the commissions are not included as revenue or as expenditure. Do I interpret that correctly?

HON. MR. ANDREW: — It's a normal practice; we haven't deviated from it.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, I now turn to tobacco tax, and the estimate was \$36,400,000. And I would ask the minister whether he has any reason to revise that estimate.

HON. MR. ANDREW: — No, nor for '83-84.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, there is a substantial increase from \$36,400,000 to \$50 million that is accounted for, clearly, by some rate changes, and I would like the minister to tell me what the rates were in '82-83 and in '83-84 — at least at the beginning of each of those fiscal years, because there was a change in the middle — for cigarettes, tobacco, and cigars.

HON. MR. ANDREW: — Perhaps I could go through '83-84. They're at 52 cents now. In November, they were at 42 cents; in March of '82, they were at 38 cents; in March of '81, they were at 33 cents; March of '80, they were at 30 cents. I take it that that's for cigarettes, primarily. Those four figures should probably give you the information you want. I can go through cigars and tobacco if you want to, but I think . . .

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, the tax on cigarettes has gone up from 38 cents a package, in two steps, to 52 cents a package, and I think it would save the time of the committee if the minister would simply send me what the tax rates are for tobacco, and then I won't need to pursue that. I would ask the minister to do that, then . . . (inaudible interjection) . . . That will yield \$50 million, that's the . . . (inaudible interjection) . . . And the minister says, yes.

I now turn to individual income tax, and I ask about the 1982-83 figure of \$612,094,000 and ask the minister: what is his current estimate of the yield in 1982-83?

HON. MR. ANDREW: — That number is up in the area of \$60 million to \$70 million; basically explained by a bit of an increase to us from previous years, adjustments, etc.; somewhat unexpected by the department.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, with respect to the \$60 million to \$70 million received in personal income tax in the '82-83 year; was that due primarily to underpayments in previous years by the federal government?

HON. MR. ANDREW: — Primarily.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, with respect to mineral acreage tax, is there any change in the method of calculation, in the . . . (inaudible) . . .

HON. MR. ANDREW: — No.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, I now turn to the liquor board and note the substantial increase in yield there, from \$90 million to \$125 million. And I ask the minister: during 1982-83, did you take the \$90 million into revenue?

HON. MR. ANDREW: — Yes.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, could the minister tell us

approximately how much of that reflected profits of the liquor board for the calendar year 1982, or they have the same fiscal year as we do — for the fiscal year ended March 31st, 1983, and how much was it a draw-down of previously accumulated profits.

HON. MR. ANDREW: — We understand that the profit is more than the 90 —a small amount. I don't know whether I have the most recent numbers, and perhaps you do — in the area of 93, or something to that effect.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, just to get some idea of the flow of cash, when do you normally take that \$90 million into revenue? Would it be at the beginning of the year or at the end of the year? Do you ordinarily look to the revenue in the current year or in the previous year as the source of the payment from the liquor board?

HON. MR. ANDREW: — I'm advised that the money is drawn throughout the year, basically projected on the expected profits of the liquor board, but drawn down throughout the year.

HON. MR. BLAKENEY: — Just before I leave individual income tax for this time, and I note the estimate of \$708,700 for '83-84, does the minister have any reason to believe that that estimate is too high or too low?

HON. MR. ANDREW: — Not at this point in time, no.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, back to the liquor board and the estimate of \$125 million for the Consolidated Fund from the liquor board in the current year '83-84, could the minister tell me about how much of that is anticipated to be the profits of the liquor board for the year '83-84 and about how much a draw-down from previously accumulated profits?

HON. MR. ANDREW: — Assuming, number one, that there will be no further increases in liquor taxes, our view is that the profits would probably be not that high that we would see taking a small draw-down from that.

HON. MR. BLAKENEY: — Would 110 million profit and 15 million draw-down be a reasonable estimate?

HON. MR. ANDREW: — Could be in the ball park.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, turning now to motor vehicle revenues, and more particularly the \$46,200,000 estimated for '82-83, do you have any reason to revise that estimate?

HON. MR. ANDREW: — I think it's perhaps down a margin —not significantly.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, with respect to the estimate for '83-84, 54,700,000 do you have any reason to revise that estimate?

HON. MR. ANDREW: — No.

HON. MR. BLAKENEY: — Mr. Minister, referring to the figure of \$54,700,000, how many vehicles is that estimate based upon? What number of registrations of vehicles do you expect to have?

HON. MR. ANDREW: — 791,200.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, that is an increase of 15,000, approximately, from last year, 14,500. Is that increase in the rate of vehicle registration anticipated to continue or is this an unusually large figure?

HON. MR. ANDREW: — It's based, as I understand, on a 2 per cent increase.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, I refer now to the figure for lands, forests, game fur, etc., and note the drop from 20 million to 13 million and ask the minister: what is the reason for the drop?

HON. MR. ANDREW: — That is explained by . . . Land revenues from the Department of Agriculture now will go to the heritage fund as opposed to Consolidated Fund. That would explain the largest part of that decrease.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, going down now to receipts from other governments and the Canada Assistance Plan, Saskatchewan Assistance Plan, '82-83 estimate of \$114,411,000, is there any reason to revise that estimate?

HON. MR. ANDREW: — No.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, with respect to the figure for '83-84 of \$134,184,000, is there any reason to revise that estimate?

HON. MR. ANDREW: — No.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, referring now to established program funding, I ask the minister whether or not there is any reason for revising the estimate of \$297,600,000.

HON. MR. ANDREW: — Yes, there was a downward. That's based on the fact, if income tax goes up, that EPF goes down accordingly. So that would explain that. We're looking for approximately \$20 million less there.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, with respect to the estimate of 320,700,000 for '83-84, is there any reason to revise that estimate?

HON. MR. ANDREW: — No. We did build in in anticipation the 6 and 5 of the education aspect of EPF.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, I wonder if the minister would take me through the calculation of established program funding. I'm not looking for the full course, but can you tell me what amount . . . Let me ask this first question: all of the points; now I suspect that that's not true; I suspect that there's another sort of guarantee in there — so-called revenue guarantee — but can you give me the headings under which that figure of 320,700,000 is arrived at?

HON. MR. ANDREW: — Okay, it's the total entitlement, less the value of equalized tax points, gives you the cash payment that you would receive less further adjustments for previous years. It could be written into this year's . . . It hasn't come down the chute to

us yet.

HON. MR. BLAKENEY: — And how is the total entitlement arrived at?

HON. MR. ANDREW: — It's population times per capita total for per capita average for Canada, escalated by GNP. You're going to have to let that be satisfactory for you, Al, because . . . (inaudible) . . .

HON. MR. BLAKENEY: — Well, Mr. Chairman and Mr. Minister, then I would ask . . . I won't pursue this point further, except on a couple of points. I hear from time to time some absolutely bizarre arguments put forward by representatives of the federal government who seem to wish to persuade people that the income tax collected by Saskatchewan — pursuant to the tax rates set by this legislature; collected on the tax form which says 'Saskatchewan Income Tax'; collected from our citizens on that account — is a contribution by the federal government. I then hear further bizarre arguments to the effect that . . . And not only is it a contribution by the federal government, but is it a contribution to hospital care or to post-secondary education as they may dictate? I would like to get the minister to outline very simply what I think that members should know here — that those arguments are assumed that Saskatchewan-levied and Saskatchewan-collected taxes somehow are federal government contributions and assume a division between health and education which I have never been able to understand. I have never been able to understand where this division came from, and hence, how they can calculate that Saskatchewan is underspending or overspending on post-secondary education, for example. And I would invite the minister to give a short statement to that effect.

HON. MR. ANDREW: — Yes, we would agree completely with the observations of the hon. member. When you exclude that out of it, probably what you're looking at is 20 to 25 per cent of those costs for health care and education, advanced education, being picked up by the federal government through that. The rest of it is on the shoulders of Saskatchewan people. And I would agree with you, and I daresay there is nobody in this House that would come to the defence of the federal government on that particular question.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, I don't want to waste the time of the committee on this, but some of us sat through the particular negotiations which led to this formula and heard the federal government say that it was time they stopped collecting taxes and hand the money over to the provincial governments, and it was time the provincial governments started collecting the taxes themselves and take the political heat for it. And therefore they were going to back off and make some tax room and the provincial governments could go out there and tax and explain to their people what they were doing with the money and take the political heat for it. And as a result, the provincial income tax rates went up sharply — they were calculated differently — but they went up sharply from roughly a third of the federal tax to a half of the federal tax, and there was lots of political heat to be taken.

And when I hear the Hon. Senator Argue or someone else come around and say, 'Oh, but no, that is money which we are really giving you, and that is not true that you are collecting the tax. It just seems that way. Sure, you're passing the law, and it's on your income tax form, and you're setting the rates, but really this is money that the federal government is giving you.' And having regard to what the federal negotiators said at that time, saying that it was high time that we took the heat and 'we' — meaning the

provincial governments — took the heat, and we took the credit. And now that we've taken all the heat, there seems to be a good deal of a line-up as to who is to take the credit. And in front of the line seems to be the federal spokespersons who are busy saying that you're not spending enough on universities, or as the case may be.

But I don't know whether that contributes much to the deliberations of the committee, but I think it's worthwhile for some members to know that when they hear Senator Argue or someone say that we're cutting back on our spending and — whether it's the government opposite or the government we headed — cutting back on money which they're giving the universities, and when I hear some university spokesmen re-echo those arguments. It's time someone said — and I know that members opposite have said, but we'll say again — that those arguments are based upon a sharp reversal of the position taken by the federal government at the time that the arrangements were negotiated.

HON. MR. ANDREW: — Regardless of what Senator Hazen Argue says, I put absolutely no faith or trust in any of his statements; that's number one. Number two, if we are to judge the federal strategy on this — that they were not going to take any heat on it — judging from the polls they're taking lots of heat on a whole bunch of things. And finally, if it's time someone was to say something about him, I would hope that the Prime Minister would have the courage soon to call an election. I'm sure there's a lot of people across the country have a lot to say to that federal government.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, I now turn to the revenue estimates for the heritage fund on page 122. I want to say that while I haven't seen the legislation which a first reading was given to today. I suspect that it provides that all of the money from the heritage fund can be moved into the Consolidated Fund, and that there is no requirement that any revenue of the heritage fund be retained for long-term investment but that all of the income from any given year can be moved into the Consolidated Fund.

Is it the policy of the government to provide — and I'll ask two questions, one at a time — that all of the current revenue from '83-84 can be moved into the Consolidated Fund for the year '83-84 if the government should so decide?

HON. MR. ANDREW: — That's correct. And if the legislature sees fit to pass that bill.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, is it the policy of the government that any assets of the heritage fund accumulated in prior years can be moved from the heritage fund to the Consolidated Fund as current revenue of the Consolidated Fund for the year 1983-84?

HON. MR. ANDREW: — As I understand it — and we could perhaps get into this more in the legislation — there is nothing from a budgetary point of view . . . It's only the revenues that come in or the income from the assets that are there that could be transferred in from a budgetary. I'm not sure that you couldn't have non-budgetary transfers if you had . . . Let's say you were to dispose of an asset of the heritage fund. It would not be a budgetary transfer then.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, we can debate some of these things in another forum when the bill is before us, but let me say how much I regret the decision of the government to take the position that all of the resource money should be regarded as current revenue in a given year. When I say resource money, I am here

talking about the oil revenue, which is fast depleting, and which we all know will fast deplete.

So far as I'm aware, the Government of Alberta is still taking the position that a given percentage of its oil revenue shall be put in its heritage fund. And its heritage fund is a little bit different than ours. We put everything in and . . . (inaudible interjection) . . . We'll come to that, about whether they had one. That's what I want to ask. Is it the intention of the government to continue to set aside any portion of their resource revenues for investment in longer-term assets, whether or not those assets be potash mines, which don't meet the favour of members opposite, or province of Nova Scotia bonds, such as was invested in by the Alberta Heritage Fund?

HON. MR. ANDREW: — One of the . . . I suppose the initial statement of the hon. member indicating that, while he strongly disagrees . . . What we had was basically something that would be very artificial. If we were to leave the heritage fund dollars at 15 per cent or 20 per cent, whatever it was, only to build up a savings in the heritage fund, that would simply create a larger deficit in the Consolidated Fund, which became very artificial. And I think, during these times when the revenues of all provinces across the country are showing significant decrease, it only made sense to do that.

With regard to the heritage fund, clearly we have indicated that we have two areas that we believe are important. One is the agriculture division of the heritage fund, and clearly we'll be spending extra dollars in agriculture — extra dollars towards the initial stages of farm purchase program, other areas of research in agriculture, down the road more and more dollars into irrigation — that type of venture in agriculture. That's clearly a direction that we see with regard to the heritage fund.

With regards to research and development, we have set up a fund — dollars generated out of the heritage fund now, hopefully dollars in the future from other revenues — going into research and development. We believe in a commitment to those two areas as fundamental areas in the province of Saskatchewan. Clearly agriculture is our most important one. Where you perhaps wanted to buy potash mines, or buy computer companies, or buy various other things, we see that money being maybe more appropriately put into some agricultural components as a better use of the funds than perhaps you did. That's a philosophical difference between you on the one side, and us on the other side, and I suppose I would tend to leave it at that.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, I don't think anyone can quarrel with investment in either agriculture or research, and certainly there were substantial expenditures in both under all previous governments. The question I direct your attention to is whether or not you see any use of the heritage fund which will provide direct revenues to the Consolidated Fund in future years — and I don't mean in the distant future, but in the relatively near future — when oil revenues start to decline, as indeed they already are as a percentage of budgetary revenues, but as they well may start decline even in absolute dollars.

HON. MR. ANDREW: — I suppose that remains to be seen, other than to say that I find that statement with regard to revenues from oil difficult to accept from a person that less than a year and a half ago, perhaps two years ago, heralded this fantastic Saskatchewan-Ottawa Energy Agreement that came on the heels of the Alberta-Ottawa Energy Agreement, where billions and billions of dollars would be rolling into our heritage fund. That was premised on the fact that world prices were going to go out of sight. They didn't go out of sight. I don't think now we have to take the view that because

they're not increasing now, or holding tight now, or even dropping now, that that scenario is going to last forever either. I take it that what our view of the oil industry would be is that the world price will start to track up again as the world economy starts to show some recovery. So what's going to happen on the world oil price scene over the next two, three, five years, I suppose is anyone's guess. I would see moderate increases for it, but how moderate that might be I don't know.

With regard to the whole question of uranium — an investment made by the previous government, a significant investment made by the previous government. How much revenues are we going to find from uranium? You know, your guess is probably as good as mine. Perhaps that energy source is going to be far more significant than a lot of people see it now. Maybe it's going to be as significant as perhaps you saw it a couple of years ago. Where is potash going to go? What is going to happen in the development of some of the other resources?

Clearly, you know, I suppose from a long-run point of view, we are still fairly optimistic that the resources of the province of Saskatchewan are going to be in demand around the world. We're in a down-cycle right now, but nothing is ever for sure and ever-permanent. Just as the price of oil is not going to go through the roof, neither is it going to go through the bottom. I think that only time will tell as to how that recovery takes place.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, the argument for the heritage fund was an argument not primarily based upon the world price of oil, was not particularly predicated on a sharply increasing price of oil. The arguments for . . . The heritage fund was set up long before anyone was contemplating \$40 or \$50 or \$60 oil, or \$70 oil. The heritage fund was set up on the premise that while potash revenues would be a long-term revenue source, and while uranium revenues would be a long-term revenue source, such was not true for oil in anything like the same amounts, in relative terms, that we had known in the 1970s.

The reason for this was not far to seek. With respect to potash, the supplies were very substantial, the reserves. Similarly with respect to uranium. While the prices may go up and the prices may go down, and accordingly the amount of revenue derived may go up or may go down in a given year over any three- or five- or ten-year cycle, the likely movement was up. Not so oil, because the basic source of the substantial revenues for oil was old oil, which was being depleted and being replaced by new oil which was far more costly to produce, and which was accordingly unlikely to be a source of revenue for the province anything like the source of revenue from the old oil.

No one, I think, can deny that the amount of old oil we're producing is rapidly depleting. From a production of 60 million, 70 million, 75 million barrels 15 years ago, the old oil would probably be down to — and I speak from memory — perhaps 30 million or 35 million barrels now. That's a very rapid rate of depletion. It's not to suggest that the oil produced in the province is dropping that fast — dropping from 75 or 80 to 60 or 55, whatever it is — but it is to suggest that the oil which will produce the largest revenue is dropping, not perhaps sensationally, but dropping each year.

The belief was that the oil industry was a long-term industry, but the source of high royalties was short term, and that we ought to try to spin that out by taking the money and investing it in something that which would yield money in the mid-1980s and the 1990s.

One can argue about whether or not the province of Nova Scotia bonds or potash mines were the best way to invest money in order to get a yield in the 1980s and 1990s, but what I think you cannot argue is the wisdom of attempting to spin out over a somewhat longer period of time what was undoubtedly going to be a bubble, an upward movement, and a short-run upward movement in the revenues of the province.

That is the theory of the heritage fund. I think it is a good theory, and I regret to see the government depart from that. If I thought this was a one-year aberration — that because of the downturn, we were going to take 100 per cent of revenues into Consolidated Fund this year, but that we were not going to assume that to be the case in future — then I would think that that might be understandable, although regrettable. But I see no intention on the part of the government to lay aside anything from what are essentially going to be short-term revenues.

I think all too soon we are going to see that they're short-term revenues, and then we have not only the problem of seeing our costs go up and our revenues levelling off, we see the problem of our cost going up and our revenues going down. And that is the problem which was addressed by the heritage fund.

A secondary problem was addressed by the heritage fund, and that was the inevitable — the inevitable fact that potash and uranium revenues would be highly volatile and that, accordingly, we ought not to try to finance Social Services directly out of those volatile revenues, but ought to pay them into a fund whereby we can put money into a fund in good years, and take some out in bad years.

If this is still the policy of the government, I would like to hear it. But so far as I can see the policy of the government is now to spend all of the current revenues, and to spend them on purposes which will not produce any budgetary revenue in a direct sense out of the expenditures which they're making. And if that is not the policy of the government, I'd be delighted to hear a statement of it, but I have not heard any statement which in my mind rebuts what I say is their policy of taking all of the resource revenues into regular revenue, and not attempting to deal with the situation which will arise when the oil revenues start to deplete. Indeed I suspect that they're going to deplete very soon indeed.

HON. MR. ANDREW: — Well, I think that begs several responses. Number one, I think the hon. member would learn that, I suppose, his definition, his explanation of the heritage fund, is not one popularly held across the province of Saskatchewan. Point number two: what do we hear? You hear, number one, that we shouldn't have a deficit. That's point number one. Now, you're saying, number two, not only should we not have a deficit, but we should be saving significant chunks of money. Number three, you're also saying at the same hand that we shouldn't cut any programs. No programs should be cut.

Number four, you're saying that we should not go into wage guide-lines, that we should not go into the wage guide-line program that we went into which saved significant dollars for the province of Saskatchewan in total expenditures. You were against that. I take it only that . . . From that the best that we can expect is that you think that probably salaries should not have gone up at the 7 per cent rate but maybe twice that high, which would have increased that cost even significantly further. So you can't have it both ways and that's what you're trying to have.

With regard to the heritage fund, I've always been curious about the strategy that you use and your party uses nationally. On the one hand, you say that we should not use our natural gas. It shouldn't be used. It should be kept in the ground for future years. That's a heritage that you're leaving to future generations; that when the other provinces sought to seek export of natural gas into the United States prior to our prices being too high to the point where the United States doesn't want it, at least your party nationally was against that. They should not be able to export natural gas in the United States.

But it was okay to export to the United States because we export 60 per cent of the oil produced in Saskatchewan into the United States market. No problem to export oil, which is far more finite, is going to be run out far quicker than is natural gas. It's okay to export that to the United States to take the money for it, but don't export the natural gas to the United States because you had to keep it for future generations. My question always was, which I could never understand: why is it that you had to keep natural gas for future generations but you didn't have to keep the oil for future generations?

So really, it seems to me that what we were talking about is trying to take that money and justifying some legitimate reason as to why you did that. I would simply turn the question back to you, and explain to me the difference between exporting oil — which is going to run out far sooner than natural gas if we're to believe any kind of the numbers of the estimated reserves — and at the same time hold natural gas in the ground and not use it, and be against or opposed to any export of natural gas from Alberta or British Columbia into the United States market.

HON. MR. BLAKENEY: — Mr. Chairman and Mr. Minister, I don't think there's much point in getting into a debate on the federal government natural gas export policy in the course of discussing the Saskatchewan Heritage Fund. I don't propose to do so. I will ask the minister whether or not he agrees with the following purposes for the heritage fund:

To provide a financial mechanism through which a substantial portion of resource revenue will be set aside each year and invested in income-generating assets for the benefit of future generations, and to finance a significant portion of the government's current programs and services, and to stabilize the budgetary position of the Consolidated Fund.

Does he agree with those purposes?

HON. MR. ANDREW: — I think you're reading from the most recent report, which was the previous year. We tried in the best possible way to reflect the views of the previous government, the previous fiscal year of that government. I think we announced in the budget a shift in directions of the heritage fund; that we see the heritage fund being used more into the areas of agriculture, into people-oriented type operations. We would not see that money being used to create and purchase some of the wonders that was purchased by the previous government, be they the packing plant in Saskatoon that lost a lot of money; the proposal to invest some money into an ethanol plant that was going to lose a million dollars — that was the best figure that could come up — and the numbers that you had when you were going into that type of thing. Moneys going into Saskatchewan Development Fund — very many of the other horrendous problem areas that the money was invested in.

What we intend to do is run a responsible government. We're trying to keep the budget cost down, control the expenditure base of the government. I think that is fundamental.

But we believe that the economy is a cyclical economy, obviously, and when that economy comes back up to the top of that cycle, there's going to be moneys there. That moneys will then be put aside and put aside for the day that it goes down the other way. We just faced the reality that we do live in a cyclical economy. Until we can move our economy beyond simply being agriculture- and resource-based and into some further processing whether it's agriculture products or some processing further of the natural resources that we have, whether we can develop into further economies in the high-tech manufacturing area; other new technologies that can perhaps develop in the province of Saskatchewan. Those are the types of things that we're looking at.

I think that we are going to be every bit as responsible and try to, when those times change, to be able to put some money aside. How we use that money and put it aside — I suppose we'll cross that bridge when we come to it. Certainly we're not going to be going out and buying everything that walks or moves or has a 'For Sale' sign on it. Clearly that is not an area we're going to move to. That's a philosophical argument I suppose we fought in the last provincial election; that's a philosophical argument that we've fought for a number of years.

I would suggest to the hon. member at this point in time in the history of the province of Saskatchewan, you're right now backing the wrong cause. Whether you look at any kind of numbers, any kind of population out there, any kind of views, or simply go out and talk to the average person, they don't want that any more. They want their government — and I think in the last provincial election what they wanted was, they wanted their government to be able to address some of the issues and the concerns they had. And those concerns were the high cost of living, and those concerns were mortgages and that type of thing.

We will see that when the revenues of the province of Saskatchewan start going over that expenditure base, then we will certainly look at putting some aside. And how we invest that, I suppose will be decisions that will be taken at that point in time, just as the decisions were taken at that point in time when you had the revenues when you were running the government. We'll cross that bridge when we come to it.

Having said that, Mr. Chairman I see it's close to 5 o'clock. I would suggest that we adjourn at this point in time and come back at 7.

The Assembly recessed until 7 p.m.