

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
May 10, 1984

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

Mr. Shillington: — Thank you very much, Mr. Speaker. I would like to introduce through you . . . to you, and through you to the House, 10 people, 10 geriatric patients from the Regina General Hospital. I will look forward to meeting with them afterwards and discussing the proceedings of this House. I hope they find it interesting.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Sale of Old SGI Office Building

Mr. Shillington: — Thank you very much, Mr. Speaker. My question is to the Premier and concerns, Mr. Premier, the continual stonewalling of your government on the issue of the SGI office. Mr. Premier, your minister and the appointees to the Crown Corporations Committee continued to stonewall this morning after the minister introduced an affidavit signed by Gary Miller, dated this morning, which contradicted earlier affidavits by Mr. Lovell and Mr. Bulych.

The committee refused to call the persons who had sworn the conflicting affidavits before the committee and allow the members to hear the witnesses and determine the truth of the matter, and so bring an issue, perhaps, to an end. Mr. Premier, will you bring this travesty to an end, and instruct your minister to encourage the committee to hear the parties who swore the conflicting affidavits, and allow the members of the committee to make a determination as to whether or not the public got full value for the building?

Hon. Mr. Devine: — Mr. Speaker, I don't believe the hon. member even believes that he should be in a position to play judge. We have two individual members of society who have sworn to different things. One says one thing; one says the other, and it will be decided downtown before the courts, I would suspect, not in this legislature.

Let me remind the public that the minister has offered all the information to the hon. member and to the Leader of the Opposition — all of it, the whole thing, all the files he could look at. He's offered it to the media; he's offered it to everybody. And as far as I'm aware, the member opposite, nor the Leader of the Opposition, has taken the opportunity to review the material. All they will do . . . All you will continue to do now is to make allegations — more and more allegations, and no additional evidence. You're still taking those two individuals, and you're kicking them up and down and sideways. One is agreed on one thing. One is agreed on the other. The minister offers all the files, and you stand up and say you want to play judge.

Mr. Speaker, I don't believe that that is the role for the Legislative Assembly under these conditions. There has been no new evidence offered. Clearly, the two individuals disagree. The media understands that. Everybody in the province understands that.

Mr. Speaker, there will be no judicial inquiry, or nothing else, until there is additional evidence offered by the members opposite.

Some Hon. Members: Hear, hear!

Mr. Shillington: — New question. Mr. Premier, your minister admitted this morning in the committee that it was his responsibility to ensure that the public got full value for the building. If it is the minister's responsibility to make that determination, so it is the committee's responsibility to make that determination.

I ask you, Mr. Premier, will you allow the committee to make that determination by calling the people who swore those conflicting affidavits, and allow us to get to the bottom of the issue, and stop covering up this thing?

Hon. Mr. Devine: — Mr. Speaker, I don't believe the members opposite are worried about the price of the building at all. And I don't think the people of Saskatchewan believe . . . I don't believe the people in Saskatchewan believe that you're at all worried about it — at all, period. You're worried about dragging two individuals, or many individuals, to make some sort of mockery out of them.

Whether you decided which individual was evidently telling the truth, or some story, one side or another, Mr. Speaker, it wouldn't make a difference, and it has no impact on the price of the building because there wasn't an offer received anyway.

So it has no impact, and the public should know that. Not one single shred of evidence to suggest that there was an offer that would make any difference at all. You keep alluding to that because that's the kind of game you like to play.

I don't want to be involved, as leader of this government, into an inquiry that is just involved in slandering somebody, or to raking them over the coals without defence; that has no bearing at all on the value of the building that was sold or offered. So, no.

Some Hon. Members: Hear, hear!

Mr. Shillington: — A new question, Mr. Speaker. Mr. Premier, your minister used one excuse after another to avoid appearing before that committee next week. He first of all told the committee that his president was off to London, and that wasn't acceptable to the committee. He then told the committee that he had a three-day tour of the province lined up and couldn't squeeze three hours to appear before the committee on Wednesday morning.

When we asked him about appearing Thursday morning, he said he had an 11 a.m. television appearance. My question, Mr. Premier, is: will you take appropriate steps to ensure that the minister is ready and able to appear before the Crown Corporations Committee next week?

Hon. Mr. Devine: — Mr. Speaker, we have, and the minister has offered all of the information to the members opposite, all of it — the entire file. I want to repeat that again so that the public understands it.

The Minister of SGI has offered to the member of the opposition, the Leader of the Opposition and the members opposite, the entire file, all the information — the entire bit of information. If they would look at it and suggest that there's any new evidence or anything else, they would be glad to hear about it. They have that opportunity. To date they have turned it down.

So it seems a little shallow to me, Mr. Speaker, that they would complain because the minister isn't showing up, or providing information. He stood in this House, and he's offered the whole thing to the opposition, and they haven't taken us up on it.

Some Hon. Members: Hear, hear!

Mr. Shillington: — Supplementary, Mr. Speaker. Mr. Premier, do you intend to answer the question or avoid it? Will you take steps to ensure that your minister is available to appear before

the Crown Corporations Committee next week and bring this matter to a conclusion?

Hon. Mr. Devine: — Mr. Speaker, the ministers are always available in committee. They sit, and they will go through questions. Obviously they will be, and it's up to the whips to decide when you're going to meet, and when you're not going to meet. It has nothing to do with the argument.

Mr. Shillington: — Well, will the Premier simply confirm that your minister will be available next week to appear before Crown corporations? Will you just give us a yes? Just confirm that.

Hon. Mr. Devine: — I will confirm that the minister will be before the committee and I will confirm that all the ministers will be before the appropriate committees. That's what goes on all the time.

Mr. Shillington: — New question, Mr. Speaker. Mr. Premier, there stands before the committee a motion giving the parties whose activities have been so extensively discussed in their absence the right to appear before the committee and tell their side of the story.

The invitation would, of course, be extended to Mr. Lovell, Mr. Bulych, Mr. Miller, Mr. Silver, and Mr. Drummond. If they think what has been said is unfair, then they can come and tell their side of the story. But, more important, it may enable the committee to get to the bottom of the issue.

Mr. Premier, will you urge your members of the committee to vote in favour of that motion, so that, if they wish, they may come to the committee and assist . . .

Mr. Speaker: — Order, please. I believe that your question is out of order. The work of the committee can be handled within the committee. There's plenty of opportunity to discuss that resolution and the solution for it in committee, and I believe it is out of order in this House.

Hon. Mr. Blakeney: — I ask a question of the Premier, and the question is this: when affidavits are filed in this legislature, and when in the committee affidavits in answer are filed thereto, contradicting the first affidavits, do you not feel that it is appropriate for the citizens whose word, whose pledge, whose word on oath is being contradicted, to have an opportunity to reply, either in this House or in the committee, to defend themselves . . .

Hon. Mr. Devine: — Mr. Speaker, I don't agree. I don't agree that this is the place that that should be resolved. If two individuals swear out opposite affidavits, and it's going to be resolved down town before the courts, that this is not the place that it should be done. Nor should they be hauled in here without representation every time somebody makes an accusation about one or the other at any particular time, which may or may not be unfounded. I don't agree.

Hon. Mr. Blakeney: — Supplementary, Mr. Speaker. No one is suggesting, as the Premier did, that anyone was going to be hauled before anybody . . . (inaudible interjection) . . .

Mr. Speaker: — Order, please! Order!

Hon. Mr. Blakeney: — Mr. Speaker, I ask the Premier again. Where there are two conflicting affidavits about whether or not the Crown lost \$175,000, and where a citizen alleges that, or words to that effect, and where this is contradicted by statutory declaration, do you not believe that the citizen at least ought to be invited - invited to give his side of the story, not compelling anyone to do anything, but invited to tell his side of the story? Nobody being forced to come, simply invited to come and testify before the committee.

Hon. Mr. Devine: — Well, Mr. Speaker, and I don't believe it's true that one affidavit says that there is a \$175,000 lost or revenue foregone; it doesn't say that at all. And the hon. member knows it. So I don't believe it is in the . . . it is the best place to have an invitation for people to

may or may not attend, where one side may attend and another side may not attend. And what would that prove if they had a choice? What would you prove if you had a choice? You know very well that it isn't going to resolve . . .

Mr. Speaker: — Order, please. If you ask questions, I think you should give the minister an opportunity to answer and to listen quietly while he does answer. The Premier.

Hon. Mr. Devine: — Mr. Speaker, I have full confidence in our court system. I don't believe that it would be fair, at all, to the public to invite people who may or may not come, and have one side come in if they so decided to, and then continue to slander the other side if they decided not to because they thought the whole arena was unfair. What would you prove?

An Hon. Member: — What about the taxpayers?

Hon. Mr. Devine: — What about the taxpayers? Let's talk about \$600 million that you were agreed to put down the hole in northern Saskatchewan.

Mr. Speaker: — Order. Order.

Some Hon. Members: — Hear, hear!

Hon. Mr. Blakeney: — Supplementary, Mr. Speaker. Where, Mr. Speaker, there is an affidavit filed in this legislature indicating that one citizen had expressed an interest in purchasing Crown property at \$750,000 (the affidavit is already tabled) and where the minister introduces into committee an affidavit in total opposition to this, in fact alleging that the conversation never took place, do you not believe . . . and where the consequences are a loss of \$175,000 to the Crown, do you not believe that the citizen at least ought to have an opportunity to explain his affidavit, and why he believes that his affidavit is to be preferred to the other affidavit tabled by the minister — tabled by the minister — in the committee?

Hon. Mr. Devine: — Mr. Speaker, no, I don't believe that that is fair nor this arena is fair to resolve that. And the files show, and if the hon. member wants to look at it, that there was never ever a written offer that the person is alleged to have given. Even if there was a verbal offer, which the other person denies, that there was even a verbal offer, there was never a written offer to the minister, or his staff, or anybody else.

So it's absolutely meaningless. It doesn't mean a single solitary thing with respect to the value of it. So why would you want to haul them to this institution without letting the courts decide if one or the other is telling part of the story or the whole story — which, I want to make sure that you all understand, has nothing at all to do with what he sold the building for.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — Supplementary, Mr. Speaker. No one is talking about the issues involved in the court case. That's a matter of libel and slander, and no one is talking about those issues. I am asking . . .

Mr. Speaker: — Order, please. It's an impossibility to hear what is being said and to hear the answers. I think both sides could restrain themselves a bit.

Hon. Mr. Blakeney: — Supplementary, Mr. Premier. I am asking whether or not you do not feel that where there is a clear allegation under oath, that someone is interested in buying Crown property for \$750,000, and where very shortly thereafter that property is sold for \$575,000 or less, and where, in order to justify that, the minister introduces an affidavit which contradicts the first affidavit, do you not think that both the public and the citizens are entitled to know whether or not such an offer of \$750,000 was made?

Do you not think that the way to get to the bottom of this is to give the people an opportunity — not an obligation, but an opportunity — to outline what they meant by their affidavit, and why they alleged that your government has lost \$175,000?

Hon. Mr. Devine: — Mr. Speaker, it is precisely, it is precisely the case before the courts that is at question. Precisely. And the hon. member knows that . . . (inaudible interjection) . . . Exactly. Exactly. When you have sworn affidavits to that extent, that is the only place that it should be resolved.

We are not judges. The member opposite is not a judge. The member from Regina Centre is not the judge, and he knows full well. And if one member could arrive, and another one couldn't, or wouldn't, is that going to resolve it? That's why it's before the courts. The member opposite knows that's why it's before the courts, and it shouldn't be in here. So my answer is no.

Some Hon. Members: Hear, hear!

Mr. Shillington: — Mr. Premier, will you admit what your minister admitted, and that is it is not the court's responsibility to determine whether or not the public got full value for the building, but his, and, therefore, the committee's? Will you just admit in the Assembly what he admitted in that committee, that it's his responsibility to ensure that the public got full value for their building?

Hon. Mr. Devine: — Mr. Speaker, we have said, and the files show, and the files have been offered to the members opposite, the files . . . Mr. Speaker, if the members would look at the files . . . Will you look at the files? We could ask the public. Will you have the courage to look at the files? Will you have the courage to look at the files? If you look at the files, you'll find there has never ever been a written offer to buy that building for 700-and-some thousand dollars.

Why don't you look at the files? Why don't you look at the evidence? Why don't you try to find out the truth, rather than just raking people in here over something that they may or may not do? I mean, the evidence shows there was no offer. Period.

Mr. Shillington: — Supplementary. Mr. Premier, if the file was full and complete and determinant of the matter, then why did we get this affidavit? It was filed this morning in the committee, dated May 10th. This was added to the file, and that's why we haven't been looking at the file — because the file is a moving target.

Hon. Mr. Devine: — Mr. Speaker, how would the members know whether it was complete or not if they haven't looked at it? We have offered the files, all the files, everything that's in the files . . . (inaudible interjection) . . . Well who said it was or it should be? You asked for it, and a private individual offers it.

Mr. Speaker: — Order, please. I'm going to ask members to restrain themselves, and if they're not going to restrain themselves, then I'm going to have to take other action to remove some.

Air Fares on Behalf of Toronto Consulting Firm

Hon. Mr. Blakeney: — Mr. Speaker, I don't think we're going to get an answer from the Premier on this subject, so I'd like to ask another question directly to the Premier.

My question deals with information sent to me a few days ago by his acting deputy minister, information which I asked during last May's estimates. Included in the written information is a list of commercial air fares paid by the taxpayers of Saskatchewan on behalf of non-government employees. And leading the list is a Toronto film production and media consulting firm, a McLean Fremes Limited. During your first year in office the taxpayers of Saskatchewan paid more

than \$11,000 in air fares for McLean Fremes. My specific question is this: why did Saskatchewan taxpayers shell out \$11,000, more than \$11,000, for air fares for this Toronto consulting firm?

Hon. Mr. Devine: — Mr. Speaker, we attempt to find the best advice that we can when we're putting together any particular program, and I believe the members opposite, when they were putting together the Crown corporation ads, often went outside the province of Saskatchewan to get particular, specific advice and putting the best that they could find, whether it was in other parts of Canada or the United States or whatever. In this particular case, I have a great deal of confidence in the firm and the individuals that they can provide professional, first-class advice, and that's why we selected them.

Hon. Mr. Blakeney: — Mr. Speaker, supplementary. I think, pretty clearly, you do have a great deal of confidence in that firm because a review of the *Public Accounts* for your first year in office shows that your department alone, Executive Council, paid out more than \$50,000 to this Toronto-based media consultant. My question is this: is \$50,000 of the taxpayers' money what should be paid out to a Toronto consulting firm in order to get advice for the Government of Saskatchewan, or was it the Progressive Conservative Party of Saskatchewan?

Hon. Mr. Devine: — Mr. Speaker, I'm sure the members opposite got advice where they thought it was the most advantageous and do the best job in Saskatchewan and outside Saskatchewan. I'm satisfied that the money spent on this firm is providing the Government of Saskatchewan and the people of Saskatchewan with excellent advice. It resulted in a very stunning victory in 1982, and the evidence is clearly before us. It shows . . . (inaudible interjection) . . .

Mr. Speaker: — Order, please.

Hon. Mr. Blakeney: — Mr. Speaker, the Premier has already conceded that McLean Fremes is the firm headed by one Nancy McLean, who did a great deal with respect to his campaign in 1982, the person who worked as a media guru for not only the Premier, but for Bill Davis, and Bill Bennett, and Richard Hatfield, and a great number of other people.

So I ask this, Mr. Premier . . .

Mr. Speaker: — Order, please!

Hon. Mr. Blakeney: — Mr. Speaker, could your reluctance to outline in detail what this firm has done for the people of Saskatchewan, as opposed to the Progressive Conservative Party of Saskatchewan, turn on the fact that while the services were valuable, they were valuable to the Progressive Conservative Party rather than the people of Saskatchewan?

Hon. Mr. Devine: — Mr. Speaker, I would think the people of Saskatchewan feel that the Progressive Conservative Party is very valuable to the province of Saskatchewan, and it shows.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — And, Mr. Speaker, I would go on to say that the taxpayers of Ontario have done very well with that firm, and it speaks for itself. The history is there — 40 years of successful administration. And if you would go on and look at other provinces where this firm has provided very good evidence to suggest they've provided very good guidance, the provinces are doing very, very well.

So they are very professional. They do very good work in terms of tourism, in terms of economic opportunities. In promoting provinces and Saskatchewan across the United States and the world, they're first class.

Hon. Mr. Blakeney: — Mr. Speaker, I am talking about what services were rendered to the Executive Council, since those are the people who paid the bills.

My question to you is this, Mr. Speaker: why do you need McLean Froles for the Executive Council, when you are already served with some rather high priced help in the persons of Mr. Spetz at \$65,000 a year, Mr. Shorvoyce at something over \$50,000 a year, and Mr. Quinlan at something over \$55,000 a year? With these people drawing down about \$175,000, do you need some additional media advice from McLean Froles, or is this, in fact, a little arrangement that you have by reason of very valuable services rendered to the Progressive Conservative Party of Saskatchewan?

Hon. Mr. Devine: — Mr. Speaker, we hire advice where we believe it will provide the most benefit to the people of Saskatchewan, the best professionals we can find. The Leader of the Opposition says that we already hired one, two, three, four, five, six, seven people.

Well I'll point out again as I did yesterday, Mr. Speaker, in the last few years the former administration hired 10,000 — 10,000 additional people. They doubled the size of Crown corporations. They talk about public expenditure for what? Thousands and thousands and thousands of people. Mr. Speaker, this administration has cut that by 3,000, and the expenditures that go with it. So I would gladly compare the number of individuals at public expense in this jurisdiction compared to the former.

MINISTERIAL STATEMENTS

National Forest Week

Hon. Mr. Pickering: — Thank you, Mr. Speaker. I rise today in recognition of National Forest Week, May 6th to 12th.

Each member of the provincial legislature has been presented with a white spruce seedling from one of our provincial nurseries. These seedlings represent the vital role that forestry plays in generating industry, employment, and in revenue for the province. Our forest industry accounts for anywhere from 200 to \$350 million worth of wood products each year. And during peak periods, the jobs of 8,000 residents, directly or indirectly, depending on the forests in Saskatchewan.

The theme for National Forest Week in 1984 is: "Tomorrow's forests, today's challenge."

We are reminded that Saskatchewan, along with the rest of the country, is facing a critical shortage of timber. More intensive forest management is imperative to ensure the existence of our forests in the future.

The Saskatchewan Forest Association is playing its role, and the provincial government is meeting today's challenge for a Canada-Saskatchewan forest resource development agreement, an agreement which will mean further development in the areas such as forest renewal, growth enhancement, research, and forest protection.

We are also committed to meeting today's challenge through our regeneration program. This year, government and industry will plant 12 million seedlings in the province, just like the ones you have before you.

We really do want to make sure our forests will be around tomorrow — forests for our houses, furniture, books, and countless other items we use each day; forests for wildlife, watersheds, and outdoor recreation; and forests for the beauty they afford us.

Once again, Mr. Speaker, and all members of the legislature, let these seedlings remind us of the great value of our forest resources. I encourage each of you to take your seedling with you with

the instructions provided and plant it for your constituency, for Saskatchewan, as a reminder that Saskatchewan's forests are important today and in the future.

Some Hon. Members: Hear, hear!

Mr. Thompson: — Thank you, Mr. Speaker. I would like to make some comments, but I just couldn't get what the minister was saying. I don't know if he was talking about a federal-provincial agreement that has been signed today, or if he was talking about the trees that he has put out in the legislature. I did not get a copy of what he was speaking about today, but I would, Mr. Speaker, like to talk about that, and reserve my comments until I have either seen what the minister has indicated today or read *Hansard* tomorrow.

ORDERS OF THE DAY

Statement by Mr. Speaker

Mr. Speaker: — Order. Order, please. Each day of late, I've been having difficulty getting attention when I call for order from different members. I told you yesterday that if it continued I was going to ask someone to leave the Chamber. And I think the day has come when I'm going to ask for an apology from the Leader of the Opposition and from the member from Regina North West for not obeying the rules of the Assembly.

Hon. Mr. Blakeney: — Mr. Speaker, I do not know in what manner I have transgressed, but to the extent that I have transgressed, I fully apologize.

Mr. Sveinsson: — I certainly concur in the same, Mr. Speaker. I do not know how I've transgressed this Assembly, and I apologize for any inconvenience that's been to yourself or the Assembly, and certainly wish in future I'll certainly hold back on whatever you indicate that I'm doing wrong in the Assembly.

Mr. Speaker: — I would advise both members that I was on my feet, going down the orders of the day, and both of you continued to talk right through it. And that's what I'm talking about, and I think both of you are aware of that.

Hon. Mr. Blakeney: — Mr. Speaker, may I rise on a point of order?

Mr. Speaker: — Please do.

Hon. Mr. Blakeney: — I apologize, and I freely apologize. I said to you I did not know in what manner I had transgressed, and I meant that. And I do not appreciate any comment to the suggestion that I was aware of it and told you something else.

Mr. Sveinsson: — I would have to say, Mr. Speaker, that members of the government side were addressing me on the size of a tree I received today. I said it was mighty green of the minister, mighty green of the minister to give me the smallest tree in the Assembly. Unfortunately, I had my back to your Chair and I did not realize you were speaking down the order paper. I apologize for that, but I would think that the members of the Assembly, the minister responsible, and the members on this side of the House should be treated equitably with the Leader of the Opposition and myself with respect to the . . .

Mr. Speaker: — Order, please. The only two people that I heard talking were the two that I raised.

GOVERNMENT ORDERS

COMMITTEE OF FINANCE

CONSOLIDATED FUND BUDGETARY EXPENDITURE

FINANCE

Ordinary Expenditure — Vote 11

Item 1 (continued)

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, when we left off last evening we had heard some comments by the Minister of Finance dealing with budgets in other provinces, and election literature — or perhaps it wasn't election literature, but communications by individual members of this House with their constituents. I am not aware of what it had to do with the issue that we were discussing, and the issue which we were discussing is the level of the budget deficit. And I had asked the question about the policy of the government with respect to budget deficits.

I am not now reviewing the policy of previous governments, although that was stated many times. The idea of having a budget surplus, or balanced budget, over a period, and that was stated many times, and as it happened, the period was a lengthy one.

The minister in question announced his policy early in his term and indicated that he was aiming at balancing his budget over the four-year term. I am not asking whether or not the minister takes the view that every budget should be balanced. I simply remind the minister of what he said on July 9th, in the House, July 9, 1982:

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

I am not quarrelling with whether or not you've changed your policy. You may, or you may not have changed your policy. My simply question is: is that still the policy of the government, or have circumstances intervened which make that no longer the policy of the government?

Hon. Mr. Andrew: — I think I've made it clear, Mr. Chairman, on many occasions, that the policy of this government was to reduce the deficits down to a balanced position. We would hope to be able to do that in our term of office. I'm not going to become single-mindedly obsessed with whether you have a balanced budget in the fourth year or the fifth year or the third year or the sixth year.

What we will do is bring in fiscal policy — bring in fiscal policy that - bring in fiscal policy that we believe is right. I believe in a changing world you must be able to adapt, and that's what we've tried to do. I think our budget statement this year tried to reduce the deficit, at the same time preserve the fundamental services provided by government.

I tried to bring in new initiatives because, I believe, and I firmly believe that it's imperative that we not simply become static, that we not become single minded in our approach on fiscal policy, and that's the policy, clearly stated — clearly set out in our budget.

I would also refer to the communique, the most recent communique of the four western premiers out of B.C., on May 7th and 8th. That communique on deficit reductions - and I think it's important that I read this communique — agreed to by all four provinces, and I think that's clearly four provinces that have differences in fiscal policy as to where they approach it, but this was what they agreed to, and I think I could subscribe, by and large, to this communique. The Premiers reiterated their commitment to controlling and reducing their deficits as the economy strengthens. They emphasize the distinction between borrowing for current expenditures,

which must be systematically reduced, and borrowing for capital expenditures that increase the productive capacity of the economy.

Significant concern was expressed about the large federal government deficit and their effect on interest rates and private investment. They cited the large and continuing deficit of the Government of Canada and called upon the federal policy makers to follow the lead of the western provinces. Rigorous control of expenditures is a key to deficit reduction, they said. I believe that technically sets it out. I think if you look at the policy developed by the four western provinces, the four western provinces, you will see a more systematic reduction of deficits than either Ontario, Quebec, or the Maritime provinces, and clearly, the Government of Canada.

We targeted 20 per cent this year. We made that target. Manitoba was, I think, 16, 17 per cent reduction in their deficit. B.C. was significantly higher, but went far deeper into the cutting of expenditures, cutting of health, education, etc., adding some health care taxes that we don't subscribe to. Alberta, perhaps, cut deeper than we did, but I think, by all members that have studied the size of governments, Alberta had a far easier time at cutting positions than most other governments, because, perhaps, they were far heavier than most governments.

So I believe that we are moving in that particular direction. I believe it's a proper policy to move in. I would like to have the deficit reduced and balanced. Clearly, I would like to do that, but in order to do that you have to come down. Mr. Chairman, I believe the debate between myself and the Leader of the Opposition is meaningful, if we could keep the decorum, it would be good. But I believe that it's important that we look at it from a point of view of dealing with the question in a common sense, reasoned way.

If to eliminate the deficit leaves you a choice of raising personal income tax or raising sales tax — and I don't subscribe to that because I believe the present condition of our economy, both in Saskatchewan and across the country, is too sensitive for significant tax increases at this point in time.

I believe that we have controlled expenditures down under 5 per cent this year. To cut a great deal further of any significance is going to mean that we're going to have to cut into health care expenditures, education expenditures, and other expenditures that I don't subscribe to.

There's pressure on various points for more spending. The Leader of the Opposition, on many occasions, has asked us to put more money into here, here, and here. You can't have it both ways, Mr. Chairman. Either you have to reduce the deficit. If you're going to do that, you must either raise taxes or cut programs further. We think the balance that we have struck in this budget, and in the budgets before, is the proper way to go. If that takes an extra year in which to get a balanced budget, so be it. I certainly am not going to be single-mindedly obsessed with that question, single-mindedly obsessed with whether we balance within the fourth year or the fifth year. But it would be my hope we could do it in the fourth year. But that would be the guide I would use.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, the minister is putting an interpretation on his earlier statement that I find surprising. I think the statement that he made in 1982 was not one that said that in four years we will have a balanced budget. He said that over four years we would have a balanced budget, that over a period of four years our surpluses and our deficits would balance, and that over a four-year period we would have a balance. And I don't know whether a four-year period is the right period. But I do know that the idea of balancing the budget over a period is the right idea, so that deficits should be matched by subsequent surpluses at some time, so that one is not left with a large permanent debt.

No one is quibbling about a small debt that is of no particular consequence. But as we approach \$1 billion in accumulated deficits — we're up over 800 million now at the end of this year; and we see interest rates rising instead of falling; as we see a likely loan servicing cost for the deficit

approaching \$100 million at the end of this fiscal year, and rising, one must ask oneself what that \$100 million would do if we weren't paying it to the bankers and bond dealers — how it would operate another University of Saskatchewan. We'll be paying for two and operating one.

Or as I look at something like the Highway capital estimates and see what a large amount of money is spent there — \$110 million for Highways capital, very nearly that much going out now to the bankers and the bond dealers to cover the accumulated deficit — and going up, and going up. It's not a case of your saying that the next year's deficit will be less than this year's. One would hope so. But the total, of course, rises inexorably until we start having surpluses, and that is not even held in prospect. We're still talking about going into the hole at a slower rate. Well, I know that's encouraging to think that we're going into the hole at a somewhat slower rate, but it certainly would be a great deal more encouraging to think that we were gradually climbing out of the hole, and we were not spending as much on interest as we are on highway construction.

So I ask the minister whether or not he feels that his earlier statement of policy was one which suggested balanced budgets over a term, over a four-year term, and whether his new policy is now something different, but rather an approach to a balanced budget by the gradual reduction of the deficit.

Hon. Mr. Andrew: — I think I clearly stated in the budget this year that we were targeted 20 per cent reduction of the deficit this year; that next year, and in continuing years, we intend to reduce it by at least that amount. That is, I think, clearly a statement of what our policy is. I believe that it's not inconsistent with what has been said before, Mr. Chairman. I believe we have to draw a balance between the size of deficits, the expenditure control that we might have for the increasing of taxes. And that's really the fiscal policy decisions that one has to take.

And one can't look, in preparing a budget or trying to chart the course, if you likely, solely that option. You also have to look at incentives and encouragement to create activity. You have to be able to respond to the problem of a given sector in this year or next year or the following year, and each time it could be different. If interest rates make significant increases or increase significantly over the next year, year and a half, clearly that's going to add different pressures to us. But that's the reality of the world out there today. How one responds to it, I suppose, is the test of whether your policy is proper or not proper.

I believe the balance that we struck in our budget is the right balance, that we have reduced the deficit in a meaningful way, that we have called upon all governments to mount a strategy, whether it's 20 per cent or 10 per cent or 30 per cent, and that's certainly up for negotiations. Or, if we looked at the federal government saying, yes, we will reduce our deficit by 20 per cent next year, and collectively maybe all the provinces reduce their by 20 per cent. Some could maybe do more; some would have to do less.

The reality of the world out there, in my view, if our deficits are to be brought under control, is it must be a national strategy; it must be a national plan in order to do that. That's the policy that I subscribe to. We are going to do it regardless of what the rest of the country does. I simply say it's a logical and it's a reasonable way by which we, as a country, can get a grip on our deficits.

And to get that grip on our deficits in this country is going to take us a long period of time. And I believe now is the time to start on that approach and not do it willy-nilly, one province to the next, but do it strategically. And that will be in the interests of not only everybody in Canada, but also each of the provinces collectively.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, I have a couple of technical questions, and then I'll go on to a broader subject.

On page 6 of the budget speech you announced a capital construction program of \$1.2 billion. I understand that to be an approximation, but I would ask the minister to forward to me, if he

would, a breakdown of that \$1.2 million in approximate terms.

Hon. Mr. Andrew: — . . . (inaudible) . . . undertake to do that. Part of that was government; part of that was Crown corporations, and we will undertake to provide that to you.

Hon. Mr. Blakeney: — For the record, Mr. Chairman, I'm not sure whether I said 1.2 million 1.2 billion. I meant 1.2 billion, because that's what the budget speech says.

Another small point. In last year's budget speech the minister announced a \$20 million small business employment tax credit program which was, in fact, a sort of a grant program, but I don't want now to argue with the minister as to whether it was a tax credit or a grant.

No money was budgeted in '83-84, since all the money was to be disbursed after April 1, 1984. Could the minister indicate where this is to be found in the '84 *Estimates*, since I didn't find it? I don't say it isn't there; I just didn't find it.

Hon. Mr. Andrew: — Page 88, subvote 22.

Hon. Mr. Blakeney: — Thank you, Mr. Minister. That \$12.65 million is the estimate of that which will be payable under that program in this current fiscal year. Thank you, Mr. Minister.

In the course of some of your earlier remarks, you indicated that the western premiers had agreed that deficits — this is a paraphrase and not quite a fair paraphrase — that deficits were in order until the economy improved, but that stringent steps ought to be taken to limit them, and particularly to focus spending in capital areas rather than current areas.

I noted that the Premier of Saskatchewan was part of that, and presumably, therefore, acknowledging that there is somewhere a recession. If, in fact, there is not one in Saskatchewan, there exists one somewhere else in western Canada. And I will not bore the committee with the number of times that the Premier has indicated that we are not participating in the recession.

I wish now to direct the minister's attention to page 37 of his budget speech, and talking about real annual growth in the Saskatchewan gross domestic product versus the Canadian gross domestic product. And I invite people to look at 1982 and 1983, and point out that in each of those years Saskatchewan did worse than the Canadian average, much worse than some provinces, but worse than the Canadian average. And you have a chart there that is incapable of being misunderstood. So there's no question about our having done worse.

In 1982 it was a tough fight, since everyone was doing so badly that we only did somewhat worse than the rest of Canada. In 1983 the rest of Canada made a fairly decent recovery of the order of 3 per cent, whereas our recovery was limited to about 1.5 per cent. I wonder if the minister can indicate whether or not the economic programs announced in his first budget were successful and, if they were, how does he account for what has been a dismal performance in 1982 and 1983?

Hon. Mr. Andrew: — Well I suppose we can get into these economic indicators, and we can deal with the economists who will give us various theories on it. It's, number one, a percentage increase, as I understand. And again, this is a percentage year compared to a previous year's.

The biggest . . . I suppose one of the significant capital expenditures in '81 was the spending on the Alaska valley pipeline that went through a good part of the southwest corner of the province. It's very high capital investment involved there and not a tremendous number of jobs or economic activity because of that.

I tend to look at these kind of numbers as the bean counter numbers, the economists with their scales, etc., that mean important things.

I don't necessarily mean to down-play the significance of that, but we tended to look during the year 1982 and 1983, the bulk of the policy directed towards the employment numbers that could be created, and tended to judge the economy as to how we performed during that deep recessionary period in our country with regard to employment, to maintaining the employment — and we believe we did a fairly good job on that — that that trend went down; the trend is turning, is coming back.

I suppose I could stand up and tell you what the Royal Bank has done, or what the Royal Bank is predicting only yesterday in the news with regard to growth in the economy. Should we go by that as the gauge as to what's going to happen? Because tomorrow it could be the conference board saying something different.

I believe our economy has shown resiliency through the recession, perhaps better, and I think clearly better than any other provincial economy across this country. Part of that is the nature of our province, and part of that, I suspect, is some new initiatives taken by the government. That, in fact, shows that there was a dip in growth.

It's clear, it's before the people. I have nothing further, I don't think, I can add to you. We can, I suppose, get into a further advanced argument on economics. It's difficult when two economists argue economics. I suspect when two lawyers start arguing economics, it's probably even worse.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, I don't mean to argue at length. I do want to point out some of the facts which you pointed out in your budget speech. It wasn't only private and public investment which is down from, in 1983 over 1981. It's down a good deal more in 1982, but you have accounted for that, as you say, by the drop in pipeline investment. I'm not sure that fully covers the matter, but it has some effect all right.

But I think in agriculture there's less investment. In mining it's slightly up. In manufacturing, it's down; utilities, it's down; in trade and finance, it's down; in housing, it's modestly up; and institutions and government, it's up. But across the piece, public and private investment is down. In 1983 over 1981 . . . If we take the view that 1982 was just a bad year all around, and comparisons with that are unfair, we'll take '81 and '83, and '83 is, in part at least, a recovery year from the non-existent recession.

I point out how we've done on the labour force and indicate to you that, again taking 1981 over 1983, the labour force has gone up 24,000, and, of that, we have found jobs for 10 or 11,000 and have an additional 14,000 out of work. And those are on your own figures, and that is surely a startling increase in unemployment. I'll read the figures so that members will know. Unemployed people in 1979, 18,000; in 1980, 19,000; in 1981, 21,000; we see a small increase; in 1982, 28,000; and 1983, 35,000; and that is a very, very sharp increase. And after a very modest increase over a two-year period from '79 to '81, up 3,000; from '81 to '83, it's up not 3,000 but 14,000; and that is an impressive figure.

And the same is true of, let us say, the value of manufacturing shipments. They are less in '83, even in current dollars, than they are in '81 and, if you apply some inflation factor, you will see that in volume they would be significantly less, and I could go on to many other indicators. But they are all there in your own report indicating that 1983 was a much poorer year than 1981, and that the consequences are being felt by all of those who are unemployed. Do you have any indication of whether or not 1984 will be a better year than 1983 in terms of unemployment, or value of manufacturing shipments, or private and public investment. In constant dollar terms, do you think we will do as well in public and private investment and manufacturing shipments, for example?

Hon. Mr. Andrew: — You know you can go through a lot of prognosis as to what's going to happen in 1984. Yesterday, Royal Bank economics - just reading from briefing notes of the media announcement yesterday:

Royal Bank economist says that the national economy should grow by 5 per cent in 1984, and 3 per cent in 1985, with Saskatchewan leading the way.

Now, is that to be, is that, you know . . . Who am I to say that that economist has got it particularly right. It's an encouraging story to see that growth at least continuing. There is some that would suggest that there is fear that we're going to revert in this country back to a recessionary period again. Clearly, I think most economic analysts would indicate that if Saskatchewan is not going to show the best growth in '84 and '85, it's going to be very close to the best growth in '84 and '85, in those years. And so that's clearly encouraging to us.

What happens if interest rates . . . What happens if the American interest rate goes up? What happens if inflation takes off again? Those are real questions that we have to at least cope with. There's not a great deal that we in a province like Saskatchewan can do about them, but certainly we have to cope with them and be able to cope with them.

I think over the '81 to '83 period the average number of people working in Saskatchewan compared to any other province in this country, over that two-year period, the average amount of employment showed us at a 2.6 rate of growth in employment, which was the best in the country, followed by Prince Edward Island at 2.1, and every other province was in a minus situation. So the average amount of employment, the year '82, year '83, we did the best of anyone.

I said part of that was the policies of this government; part of that is the nature of this province. All I'm saying is that, hopefully, we see a recovery continuing. I believe it's in the best interests of everyone to see that recovery move ahead in a gradual, progressive, ongoing manner, rather than the incredible ups and downs that we have seen over the last three and four years in this country and in North America and around the western world.

I believe if that growth continues at a steady, measured pace, everybody will be better for it. If we fall into increased inflation pressures, I don't think anybody will gain from it. Certainly if the interest rate is allowed to hover up again at 14, 15, 16, 20 per cent, nobody is going to gain for that, and everybody is going to lose for that. I tend to have a lot more faith that the system, after the shell-shock of 1981, 1982, is not going to allow that to happen, and we're going to see more measured growth and a more progressive way of constantly moving forward.

I suppose I'm an optimist in that way, and I think well one should be. I think the most of the best advice that we can get from, whether it's United States or from Canada, would tend to subscribe to that theory. But certainly at any given day, if you ask the advice of the so-called experts from around North American, you're going to get different answers.

Hon. Mr. Blakeney: — Thank you, Mr. Minister. I say apropos of nothing at all, I just happen to be looking at my colleague's grain news for April 30th, and it has a little cartoon where a loan officer is saying, "We believe that everyone should be happy and live within their means, even if they have to borrow money to do it." And it struck me as a very, very good description of how the Saskatchewan government is going about their affairs.

I want to ask the minister a couple of questions with respect to Crown corporation policy, and I don't know whether he would prefer that these be asked here or in some other forum. I can ask them . . . They're not strictly in order in the Crown Corporations Committee and I'll ask whether . . . they're going to be broad questions, not about any individual corporation particularly.

Hon. Mr. Andrew: — It's not the most appropriate forum. I would certainly entertain

questions. You have to bear in mind that it's the Minister of Finance officials that I have with me and not the officials from the Crown Management Board where that policy is struck and set on a wide general policy. I would certainly entertain questions, and if I feel it not appropriate to answer them, I would so advise.

Hon. Mr. Blakeney: — I have just two lines of questioning. One with respect to the policy of divulging the compensation package for chief executive officers of Crown corporations, and I ask whether there is a common policy across the government with respect to this, or whether there is not. Some of the corporations have indicated what the compensation package is, and some have been reluctant to do so. And I am simply asking whether or not there is a common policy.

Hon. Mr. Andrew: — The problem I would have with that is the . . . You know, most of those types of questions on Crowns that would apply to the budget or statements were made on them, I would certainly entertain them. I have made public statements with regard to that question, so rather than begging off it, we have no . . . We're not disinclined to announce what we're paying these people, other than the fact that when some of the CEO (chief executive officer) positions or senior management positions have been filled, part of the condition of that employ is that their salary would not be released.

You come to some difficult decisions at times. If the individual says, "No, I will not take that employ if I'm going to run into that type of situation" and, as a result, you have to balance off the full disclosure versus whether or not you're going to be able to attract the most competent people.

I can further advise that I have seen two or three studies done with regard to the compensation package to senior management people within our Crown corporations and comparable compensation paid to CEOs in the private sector firms doing very much the same type of work, very much the similar size of operation, same type of operation, and by and large the remuneration paid to the Crown corporation officials is very often two to three times lower than is what is paid in the private sector.

But other than a set policy that everybody is going to be disclosed, it's a hit-and-miss type of thing, given the situation.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, I don't doubt for a moment your last comment that as a general proposition the compensation for senior officers of Crown corporations is lower than people who are in comparable positions in the private sector; nor do I doubt that that's been the situation for many years. And I think one might be able to find the odd exception, but I doubt very much whether you can find an exception.

I think that we pay our Crown corporation managers a reasonable compensation, and it looks large compared with many people in the public sector. It is not at all large compared with many people in the private sector, and that's a judgement call that has to be made by people who operate Crown corporations.

My other comment has to do with statements attributed to the minister, following a recent meeting of the Saskatchewan Chamber of Commerce, with respect to whether or not it was the policy of the government to offer for sale Crown corporations other than those providing essential services, I believe was the phrase used.

And I asked the minister whether or not he was correctly quoted when he indicated that there was no policy (and I'm paraphrasing, and I know he will correct me), that there was no policy of holus-bolus sale of Crown corporations, and I think he didn't indicate what the policy was with respect to whether or not there would be dispositions of existing corporations.

Hon. Mr. Andrew: — Well, what I indicated when asked that question, if I can recall the questioning following that meeting, is I was under the impression, or advised by the media, that a resolution of the chamber of commerce basically requested that we speed forward and sell off all of Crown corporations.

I indicated to the media at that time that I had made what I thought to be a fairly succinct statement in the budget this year as to the direction that we would be going, that there certainly was no policy within government that would have us sell off the Crown corporations to the first buyer, first comer.

I believe that we have taken a reasoned approach dealing with Crown corporations, that some have had to be perhaps wound down. Perhaps some would be phased into more government-type organizations. I think now of something like the printing company or something like that, that it seemed to me that could deal primarily with printing needs of government.

We looked certainly at the potash corporation as a viable and growing Crown corporation. Saskoil, we've announced a continuation of Saskoil. Saskoil has done very well in the market last year. We will be selling bonds which will allow the people of Saskatchewan to participate more fully in that company through bonds with a lower than normal interest rate with a condition that will allow them to participate in dividends. The exact nature of those bonds have not yet been determined — will be, in due course. I think we made it fairly clear as to what happens with regard to the utility Crowns and how we would intend to deal with those.

You have questions, I suppose, one has to meet: is what do you do with equity holdings like Nabu Corporation where we have 10 per cent equity in a company that has basically done very poorly on the market. Should we stay involved with regards to that? What is the most appropriate way to deal with PAPCO (Prince Albert Pulp Company) and the Sask Forest Products, and should they be continued as the way they are?

I think the thing that people have to come to realize is that the whole ongoing debate as to where Crown corporations are is far more sophisticated than simply having more and more Crown corporations, on the one hand, versus having none on the other hand, and that too often we polarize those views as either a black and white, either/or.

I believe that there is a place in all governments for Crown agencies and Crown corporations. How those are used are going to be in a constant period of change and adjustment. Whether we move more towards joint venture operations, perhaps, than 100 per cent controlled by government. Those types of things, I think, will constantly change and constantly evolve — whether we have the existing Crown corporations in place as they are, or do you move some out, only to create other ones, depending on the economic climate by which you're moving, and by which society moves.

I note the debate going on right now in the Liberal leadership, in the national Liberal leadership. There seems to be conflicting views coming out of the various candidates, who also are members of the treasury benches of the federal government, as to what should be done with the Petro-Cans or what should be done with Canadair; what should be done with the post office; what is happening with some of the serious problems that Sask Tel can face, if we see in Canada an AT&T situation developing, wherein CNCP start to compete for the long distance revenues; and how does that impact on our Sask Tels? Those are issues that will constantly come forward, and constantly governments are going to have to evolve their policies that relates to Crown corporations to deal with those questions.

So I think the approach that we're talking, again, is a balanced approach. It certainly is not a solely approach, that the government should own it all, or, conversely, an approach that government should own none of it. So I believe the policy is meaningful, is reasonable.

My view of the world is this: that when you look at the amount of savings in the hands of Saskatchewan people, and when you see a population of a million people with savings almost as high as \$20 billion in savings accounts, in RRSPs, in Canada Savings Bonds, it seems to me, as a society, that we have to start having more of that money being moved into Crown agencies, moved into small business, that type of thing. I think that policy or that way of investing, by Saskatchewan people and, to a large degree, by Canadian people, have tended to hurt our ability to adapt to the changing world that we live in.

The Americans have a lower rate than ours. The Americans tend to invest more equity. Now I'm not suggesting for a minute that we adopt the American system of economics, or their views, because it's not for us to necessarily change that. But I think we have to be cognizant of those things.

So I don't think it's a black and white question as to where Crown corporations go. It's far more sophisticated than that. That's a very large question that you are going to see unfold as the days move ahead, not only here but across the country — be it in Alberta, be it in Manitoba, be it in Ottawa, be it in Ontario. That is going to continually change. Governments are going to be involved.

I suppose the best example I look at is the co-op upgrader that is being proposed for the city of Regina. It's not necessarily a Crown corporation. Clearly, it's not. It's government having an equity position in it, however, and some guarantees involved in it. So it's government involved in that economic development, if you like, and it is a sliding, changing, world that we live in, and all. I think the policy that we will adapt to, or follow, is one that makes the most sense given the present situation, given the changing situation.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, thank you, Mr. Minister, for that statement. I wouldn't have a vast amount to disagree with you on that, and while we could argue about emphasis, I think that does not achieve any particular purpose would be served.

I ask a couple of more technical questions now along the same line, and perhaps I'm addressing these to you as House Leader at this moment. Is it anticipated that legislation will be available this session to deal with . . . or is legislation necessary and would it be introduced this session to deal with the bonds describe — the Power bonds and the Saskoil bonds — described in your budget speech?

Hon. Mr. Andrew: — There will not be legislation as we would not need legislation to do that. I suppose the question that would follow is when are those bonds likely to be issued? It would be our hope to try to issue the bonds relating to Power, the saving-bond-type bond, prior to July; and the Saskoil bonds are most likely to come in the fall of 1984.

Hon. Mr. Blakeney: — With respect to the . . . well, are you able to give any indication of the broad terms of the savings bonds, the Power bonds? More particularly, are they going to be redeemable at the option of the holder, perhaps after a short period of time, like the old Saskatchewan Savings Bonds and the current Canada Savings Bonds? Are they that kind of savings bonds, or are they for a fixed term of five or ten years, or something of that nature? You may not be able to answer that now.

Hon. Mr. Andrew: — The final announcement on that is not ready yet because the total thing is still being debated, if you like, between the people in Finance and the investment dealers that are advising us, as well as the Crown Management Board and the Power Corporation. That will be available fairly soon. I think, suffice it to say, that they will be fairly constant with the concepts of Canada Savings Bonds. That would tend to be the gauge by which we would go, with some variations on it.

Hon. Mr. Blakeney: — We have considerable files of experience on that in the Saskatchewan Savings Bonds which were fairly successful, I think. And the climate is now somewhat different because there are significantly larger savings out there which the minister has already alluded to, and in respect of which we ought to find a way to channel them into Saskatchewan ventures. And I couldn't agree more.

With respect to the proposed Crown water utility referred to in the budget speech, is it anticipated that it will be set up pursuant to The Crown Corporations Act, and therefore will not require legislation, or is it thought that there will be special legislation? And if the latter, will the special legislation be brought in at this session or not?

Hon. Mr. Andrew: — The legislation relating to the water Crown will be introduced in this session of the legislature.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, are you able to indicate any more specifically when it might be forthcoming?

Hon. Mr. Andrew: — Soon. That's the best I can do. It goes through the necessary hoops - it's in that process. That's been legislation that's been debated significantly internally within our group and within caucus, within cabinet, within the various departments involved. And I would hope that that legislation would be tabled very soon, certainly within this month.

Item 1 agreed to.

Items 2 to 4 inclusive agreed to.

Item 5

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, about how much was changed against that vote in 1983-84?

Hon. Mr. Andrew: — I'm advised, less than \$8,000, of which half of it was a refund of dormant court moneys, whatever that means.

Item 5 agreed to.

Item 6 - Statutory

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, could the minister indicate what guarantees were implemented and charged against that subvote?

Hon. Mr. Andrew: — I'm advised that the guarantee related to an Alfa Cubers Mutual Ltd. That was the only one involved with regards to that — a pay-out on that under The Co-op Guarantee Act of 1973. I can find more information for you if you want, but that's what . . . (inaudible) . . .

Item 6 - Statutory.

Item 7 agreed to.

Item 8

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, could the minister give an outline of what sort of refunds . . . Just roughly, what sort of refunds were covered by that vote, subvote?

Hon. Mr. Andrew: — I understand that most of them are under 5,000. The largest one

related to a repayment back to CIC, who apparently had been billed by the government, and also billed by the payee. I think it involved some bank charges or something like that, and that's where the adjustment was made.

Item 8 agreed to.

Items 9 to 12 inclusive agreed to.

Item 13

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, could you indicate what amount was paid under this program in '83-84?

Hon. Mr. Andrew: — 3.7 million.

Hon. Mr. Blakeney: — A slight underbudgeting of \$1,000. I know that that's a token budget. Were all of those payments to municipalities, or were there payments to individuals?

Hon. Mr. Andrew: — Payments made by classification of property: individuals, 1.8 million; small business, 853,000; agriculture enterprises, 64,000; municipalities, 273,000; hospitals, 10,000; charitable organizations, 207; educational institutions, 14, for the total of 3.237 million. The bulk of it would be to individuals.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, were the appraisals and adjustments (if I may call them that way), the settling on the amounts paid to individuals — was that done by Saskatchewan Government Insurance, or was it done by other appraisers, private sector appraisers, or was it done by government employees?

Hon. Mr. Andrew: — They were done by SGI and the private. If you recall that period of time, of course, there was just a tremendous amount of appraisal work being done. The program was housed in the Department of Finance. We had an individual on that, and we had seconded one or two people from SGI to assist us with regards to meeting those, both appraisals and adjustments because we didn't have any of that type of expertise, and we needed somebody to indicate whether we were getting to goods, or not getting the goods. So the program worked reasonably well, I think, with not a lot of staff. But the appraisals were done by both the private group and SGI.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, were almost all of those paid out because of the Regina and Saskatoon floods, or were there a large number of other storms?

Hon. Mr. Andrew: — There was a significant number of those that I'm aware of, and I can get the breakdown and pass it to you. A lot of them were a lot of smaller communities as well. I think the lid that was on it was 100,000 in damage before you could qualify totally within that community. So there was a lot of the damage that was not covered by insurance in smaller centres, would be covered — the odd church, a swimming pool broke in in one place.

And at that time the storms were sort of going through the province. Maybe the next day they would hit a small town. So there tended to be . . . we took, I think, a fairly reasoned approach on it, and reasonably flexible to cover those situations, not just Saskatoon and Regina.

Item 13 agreed to.

Item 14 agreed to.

Vote 11 agreed to.

CONSOLIDATED FUND BUDGETARY EXPENDITURE

FINANCE - SERVICING THE PUBLIC DEBT - GOVERNMENT SHARE

Ordinary Expenditure - Vote 12

Item 1 - Statutory.

Item 2

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, are these fees and commissions paid to bond dealers and other people who market the securities, or is there anyone else entitled to receive fees and commissions? For example, are the legal fees associated with issues included in that figure?

Hon. Mr. Andrew: — I'm advised that those two relate, number one, to the underwriting commission of the investment bankers that sell the bonds, and to the banks for payment for clipping bonds or . . . (inaudible) . . .

Item 2 agreed to.

Vote 12 agreed to.

CONSOLIDATED FUND LOANS, ADVANCES AND INVESTMENTS

FINANCE

Vote 160

Item 1

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, this one puzzled me a bit. What are we doing advancing money to the Canada Post Corporation? Is it some sort of deposit on our stamp machines, or something?

Hon. Mr. Andrew: — As I understand, it's been an ongoing thing for some time. You have to make an advance to the post office for all your stamp machines, etc., and they increased it. And we had no choice but to pay it.

Item 1 agreed to.

Vote 160 agreed to.

CONSOLIDATED FUND DEBT REDEMPTION, SINKING FUND AND INTEREST PAYMENTS

FINANCE

Vote 55

Item 1 — Statutory.

Vote 55 agreed to.

Vote 56

Item 1 — Statutory.

Vote 56 agreed to.

Vote 57

Item 1 — Statutory.

Hon. Mr. Blakeney: — Mr. Minister, I was puzzled by that decrease from \$510 million to \$485 million. How could the interest on the public debt payable by Crown corporation decrease from year to year, when surely the outstanding debt owed by the Crown corporations will necessarily increase?

Hon. Mr. Andrew: — I'm advised that that is a result of the transfer of the land bank land to the Heritage Fund, and therefore the interest that's paid to Canada Pension would come out of that, as opposed to out of this. And that explains the difference in the numbers.

Hon. Mr. Blakeney: — And that, not unreasonably, then, the land bank was considered a Crown enterprise for these purposes.

Item 1 — Statutory.

Vote 57 agreed to.

SUPPLEMENTARY ESTIMATES

CONSOLIDATED FUND BUDGETARY EXPENDITURE

FINANCE

Ordinary Expenditure — Vote 11

Items 1 and 2 agreed to.

Item 3

Hon. Mr. Blakeney: — Mr. Chairman, I'm referring to no. 3, here, the 143,000. Is that almost exclusively the remission of our capital gains? It's added to, I think, was 120 in the — or thereabouts — in the main estimates, making a total of 250, say. Roughly, what is that composed of?

Hon. Mr. Andrew: — It's exclusively remission of capital gains.

Item 3 agreed to.

Vote 11 agreed to.

FURTHER SUPPLEMENTARY ESTIMATES

CONSOLIDATED FUND BUDGETARY EXPENDITURE

FINANCE

Ordinary Expenditure — Vote 11

Item 1 agreed to.

Vote 11 agreed to.

CONSOLIDATED FUND LOANS, ADVANCES AND INVESTMENTS

SASKATCHEWAN MUNICIPAL FINANCING CORPORATION

Vote 151

Item 1 — Statutory.

Vote 151 agreed to.

SASKATCHEWAN HERITAGE FUND BUDGETARY EXPENDITURE (RESOURCES DIVISION)

FINANCE

Ordinary Expenditure — Vote 12

Item 1 agreed to.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, I question your 692. I think you should just be reading the 690. I don't want to quibble, but we just didn't deal with the 27 million.

Mr. Chairman: — There is a correction here. The total that we voted is 690 million. The Energy and Mines Ordinary Expenditure was included in the total for the entire page. Are the members satisfied with that?

Vote 12 agreed to.

SUPPLEMENTARY ESTIMATES

SASKATCHEWAN HERITAGE FUND BUDGETARY EXPENDITURE (RESOURCES DIVISION)

FINANCE

Ordinary Expenditure — Vote 12

Item 1

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, there is an additional dividend. I'm not quite sure of the phrase "dividend." This is not the same . . . You paid 680 million over last year then — 630 plus 50?

Hon. Mr. Andrew: — We authorized that payment to go higher. We didn't take it all. We, in fact, took 660; originally it was 630. We authorized an extra 50. It was 665 that was, in fact, taken over.

Item 1 agreed to.

Vote 12 agreed to.

Mr. Chairman: — There's an additional resolution that we've dealt with that hasn't been read to the committee. It's:

Resolved that there be granted to Her Majesty for the 12 months ending March 31,

1985 the following sums for Finance, ordinary expenditure, \$690 million.

This matter had been dealt with by the committee but not completed. Is that agreed?

Agreed.

Hon. Mr. Andrew: — Well, with regard to the potash corporation, I think we'd find ourselves in the same situation. Any questions, without the officials from potash, would be useless. The same with CIC, I would think.

Mr. Chairman: — I take it, then, that you're not doing CIC and potash today.

Hon. Mr. Andrew: — As I indicated under Vote 1, I would try to handle the questions that I could handle. If there would be further questions, I would try them, but certainly would not profess to know everything about the potash corporation or CIC.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, what items are we discussing at the moment?

Mr. Chairman: — We're getting into the Potash Corporation — Loans, Advances and Investments — Statutory, page 104. That's the item before the committee, unless the committee wishes to adjourn that to another day.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, if the minister would indicate that he would consider some questions of broader policy on the potash corporation when the potash corporation is before the Crown Corporations Committee — and I would in effect allow him to put the limit on them; I'm not trying to expand the terms of reference of the committee — but if we can range a bit into the policy of the corporation as well, then I would just suggest that we pass this vote and deal with it in committee.

Hon. Mr. Andrew: — I would certainly undertake to do that with regard to the, you know, fairly wide-ranging questions, if you want. I have no objection to that.

CONSOLIDATED FUND LOANS, ADVANCES AND INVESTMENTS

POTASH CORPORATION OF SASKATCHEWAN

Vote 158

Item 1 — Statutory.

Vote 158 agreed to.

CONSOLIDATED FUND LOANS, ADVANCES AND INVESTMENTS

CROWN INVESTMENTS CORPORATION OF SASKATCHEWAN

Vote 165

Item 1 — Statutory

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, if we could simply do the same with respect to this corporation that I suggested with respect to the potash corporation, I think it's a little better forum in which to discuss it, and I would make that suggestion.

Hon. Mr. Andrew: — I would agree to that proposal, the same as I did with the potash corporation.

Item 1 — Statutory.

Vote 165 agreed to.

Mr. Chairman: — At the request of the members, the committee will await the arrival of the officials to deal with the matter of the Provincial Auditor.

CONSOLIDATED FUND BUDGETARY EXPENDITURE

PROVINCIAL AUDITOR

Ordinary Expenditure — Vote 28

Item 1

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, would the minister advise who is the Provincial Auditor?

Hon. Mr. Andrew: — I can advise that Fred Wendel is the associate or deputy provincial auditor; and Bill Bucknall, the Provincial Auditor, as perhaps we're all aware, is convalescing at home with an illness. We would all hope that he would be back with us very soon. We hope all of it works out well for him.

I undertook, with Mr. Lutz, to read a statement to clarify in the *Estimates* any misunderstanding that could be interpreted from the significant increase that is seen in the blue book with regard to increased funding to the Provincial Auditor. I would read the following statement that we have prepared:

Before we begin review of the Provincial Auditor's 1984-85 estimates, I just want to provide some information related to the new Provincial Auditor's Act. As you are aware, the purpose of the new act was to provide the Provincial Auditor with more autonomy.

One aspect of this is that the Provincial Auditor now has the authority to pay his own employee benefits and rent. Accordingly, these items, which were formerly provided in the Department of Finance; Revenue, and Financial Services; and Supply and Services, are included for the first time in the Provincial Auditor's vote, 1984-85.

Had these items appeared in the Provincial Auditor's '83-84 estimates, the comparable figures for other expenditures and total for Provincial Auditor would have been 915, 940, and 3 million, 643,640 respectively.

And that would, therefore, be the comparison to the other years' figures. I didn't want to mislead anyone that, or profess that the increase to the Provincial Auditor's budget this year was very significant, because it wasn't.

Hon. Mr. Blakeney: — Yes, I think it will be an increase of \$2,000 or something. Is there any policy of farming out to the private sector significant blocks of the auditing which is now being done by the Provincial Auditor's staff?

Hon. Mr. Andrew: — Not . . . I would say no. I'm just . . . Not that the auditor are aware of. There is significant farming out of audit work as it relates to resource Crown corporations. With the change in the audit act, that allows the auditor, I think, to a degree a little bit more control as to how that particular audit function of the private sector auditor works, but not a great deal of, and certainly no measured increase in farming out work to the private sector.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, I won't refer specifically to the number of occasions in which the Provincial Auditor has expressed some concern about the size of his staff, and it was once up, I believe, to 72, I think.

I can pick a couple of years back and . . . Yes, in 1981-82 it was 72, and it is now down to 66, which is a fairly significant decrease, having regard to the fact that the scope of government has not declined. Could the minister indicate whether or not he is going to respond to the suggestions — I would put it, perhaps, stronger than that — the pleas of the Provincial Auditor for some increases in staff, over and above the ones that are provided for in this budget?

Hon. Mr. Andrew: — I've crossed this bridge before, in another capacity, I believe that, traditionally, this was argued in the Public Accounts Committee. And I would have some difficulty to, number one, try to defend from the Department of Finance's Minister of Finance how I would appropriate money out to various departments, on the one hand, and then be speaking, or be seen to be speaking, for the Provincial Auditor in this forum. It becomes rather difficult if you have to speak out of both sides of your mouth, if you like.

In the past, when that issue has been raised, it's been raised in the Provincial Auditor's report and has received, generally, a full debate in the Public Accounts Committee. As I am advised from the deputy auditor, that particular specific issue was not mentioned in the auditor's report of this year.

I suppose, not unlike every other department, they could probably do with more help. The reality is that they, like most other departments, have done well in getting along with the tight rein, I suppose, if you like, on hiring. It's been a conscious effort by the government. Clearly, if they are unable to do their work, then we would be prepared to further fund the Provincial Auditor.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, without opening the debate again at length, I would ask the minister whether or not he would wish to make any statement concerning the matter of comprehensive auditing.

Hon. Mr. Andrew: — I suppose, in fairness to looking at this, we could go to page 1 and page 2 of the Provincial Auditor's report. I don't believe I have to read that into the record if the hon. member has the report. As I understand from the auditor, that matter is still being considered in committee. The auditor's view is that they could probably do it now if they so wished, but opted not to until it was resolved by the politicians, if you like. To put it in the straight manner, I believe that you will see a form of comprehensive audit being implemented in the near future, perhaps not on the magnitude that we would have advocated, or some of us would have advocated at an earlier time. I think perhaps the argument that took place back in the early '80s in this Assembly, in the Public Accounts Committee, that probably would be resolved in somewhere in between the two parameters of that argument.

Item 1 agreed to.

Vote 28 agreed to.

SUPPLEMENTARY ESTIMATES

CONSOLIDATED FUND BUDGETARY EXPENDITURE

PROVINCIAL AUDITOR

Ordinary Expenditure — Vote 28

Item 1 agreed to.

Vote 28 agreed to.

CONSOLIDATED FUND BUDGETARY EXPENDITURE

PARKS AND RENEWABLE RESOURCES

Ordinary Expenditure — Vote 39

Item 1

Mr. Chairman: — Does the minister have his officials?

Hon. Mr. Pickering: — Thank you, Mr. Chairman. On my immediate right — the deputy minister, Bill Klassen; immediately behind him — assistant deputy minister, Lyle Lensen; and behind me here is Mae Boa, director of administrative services. And the rest of the support staff is at the back: Ross MacLennan, executive director of operations; Walt Bailey, acting executive director of forestry; George Couldwell, director of fisheries; Alan Appleby, director of parks and land.

Mr. Thompson: — Thank you, Mr. Chairman. First of all, Mr. Minister, I want to take the opportunity to thank you for presenting me with this young, white spruce seedling, and to all the other members in the House, in recognition of National Forest Week in Saskatchewan.

I just want to make a few comments. I feel, Mr. Minister, that it's very important that we do recognize the importance of the forest industry in Saskatchewan. The forest of this province covers over . . . The forested area covers over one-half of our province, and it has to be handled very carefully, and I think that in recognizing this, in recognizing and setting out a special week for Saskatchewan's forests, we appreciate that. And we appreciate just what the forests contribute to Saskatchewan in revenue and jobs. And once again, I want to thank you for that, Mr. Minister.

I now want to turn to a number of issues. I will just go through the items, and then some of my other colleagues will follow with some more questioning.

But I want to, first of all, turn to tourism, which I consider to be a very important part of the economy of our province, and I will make a few remarks and then ask you to comment. But I feel that tourism is very important to this province. It provides the type of recreation that we need in this province, and for outsiders. It also provides for many jobs for our citizens in Saskatchewan.

I've had a number of complaints that we just don't have enough recreational facilities to handle the type of clientele that we are getting in from out of the country and right within the province.

Campsites — there's been, I know, a number of changes in the campsites. We now have a policy in Saskatchewan where you can reserve a campsite. And some of the complaints that I have got is that you can reserve the campsite but you do not have to put any deposit down. And then if you don't show up, there's no expense to the individual who has reserved it. And as a result there has been overflows, and individuals will be driving around looking for a place to camp, and there will be empty spaces, but they will not be able to take them.

Another part, Mr. Chairman, that . . . Another item that has come to my attention is that you now have a new policy where you charge for the firewood in the campsites, and individuals have claimed that the type of firewood they get and the amount of firewood they get for the amount of money that they pay is just too much. And this is the type of complaints I get.

As I indicated when I started out, I feel that tourism is very important, and it's a very important resource to our province and to our economy. And I think it's something that we should make sure that we have the best facilities possible for individuals who are taking advantage of our facilities.

With that, Mr. Minister, I'd like to hear your comments.

Hon. Mr. Pickering: — I would first like to apologize to the member from Athabasca for not sending over a copy of the ministerial statement regarding National Forest Week, which I provided you with, and I appreciate the comments you made.

We started the program of reserving a campsite. To reserve a campsite there was a \$3 fee last year, and there was a lot of no-shows. So this year we have a \$3 reserve-a-site fee, plus a \$10 penalty for no-show.

And your question on the sale of firewood in the parks — it was on a trial basis last year. We had several complaints about that. As you might not be aware, it costs approximately \$600,000 a year to provide free firewood within our park systems, but we decided to eliminate the selling of firewood for the year '84-85.

Mr. Chairman: — Order. It's very difficult to hear in the committee when people are chattering, and I would ask them to please be quiet.

Mr. Thompson: — You indicated, Mr. Minister, that you have discontinued the charge of firewood in our campsites as of this year?

The other question I asked you, Mr. Minister, I wanted your comments on what you see tourism . . . what role you see tourism playing in the economy of the province of Saskatchewan.

Hon. Mr. Pickering: — Well, I think that maybe would be a good question in the estimates of Tourism and Small Business. But I know it generates a lot of revenue for the province of Saskatchewan, attracting tourists to our province, whether they're coming to our provincial parks or into northern Saskatchewan to fish at outfitting camps or whatever.

The spin-offs from these visitors coming in, whether they're out-of-country or out-of-province is, like I say, generates a lot of revenue for the province of Saskatchewan and for the businesses in the North and within the parks systems. And we're going to continue to try and make our parks more attractive so that we attract, in fact, more visitors from outside the province and outside the country.

Mr. Thompson: — Mr. Chairman, I wonder, Mr. Minister, could you indicate what additions you are going to be making to campsites and to facilities, and are you going to be creating any new campsites in the province?

Hon. Mr. Pickering: — Mr. Chairman, the list is quite lengthy. Would the member . . . Would it be all right if I just sent over the copies of them, rather than read them?

Mr. Thompson: — I thank you, Mr. Minister, for that . . . (inaudible) . . . But I wonder if you could just comment on any new sites that you are going to open up. And could you indicate where the pressure lies? Are we getting more pressure now in the north-east side of the province or the north-west side of the province or in the far North? Could you just indicate where we are getting more pressure now than we were before?

Hon. Mr. Pickering: — Well, the major pressure is in about four or five parts within the province. Just to name the ones that receive a lot of pressure and can't accommodate all the people that want to visit them, they're Cypress Hills, Moose Mountain Provincial Park, Duck

Mountain and Meadow Lake — receive the most pressure of all the 17 parks in the province.

Mr. Thompson: — I would suppose that if the Meadow Lake park was receiving the most clientele, it would indicate that the pressure is going to be on that north-west side and further north of Meadow Lake. We now have dust-free roads just about to La Loche, so I would suggest to you that that pressure will continue to expand through the north-west side; it's already in the Meadow Lake area.

And I would urge you to continue to expand your facilities, your campsite facilities, up in that north-west area. I know I see a lot of traffic there, a lot more traffic than I've seen in a number of years. And I wonder if you could just indicate if that is so, and what your plans are for that side.

Hon. Mr. Pickering: — Okay. We're presently doing a study on Highway 155 to see if we can put some more campsites along that highway. Some of the . . . I think you will . . . You know and realize that a lot of pressure in the Meadow Lake park comes from out of province — Alberta. It's very close to Alberta, and I think you could drive through the campgrounds and see numerous Alberta licence plates.

Some of the things we're doing up in Meadow Lake: at Alcot Creek, we're spending money on toilets; Kimball Lake, sewage completion; Kimball Lake, beach stabilization; Ministikwan Lake, septic tanks; Greig Lake, sewage completion; Greig Lake, also campground facilities; Meadow Lake Provincial Park . . . (inaudible) . . . fire prevention traffic; Meadow Lake Provincial Park, correction camp furnace replacement; Loon Lake, resident improvements; and Jumbo beach, stabilization.

So we're doing numerous things. I could read more there. There's more in the list here. If you want to see this list, I will send it over to you.

Mr. Thompson: — Well, Mr. Chairman, what I wanted to ask you was about the arteries that we have from La Loche up to Carswell Lake, and the arteries from Pinehouse to Key Lake.

We once again were getting into a situation where we are developing an area, and we're sort of making Meadow Lake another La Ronge. Everything seems to centralize around La Ronge, and nothing used to come to the west side. Now we've come to the west side but we're not proceeding past Meadow Lake. I think it's important that we develop the campsites and the tourist area along the arteries from La Loche north on that new road, which opens up a large amount of fresh water lakes, beautiful lakes; and also the artery that's been opened up from Pinehouse to Key Lake, which also opens up another string of beautiful lakes that should be developed and maintained properly.

And this is the two areas that I would like you to comment on, Mr. Minister.

Hon. Mr. Pickering: — Mr. Chairman, my staff have provided me with some information here that we do have a new campground up around Clearwater River, along Highway 155; and another one up along the Key Lake road. And the study that I mentioned earlier will be identifying other areas along that road that you mention (155 and so on), where we can identify where the need would be to put in more park facilities.

Mr. Thompson: — Thank you, Mr. Minister. I think this is very important that we open up all that new area there and that it's well planned, because I think that with the amount of individuals that are using our lakes now with sports fishing and commercial fishing, that we should open these up and have good facilities for them, and it's going to take the pressure off of the Dore Lakes and Lac La Ronge, and lakes such as that, and Canoe Lake.

And I think this is the only way that it can be done, and I would urge you to ask your officials to go in there as soon as possible and speed up that process, so that we can get our citizens moving

farther, farther into that area, so that we can take the pressures off the lakes that I had indicated.

I now want to turn to parks and, in particularly, I want to ask you about the creation of any new parks, provincial parks - in the province of Saskatchewan. Are there any negotiations or are there any plans for any new provincial parks in the province?

Hon. Mr. Pickering: — We don't have any immediate plans to designate any more provincial parks at this time.

Mr. Thompson: — Well, Mr. Minister, last year in our discussions I indicated that I would like your department to have a look at the Clearwater valley as an all-weather, a year-round provincial park — skiing and tobogganing and cross country skiing in the winter, and fishing and camping in the summer.

I still maintain that that is a valley that we should maintain. It most certainly has large hills and could be used for downhill skiing in the winter. It's close to a major airport — and I say a major airport that's at McMurray about 25 to 30 miles away — and I just think that that is something that should be tapped. We have a beautiful valley there with all the natural hills and streams and flat lands, and yet we are not developing that area.

And I would just ask you to comment on that and . . .

Hon. Mr. Pickering: — The Clearwater valley is along Highway 155, which we've been talking about for the last 15 minutes, and it will be probably identified for something, as it relates to campsites or whatever, after the study is completed.

Mr. Thompson: — Mr. Minister, I don't think that the Clearwater valley should ever be set aside for campsites. I think that the Clearwater valley is one of the most beautiful parts of this province, and it should be set aside as a provincial park. I most certainly . . . I think that it has to have protection and it has to be maintained in the proper way. And I say the only way to operate that valley (and it's a historic valley — the Clearwater valley and the Clearwater River) I think that it should be turned into a provincial park; talk to the Minister of Tourism and Small Business and the Minister of Finance and negotiate with the federal government. And it's something that could solve a lot of problems that we have in northern Saskatchewan and yet provide another facility that this province needs.

Hon. Mr. Pickering: — Yes, I think the study will identify the things that you have mentioned, and perhaps in the future we may be looking at opening a provincial park up there. I don't know. But the study will no doubt recognize the fact that there could be one established in the Clearwater valley.

I might also say that it might take some pressure off the Meadow Lake park, for an example. And if we did have another park that far in the North it would create some jobs up there, needless to say, and it is something that we will certainly be looking at. I'll take it up with my colleague, the Minister of Tourism and Small Business, and Finance.

If something could be done . . . Once the study comes down, if it identifies that as a major area that could be developed, we will certainly have a strong look at it.

Mr. Thompson: — Okay. Thank you very much. Mr. Minister, I now want to turn to the nurseries that we have in the province. And I wonder if you could indicate if there are any new nurseries planned or any expansion of any of our tree nurseries in the province.

Hon. Mr. Pickering: — No, we're not planning any expansion to the nurseries in the province at this time.

Mr. Thompson: — I now want to turn to the contracts that have been given out for the tree planting this year, and as you were aware, that's been quite controversial. You indicated in the House that one of the contracts, the major contracts, went to a B.C. firm. I wonder if you could indicate at this time if that is a fact that there was only one contract that went out of the province for planting seedlings this year.

Hon. Mr. Pickering: — Yes, there was two contracts awarded from out of the province, Folklore and Tawa, and I think I explained to you in question period the other day that these people only send in supervisor people, and they hire 80 to 90 per cent Saskatchewan residents to do the actual tree planting. Their bids came in low, and I think the tendering process is the only route to go on things such as tree planting contracts, and that's the route we went.

Mr. Thompson: — Well I just want to make a few comments on that, Mr. Minister. You indicate that two contracts went out to British Columbia firms. And I want to indicate that there are firms who have been established in this province who plant trees every year. They rely on these contracts, and they have a number of employees who rely every year on that same job.

When you give out a billion-tree contract to an out-of-province firm, or \$1.2 million, and the difference is three-tenths of a cent, or \$3,600 less on a major contract, and you give that to an outside firm, which means that the individual who has invested a lot of money in the machinery and experience to handle these jobs every year, all of a sudden — and these are individuals who need these jobs — find out that they have lost them. I think it's a serious situation that we would allow an outside firm to come in and take that contract — and let's use a million-tree contract and \$3,600 that they bid less — and they come in and they take the Saskatchewan jobs.

You indicate that 80 to 90 per cent of the employees will be Saskatchewan residents. I want to indicate to you that — I'm sure that there wouldn't be 10 to 20 per cent supervisory involved in this — but I'm just going to give you an example of what is going to happen, what has happened to the experienced operators in this province who rely on these contracts every year, and their 30-40 employees no longer had that contract, or they no longer had the jobs, and a B.C. firm has come in and taken the jobs away, at say, \$3,600 less. They're going to come in with their supervisors, and they're going to hire 40-50 young students, and they're going to complete the job in one week, and that's it. The contractor is going to be the big winner, and the Saskatchewan contractors, and the Saskatchewan employees, are going to be the big losers. And that is what's happening, Mr. Minister.

And I would urge you to take another look at giving out contracts, and give preference to Saskatchewan contractors. I know that you are going to be giving out extra contracts this fall, and I would just urge you, Mr. Minister, that when the fall season comes around to plant trees and you call for tenders, I would urge you to give preference to Saskatchewan contractors.

The Minister of Highways got up in this House and he said there was no way that he was going to let any tenders out to anybody but Saskatchewan bidders. Other contracts in this province have been given out to Saskatchewan contractors when they have had much lower bids from out of province, and here we have the tree planting process that's taking place in this province, and it's a small amount of money — three-tenths of a cent on a major contract.

And I say that it's a bad deal for the experienced tree planters that we have in this province, and I would just urge you to change the criteria, and especially when we go into the fall season, that the new contracts will be given preference to Saskatchewan.

Hon. Mr. Pickering: — Well, I think that's the reason we had the tendering process — to see what the bids are. And I indicated that they will be hiring 80 to 90 per cent Saskatchewan people to do the actual planting. If you're talking about three-tenths of a cent, or a half a cent when you're talking about 12 million trees, you're talking about a lot of money. With the extra money that we save by accepting a low tender, we can plant that many more trees, and I think

that's the reason we decided to take the low tender.

Mr. Thompson: — Well, that's not what I'm trying to get at, Mr. Minister. I realize, and I went over that, that you took the low tender, and you indicate that the three-tenths of a cent is quite a bit of money. But I say to you that three-tenths of a cent on a million-tree contract is \$3,600, and for that amount of money . . . The member from Prince Albert says that that's fine; it's a lot of money; and that the Saskatchewan contractors should not get the contract because they were too high.

I say to the member from Prince Albert that that's a fallacy; that we should give preference to Saskatchewan contractors. And when we're going to take a contract away from an experienced group of people who've been planting these trees every year, for three-tenths of a cent, and give it to a B.C. contractor, and as I indicated, they're going to come in here and they are going to high-grade this here job. They're going to hire a large bunch of students for a minimum wage, and they're going to get the job done in one week, whereas our experienced contractors have their own individual crews and they do a good job, and it's done in six weeks time. And these individuals know they're going to get six weeks of work. And I say it's going to go out of the province, and the money's going to go out of the province, and we're just going to be the big losers.

I'd like you to comment on that, Mr. Minister.

Hon. Mr. Pickering: — Well, once again you're mentioning they're going to hire a lot of students. We have no control who they hire, but they're at least from Saskatchewan if they're hiring students. They're not going to relocate a lot of people from B.C., from Prince George, B.C., into northern Saskatchewan to do any one of these contracts. So they're creating jobs for Saskatchewan people, whether they're students or people from the North, or whatever, and I have no quarrel with that.

And, as a matter of fact, we've been using out-of-province contractors for seven years now, and we've only been government for two.

Mr. Thompson: — Are you going to have any way of supervising these? Because the two contracts went out of the province — we have to be honest here — are the two major contracts. They are the big ones. The other operators in Saskatchewan ended up with contracts of 400,000-and-some trees, and they're the small ones.

And these outside of the province bidders, I think you will find, had only one bid in, and that was on the big contract, and if they got it, fine; if they didn't, they didn't matter. And then you limit your contracts to one contract per contractor. Is that right?

Hon. Mr. Pickering: — Okay. You mentioned that the two contracts that went outside the province were the larger ones. That is not true. B.G. Logging got a contract for 1.2 million and Tawa only received a contract for 650,000. The other out-of-province, Folklore, received also a 1.2 million contract. So one was within the province and the other was outside, of the two larger.

Mr. Thompson: — Well I don't want to get into an argument over that. You got up in the House and said what I had indicated to you was not true — that the largest contract did not go out of the province; it stayed in the province. Well that's fine. We don't want to get into an argument because there's two largest contracts — one went out of the province and one stayed in. So you know, I wasn't giving you false information. I wasn't trying to give you false information.

But I want to indicate . . . I want to ask you: would you consider when you give out the fall contracts — and I believe that in the fall you do plant trees — that you will give preference to Saskatchewan contractors?

Hon. Mr. Pickering: — Well we will be tendering for fall contracts, too. And if the Saskatchewan people come in low, they will receive the contract. I mean, if we are not going to go through the tendering process, why use it? It gives everybody a shot at it. It's fair. The only fair way to award contracts is through the tendering process. And I think we'll continue to do this. It's been done that way in the past. As I've mentioned, outside province contractors have come in in the province here and planted trees in the North for the last seven years; under your administration, for five.

Mr. Thompson: — Well I'm not going to continue on that. I just want to close by saying that I would urge you to take the advice of the Minister of Highways when you are awarding these contracts, and not necessarily take the highest bidder. I think that we have to protect our Saskatchewan employees and our Saskatchewan firms when we're doing this, and I would just urge you to consider the same policy that the Minister of Highways uses, and not necessarily give the contracts to the highest bidder.

I now want to turn to commercial fishing, and I want to go back to a news release that you sent out on January 25th, that you were taking part in a feasibility study for developing additional whitefish markets for the commercial fishing industry in this province. I wonder if you could indicate at this time how that study — if that study is completed, and what has taken place since the study.

Hon. Mr. Pickering: — Yes, Mr. Chairman . . . (inaudible) . . . was perhaps a strong market could be established in south-western United States in the San Francisco-Los Angeles area, which is very heavily populated. And a pilot project is now being put into place to see what the market will, in fact, be, and hopefully it will be a positive and be increased in the future.

Mr. Thompson: — Well, Mr. Chairman, Mr. Minister, I agree that we have to look at new markets for our whitefish, and also for our other species of fish in Saskatchewan. But I find it kind of discouraging when I see that the Department of Parks and Renewable Resources is going to spend money to look for markets in the United States.

I think that it's a sad situation, when we know that we have a million people in this province, and that fish that we are producing up there could all be sold in Saskatchewan. Not just our whitefish; our pickerel, and our northern pike, and our trout, and the whole works could all be sold in this province, if we handled it right. It would be a great benefit, not only to the province and to the commercial fishing industry, but to the consumers.

It seems to me that we are going the wrong direction by trying to sell the commercial fish that we have in this province into the United States. That's what's been happening for years. We've been taking our commercial fish product, we've been transporting it by truck and rail to Winnipeg, and . . . Well, as a result of that, we lose all the processing jobs.

The consumer loses the fresh produce that we are producing, because it most certainly is not fresh by the time it's travelled to Winnipeg. It is produced, or processed, down there and then shipped out. As a result, you go into the supermarkets and the stores in the province of Saskatchewan, and you see fish that's coming in from the east coast and from the west coast.

And yet we have millions and millions of pounds of fish that we could be getting out of our lakes, processing it in the North where we're doing the fishing, and in some of the southern lakes, and providing for the consumer of this province a fresh fish — and also providing good jobs.

I think that when we spend this type of money to look for markets in the United States and other areas of this country or this nation, I think that that's a situation that we should stop. We should start looking at the markets that we have right here in this province.

I know it's going to take some initiative on the part of the government. It means that you're going to have to break away from the Freshwater Fish Marketing Corporation, which I fully endorse. I think that we have to break away from that corporation.

We have to maintain the jobs in this province. Since we have got into the corporation, and I want to say that it was not the NDP government that got into that situation; it was the Liberal governments. But I think, and I publicly have said this, that we have to break away from that Freshwater Fish Marketing Corporation. We have to make sure that the processing is done in this province, and that the consumers of this province will be able to take advantage of the product that we produce.

We can be producing . . . Last year we produced 10 million pounds of fish, and I don't know if Parks and Renewable Resources keep any records on where that fish went, but I would suggest that probably over 9 million pounds of it went out of this province and never ever did come back into the consumers. I don't know if you keep these records, but I would just urge you to take a serious look at changing the whole commercial fishing industry around in this province, and I know that it means breaking away from the corporation. But I also know that it means more revenue for our province, more jobs for our citizens, and a good, fresh product for our consumers. I wonder if you could comment on that, Mr. Minister.

Hon. Mr. Pickering: — Yes, Mr. Chairman. As you are well aware now, the marketing is the responsibility of the Freshwater Fish Marketing Corporation, and we have been discussing with them the possibility of doing exactly what you are talking about — starting a processing plant in northern Saskatchewan and selling directly to the stores within the province. Alberta is discussing the same thing, and I think it would be very beneficial to the people in the North, by creating jobs in a processing plant. But the commercial fishermen now can still go and sell to the consumer, whether it be by the truck load or whatever.

I think there is a market here. It's something that, like you say, we walk into our stores in the province and we can't buy our own Saskatchewan fish, because it all goes out of the province — unless you buy it from one of the commercial fishermen that truck it down to southern Saskatchewan, or wherever, or buy it in the North directly from the fishermen. Like I said, it's something that Alberta's thinking of changing, and we're going to be discussing this also with the Freshwater Fish Marketing Corporation.

Mr. Thompson: — I want to thank you very much, Mr. Minister. I most certainly appreciate what you are saying, and I know that the commercial fishing industry in this province will appreciate what you're saying and what you're trying to do.

You're right. You can buy some of the fish . . . The commercial fishermen can peddle fish, but as you are aware, the only time that a commercial fisherman can really peddle fish, and make any money out of it, is in the winter months, because there is just no way that they're prepared to handle peddling of fish in the summer months.

But I want to urge you and your officials to continue down this line. I think that if you do break away from the corporation, you set up a filleting plant in the province, and when you get involved in such programs as going out and looking for new markets, I don't think you have to go very far. I just think you have to go to the food outlets in Saskatchewan, and that you will be able to sell every pound of fish that we can produce in this province.

As I had indicated prior to . . . we have so many lakes in this province, so many areas that can be looked after, and we have the fish. I just want to ask you a few questions on your fish enhancement programs, and your rearing ponds.

But I think that there's a bright future for the sports fishing industry in this province, and I think there's a bright future for the commercial fishing industry, if we just go the right direction and all

work together. And, of course, it means that we have to control the production of all our lakes, and make sure that they replenished, either naturally or through the process of your rearing ponds.

And I want to ask you if you have any plans this summer for any new rearing ponds in northern Saskatchewan.

Hon. Mr. Pickering: — Mr. Chairman, I would just briefly like to outline what the fish enhancement fund is. As you are well aware, I have announced that we have increased the . . . doubled the fishing licence for residents of the province. We've gone from \$2 to \$4 for a resident one-day licence. Non-residents of Canada, we increased the licence from 15 to \$20. Now this will generate extra revenues, and we're going to take 30 per cent of that and put it in the fish enhancement fund, which will amount to somewhere in the neighbourhood of \$650,000. And we haven't, at this point in time, identified exactly where we are going to be spending the money.

This year negotiations have . . . I met with the minister, the Hon. Pierre De Bane, in Ottawa last week, asking him to cost-share this program with us, match our funds of 650, which would give us a little over a million dollars. He agreed with our suggestion and proposal in principle, and we told him that we would cost-share with him on projects or, if they wanted to have specific projects of their own. As long as it added to the enhancement of fish throughout our province, we would be happy with that, too.

So we haven't signed any type of an agreement, but he agreed with us in principle, and we hope to hear from him in the not too distant future.

Mr. Thompson: — Mr. Chairman, thank you, Mr. Minister. I urge you to continue with that program. To enhance the fish hatcheries and the rearing ponds, I think it's vitally important that we replenish a lot of these lakes because, as I indicated before, we've got arteries that are opened up now, up the west side and up the centre of the province and up the east side, which we never had before. So more and more tourists are now taking advantage of the lakes that we do have and the fish that's in them, and I think it's important that we are in a position to be able to replenish a lake.

Lakes do not lose their poundage just through fishing. It can happen with a bad storm in the fall. We know that it doesn't hit the fishing industry for four years down the road, but if you get a bad storm in one fall, and it takes the whitefish spawn, why you feel that four years down the road, or five years down the road. So it's important that we are in a position to be able to replenish these lakes whenever needed.

And you have the biologist and your resource officers to keep tab of that, and I would just urge you to continue on that route. I think that there's a bright future in this province for the commercial fishing industry and the tourist industry, and one complements the other, and that's the only way that it can work.

I don't know if we have much more time here before 5 o'clock, Mr. Chairman. I wanted to ask you, Mr. Minister, if you have the new water bombers that you ordered on-stream yet, or when do you expect to have the new water bombers on-stream for fighting fires?

The Assembly recessed until 7 p.m.