

# LEGISLATIVE ASSEMBLY OF SASKATCHEWAN

June 7, 1985

The Assembly met at 10:00 a.m.

Prayers

## ROUTINE PROCEEDINGS

### INTRODUCTION OF GUESTS

**HON. MR. HARDY:** — Thank you, Mr. Speaker. It's my pleasure to introduce to you, and through you to the Legislative Assembly, 16 grade 7, 8 students from Weekes, Saskatchewan. Weekes is a small town just a little bit south-west of Hudson Bay. They're a farming community. They're one of the very aggressive communities in my constituency, Mr. Speaker. They have just finished building a new curling rink, basically all done by the local people around there, and I think that shows the type of people that live in that small community.

They're accompanied today by their bus driver, Allen Barna; also by their teacher, Debra Zeleny; also chaperoned along with them is Mr. and Mrs. Stan Wichorek, and Mrs. Denham, also Mrs. Holmes. I hope they find the Legislative Assembly both educational and informative, and I'll be meeting with them in my office at 11 o'clock for drinks and to answer any questions they may have.

I ask the members of the Legislative Assembly to join with me in welcoming these students to Regina, Saskatchewan.

**HON. MEMBERS:** Hear, Hear!

**HON. MR. MUIRHEAD:** — Thank you, Mr. Speaker. Mr. Speaker, I'd like to introduce to you and the members of the legislature, 48 high school students from Outlook. They're sitting in the west gallery. They're accompanied with their teachers, Jeanne Barton and Brenda Chapman; chaperons, Lois Gottselig, Ralph Burke, Judy McNichol, and Mrs. Park.

And also I have another group from Outlook sitting in the Speaker's gallery, and they are 39 in number from the Outlook Elementary School. They are accompanied by their teachers, Mrs. Rose Lee, Ms. Cathy Krause; chaperons Mrs. Karen Williams, Mr. Darryl Peardon, and Mrs. Laurie Joyes.

Mr. Speaker, I'm very pleased this morning that these two groups from Outlook are here for the proceedings this morning. Outlook has been a school that have come every year since 1978 since I've been elected to the legislature. I appreciate it very much that they're showing this interest, and I ask each and every member to congratulate them for coming and wish them a good day. Thank you, Mr. Speaker.

**HON. MEMBERS:** Hear, Hear!

**MR. PETERSEN:** — Thank you, Mr. Speaker. Today I'd like to introduce to you two people who are in town today from my constituency, Mr. and Mrs. Elliott, who are seated in the government gallery. They are in town for a Legion function last evening. They are very active in the Kelvington branch of the Royal Canadian Legion out in my constituency, and I would ask all members to join me in welcoming them here today.

**HON. MEMBERS:** Hear, Hear!

## ORAL QUESTIONS

### Aid to Farmers for Grasshopper Control

**MR. ENGEL:** — Mr. Speaker, I have a question for the Minister of Agriculture, and it deals with another aspect of the severe grasshopper problem which threatens farmers and ranchers throughout most of Saskatchewan, in particular, in south and central Saskatchewan.

On Tuesday the Alberta government announced a simple, straightforward program to deal with the grasshopper problem. It announced that farmers, ranchers, and others who have to spend money on chemicals to control hoppers will be covered to one-half the cost of the chemicals. All they have to do is submit their bills — no red tape, no mass confusion — just a simple application form with proof of purchase.

Has the minister had time to reconsider, after visiting in Maple Creek area and other areas of the province the last couple of days — have you had time to reconsider your program, and will you introduce a similar, simple, clear-cut program for Saskatchewan farmers?

**HON. MR. HEPWORTH:** — Mr. Speaker, as I said a couple of days ago in this House, our concerns with the grasshopper problem go back some good long time now. As the hon. member has pointed out, some jurisdictions have chosen one way to assist farmers; we have chosen another, several ways in fact. The most recent one we announced, of course, is that we would cost-share the price of chemicals for municipalities spraying roadways. And some will argue, I suppose, including my hon. friend, that that is not a direct payment to farmers. But I would suggest to him that, in fact, it's ratepayers out there who are, in fact, farmers, and I would suggest to him that that is a very direct method of helping farmers cope with the grasshopper problem.

**MR. ENGEL:** — Supplement, Mr. Speaker. Mr. Minister, the point is that there's not 2 per cent of the land is road allowances. The farmers have to spray their land.

Are you going to supplement farmers that are in dire straits, that are renting land for very little money, with spray costing them three and four and five times as much as their other rates? Are you going to help the farmers so we can control the grasshoppers now? A stitch in time saves nine, Mr. Minister, and it's imminent that we spray now. Farmers haven't got money. Are you going to help them spray?

**HON. MR. HEPWORTH:** — Mr. Speaker, I think my hon. colleague and I do agree on one thing, that prevention is better than getting into knee-jerk reaction in terms of a cure after the fact. And that is exactly the reason why we have attacked whole-heartedly, if you like, the roadways, because we recognize that's the place where grasshoppers tend to feed and then move into the crops, is an area where very often many of them can be checked. That has been our approach, and will continue to be our approach.

**MR. LINGENFELTER:** — Mr. Minister, I wonder whether or not you're aware of the fact that in 1983 . . . that in 1983 your department was going around urging R.M.s to pass bylaws that would say that the R.M. is no longer responsible for spraying roadways, and that it should be the responsibility of the adjacent farmer, to which most of the R.M.s passed the by-laws which excluded them from spraying. And you are now getting phone calls, and I understand the R.M. of Val Marie and Climax have called you and said to you that you ordered them, or asked them, to pass by-laws that excluded them from spraying the roadways. And now you're saying you're going to cost-share it. Well do you understand that the legal advice the R.M.s are getting now is that they cannot go out and spray the roadways because it's in contravention of the by-laws that you asked them to pass. And what kind of a program did you think up when the political pressure got so hot that you couldn't stand it?

**HON. MR. HEPWORTH:** — Mr. Speaker, hon. member, what we have heard here is a classic example of nonsense and fiction. We have ordered no one to do anything. The legislation is well spelled out, well detailed as it relates to The Pest Control Act in this province. We order no one. Now certainly, Mr. Speaker, there are some R.M.s out there — a few, a few; nothing like the hon.

member suggested, nothing at all; a few; and I don't blame them if they have; that was their right under the legislation — who have put in effect by-laws. And we never ordered them to do anything out there. I would like the hon. member to show where we have ordered anybody to do anything. But even if they have, Mr. Speaker . . .

**MR. SPEAKER:** — Order, please. When the member asks a question, you should give an opportunity for an answer, and I'm going to ask for decorum on both sides of the House.

**HON. MR. HEPWORTH:** — Mr. Speaker, even if municipalities have put by-laws in place, and it's quite within their right to do so, our program will be flexible enough to take that into consideration. That was the indication I gave to my officials because we recognized some good, long time ago, in fact, that some may have done that.

**MR. LINGENFELTER:** — Mr. Speaker, a new question to the minister, and I appreciate him admitting that at meetings in Swift Current in 1983 his department asked the R.M.s to the area to pass such by-laws, which they did, and now find them selves in contravention of the announcement that he made the other day. Mr. Speaker, my question to the minister comes out of a joint ratepayers' meeting of the R.M.s of Val Marie and Climax last night in Orkney, where a resolution was passed, and I would like to read it to you, Mr. Minister, and I quote:

Whereas a drastic outbreak of grasshoppers is expected in this area; and whereas the cost of spraying for control of grasshoppers is very expensive; and whereas the farmers' revenues are down; therefore, be it resolved that the Government of Saskatchewan and the Dominion of Canada be called on to reimburse farmers for 50 per cent of any chemicals used in the eradication of grasshoppers.

This was passed unanimously by the ratepayers, 150 or so, at that meeting in Orkney last night. Both those R.M.s followed your advice of the Swift Current meeting where you advised them to pass by-laws to exclude themselves from spraying, to not be eligible for your program. Would you now move quickly today to introduce a program similar to Alberta where the government would pick up 50 per cent of the cost to the farmers in spraying for grasshoppers.

**HON. MR. HEPWORTH:** — Well, Mr. Speaker, the hon. member continues even after I have told him that our program is flexible enough to handle those R.M.s who have put in place by-laws.

I will say that, and I will say that clearly, because he continues to perpetuate a myth. The fact is, the program is flexible enough to cover those farmers who have sprayed if a by-law was put in place. And, Mr. Speaker, quite frankly I resent the opposition trying to portray the fact that we have not viewed this as a serious problem; that we have not been concerned about it; that we have not viewed it as an emergency; and that we have not taken some action. In fact, it wasn't until some time after the hon. member from Thunder Creek raised it in this House that they even viewed it as an issue out there in rural Saskatchewan.

**SOME HON. MEMBERS:** Hear, Hear!

**HON. MR. HEPWORTH:** — Mr. Speaker, several days . . . They have had opportunities on Tuesdays in this Legislative Assembly to raise motions and resolutions. Nothing came forward. On those same days, Mr. Speaker, we were bringing in airlifts of grasshopper chemicals because we did know there was a problem here. Where were they there then?

**SOME HON. MEMBERS:** Hear, Hear!

**HON. MR. HEPWORTH:** — It was this government that was convening meetings of our colleagues in our neighbouring provinces, of the Saskatchewan Association of Rural Municipalities which he referred to earlier. It is this government that has put in place an

unprecedented program in this province to assist rural municipalities with spraying. Mr. Speaker, we view it as a serious concern. We have viewed for that some good long time, going right back to last fall, and we'll continue to be there when the farmers need us.

**SOME HON. MEMBERS:** Hear, Hear!

**MR. ENGEL:** — Thank you, Mr. Speaker. Just one supplement, Mr. Minister. Constituents of yours from Lake Alma have called me. The Lake Alma R.M. passed a resolution saying that the farmer is responsible for the grasshoppers on his road allowance. This farmer asked me, and he said he spent \$2,000 on chemicals. The R.M. told him he cannot get money because he paid for the bill. They are constituents of yours. They're concerned. They said you should run your secretary because they can't get a hold of you.

Mr. Minister, what should that farmer do with his \$2,000 chemical bill and part of it that he used on the road allowance?

**HON. MR. HEPWORTH:** — Mr. Speaker, as I told the hon. colleague's seat mate, the member from Shaunavon, our program will be flexible enough to deal with those farmers who, in fact, have sprayed. The announcement was made one week ago. As they might know, we haven't had a chance to get out all the black and white details on this yet, but we recognize the program must be flexible to deal with these kinds of situations, and deal with them we will.

**HON. MR. BLAKENEY:** — Mr. Speaker, I direct a question to the Minister of Rural Affairs. We have heard the Minister of Agriculture say that the program was flexible enough so that R.M.s who have passed by-laws delegating the responsibility for road allowance spray to farmers could use the program and not be under any violation of the law.

Will you give an unequivocal statement in this House now that R.M.s who have passed such by-laws may incur that expenditure and may take advantage of the program without being under any legal problems.

**HON. MR. DOMOTOR:** — Yes. The Minister of Agriculture has already answered the question. I think it's well established that that will be taken care of.

**HON. MR. BLAKENEY:** — Mr. Speaker, I ask again, will you give an unequivocal statement that . . . (inaudible interjections) . . .

**MR. SPEAKER:** — Order, please. Order. I'm going to caution the member for Quill Lakes, when I'm on my feet and asking for order for him to shout is absolutely out of order, and I'm going to give him a caution.

**HON. MR. BLAKENEY:** — Mr. Speaker, I am asking of the Minister of Rural Affairs — not that the Minister of Agriculture will take care of it; he has no jurisdiction with respect to this — I ask you: will you state unequivocally that R.M.s who have passed such by-laws may incur such expenditure without any legal hazard to them?

**HON. MR. DOMOTOR:** — I believe I said yes before, and I'll stand by that.

**HON. MR. BLAKENEY:** — Mr. Speaker, I direct a question to the Minister of Agriculture. This concerns is grasshopper program and, as he indicated, he has been giving thought to this for, to quote his words, "quite some time." Not surprisingly, since the grasshoppers have been a clear problem or potential problem for many months.

Can he possibly explain how, if his department has given thought to this for many months, his ag reps do not have full information? Can he explain why, when I'm out in Maple Creek, people are asking me, what about the grasshopper program? The ag reps can't explain it to me. Can you?

Can you explain, Mr. Minister, why your ag reps are not totally informed on the program since you have been planning it for six months?

**HON. MR. HEPWORTH:** — I could give the hon. member several reasons perhaps for any deficiencies he might run into in terms of knowledge out there. To back up a little bit, number one is, in so far as the most recent announcement of the cost-sharing program with the rural municipalities, the very day I announced that program . . . I might add that it was a Saskatchewan Association of Rural Municipalities representative at the grasshopper meeting that we convened a week and one day ago who suggested that that might be a very worthwhile program. We notified those people immediately and, as well, the mechanism was put in motion to notify all our ag reps.

Now I recognize that that may have been done through phones in the first instance to get it out there quickly, and it will be followed up with hard copy, if you like. And given that, some had put in place by-laws. I, too, indicated to my staff that we must design the program efficiently enough and effectively enough and flexibly enough to deal with those individuals.

But to back up even a little bit further, for those of you who understand farming, you will know that when you have a survey map, as we had published last fall indicating how severe the grasshopper problem might be, that always . . .

**MR. SPEAKER:** — Order. The members are asking questions on what they consider to be a serious item, and I would expect that they would be courteous enough to listen for the answers.

**HON. MR. HEPWORTH:** — Mr. Speaker, people on the farm will know that we published these maps for some good many years now, and whether those grasshopper surveys in fact materialize into grasshopper infestation depend on a number of factors, not the least of which is the weather. So one can never, ever, ever be certain of anything in farming, unfortunately. There are some who maybe don't realize that, but farming is a high-risk game.

Secondly, another factor that has entered into it is that after numbers of years of infestations, grasshoppers do sometimes get almost like a venereal disease, if you like, Mr. Speaker, and that in fact infest themselves and become self-limiting in that regard.

**MR. SPEAKER:** — Order, please.

**HON. MR. BLAKENEY:** — Supplementary, Mr. Speaker. The minister has indicated that he has had a long-term program, and he's just admitted that this program was devised eight days ago — eight days ago. Can you explain, Mr. Minister, why you didn't have at least contingency plans in place, not eight days ago but perhaps eight months ago? Can you explain why you are announcing the details of programs eight days ago, and can you explain why you are airlifting chemicals to deal with a crisis which was anticipated six, eight months ago?

**HON. MR. HEPWORTH:** — Mr. Speaker, and the hon. member, I think if you would check my responses to the hon. member from Thunder Creek when he first raised this issue — being a farmer, recognizes here — if you check the record you will see there that I said we had been working on and did have the contingency plans that we developed over this winter. So that when the problem became evident, given the weather and given other factors out there, we were able to move and to move quickly. And I might say, Mr. Speaker, we were the first ones out of the chute.

Now if the hon. member . . .

**MR. SPEAKER:** — Order, please. The members of the opposition have been hollering continually this morning, and I'm going to ask for decorum. I had cautioned two of you before, and I'm cautioning now the member for Assiniboia-Gravelbourg as well. And I'm going to ask for

decorum, and insist on it.

### **Disposal of Contaminated Wastes**

**MR. YEW:** — Thank you, Mr. Speaker. My question is to the Minister for Environment. Mr. Minister, you will know . . . Pardon me. Will the minister confirm that on May 12th and 13th Eldorado Nuclear burnt a number of electrical transformers at its former mine site near Uranium City, along with more than 7,000 gallons of PCB-contaminated oil?

And can he tell us, Mr. Speaker, can he tell us whether or not this open-air burning of PCB-contaminated transformers and oil was authorized by his department.

**HON. MR. HARDY:** — Mr. Speaker, the burning of the oil was authorized by the Department of Environment in conjunction with atomic energy control board. It was a very low contaminated oil and they decided that it would be safe to burn it there. The burning of the transformers was not authorized.

**MR. YEW:** — Supplementary, Mr. Speaker. Mr. Minister, you suggest that burning PCB-contaminated materials in the open, without strict controls, does not pose a serious environmental hazard for the people in and around Uranium City. However, a number of environmental experts have been in the news just this week pointing out that the by-products created from the improper burning of PCB-contaminated materials are even more dangerous than the PCBs themselves. These by-products can cause serious birth defects and other health problems in even the smallest of concentrations.

Mr. Minister, how can you report that this unauthorized burning of PCB-contaminated transformers and oil did not pose a health hazard for the people in Uranium City?

**HON. MR. HARDY:** — First of all, Mr. Speaker, I didn't say that it didn't pose any kind of a problem. Any time that you burn anything, whether it be any type of oil, or any material, there's always some type of a problem.

This oil was burnt on May the 12th and the 13th at the Eldorado Verna mine site. It was a supervised burning, and it contained less than three parts per million PCB — in other words, very low contamination of oil. Normally, even under the detoxification of mineral oil containing PCBs, here, even with the plant, they only get it down to about two parts per million. That's about as low as you can decontaminate oil. This was almost at that marginal line.

We were unaware that they were going to burn any transformers in there. We were informed of it afterwards. We've inspected the site; we've collected soil samples from where it was burnt. We just got the reports back a couple of days ago. They come back . . . The soil samples come back at one part per million.

We've asked for detailed logs of what, how, when it was burnt, who was there when this burning took place and the whole log on what went on there. We haven't got that report back from Eldorado but we do expect it in the next few weeks.

**MR. YEW:** — Supplementary, Mr. Speaker. Will the minister not agree then that his department refused permission to burn those contaminated transformers in the oil, in an order dated May 1, 1985? If you thought that the burning was too dangerous to the environment to give you approval on May 1st of '85, how can you now say that the fact Eldorado went ahead and burnt the materials anyway does not pose an environmental hazard, Mr. Minister?

**HON. MR. HARDY:** — Mr. Speaker, I didn't say it didn't pose any environmental hazards. I said very distinctly that any time you burn anything you could pose an environmental hazard. We did not give approval to burn those transformers. We did give approval to burn, I believe it was

about 1,250 gallons, 7,513 litres of contaminated oil. That approval was given. It was burnt on May the 12th and 13th. Without our approval they also burnt a couple of transformers, I understand.

Like I said previously, we've inspected the soil; we've had inspectors up there. We're asking for a full report from Eldorado on it. Approval wasn't given.

**MR. YEW:** — Supplementary, Mr. Speaker. Mr. Minister, if I had an electrical transformer containing oil with PCB contamination of five parts per million and I applied to burn that transformer . . .

**MR. SPEAKER:** — . . . (inaudible) . . . to ask questions on hypothetical issues.

**HON. MR. BLAKENEY:** — Mr. Speaker, I'll direct a question on the Minister of Environment. Mr. Minister, I think it's . . . Since Eldorado obviously burnt PCB-contaminated materials without the authority of your department, without permission, have you planned any prosecutions?

**HON. MR. HARDY:** — No, Mr. Speaker. We haven't had the full report back from either my department entirely, or we've asked for the one from Eldorado. It would certainly come under . . . And charges that would be laid, would be looked into. I do not know. I haven't asked the department in that aspect yet. We won't be making any decision until we have the full, entire report back.

**HON. MR. BLAKENEY:** — Supplementary, Mr. Speaker. Since this occurrence almost a month ago, can you indicate when you will be making a decision as to whether there will be a prosecution or not?

**HON. MR. HARDY:** — Mr. Speaker, I just said when we have the full report back, both from Eldorado, their log and whatever went on, the detailed log of what went on when the burning took place, the full report from my department back, then we'll make a decision/

**HON. MR. BLAKENEY:** — Mr. Speaker, our information from Uranium City indicates that these same transformers contained perhaps more than 1,000 gallons of PC-contaminated liquids with high concentrations of 100,200,300, 400 parts per million, which would be five or 10 times the federal government safety limit. Is your department aware of any such contaminated material, and can you tell us what happened to it?

**HON. MR. HARDY:** — Well Mr. Speaker, when the report comes back I'll know exactly what was in there. I can't make . . . An assumption of mine would not be very relevant right now, and certainly I couldn't say anything more than that. When the report comes back, and I know what was in those transformers, and the department has identified it, when we've got the logs from Eldorado, then we'll make a decision.

**HON. MR. BLAKENEY:** — Supplementary, Mr. Speaker. Would the minister advise us whether he has any report from his departmental people advising him that there was PC-contaminated material there of the 200, 300 parts per million range. Will you advise us whether you have received any reports from your department along that line, and if so, what have you done about the reports.

**HON. MR. HARDY:** — Well Mr. Speaker, I just got the first initial reports yesterday that it even happened. The department had been up there inspecting it, and the results of the soil sampling had just come back. No, I haven't had any reports of what was in the transformers to date. I certainly will be talking to the department when the reports are all in, and the logs are in from Eldorado, so we know exactly what was there.

**HON. MR. BLAKENEY:** — Mr. Minister, you indicate that you just got the first report from your staff yesterday. Will you advise us . . . Will you check and advise us whether your department

has information which is a good deal previous to yesterday, and whether you have been advised of it? Think again as to whether you have been advised of it. Will you do that?

**HON. MR. HARDY:** — Mr. Speaker, I said that when we get the reports back from Eldorado that I will advise the Assembly what was in it and what we're going to do.

In regards to the report, yes, the department's known about it, I understand, for several days. They've been up and inspected the site. They've taken soil samples; they've had them checked at the Saskatchewan Research Council. Certainly the department's known about it for some time, but yesterday was the first time I was informed that there was anything going on up there and they drew it to my attention.

I have not had a full detailed report yet from the department, which I'll probably be getting next Monday or Tuesday.

**HON. MR. BLAKENEY:** — Mr. Speaker, one short supplementary, so I understand the minister.

You said when you get the reports back from Eldorado. Are you saying when you get the reports back from the Beaverlodge area, the reports of your staff, or whether you get the reports back from Eldorado Nuclear, which may be never?

**HON. MR. HARDY:** — Mr. Speaker, both. When I get the reports back, the logs that Eldorado checked when they burnt; who was in attendance; what took place there; and also when I get the report back from the Department of the Environment, exactly what they see has went on, then I'll bring it to this Assembly.

**MR. SPEAKER:** — Order, please. Order, please.

## **INTRODUCTION OF BILLS**

### **Bill No. 107 — An Act to amend The Northern Municipalities Act**

**HON. MR. EMBURY:** — Mr. Speaker, I move first reading of a Bill, An Act to amend The Northern Municipalities Act.

Motion agreed to and, by leave of the Assembly, the Bill referred to the Standing Committee on Non-Controversial Bills.

### **Bill No. 108 — An Act to repeal The Municipal Public Works Act**

**HON. MR. DOMOTOR:** — Mr. Speaker, I move first reading of a Bill, An Act to repeal The Municipal Public Works Act.

Motion agreed to and, by leave of the Assembly, the Bill referred to the Standing Committee on Non-Controversial Bills.

### **Bill No. 109 — An Act respecting the Consequential Amendments to Certain Acts resulting from the enactment of The Enforcement of Maintenance Orders Act**

**HON. MR. LANE:** — Mr. Speaker, I move first reading of a Bill, An Act respecting The Consequential Amendments to Certain Acts resulting from the enactment of The Enforcement of Maintenance Orders Act.

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

## **PRIORITY OF DEBATE**

### **Grasshopper Infestation in Saskatchewan**



**MR. ENGEL:** — Before orders of the day, I rise under provision of rule 17 to ask leave of the Assembly to move a motion that priority of debate be given to the matter of urgent public importance — the matter being the severe grasshopper infestation which is threatening the financial security of thousands of people in southern and central Saskatchewan, and the impact which this problem could have on the entire provincial economy.

Mr. Speaker, if you find my request to be in order, and if I obtain leave of the Assembly, I will be prepared to move such a motion.

**MR. SPEAKER:** — Order, please. Order. I received notice this morning prior to 8 o'clock, so the provision of notice under rule 17 was met.

Under rule 17(6), I find that the item is of urgent importance, sufficient enough to set aside the affairs of the Assembly and debate the issue.

I therefore rule that the motion is in order. It has been moved by the member for Assiniboia-Gravelbourg, seconded by the member for Shaunavon:

That this Assembly give priority of debate to a definite matter of public importance, that being the severe grasshopper infestation now threatening the financial security of thousands of people throughout Saskatchewan, and its impact of the Saskatchewan economy.

Does the member have leave to proceed?

Leave not granted.

**MR. SPEAKER:** — Under 17(8), if less than 15 but more than three rise, then it's required that we have a standing vote, so I'd ask the Sergeant to call in the members.

Motion negatived on the following recorded division.

**YEAS — 7**

Blakeney  
Koskie  
Yew

Engel  
Lusney

Lingenfelter  
Shillington

**NAYS — 32**

Birkbeck  
McLeod  
Andrew  
Berntson  
Lane  
Rousseau  
Duncan  
McLaren  
Garner  
Baker  
Hepworth

Dirks  
Klein  
Dutchak  
Embury  
Young  
Domotor  
Petersen  
Bacon  
Hodgins  
Smith (Moose Jaw South)  
Hopfner

Myers  
Gerich  
Schmidt  
Meagher  
Glauser  
Sauder  
Zazelenchuk  
Johnson  
Swenson  
Sveinson

(11:15)

## INTRODUCTION OF GUESTS

**HON. MR. ANDREW:** — Mr. Deputy Speaker, I would like to introduce to this Assembly a group of students, grade 7 students, from Kindersley. Their teacher, Mr. Stan Sibbald; chaperons, Maureen Quinney, Tina Lambden; and bus driver, Chris Gunness.

Now I would like to indicate to this Assembly that this is the second time in seven years that the students from Kindersley have begun to come down and visit this Assembly, and I think that's a good move for them to take. It's very often been done by many other schools, and Kindersley is starting to involve as well.

The group of students comes from a grade school that is, in fact, growing and that's a very positive sign. Their school has been expanded or is in the process of being expanded. I hope they enjoy their visit to Regina. I hope they enjoy their observation of the Assembly.

I would like to meet with you afterwards, but the estimates of the Department of Finance will be coming up very shortly, and we'll be dealing with that. Some of my staff people will be meeting with you. I trust you have had a good trip to Regina and get back home to the fine town of Kindersley.

**HON. MEMBERS:** Hear, Hear!

## ORDERS OF THE DAY

### SECOND READINGS

#### **Bill No. 102 — An Act to amend The Power Corporation Act**

**HON. MR. BERNTSON:** — Mr. Speaker, the Bill 102, An Act to amend The Power Corporation Act, is quite simple and straightforward. What it provides for is to allow, through regulation, the exemption of a surcharge on power rates for certain industries. And the reasoning behind this amendment; as you will know, when Sask Power took over the various utilities in various centres in Saskatchewan, there were several agreements, different agreements worked out from one city to the next.

And in the case of Regina the agreement provided that Sask Power would distribute the power to the customers in the city, and the city was allowed to claim a 10 per cent surcharge on those power bills. It's different in Saskatoon. In Saskatoon the agreement provided for a block of power being sold to Saskatoon, and they have their own distribution.

Now about eight or so months ago there was an announcement that Ipsco was going to expand its operation in Regina. There was about a \$65 million expansion. One of the problems that Ipsco had expanding in Regina was that in the event of annexation they would have to pay a 10 per cent surcharge on the power, and they're a very, very high power user. So we worked in discussion with the city and with Ipsco and others, and decided that this was the best way to handle it. And this amendment will provide for Ipsco being exempted from the surcharge in the event of annexation.

And I think all hon. members will agree that Ipsco is a very important industry to us, and a very high power user, and an important industry as it relates to jobs in Saskatchewan.

I, therefore, move second reading of Bill No. 102, An Act to amend The Power Corporation Act.

**HON. MR. BLAKENEY:** — Mr. Speaker, I have not yet had an opportunity to study the legislation in association with the existing legislation and, more particularly, have not had an opportunity to

consult with anybody from the municipal field.

I'm not sure what the Bill before us does, whether or not it provides that Ipsco will not have to pay the 10 per cent surcharge, or whether it provides that anybody who the government of the day may decide at any future time would not have to pay the surcharge. And obviously the latter undermines the revenue sources of cities, particularly, very considerably.

I'm speaking now from memory, but I recall that legislation, it provides that towns may apply a 5 per cent surcharge on power bills, and cities may apply a 10 per cent surcharge on power bills and, in that way specifically stated in the legislation, to be in lieu of taxes payable by the Saskatchewan Power Corporation.

And it will, I think, be known that Saskatchewan Power Corporation, alone among the Crown corporations, does not pay municipal taxes in the ordinary way. The others pay grants in lieu, but they are the exact amount of the taxes which would have been charged had they paid taxes in the ordinary way. Not so the power corporation; never has.

It's always been believed that it would be perhaps unfair to have all of the taxes flowing from a very large power plant, ordinarily in a rural municipality, flowing to that particular rural municipality, and none of the taxes flowing to the areas where the power was distributed. Good or bad, there are arguments obviously on both sides. But many years ago, indeed in the Bill of 1950, and perhaps prior to that, the surcharge was provided for. Again I speak from memory, although I know the surcharge was in the 1950 Bill.

What we now need to ask ourselves is whether or not we wish to remove that taxing power by the municipalities — they don't have to charge 10; they could charge 9 or 8 or 7 — remove that taxing power from the municipalities by, I take it, order in council or some other governmental action, or whether we should do it only with the consent of the municipality involved, or authorize the municipality to make selective impositions of the surcharge. I think the latter would be difficult, just as we don't allow in our taxing statutes — rarely do we allow the municipalities to apply other taxes in a discriminatory way.

No one, I think, quarrels with the idea of solving the Ipsco problem. What we have to ask ourselves is whether we're solving it the right way. I want to have a look at it and at least ask some of the people in the city of Regina, and probably SUMA. And accordingly I beg to leave to adjourn the debate.

Debate adjourned.

#### **Bill No. 105 — An Act to amend The Superannuation (Supplementary Provisions) Act**

**HON. MR. ROUSSEAU:** — Mr. Speaker, I rise today to move second reading of Bill No. 105 — An Act to amend The Superannuation (Supplementary Provisions) Act.

Mr. Speaker . . . Now, Mr. Deputy Speaker, meeting the financial needs of an ageing population is one of the most important challenges that society will face in future years. As employers, our government recognizes our fundamental responsibility to provide reasonable pensions for its long-service employees and superannuates.

Of particular significance through this Bill, we are introducing measures which ensure that the purchasing power of pensions is restored and maintained. And I want to add, Mr. Deputy Speaker, that these measures that the superannuates have been asking for for many years, at least during the three terms of the members opposite when they were government, and in all of those years had been completely ignored. This government decided to proceed with these amendments in order to ensure the needs of these people and to remove

this playing politics with the superannuates' needs through bringing it into the legislature . . . into the Assembly every year.

Most specifically, this Bill provides for:

1. A one-time special adjustment adjusting superannuates' pensions for the past effects of inflation;
2. A provision adjusting superannuates' and spouses' allowances for the current effects of inflation, as well as a provision to ensure easier granting of such increases in future years;
3. The elimination of age discrimination in marriages.
4. Improved pension portability;
5. The expansion of the salary definition to include deferred compensation.

Mr. Deputy Speaker, this Bill marks a significant step in pension reform and serves as an example to other public and private sector pension plans.

Mr. Speaker . . . Mr. Deputy Speaker, I move second reading of Bill No. 105.

**MR. LINGENFELTER:** — Mr. Deputy Speaker, I listened very closely to what the minister says, and what I would like to do, having heard what he has said, is to check what he's really doing. Having watched Mulroney lately with his attack on the OAS and the cut-backs. I would like to . . .

**MR. DEPUTY SPEAKER:** — Order. I would caution the member to keep his remarks to Bill 105.

**MR. LINGENFELTER:** — Well, Mr. Speaker, in second reading debate on the Bill that deals with pensions, if your ruling is that you can't talk about pensions for Canadians and other pensions that they may be getting that would be supplemented by this, I find that an interesting proposal.

But I would like to say to the minister, what I would like to do with Bill 105 is go out and check with some of these superannuates, in fact, to see what you're really up to here. I hear what you're saying, but what I want to do is take some time to check out what you're really doing because this sacred trust that Tories have with people on pensions seems a little hard to believe any more.

And I want to take some time over the weekend just to go out with Bill 105 and see what you're taking away because, having watched the federal government over the last couple of weeks, I want to tell you that there are many, many pensioners — and the member for Moosomin will know, having been at the meeting in Moose Jaw the other day — are not impressed with the Conservative government wither provincially or federally.

What I would like to do is at this time adjourn the debate so I can have some time to check out Bill 105.

Debate adjourned.

**Bill No. 106 — An Act for the Protection of the Health of Persons exposed to Radiation and for the Safety of Persons in Connection with the Operation and Use of Radiation Producing Equipment and Associated Apparatus**

**HON. MR. MCLAREN:** — Thank you. Mr. Speaker, our province has a proud record in the proper uses of ionizing radiation. This type of radiation, for the members' information, is that produced by X-ray machines, cobalt machines, and generally all types of machines used for the treatment

of cancer.

The new Act being considered today is closely based on the first passed in 1961, following recommendations of a provincial committee which reported to the Minister of Health in 1959 on the need to ensure high standards of public safety for medical radiography.

By having legislation in place at such an early day — that in 1961 — we have avoided several episodes of public concern about public safety. After the passage of our original Act, it was soon appreciated that safe control of other forms of ionizing radiation was also necessary, and this Act was amended several times, its name being changed to The Radiation Health and Safety Act in 1971 to indicate its wider function. This Act has served the province for more than a decade, but again the time has come for changes.

Of particular importance is the need to ensure that there is effective means for controlling the rapidly growing use of non-ionizing radiations throughout the province. This is entirely a provincial responsibility. Again, non-ionizing radiation is microwave radiation such as used in microwave ovens, laser survey instruments, and radar and communication equipment.

(11:30)

We also wish to improve our ability to control the use of mobile industrial X-ray equipment brought into the province by contractors operating from outside Saskatchewan, to bring penalties fixed over 20 years ago into our existing legislation in line with today's dollar values, and to enable us to charge basic fees for some of the services provided.

The main thrust of the legislation will not be changed significantly. The 1961 legislation established a provincial radiation health and safety committee consisting of a panel of experts from outside the province (or outside of government rather) who were appointed to advise the minister on all aspects of radiation safety. This body has served the province well for almost a third of a century, and the government attaches great importance to its continued input in this highly specialized and controversial area.

The legislation before you today will ensure that this committee includes representatives of the dental profession and of the X-ray technologists.

Our existing Radiation, Health and Safety Act also establishes procedures for all X-ray generating equipment to be registered with my department before it is used. And in the case of medical X-ray units, it specifies requirements for periodic inspections of the equipment designed to ensure, as far as humanly possible, that electrical, mechanical, and radiation safety requirements for this type of equipment are fully satisfied.

This new Act will continue these provisions and will enable them to be extended to other sources of ionizing or non-ionizing radiation as our experience dictates.

Other requirements of our existing Act relate to the qualifications of persons authorized to carry out medically-related radiographic procedures. These provisions will continue. And again, under the new Act, it will be possible to extend and to cover the use of non-ionizing radiation sources where necessary.

Finally, the main purpose of the existing Act is to authorize the issue of regulations relating to the various medical and non-medical uses of radiation. This is a field where advancing technology results in very rapid changes.

Legislation must not preclude us from taking advantage of new and improved techniques which may become available. On the other hand, it must be comprehensive enough to ensure that all necessary safety procedures are properly enforced. This can only be done by making appropriate

provision for regulatory controls, and our new Act will extend our authority for introducing such controls in various ways which this government deems to be important.

Mr. Deputy Speaker, I've spoken primarily of the control of medical radiation sources. This has been the main thrust of both legislation and regulations in the past. From the point of view of protection of the public, it is still the area of greatest importance.

The overall ionizing radiation, we will note that the use of ultrasound in hospitals is increasing even more rapidly than that of X-rays. Ultraviolet radiations are also widely used. And lasers are being introduced for various purposes at ever-increasing rates.

If we turn to non-ionizing forms of radiation, we will note that the use of ultrasound in hospitals is increasing even more rapidly than that of X-rays. Ultraviolet radiations are also widely used. And lasers are being introduced for various purposes at ever-increasing rates.

It is important that those responsible for introducing the new technology know where they can obtain authoritative advice on radiation safety precautions which may be necessary. Our new Act makes it clear that radiation health officers will be available to give this type of information to users of this form of radiation sources as readily as to those who will still have X-rays.

Nevertheless, members will recognize that this new Act is also intended to enforce comparable standards of radiation control and the non-medical uses of radiation. Whether we consider non-ionizing or ionizing radiations, we will note that industrial and commercial use of radiation sources is increasing daily.

The new Act before us today will only be a part of our safety program to ensure proper standards of radiation safety throughout the province. We are in the process of adding another radiation health officer to the Department of Labour, and within the next two months the occupational health and safety branch will be moving into a new building which will provide greatly improved radiation laboratory facilities.

We are proud of the minimal radiation list applicable to either workers or members of the public, and we give the House a commitment that we shall take whatever steps are necessary to ensure that these are kept at or below their present very low value.

Mr. Deputy Speaker, it's a pleasure to move second reading of Bill 106 to amend The Radiation, Health and Safety Act, 1985.

**MR. LINGENFELTER:** — Mr. Deputy Speaker, after I say a few words I'll be moving to adjourn the debate on Bill 106, but I would like to say to the minister that we are disappointed, and I could be wrong, and we may get to this in committee or in your wrap-up remarks, as to whether or not video display terminals are any part of this legislation. I'm sure they're not. Just glancing quickly, I see no mention of video display terminals — an issue that many, particularly secretarial staff, throughout the province have brought to our attention.

And my colleague from Regina Centre has introduced in the past a private member Bill to deal with controls and guide-lines and criteria for dealing with video display terminals in the workplace. And you will know, Mr. Minister, that you have had lobbies from various groups in the civil service and outside the civil service who are concerned about the use of video display terminals over a long period of time, for women who will have special problems possibly with childbirth or other health problems that may occur from the continued use of video display terminals. And you will know as well that groups like the status of women and the Action Committee on the Status of Women here in Saskatchewan, I believe, have talked to you about this problem.

And so I have to say at first glance we are disappointed that Bill 106 does extend and

does cover off areas that we, too, share your concerns on, that it doesn't go the next step and cover off video display terminals. And I would like to say now, Mr. Deputy Speaker, as well, that hopefully during the committee on this Bill we can come to some sort of an agreement with the minister where an amendment possibly can be brought in that would include and put into place some guide-lines for the use of video display terminals and possible health problems that may result from continuous use of them.

But I do want to take time to review Bill 106, and I'm sure my colleague from Regina Centre, who will be responsible for the Bill in committee, will have some words that he wants to say in second reading. Therefore I would be leave to adjourn the debate.

Debate adjourned.

## **COMMITTEE OF FINANCE**

### **CONSOLIDATED FUND BUDGETARY EXPENDITURE**

#### **FINANCE**

#### **Ordinary Expenditure — Vote 11**

**HON. MR. ANDREW:** — Yes, initially to introduce to the Assembly the officials from the Department of Finance: Mike Costello, deputy minister of Finance; Morley Meiklejohn, assistant deputy minister of Finance; Hugh Walker, responsible for tax and fiscal policy; Mike Shaw from treasury board; and Keith Mackrill from administration.

#### **Item 1**

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, I will ask a series of questions, more or less for the record, and I will be talking about the budgetary revenue. And I will also talk about budgetary expenditure on a couple of areas.

But with respect to budgetary revenue, the questions will in each case, and referring now to page 6, be questions of the following order — I'm sorry, page 10 is what I'm referring to, not page 6 — of the following nature. With respect to the estimates for '84-85, do you expect them to vary in any significant extent? And then with respect to the estimates of '85-86, what is the base for the estimate in each case?

And this is essentially the same type of questions I asked last year and I think perhaps we can move a little more rapidly than last year simply because last year I asked each one and I can ask them in groups this year.

Taking the estimates for '84-85 in each case, could you indicate whether you think the estimates for corporation capital of 29 million and corporation income taxes at 155.7 million will be approximately that, or somewhat different?

**HON. MR. ANDREW:** — Mr. Chairman, a couple of points. Number one, in about a month's time we will have full details of 1984-85 and those will be done in the exact amount. What I will do, if you like, is go through the revenue projections for '84-85 and give you a rough idea, and then we can come down with the white paper on that in probably the first week in July.

With regard to the corporate sector, you're going to see some downward pressures there both in corporate capital tax and corporation tax. That's basically driven by a weaker international market. We're probably looking at in the area of perhaps \$25 million shortfall there. Part of it also is in the income tax.

With regards to the personal income tax, I think I've made it clear for some time now that we will have a shortfall there of about \$150 million. The rationale or the reason for that \$150 million shortfall I think primarily can be related to . . . As you know, these are federal numbers that they advance to us. The \$150 million shortfall was announced (a) in the November statement, and (b) later in February.

The reasons for that, I take it, are one, given a federal election last year, there appears to be a tendency for the federal Liberals — the previous administration — to perhaps overstate anticipated revenues to put a best light on it, although I don't think you can attribute a goodly part of it to that particular reason.

I think what's happening is the income tax has become very leaky. We have in fact lost 25 per cent of four revenues on that and I think a lot of that is related to perhaps a slower growth than perhaps we anticipated. But I think more importantly is that the tax system, quite frankly, is starting to come apart, and losing a lot of money. One area, for example, was the research credit, for example, that took several billion dollars out of the Canadian economy.

Go to sales tax. Sales tax will be down moderately, and that's simply driven, I think, by the fact that we had a drought last year in Saskatchewan and the farm dimensions tended to pull back on purchasing and, as a result, that brought down sales tax.

With regards to the Heritage Fund dividend, which we can perhaps deal with in the sense of . . . in the wider sense of oil resource revenues, what we are seeing is a fairly significant improvement with regard to oil revenues brought on primarily by the land sales which were perhaps significantly higher than we had anticipated. And I think consistently over the last few years oil has outstripped the estimates that we have put in for those numbers, and that's certainly positive.

(11:45)

With regards to receipts from other government enterprises and funds, that's going to be approximately about the same. Liquor board, we will have significantly less moneys into that in the sense that we were . . . Perhaps some of the revenues came on stronger at the end than we figured, and we were able to maintain a little bit more money in the liquor board.

Motor vehicles pretty much on line. Sales, services and service fees, pretty much on line. Perhaps some little bit less there, given the drought and pasture fees, that type of thing. Land and forest is moderately less, I think, but not significant.

Established programs financing was up, and as you are aware, one of the reasons for that being up is the offset on income tax; when income tax goes down, transfer payments from the feds correspondingly go up. So that is tied in with the other estimate. Other federal programs are down, primarily because of, I think, the water-fowl crop damage item being taken out of there, and therefore it's down a bit.

Coal is moderately better than we had anticipated. Natural gas is moderately better than we had anticipated. Oil — I've already dealt with that — is significantly better. Potash. Potash started to show a bit of weakening, and from a budgeted thing, budgeted number, is probably going to see some weakening on that, and the potash markets are rather hard to predict these days. The uranium, conversely, is showing a perhaps stronger growth than we thought, and in fact uranium is giving us more revenue. So if you look at it from that point of view, '84-85, we will have the exact numbers out, as I say, in a month, but that's sort of the broad-brush way of what we're looking at.

I think the second question is our numbers for '85-86. At this stage, I would take that we would anticipate that we are going to be fairly close at this stage of the game. Perhaps there's some



continuing weakness in potash; that perhaps is a problematic area. From the income tax point of view, it's sort of a difficult one at this stage to gear to. I think when you shake down all of the federal budgetary measures, it's something in the order of \$10 million, somewhere around in there, that we would be less than we had anticipated when we went to budget. Perhaps in a broad-brush way, that's, on a general point of view, where we're coming on.

**HON. MR. BLAKENEY:** — Thank you, Mr. Minister. I will ask you some specific questions, and basically they will be questions which say, will you send me the information on . . . since some of it is detailed. And I first start with corporation capital; and will you send me the basis of your calculation.

Thus, what was the corporate capital base for the normal companies and for financial institutions, and what was the effective rate in each case, and the calculation? I will ask that with respect to corporation capital; I will ask you to confirm that the corporation income tax comes as an estimate from the federal government; I will ask you to give me the calculation with respect to fuel tax, how many gallons or litres are anticipated to be sold, which produces the figure of . . . And I should make myself clear, Mr. Minister. I am referring now to '85-86 for corporation capital tax for corporate income, and for fuel, and I will ask you to confirm that the individual income tax figure comes from the federal government. I'll stop there, and we can put a reply from you on the record, and then I'll go on.

**HON. MR. ANDREW:** — Yes. We will send you those calculations, as we have in the past, and responses to each of those other questions on the exact detail.

**HON. MR. BLAKENEY:** — Mr. Minister, I ask the same with respect to the insurance tax. I will ignore mineral acreage. The figures are about the same, and they will be calculated about the same as in previous years.

With respect to sales tax, would you send me the normal small table you send with respect to retail sales and non-retail sales and liquor, and the breakdown of the sales into those three categories that produce the 382 million.

With respect to tobacco tax, would you also send me that, and I would ask you, if you have it available and you have sent it to me in previous years, the effective rates of tobacco tax in the provinces. It's the table which is frequently provided. That gets to be a moving target as everybody increases tobacco taxes at federal and provincial levels, and it's not easy to keep up.

I will then, I think sit down and ask you to put that comment on the record.

**HON. MR. ANDREW:** — Yes, we will provide all that information.

**HON. MR. BLAKENEY:** — I move on to the liquor board and the . . . well, I'll come back to Heritage Fund because I will deal with the categories individually.

I move on to the liquor board and note the \$149 million and ask the minister whether or not the \$149 million represents approximately what he thinks the profit of the liquor board will be for the year, or does it represent a different figure? There is always money flowing into the liquor board and an amount taken out, and the amount taken out into the treasury may be more or less than the liquor board profits.

And I ask him also to comment on the other receipts item which is . . . Obviously there are some items in there of which I am not aware.

**HON. MR. ANDREW:** — Okay. With regard to the liquor board, so that I understand what you're asking, is that, of the 149 figure in the estimates, about 30 million of that is drawing down money from the liquor board. The balance would be what we would anticipate to receive this year.

With regard to other receipts, what that is in the area . . . I think I announced in the budget that over the next period between now and 1990 that we would anticipate or would expect revenue flow in from Crown corporations. That would be in various forms of dividends that we might look at. That would be tending to be a mandate over to Crown Management Board that this was the type of cash flow it would want to see. And as well there was some dollars that, because of some accounting changes with the federal government, etc., where the dollars would flow in from Sask Housing Corporation, would flow back in there, and it will be paid out.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, of this \$41.8 million estimated this year, up from 6.3 million, and obviously up a great deal — obviously including some new items — would you give me what items are included in the other receipts which would exceed \$5 million?

**HON. MR. ANDREW:** — Of the number — perhaps this is what you're looking for — there's about 30 we would anticipate as a dividend from the Crown's side, general, which we would negotiate with the Crown Management Board. Five of it would be through the Saskatchewan Housing Corporation, as I indicated, and the other one would be a series of smaller items and revolving funds, that type of thing. None of them are very large, and none of them are in the area of \$5 million, I think, that you asked.

**HON. MR. BLAKENEY:** — I'm aware of the general make-up, the assurance fund and some other from the Land Title's Office and some others that normally made up this 5 million and 6 million. We now have \$41 million. And you're telling me the two big items are a payment of . . . a dividend from Crown corporations and the \$5 million adjustments surrounding Saskatchewan Housing.

Moving down to the other items, the Canada Assistance Plan is significantly increased, and the established program funding is up \$73 million. If this question — if I can phrase this question so as to make sense, with respect to established program funding about how much of the 73 surrounds the fact that income tax has gone down, and accordingly the value of the equalized tax point has been changed, and how much is just because of the fact that the formula pays more money because costs are generally up?

### INTRODUCTION OF GUESTS

**MR. LINGENFELTER:** — Mr. Chairman, it's a pleasure to introduce a group of 11 and 12 students from the Consul High School from Consul, Saskatchewan. They are here today with their teacher, Jean Lightfoot, and the chaperons, Billy and Connie Behrman from the Consul area. They have driven all the way into Regina today. I believe it's over 250 miles, probably closer to 300 miles, to come down and observe the Assembly.

And I would inform then that at present we are dealing with the estimates of the Department of Finance. The minister and the Leader of the Opposition are dealing with finance estimates of the government.

We hope that all of you enjoy your stay here with us, and I'm sure all members would join with me in welcoming the students and their teachers and the chaperons to the Assembly.

**HON. MEMBERS:** Hear, Hear!

(12:00)

### COMMITTEE OF FINANCE

**CONSOLIDATED FUND BUDGETARY EXPENDITURE**

**ORDINARY EXPENDITURE — VOTE 11**

**Item 1 (Continued)**

**HON. MR. ANDREW:** — With regards to the question of the hon. member from — the Leader of the Opposition — two things. What we will do is — we don't have it broken down in the way you asked. The officials will, in fact, break it down and provide that information to you.

A couple of observations: it would appear there's approximately \$30 million increase would be as a result of the downward movement of income tax; one. And number two, there was a revised estimate upwards, as I said, this year with regard to EPF (established program of financing) and over the revised it's only showing about five or 6 per cent increase for this year, which is consistent with the GNP (gross national product) escalator of EPF.

**HON. MR. BLAKENEY:** — Thank you, Mr. Minister. I would appreciate getting that information in due course.

I come now to the Canada Assistance Plan, and I'm frankly surprised at the small amount of that, at \$147 million. Last year you had budgeted for about \$131 million, and you had supplementary estimates of about \$24 million, which rough and ready should have produced another \$12 million from the federal government, which would make that 131, 141, 143, or thereabouts.

And this year we are estimating 147, which indicates that we are not anticipating that total Saskatchewan Assistance Plan payments, and payments under other programs that might qualify for Canada Assistance Plan, from the income plan or any others from which we might get some Canada Assistance Plan money — but it doesn't look like spending is going to be up very much.

I wonder if you can comment on . . . I'll ask in this one manner: what do you think you will recover in 1984-85 under the Canada Assistance Plan, having regard to the large supplementary estimate, and how much more do you think it will be in 1985-85? And by my calculations it will be a small increase, and how do you account for that?

**HON. MR. ANDREW:** — The blue book will be showing consistent. If you go back to the blue book numbers on Social Services and what they anticipate assistance payments to be, we get half of that, as you know, from the federal government. You pointed out that that expenditure is, in fact, up this year. The revised revenues, as I indicated, is up from about 131, which was shown in the blue book last year, to about 140 this year. And then this year we anticipate 147, given that that would be half of what we would show anticipated Social Services expenditures this year.

**HON. MR. BLAKENEY:** — That, as I say, by my calculations, was going to be about 142 — you say 140; fair enough — in actual of '84-85. And you are now telling me that the estimated for '85-86 is 147. Oh, I think I will just comment by saying I am surprised that the increase is only \$7 million, having a regard to the fact that there will always be some more money because payment levels have increased somewhat, and there is not much indication that the number of people who were receiving Saskatchewan assistance is going down — quite the reverse.

Let me express a little surprise if the figure of 147 and the corresponding figure in the social Services estimate prove to be accurate. I suspect that they may be a little underbudgeting there, and I will note with some interest what the outcome is.

I now turn to page 112, and will ask a couple of questions with respect to that page. That is the budgetary revenue in the Heritage Fund which you referred to in your earlier remarks.

Would you send to me the basis of the calculations for coal and natural gas? That's the number of tonnes anticipated, and the effect of royalty rates; and the same with respect to natural gas. Would you do the same with respect to potash, and I'm aware that there are two or three sets of taxes there. I have received some of these from your colleague, the Minister of Energy and Mines, but if you could send me your calculations, it would be appreciated.

I would ask you to do the same with respect to uranium, and there it may be a need for some explanatory note for me on uranium. I don't fully understand how the royalty operates with respect to uranium which was borrowed and lent back and banked and not banked. I don't need to know it all — if you could just refer in general terms to those arrangements which were made which have affected royalty levels. I have noted that.

I will sit down and ask you to make a brief comment, then.

**HON. MR. ANDREW:** — No, we would — I think in the past we've done that, and we would send that information to you, and we will try to explain, in as simple a way as possible, the rather complicated uranium royalty calculation and how we deal with it.

**HON. MR. BLAKENEY:** — Mr. Chairman, Mr. Minister, I now go to investment revenue, and you propose to get \$40 million in dividend from the Crown corporations for the Heritage Fund, and another \$30 million you have told me you are going to propose to get from Crown corporations for the Consolidated Fund. And I wonder if you would tell me where you think that money is going to come from. From what corporations do you feel you will likely get dividends for the Heritage Fund, and which for the Consolidated Fund?

**HON. MR. ANDREW:** — Well I think I indicated earlier that there would be some coming from Sask Housing in that figure; that the total would be in the area of 70. And I also indicated to you that the way the system works is that we, in fact, deal with Crown Management Board and say, can you be looking at this type of target? I think if you look at it you're probably . . . It will not be difficult to say that it would be the resource companies primarily that would be providing that revenue, perhaps more from uranium and from oil, and less from potash, given that that market is not strengthening very firmly. Nothing, obviously, from Sask Power and nothing, obviously, from Sask Tel, although I'm not sure that that whole Sask Tel question on dividend policy has in fact been determined yet.

But basically we went to the Crown Management Board and said: is this a realistic target? Quite frankly, as government, tended to want to put the Crown's feet to the fire and say, you know, it's time that you started to pay some of that, and so that from a broader point of view I would not want to pin down and say at this point in time it would be so much from oil and so much from uranium and so much from this and so much from that.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, I will ask a little broader question here with respect to the policy which you are following with respect to dividends from Crown corporations. And we're getting different signals, frankly. From some people we're getting the signal that we're going to get some more money from the Crowns, for the Heritage Fund and for Consolidated Fund. From some other people we're getting signals that somebody is going to set up a desirable debt/equity ratio and we are going not to pay out dividends until this desirable debt/equity ratio is achieved at corporation A or corporation B or corporation C. And if these are going to be done, then while profits will be made, there are not going to be many dividends paid out except with respect to one or two of the corporations.

We have heard these conflicting stories about the policy. Some of this might be dealt with under the CIC heading, but it might be dealt with here as well, because it obviously affects the revenues which are flowing into the Crown. And I would appreciate a comment from the minister on that. And if he wished to indicate that he would like to discuss it under a CIC heading further, that's all right with me.

**HON. MR. ANDREW:** — Well primarily the exact details would tend to be under a CIC heading, but let me try to give you the position.

This year I think we stated very clearly that the Consolidated Fund over the next five years was going to receive from the Crowns some \$200 million. And that's a pretty strong government statement. Obviously when you get to the Crowns . . . And as you get to each Crown, as you know, they tend to be far more interested in the debt/equity ratio of their particular Crown corporation and a lot less interested in how much they give over to the Consolidated Fund. And that's the push and pull of the Crowns versus the Consolidated Fund.

I think that other than the Sask Power question, where there is clearly within Sask Power and I think within most every public power utility across this country some questionable debt/equity ratios that I think probably have to be addressed, other than that one, I think the debt/equity question is not . . . is going to be fundamental.

But every Crown corporation, if they had their way . . . Perhaps the signal coming out from some of these Crowns was that we were going to get our debt/equity ratio in line to what we believe is important before any dividends come through. And I don't think that necessarily applies, and the government policy is certainly not in that regard. But I can also indicate that I'm sure the policy of the board of directors of many Crowns is in that direction. Ultimately, it's going to be the government that makes that decision.

**HON. MR. BLAKENEY:** — Thank you, Mr. Minister, and I appreciate the comment. The Crown corporations are operated for the benefit of the government and ultimately, therefore, for the benefit of the treasury; and therefore for the benefit of the people who get benefits from that treasury — the hospitals and the schools and the like — and not, if I may say, for the benefit of the boards or the Crown corporations, although clearly they had the responsibility of maximizing return on this public money.

We have, Mr. Chairman . . . I heard a lot of fatuous nonsense from people who suggest that the only way to measure the success of a Crown corporation is the amount of dividends it pays. And we've had a lot of equally fatuous nonsense from people suggesting that a publicly owned corporation must have a debt/equity ratio that's the same as a private corporation, for some reasons which are totally mysterious to me. And I'm happy to hear the minister saying that at least you're not necessarily subscribing to either of these remarkable theories.

With respect to one of them, that somehow the only way to measure the success of a Crown corporation was the amount of dividends it pays, I think this was the wisdom that came out of the Wolff report, which would render all manner of corporations in the private sector as being badly managed. Things like Ipsco which didn't pay dividends for 10 years would be thought to be a very bad corporation, which is surely fatuous nonsense, since at times you will want to retain your money to expand your capital base, as potash corporation did for a number of years, and other corporations have done. And power does it as a matter of principle; and telephones does it a fair bit.

And at times you will want to draw down money from the Crown corporations. And the debt/equity ratio, which may have some relevance for a corporation that has to go out and raise money from the public, and accordingly has to be able to give some assurance of a uniform dividend policy — that makes sense if you are in the private sector and therefore you need to have some equity which you can ride out the peaks and valleys of any business cycle.

(12:15)

I don't see what sense that . . . what relevance that has with respect to Crown corporations, except that it makes the annual reports look nice. There is, perhaps . . . I don't obviously object to

an equity position with respect to crown corporations, but I'm glad to hear the minister indicate that the shareholders, the public, the people who have sacrificed in a sense to see money move into those places, have a right, when they're under pressure for schools and hospitals, to get some of that money, and to get it in preference to any drive to have a pretty looking statement with the right debt/equity ratio.

And I want to commend the minister for saying that these corporations have to be operated for the benefit of the people who own them, and not for the benefit of anyone who wishes to see a nice looking statement. And obviously, if I were a manager of a Crown corporation, I would want to have as much equity in there as possible, and as little debt, because I can look good under those circumstances.

But I think we should very clearly underline the fact, and I'm sure you will, that these corporations are here to provide a service, in the case of some of them; in others, to see that resources are developed in a way which provides the greatest number of dollars for the people who own them, the people of Saskatchewan, the people who use the schools and hospitals we're talking about; and that there will be times when you, the person who has to raise money for schools and hospitals, simply have to say to the corporations: pony up; time's come to pay some money, because we need it for schools and hospitals, and don't give us the arguments about debt/equity ratios and the like, because they're not relevant. They're only marginally relevant for any public corporation.

That is the view I take. When times are good, sure, let them pile up some equity, because there will be an occasion when you will want to draw it down. But when times are not good, as they assuredly are not under the stewardship of the member opposite, then I think there may well be a need to draw down money because clearly schools, hospitals, and other services must be financed, and their call is first.

**HON. MR. ANDREW:** — A couple of observations. First of all, I think that — and I don't think the hon. member disagrees with this — is that too often when we talked about Crown corporations, be it in this province or across this country, we tend to have a habit of generalizing. And one corporation is not the same as another corporation; one industry is not the same as another industry; one social program is not the same as another social program. So all Crown corporations are not the same. That's number one.

Number two: I think we have to be careful that Crown corporations don't in fact try to whip-saw government, which I submit that they have in the past in the sense of trying to get the best of both worlds. They can talk that they have to compete with the private sector and, I grant you they do, and it's very important that in fact that they do use similar type measures, similar type mechanisms very often as to how they run their operation. But they also are providing a service to society.

I think quite frankly . . . And I don't want to spend this day talking about Crown corporations; there's another forum in which we can do that. But I think also very often what happens is we can spend money in Crown corporations as social policy for government that very often is not measured, are not measured in a way or balanced or traded off in a way of, is it better to spend X number of dollars in this particular Crown corporation as a social policy, and put that into the hopper, if you like, and say: would it be better to spend it here on job creation or here on health care or here on education. And so too often, I say, we get whip-sawed by the system. And I think that an area we must move is in that direction.

### INTRODUCTION OF GUESTS

**HON. MR. ANDREW:** — Now perhaps while I'm on my feet, Mr. Chairman, I could take the opportunity to introduce some students in the west gallery from Eatonia High School. I don't

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think we have to . . . These students are accompanied by their teacher, Bob Anderson; and by their chaperons, Bob Quinney and Stan Fitzpatrick; and their bus driver, Marilyn Ady.

This group of students has consistently come from Eatonia down to visit the Assembly each and every year. It's a tour sponsored by the local Lion's Club in Eatonia, and I think they should be commended for taking that initiative as a service club to bring the students down here.

I trust you will have an equally good trip as the many students before you that have come down here, visiting various parts of Regina, various parts of Saskatchewan. I hope you enjoy your time in the Assembly. Some of my staff will be meeting with you following your time in here. And I hope you also have a very good trip home.

**HON. MEMBERS:** Hear, Hear!

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, I share your greeting to the students from the Eatonia composite School in Eatonia, and I know that they will enjoy their visit with us.

## **COMMITTEE OF FINANCE**

### **CONSOLIDATED FUND BUDGETARY EXPENDITURE**

#### **FINANCE**

#### **Ordinary Expenditure — Vote 11**

##### **Item 1 (continued)**

**HON. MR. BLAKENEY:** — With respect to crown corporations, as I say, I don't want to spend a great deal of time talking about the theory of Crown corporations, but I agree with you wholeheartedly that we tend to lump them together in really quite a mindless way. We don't lump government departments together and say that the Department of Social Services should produce the same results as the Department of Energy and Mines because, obviously, the Department of Social Services performs a very different function and shouldn't have the same objectives basically as the Department of Energy and Mines.

And yet we do this with Crown corporations, some of which are clearly simple vehicles for the delivery of social policy, and some of them are ways to maximize revenue, and there's a lot of reasons.

And I'm sure you have had opportunities to speak to this, and I am really quite surprised at the lack of differentiation in the minds of many, even academics, as to the various reasons for having Crown corporations. And that suggests to me that some of us in government have not done a very good job of explaining that this is simple tool like a government department, and just as a government department can be sued for many different functions, so can the corporate tool. End of that speech, Mr. Chairman.

I want now to ask a number of questions of the minister, some of the type which we asked him previous times. Could you give me the name, position, and salary of your personal staff, and any salary increases they've received in the last 15 months, roughly from March 31, 1984 until the present time.

Mr. Chairman, to make clear, I speak now of your personal staff. I will ask a similar question with respect to your senior departmental staff. But the first question was with respect to your personal staff, ministerial staff, the names, positions, and salaries, and any salary increases that have been received in the last 15 months since March 31, 1984, to cover increases on April 1, '84 and thereafter.

**HON. MR. ANDREW:** — I can send that over. The people are . . . from the ministerial assistants are John Wright who is effective January 1, '85 in his salary; Ellen Gyles who is an assistant 2; and Diane Tremblay who is a secretary; and Debbie Farnel who is a secretary. I would send those over.

Also on my staff is Dan Stephens who is staff to me in my capacity in Crown corporations. He is paid . . . on the details of Dan Stephens, he was hired on the 12th of January, 1983 by George McLeod. His salary was 3,584 a month. He took leave of his position in June of '84 to contest a federal election. In October of '84 he was re-hired by George McLeod, Minister of Supply and Services, at the same rate of pay, 3,584. January he transferred over to my office dealing with the . . . in my capacity in the Crown corporation sector, at the same salary of 3,584, which is what he is making today.

**HON. MR. BLAKENEY:** — Mr. Minister, with respect to Donald Wright and Ellen Gyles and Diane Tremblay, could you tell me what increases in salary they have had in the last year.

**HON. MR. ANDREW:** — Working for me on the first of the year. Diane Tremblay has had no increase because she has been with government a number of years and has reached the top of that particular scale. And Ellen Gyles has had her one-step increment over the last year. And Debbie Farnel, who works in my office has had a one-step increment. She has also been involved in the affirmative action program, and as a result has moved up according to the . . . some of the affirmative action programs of the government.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, could you elaborate on what Mr. Dan Stephen's duties are, for \$3,584 a month?

**HON. MR. ANDREW:** — Obviously one of Dan Stephen's jobs is a political assistant to the Minister of Finance. And cut it a bunch of ways if you like; that is one of the things that he does. And that's not inconsistent with any minister in government across Canada.

Dan Stephens is more of a political background, and as a result he would tend to do more of the political type work that's associated with a minister's office.

Don Wright, who is the chief of staff in the office, has a Ph.D. in economics, tends to be more involved on the application of the process of Minister of Finance, although obviously still in the minister's office.

And Ellen Gyles is a graduate in political science from the University of Saskatchewan, honours degree, and does assisting the chief of staff as well as looking after some constituency questions and the traditional thing that a junior EA would do, or a junior ministerial assistant would do.

But Dan Stephens is primarily (a) involved in the Crown and keeping me informed on that part of it. Also he would be doing the political work that is generally associated with politicians.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, I've had the opportunity to meet Don Wright on occasion, I think in the company of his father Mayor Wright, if I've got the correct person and I'm sure I have. I think I had the occasion to meet him when he was down at Harvard on one occasion when I was down there.

(12:30)

With respect to Dan Stephens, I have also met him in different circumstances — not at Harvard, but it seems to me in Regina, In Regina West, as I recall it. And I've met him on the campaign trail and he was not assisting me and I was not assisting him. I'm sure that he does valuable work for you for \$3,584 a month.



. . . (inaudible interjection) . . . The member for Souris-Cannington is putting words in my mouth that I am tempted to repeat for the record. But because the chairman is looking at me sternly, I will ask, Mr. Minister, for the name, position, and salary of the senior departmental staff who are getting, let's say, more than \$3,000 a month. Or pick a cut-off figure of perhaps something in the \$3,000-a-month range and indicate salary increases of April 1, 1984. I'm talking about your more senior staff.

**HON. MR. ANDREW:** — What I will undertake to do is send you the senior branch heads and all people that would make above that number. And I think, as last year, we will send all that information to you. I think, as you know, all people within the department, or virtually all people within the Department of Finance are out-of-scope people, are OC appointments, and we will provide that information to you.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, could you give me what was paid in entertainment expenses by senior members of the staff? Would you indicate, and I would like to discuss it now, or when we next resume. And would you let me know what the entertainment expenses bill was for senior members of the staff? And so far as I'm concerned, if it was less than \$300 a year just ignore it. I'm not talking about incidental entertainment expenses which any senior person would have if he picks up a meal tab or something, but if it's, let's say, more than 3 or \$400 a year, draw a cut-off for me, and let me know what entertainment expenses were incurred.

**HON. MR. ANDREW:** — Well we haven't got the breakdown of all staff. What I will do is provide that to you. Costello, deputy minister, is the highest, and his was just slightly over \$1,500 — 1,550, something like that. And he would be the highest in the department, as deputy minister. From there, it's down. We will provide anything over \$300 to you.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, I will be looking at Mr. Costello's. And I don't know whether entertainment expenses of that level were justified, but all I can say is that whether or not justified, I congratulate him on getting his entertainment expenses less than one-quarter of the entertainment expenses of the deputy minister of government services, who obviously meets with many, many more people.

He must, obviously, if he's spending \$6,000 a year on entertainment expenses, when Mr. Costello, who meets with nobody except bankers, bond dealers, and a parade of people who are federal government people and generally people who are of no consequence to the Government of Saskatchewan; whereas the deputy minister of government services who meets with architects who must be persuaded to work for the government, obviously, since there is so much work for architects to do out there, they must really . . . I'm sure a great sales pitch must be involved to get an architect to work for the Government of Saskatchewan; whereas we who are selling a few hundred million dollars in bonds, and this sort of thing, would not have any entertainment involved there. And it's obviously less than a quarter of what was involved in the valuable services rendered by the deputy minister of government services.

And I want initially, until I examine them, to commend the Minister of Finance and the deputy minister for having, while they may look to others to be high, I am sure they would hardly cover a month or two of the entertainment expenses of the deputy minister of government services . . . (inaudible interjection) . . . Agreed to what? Agreed that the entertainment expenses of the deputy minister of government services are gross and excessive? I would agree with that.

But now I want to turn to the Minister of Finance and ask him what his travel expenses were — out-of-province travel?

**HON. MR. ANDREW:** — While they're digging that out I might also, in comment to the Leader of the Opposition, that sometimes we don't have to lobby very hard for the bankers to pony up with the money either. They tend to be at your doorstep.

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Your question was on transportation costs of trips. I'll run through it for you for out-of-province trips: March 11, 1985, to Ottawa for a federal-provincial ministers meeting, that's \$613; February 10, '85, to Ottawa, to meet with the federal Minister of Finance and finance officials, \$613; January 14th and 15th, to Montreal, federal-provincial finance ministers, \$631; to Toronto to meet with investment dealers and bankers, November 28th and 29th, is 565; November 8th, 9th, and 10th, in Ottawa, finance ministers, again that was following the initial Wilson Statement.

June 8th, I was to Calgary and Banff to speak to the Conference Board of Canada; June 4th and 5th, federal-provincial meeting on pensions in Toronto, and that cost was 562; April 2nd to the 6th, of '84, a trip to Toronto, Montreal, New York, and back home, and that was following last year's budget, which is a standard trip the Minister of Finance takes — that's 796.

The total travel cost was \$4,900 last year.

**HON. MR. BLAKENEY:** — Thank you, Mr. Minister. That's right. I don't want to comment on the deputy minister of government services or the Deputy Premier, but that would sustain them for perhaps two weeks.

With respect to advertising expenses of the Department of Finance for 1984-85, could you give us the advertising expenses incurred by the department, indicating the name of the firm and the nature of the advertising, and what advertising proposals are planned for the year in which we are now talking about or have already been incurred for the year we're now talking about? And we've seen extensive, not to say lavish, advertising of the budget involving more than \$300,000, as the Premier has already indicated.

**HON. MR. ANDREW:** — Last year the spending on advertising firms was to three firms: Dome, Roberts & Poole, Brown & Associates. Dome was 198,000; Roberts & Poole was 34,000; Brown & Associates was 1,500.

To Dome was for the budget speech, and this is really, hardly can be called advertising. Preparation and printing of the budget speech was 111,000; *Estimates* was 44,000; newspaper ads were 42,000.

Roberts & Poole was the Heritage Fund report. Of their 34, the Heritage Fund report was 28,000. Career placement ads and *Supplementary Estimates* for '84 would pick up the rest; that would be approximately 4,000.

And Brown & Associates was newspaper ads for \$1,500.

Total of 234,000.

This year's budget . . . And to date we have spent 126,000, this year, with regard to the budget. You would have to then add to that the publishing of the Heritage Fund, the publishing of the white paper. And I would not anticipate a great deal more advertising than that traditionally has been done.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, I want to touch on these budget speeches. The budget address, before, is put out in a booklet form. The booklet runs to 50 or 60 pages. It is two-colour; it has got black and blue. There are perhaps two colours of blue, since everything in the province is of some colour of blue now, whether it be the mood of the public or the road signs — it's all blue. And you tell me that to put out that booklet, in however many copies you could possibly have a use for, would cost \$100,000?

**HON. MR. ANDREW:** — The 126 included both that document that you referred to, plus the

*Estimates*, plus the *Partnership for Progress*, plus the small brochure that we put out — *Budget Highlights*.

But, in fact, if you go back, I think to the budget speech, I would make two observations. While those speeches are printed with blue covers as opposed to red covers. That's number one.

Number two (so we didn't change that a whole lot) . . . number two is that we have moved away from a lot of coloured pictures in the budget speech which traditionally was done during your administration. And as you know, coloured pictures, etc., do cost more money.

So I don't think when you look at overall, the publication of those documents and the fairly wide distribution of documents, and if you are to look at the documents being prepared by other governments across the country, that we are being extravagant at all on the publishing costs and the printing costs of the budget documents: the *Estimates*, *Partnership for Progress* and *Budget Highlights*.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, I'll just talk about last year's budget. I don't have it here but it looked very much like this one — the last year's budget address. And leaving aside any highlights or any — just the booklet — and I believe you told me it cost \$70 or \$80,000 last year, just the booklet?

(12:45)

**HON. MR. ANDREW:** — As I'm advised by the officials that because of the timing of the budgets, they were both paid for in '84-85, and that explains the higher than normal costs. That, I think, was what you were asking for.

This year the budget speech cost about \$46,000, plus there was \$2,300 in sales tax paid, for a total of \$48,000. The highlights was \$7,900; sales tax, \$396, for a total of 8,300. Partnership was \$60,000, E&H tax of \$3,000, for 63. And there was a second printing because we ran out and there was a bigger demand for them, and that was an additional \$15,770 in E&H tax for a total of 16. Taken together, *Partnership for Progress* was 79,800. That's roughly the same as last year, but the two of them were crunched together and paid in the same year.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, with respect to the booklet which you say cost \$48,000, just the booklet, how many were printed? Approximately how many booklets were printed?

**HON. MR. ANDREW:** — 14,000.

**HON. MR. BLAKENEY:** — 14,000. The book cost \$3 apiece in the printing of 14,000. I must say that that strikes me as impressive.

With respect to the . . . Mr. Minister, was any other advertising done other than that you have reported by Roberts & Poole, Dome, and Brown? Did you get any out-of-province stuff?

**HON. MR. ANDREW:** — The only advertising would be advertising for positions within Finance which tends to be advertised in the Toronto *Globe and Mail* and a couple of other places, but that's the only other advertising that would be done.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, perhaps your officials would know, but with respect to the *Budget Address* and items like that, why is it necessary to put those through an advertising agency? Why is it necessary to pay 15 per cent override or whatever is paid on that type of a publication?

**HON. MR. ANDREW:** — Well, I think what we do is, by and large that's been the policy of the government. The advertising people would generally do the lay-outs, certainly the covers, that type of thing. It's traditionally done by advertising people.

In the *Partnership for Progress*, it would be some of the sketches, and designs, and graphs, and then the printing is done there. We would by and large just lump that together and deal with it that way.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, something like *Budget Highlights* is just a simple print job, virtually. What is the point of running through 100 or \$150,000 worth of printing books through an advertising agency so that someone makes 20 or \$25,000 in commission for doing . . . (inaudible) . . . a remarkably small amount of work?

There's no placement effort. All they do is get them printed and cart them back, and you distribute them, unless you're advising me that the advertising agency distributes them. There's no placement — there's no dealing with any radio, television, or newspaper people, not with respect to printing the booklets. It's a simple print job, and I'm puzzled to know why you would think it necessary to run them through an advertising agency.

**HON. MR. ANDREW:** — Well, one of the rationales is the . . . When you approach budget speeches, etc., you tend to want the maximum amount of security that usually is co-ordinated through one group. This year that was co-ordinated through Dome, so that it is co-ordinated that they, in fact, also employ the security, the printing, all the mechanisms that are around a budget, and it's co-ordinated that way.

**HON. MR. BLAKENEY:** — Thank you, Mr. Minister. It seems to me to be a high price for co-ordination — 15 or \$20,000 in a commission which goes to Dome Advertising, who I suspect will have other duties to perform, not for the Government of Saskatchewan but for the Progressive Conservative Party, before long.

With respect to the past year, did the Department of Finance pay for any polling?

**HON. MR. ANDREW:** — No.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, did the Department of Finance prepare any questions for polling that might be done by any other government agency?

**HON. MR. ANDREW:** — No.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, did the Department of Finance receive the results of any polling with respect to such items as, let's say, Pioneer Trust?

**HON. MR. ANDREW:** — No.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, I take it that these were received by the Minister of Finance in some other capacity. But if the minister is telling me that he received no poll results on Pioneer, I would be . . . (inaudible interjection) . . . I know he didn't say that; you bet he didn't. and I would be . . . I would have a good deal of difficulty accepting that.

So what you're saying is that . . . I will phrase it this way: if polling was done with respect to Pioneer, then it was not paid for by the Department of Finance. Is that what you're telling us?

**HON. MR. ANDREW:** — That's exactly what I'm telling you, and I'm also telling you that I have seen many polls. And I happen to be a student of polling and like to watch them. In fact, I see not only ours but I see some of yours.

**HON. MR. BLAKENEY:** — And they're looking better every day, If you're seeing many, why, I can understand why members opposite are so nervous about the trends. And they're obviously very nervous about the trends. And they're obviously very nervous about something — I do not know what — but nervous they are.

Mr. Chairman, and Mr. Minister, I want to ask a couple of questions and I'm referring to your budget speech now and I'm referring to page 33 of the budget speech . . . (inaudible interjection) . . . We're going to finish it up, Mr. Chairman, and Mr. Minister. We will finish up these estimates, but not today.

With respect to . . . I am referring to the debt, and we will have noted the sharp rise in the gross debt outstanding of the province of Saskatchewan, the division which is now being made between reimbursable debt and non-reimbursable debt. People used to call it net debt and various names, but reimbursable debt and non-reimbursable debt will do.

With respect to the trend, it will be very, very clear that the debt has increased a very large amount. We have the reimbursable debt as being debt which is clearly recoverable from Crown corporations and other agencies which are likely to be able to pay off that debt out of money not raised by taxes.

Whether the power corporation ever pays off the debt is another matter, but it is obviously going to service the debt. Every 20-year bond that is borrowed for the power corporation, both the principal and the interest are going to be paid by the users of power as opposed to taxpayers. Now obviously there's some overlap, but they're not exactly the same people. Clearly there are very different proportions of people. Ipsco pays a proportionately great deal more for power than it does for taxes.

I come back now to reimbursable. This is a debt which is going to have to be serviced by the taxpayers' money. The amount in 1982 was small and it was offset by other assets. I won't deal with that now, but it was \$264 million. And in '83 it went up to close to \$400 million; and in '84 it went up to close to \$900 million; and in '85 it went up to more than \$1.150 million; and in '86 your estimate is that it will be more than \$1.450 million, which is one billion two hundred million dollars more than it was in 1982. And this is non-reimbursable debt. This is debt that's going to have to be paid back by the taxpayers and going to have to be serviced; the interest is going to have to be paid out of our taxes.

Early on in your administration, Mr. Minister, you talked about being able to balance budgets over four-year terms. What do you anticipate will be the costs of servicing this non-reimbursable debt of \$1.456 billion? What in this budget is going to have to be paid for in interest, and is the same figure as the interest on the public debt figure that is shown in the *Estimates*, or are there other expenses which are going to be incurred with respect to this sharp increase, this spectacular increase of debt that the taxpayers have to pay of \$1.2 billion between 1982 and 1986?

**HON. MR. ANDREW:** — Well, I think that the number that's set out in the books corresponds with the 143, or 1.43, and that figure is the same. The interest on that is set out as \$143 million.

You know, I suppose what you're getting to is the whole question of deficits, and where our deficits are and how we're going to come to grips with them, both here and across the country. You know, other than Alberta, ours is the lowest. And Alberta, obviously has a very large heritage fund of cash or liquid assets that they have to deal with, and have been drawing that down. I think last year they drew it down . . . Some \$1.6 billion were able to be drawn down or drawn from interest returns on heritage fund assets.

If you go to the federal government and start to put the whole thing in perspective, with any kind of increase in interest rates the federal government might see, or we as a nation might experience that federal deficit, while it has moved marginally down in the most recent federal

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budget, is still only moved down by \$1 billion of a 35 to \$38 billion deficit.

There is fear among many quarters that that federal deficit could, in fact, escalate to \$50 billion a year. And that puts Canada, I think, in a position of having a per capita debt — I think we have to look at it from a nation's point of view — per capita debt almost three times that of United States.

What that does . . . and many of the economists tend to talk in terms of what that's going to do to interest rates, and obviously it can have some impact on interest rates. But I think too often, not unlike Crown corporations, they miss the fact that what it does is in fact starts to crowd out other expenditures, starts to crowd out some of the flexibilities that we can potentially have and must have in government. So that you have that that you have to balance off against . . . what you have to balance off — I'll be right there, Mr. Chairman, — what you have to balance off against (a) expenditures on the one hand and where you cut those expenditures, if you do cut those expenditures; and raising taxes on the other hand. And that's the type of question that we have to look at.

The committee reported progress.

The Assembly adjourned at 1:01 p.m.