

AFTERNOON SITTING

INTRODUCTION OF GUESTS

**Hon. Mr. Tusa:** — It is my privilege then, and with a great deal of pleasure that I introduce to members of this House the new rector of St. Mary's Anglican church in Regina, Father Derek Nicholls. Father Nicholls is seated in the Speaker's gallery. Originally from Cardiff, Wales, he came to Canada as an exchange teacher in 1961. He was ordained at All Saint's Anglican church, Edmonton, in 1963 and was priested in England in 1966. Father Nicholls most recently served in Westlock, Alberta.

I ask all hon. member to join me in giving a warm welcome to Father Derek Nicholls to this Assembly.

**Hon. Members:** Hear, hear!

ORAL QUESTIONS

**Employment of former MLA by Saskatchewan Property Management Corporation**

**Mr. Brockelbank:** — Mr. Speaker, I had intended to direct my question to the minister in charge of the Saskatchewan Property Management Corporation. I've been having some difficulty finding out who's running the corporation over there and who the employees are, and I don't know who to direct this question to. Perhaps there's someone on the government side that could respond on behalf of the property management corporation.

I want to find out, Mr. Speaker, if the minister, or whoever is responding for the corporation, can confirm that one Louis Domotor, who you would know as a defeated former colleague of yours on that side of the House, is now employed by the Saskatchewan Property Management Corporation?

**Hon. Mr. Berntson:** — Mr. Speaker, I'll take notice of the question.

**Mr. Brockelbank:** — Now we're finding out who's in charge of the property management corporation.

Mr. Speaker, another question to the Deputy Premier who's taking notice of the question. I want the minister to also confirm that Mr. Domotor has been hired as something called a classification . . . or compensation classification officer. Now the minister, up to this point, has refused to give me the names of the positions in the corporation, so I'm not sure whether he's a compensation classification officer or some other position, and I want to know if that is, in fact, his title.

And I also want to know, Mr. Minister, can you tell the House what are the qualifications that are required for this particular job, and does Mr. Domotor possess those qualifications, and what will be his rate of pay, Mr. Minister?

**Hon. Mr. Berntson:** — Mr. Speaker, I'll take notice.

**Mr. Brockelbank:** — During the . . .

**Mr. Speaker:** — Order.

**Mr. Brockelbank:** — Mr. Speaker, it's interesting to note the government's response to these questions about a patronage appointment.

During the estimates, Mr. Minister, of the property management corporation before this House, I asked for a list of officials of this Crown corporation. You said that no permanent . . . The minister said that no permanent job designations had been made.

Can you tell me now — and this was on page 3595 of *Hansard* — can the minister now tell me if such designations have been made, and will that minister supply us with a list of the positions and the persons in them?

**Hon. Mr. Berntson:** — Mr. Speaker, I'll take notice.

**Mr. Brockelbank:** — Well, Mr. Speaker, what we see here is an incomplete answer to a question by the government. And it shows, I think, Mr. Speaker, quite clearly that the old double standard is in position and working well for this government.

And I say to the Deputy Premier that you can tell the farm families of Saskatchewan, you can tell the working families of Saskatchewan that you have to hike taxes and cut services, but your Tory friends, there'll always be one position more for them at the trough.

And I want to know how you justify to the people of Saskatchewan why they should continually put up with this double standard, Mr. Minister.

**Hon. Mr. Berntson:** — Mr. Speaker, I'm sorry I wasn't paying more particular attention to precisely what the question was, but I think what he was asking . . .

**Mr. Speaker:** — Order, please. Order, please. Order. Allow the minister to answer.

**Hon. Mr. Berntson:** — I think what he was asking, Mr. Speaker, is: what is this government doing for working people in Saskatchewan? And, Mr. Speaker, I would like to go through a litany of . . .

**Mr. Speaker:** — Order. Order. Order.

**Lay-off Notices to Sask Forest Product Corporation Employees**

**Mr. Lautermilch:** — Thank you, Mr. Speaker. My question was to be to the minister responsible for the Saskatchewan Forest Products corporation. Perhaps my questions directed to the Deputy Premier will indicate exactly what you're doing for the working people.

Mr. Minister, yesterday employees of the Saskatchewan Forest Products Corporation head office got their lay-off notices. The notices were given under article 15.01 of their agreement which calls for six months notice of discharge or permanent lay-off in the event of "substantial

changes in working methods or facilities.”

The lay-off notice says, and I quote, Mr. Deputy Premier:

The Saskatchewan Forest Products Corporation head office staff will be substantially affected by the pending sale of our Prince Albert treating plant, the Hudson Bay plywood plant, and the Carrot River saw mill.

Mr. Minister, can you tell this Assembly how many employees are facing permanent lay-off?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Berntson:** — Mr. Speaker, I know quite a bit about Sask Power, and I know quite a bit about Agdevco, and I know quite a bit about the Provincial Secretary, and I know quite a bit about House leading, as does the member for Quill Lakes, but I don't know everything there is to know about Sask Forest Products, and I don't know everything there is to know about the property management Crown because I don't happen to have responsibility for them, Mr. Speaker.

The Minister of Health is telling the wonderful story of this government's health care programs to the TV audience of Saskatchewan at this very moment, and the minute that the minister responsible for the Saskatchewan Property Management Corporation gets back, I'll have him come over and deal with those questions with you specifically.

And as it relates to your question relative to the number of people who received their notices, if in fact they did, at the Sask Forest Products plant in Prince Albert, I will take notice of the question and provide the member with that information.

**Mr. Lautermilch:** — New question directed to the Premier. The Deputy Premier can't answer any questions today, so I'll ask the Premier.

Mr. Premier, since you're now advising, and your government is now advising the head office employees at SFPC (Saskatchewan Forest Products Corporation) they're no longer required, and as you've sold off the corporation, can you now fill the people in as to a few details that your minister can't answer? Can you table the agreement for sale? And can you tell us who bought the assets and for how much?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Devine:** — Mr. Chairman, as the Deputy Premier just mentioned, he took notice of the question and would provide details. And I would just reiterate what the Deputy Premier said: in specific details, give us the opportunity to go get that information, and we'll provide it to the hon. member.

**Mr. Lautermilch:** — Supplementary, Mr. Speaker. perhaps the Premier could table that document. It seems the longer they sit here, the less they seem to know.

**Some Hon. Members:** Hear, hear!

## Backlog at Land Titles Offices

**Mr. Mitchell:** — My question was for the Minister of Justice, who's not here, and I would ask the Deputy Premier not to answer this question, but it can be answered by any other member of the cabinet. It has to do with the Land Titles offices. In Saskatoon, the Land Titles Office is three weeks behind in processing documents, and I understand that in Regina it's about the same amount of days behind. This is causing great problems in the processing of real estate transactions — people getting title, people getting their money, people getting possession dates, and the like. I would ask the minister: are you aware of this situation, and what plans does the government have to remedy it?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Lane:** — My understanding, Mr. Speaker, is that in Saskatoon there was a three-week average delay. The bulk of the problem comes about because of a strong take-up under the early retirement program, and the Department of Justices are moving to fill the position.

**Mr. Mitchell:** —A supplementary, Mr. Speaker. In the estimates of the department, there was quite a cut in the number of positions in the Land Titles Office, and some of these positions that you speak about have been vacant for some period of time. Can we have the minister's assurance that both of these offices will be adequately staffed so that the turnaround time for real estate transactions can be brought up to a matter of days rather than a matter of weeks?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Lane:** — That will certainly be the objective.

## Changes to Student Loan and Bursary Program

**Mr. Prebble:** — Thank you very much, Mr. Speaker. Mr. Speaker, I have a question for the Minister of Education, and it concerns Saskatchewan student loan and student bursary program. I want to ask the minister how he can justify to young people in this province studying post-secondary education, that his government, as a result of the changes in the bursary program, has in fact cancelled 2,800 student bursaries this year; has taken 2,800 students off the bursary rolls that received bursaries last year in this province as a result of the changes he's made to the program.

Can he justify that to those young people, and to thousands of others in this province who, while they haven't necessarily lost their bursaries, are getting greatly reduced bursaries as a result of his changes?

**Hon. Mr. Hepworth:** — Well, Mr. Speaker, I think we've been around the Horn on this issue three or four or five times over the last three or four months. Our approach on student assistance, Mr. Speaker, is to make more assistance available to more young people, and the record clearly shows that. I think funding over the last five years or so has tripled, or even more than that — the numbers of students is tripled.

It seems to me, Mr. Speaker, if one looks at the numbers, we've gone from providing about 6,000 students in this province with some form of student assistance to now providing something in the order of 17,000. And we've gone farther than that, Mr. Speaker. Given the increasing numbers, and obviously not infinite resources, we have as well targeted particularly the assistance to those students with special needs, if you like — the disabled, single parents, the native population.

I have nothing to apologize for in our student aid assistance. I think in some ways we're the envy of other provinces across this country and are continuing to lead the way, and such will continue to be the case, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Mr. Prebble:** — A supplementary, Mr. Speaker. Mr. Minister, you've cut the number of students who receive bursaries in this province from 7,000 last year to 4,200 this year.

But I want to ask you specifically a question with respect to native people and the assistance they get from your government. Are you aware that applicants for a student loan in this province are asked if they are native, if they have applied for status? And if they've applied for status, Mr. Minister, are you aware that they are refused provincial aid because they are deemed to be a federal responsibility? Are you aware of that?

**Hon. Mr. Hepworth:** — Well I recognize that they indeed are a federal responsibility. I also recognize that there are some cases that fall through the cracks because of the fact that they don't meet provincial criteria at one given moment and they may not be declared "status" by the federal government.

Recognizing that isn't good enough. We want to assist those people, and because of that, this very week I've been in consultation with my officials who have assured me that they're in discussion with the federal government to make sure we don't have young people, natives or others, who might fall through the system because of jurisdictional responsibilities. They're interested in results, not jurisdictional haggling, and that's what we're trying to provide for them.

**Some Hon. Members:** Hear, hear!

**Mr. Prebble:** — Supplementary, Mr. Speaker. The minister is obviously aware of the fact that if a young woman or some other native person applies for status, that at the present time they don't get student aid from the province merely because of the fact that they've made the application for status, even if that application is not granted.

Will you give your assurance, Mr. Minister, is this House today that any person who applies for status is not automatically denied provincial student aid as a result of making that application; that they will only become a federal responsibility if that status is granted? Will you give native people of this province your commitment on that matter?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Hepworth:** Well as I said earlier, Mr. Speaker, we're interested in making sure these people have the opportunity to enter post-second institutions. I'm aware of the situation. In fact, my officials have been working on that now for some time.

Obviously I do not want to put the province or the public purse of Saskatchewan in a position where we're pricking up a vacuum left by the federal government in an area that's clearly the federal government's. I don't think that would be judicious use nor responsible use of our taxpayers' dollars. I don't want to see those students left out, if you like. But at the same time, I'm not about to let the federal government create vacuums where we're expected to step in, because that too would not be right nor proper, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Mr. Prebble:** — Very briefly, Mr. Speaker, to the Minister of Education. Mr. Minister, what I'm asking you to give this House a guarantee on, is that your government will stop discriminating against native people in this province who apply for status but are not granted status, but merely on the basis of their application are turned down automatically for provincial student aid. You have cancelled Saskatchewan student loans for young women who've made application for status, even though that application hasn't been accepted. And I'm asking you now: will you give us your assurance that you will end that discriminatory practice?

**Some Hon. Members:** — Hear, hear!

**Hon. Mr. Hepworth:** — Well, Mr. Speaker, the member is clearly off base when he uses such rhetoric. The reality is our government's track record, if you like, as far as us being able to help; and what this government can do to help native population is, in fact, we've put special programs in place because we recognize they do have some special needs.

And one that I could point to that we very recently signed was the agreement on the institute side, Mr. Speaker, that we signed with Gabriel Dumont Institute. A first, as far as we know, in North American, where not only will native community have joint management but also joint ownership of a post-secondary institution at the institute level. They will have a representative on the board of governors, and they will have a vice-president at that institute, a vice-president of the native services division.

Our track record is second to none in this area, Mr. Speaker, and we're proud of it, and we're going to continue to do more. At the same time, we have negotiations under way to make sure that any glitches that exist get cleared up, Mr. Speaker.

**Some Hon. Members:** — Hear, hear!

### Development of Core Curriculum

**Mr. Kowalsky:** — Mr. Speaker, my question is to the

Minister of Education and it has to do with the development of the core curriculum in our education schools.

As you might recall, the previous minister set out with great fanfare to expound on the curriculum development that was going to take place. Now we see a great big stall. The six common essential learnings which the minister has in his department has not been fanned out to the public. The flow to the public has been stopped.

And I want to know from the minister when he will issue the six common essential learnings to all the educators in the province so they can continue to participate in the development of the core curriculum.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Hepworth:** — Well relative to the core curriculum, Mr. Speaker, this past March, four or five months ago, after what — four or five years I think — of consultation and dialogue across this province; I think, 800 meetings, 14,000 written responses back in so far as what that curriculum should look like as we define goals, as we move towards the 21st century; the first curriculum review in 20 or 25 years, I think; something like that.

In March of this year we defined what that new core should look like, what that minimum expectation that we should have for our young people as they find their place in this new global village, if you like. That was an important first step.

The next step was to define and to develop — define the common essential learnings, and to write and to develop curriculum and then to implement that curriculum. You just can't drop a brand-new curriculum on teachers overnight, Mr. Speaker. The whole notion of in-service and professional development have to go hand in hand.

The process is an ongoing one. In some areas we are farther along than in others. I think there's something in excess of 50 teachers seconded to help write and develop curriculum, Mr. Speaker. And the perception that there is somehow a stall would be exactly that, a perception in the hon. members' minds.

**Mr. Speaker:** — Order.

**Some Hon. Members:** Hear, hear!

**Mr. Kowalsky:** — Mr. Speaker, the minister missed the point altogether. There was no . . .

**Some Hon. Members:** Hear, hear!

**Mr. Kowalsky:** — The public, the universities, the SSTA (Saskatchewan School Trustees Association), the trustees, and the educators have all been involved over the past five years looking at the information that was available and then giving feedback. And here you are not providing information. You are withholding information from the public of Saskatchewan. I want to know when it's going to be tabled, when you're going to issue that information, and if you're holding it up, why are you holding it up?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Hepworth:** — Mr. Speaker, the hon. member says we are withholding information. He is clearly in error on this one. As I understand it, the arrangement that has worked and worked well in the field of education is the tripartite relationship, if you like, between the department, the Saskatchewan School Trustees Association, and the Saskatchewan Teachers' Federation. That relationship worked well in putting together and defining the core curriculum, and that is the approach we are using as we work towards defining the common essential learnings and, as well, in making sure that the curriculum, as it's developed, meets the needs of our young people as we move towards the 21st century.

There is nothing to withhold because in fact, Mr. Speaker, we are working it up in conjunction with all those interested parties, and that is the course we will continue to stay on, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

### Sale of Hudson Bay Plywood Plant

**Hon. Mr. Blakeney:** — Mr. Speaker, I direct my question to the Premier. Earlier in this question period it has been indicated that Saskatchewan Forest Products Corporation has given notice to its head office employees pursuant to, as the notice said, the sale of the plywood plant at Hudson Bay. Mr. Premier, that plywood plant at Hudson Bay is worth several millions of dollars, at minimum. I wonder if you would advise the House whether either you or the Minister of Finance know who the purchase of that plant is.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Devine:** — Mr. Speaker, as I understand it there is a six-month notice requirement with respect to any transactions on into the future that is provided. And if there are sales, and if there are . . . or any transactions, then that information will be made at the appropriate time. And I'm not prepared to make any announcements today.

**Hon. Mr. Blakeney:** — Supplementary, Mr. Speaker. Mr. Premier, notice has been given, six months notice that a sale has been consummated. Mr. Premier, are you declining to tell the House to whom you have sold the plywood mill at Hudson Bay?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Devine:** — Mr. Speaker, the notice doesn't mean that at all, doesn't mean that at all. And if it did mean a number of things, then we will explore a number of things. They may have some possibilities of this, that, or whatever. But it doesn't mean that it is a sale, and I am not prepared to announce what it is today. And I will make the appropriate announcements in the future when, in fact, the information is appropriate.

**Hon. Mr. Blakeney:** — Supplementary, Mr. Speaker. Mr. Premier, the notice from the corporation referred to the pending sale of the Prince Albert treating plant, the

Hudson Bay plywood plant, the Carrot River saw mill. Very clearly the sale isn't pending unless you've struck a deal.

Now, Mr. Premier, will you tell the House to whom the asset, the substantial asset of the Hudson Bay plywood plant has been sold? do you know? and if you do, will you tell the House?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Devine:** — I can say to the hon. member that we've had several offers, and when I am prepared to announce which offer that we have received and in what detail, then I will make that information public. That's exactly the position we're in today.

#### Accrual Accounting for Farmers

**Mr. Upshall:** — Thank you, Mr. Speaker. My question is to the Minister of Agriculture, the Premier. Mr. Minister, you will know that the Wilson tax reform package came out with a recommendation to have accrual accounting for farmers. That means that they will have to count their grain in stock in their bins as income.

What representation have you made, Mr. Minister, to the federal government to oppose this oppressive reform?

**Hon. Mr. Lane:** — Mr. Speaker, we have indicated to the Government of Canada . . . Of course, that proposal is part of the federal tax reform package. We have indicated to the national government our opposition to the changes, and depending how circumstances go this week, I will be further meeting with the federal Minister of Finance to further carry the message that we want changes.

We have been in consultation as well with other provinces, particularly Alberta, who has taken the same position as the province of Saskatchewan.

**Some Hon. Members:** Hear, hear!

**Mr. Upshall:** — Mr. Speaker, Mr. Minister, you will know that this accounting system — I hope you have related this — will remove this ability of income for farmers. It will remove the five-year averaging provision.

And I would ask you . . . I would say to you that you haven't stood up clearly and loudly enough for the farmers of this province, and I also ask you: will you table your correspondence with the federal government to this House after question period?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Lane:** — Mr. Speaker, it's a little difficult in this game of politics to take from the NDP about anyone standing up for the farmers, and nobody abandoned the farmers more than the New Democratic Party did in the late 1970s and 1980s, and who took the opportunity when low prices were there in the 1970s to buy up the farmers' land, Mr. Speaker.

We have indicated to the federal government our deep

concern and objection to the proposals with accrual accounting for farmers. Secondly, as recently as two weeks ago, Mr. Speaker, the federal associate deputy minister of Finance, I believe was his title, was in the province of Saskatchewan meeting with my officials on the very issue, and our objections were expressed again in person, Mr. Speaker.

#### ANNOUNCEMENTS

##### Presentation to Members of the Legislature

**Hon. Mr. Berntson:** — Mr. Speaker, before orders of the day I would like to make a small presentation to members of the House. I had planned to do this, Mr. Speaker, during Provincial Secretary estimates, but I would like to do it now.

As you will recall about two weeks ago or three weeks ago, Saskatchewan was honoured with the visit of her Majesty, the Queen, and His Royal Highness, the Duke of Edinburgh. And the occasion of that visit was to commemorate the 75th anniversary of this building.

Now for all members of the legislature, Mr. Speaker, I would like to present, to commemorate that occasion, the occasion of the visit of Her Majesty and the 75th anniversary of this building, I'd like to present all members with a print, Mr. Speaker, of this painting, which is a painting of the legislative building from a perspective of across the lake.

Now the reason that I was asked to do this today, Mr. Speaker, is that we happen to have the artist in the gallery. We weren't quite sure when we would get Provincial Secretary estimates on, and he's a busy man running his medical practice here in town. So if the House would bear with me, I'd like to introduce the artist, and I'll read his biography, because it's well done.

And it would seem that painting as the principal art form is as natural to this country as is the Premier's sport of skating. Why this should be so may be understood by a close scrutiny of the particular environment it offers its inhabitants.

There have been, and are, a number of great Canadian artists who have interpreted the land and the people in individual terms of form and colour on canvas. It is comparatively rare, however, that someone born and raised in another part of the world should develop such an awareness of aspects relating to life in the provinces and record the same in such sharp reality as many of his prairie landscapes.

William G. Hobbs was born in Alderney in the Channel Islands and came to settle in Canada in 1959. Notwithstanding the considerable demands in time alone imposed upon him by his role of physician and surgeon in a rural community, he managed to develop a technical skill in painting which won him first prize in a major Canadian art show in 1978.

He took the first place at the Fifth Texas International Art Show in 1976 and second place at the seventh in 1978. He has been honoured with a number of one-man shows,

as well as having his work selected for showing at the International Grand Prix of contemporary Art in Monte Carlo. His work was on exhibit at the winter garden pavilion in December, 1978, under the high patronage of Their Serene Highnesses, the Sovereign Prince and Princess of Monaco.

Much of Hobbs' work reflects the influence his immigration had on him, as is portrayed in a series consisting of six major works on that subject.

Hobbs studied painting for four years in England, and finally switched from the West of England Academy of Art to the medical school at Bristol University. He has also attended courses at the Pan American University, Banff School of Fine Arts, and the Emma Lake Campus at the University of Saskatchewan.

His work is in many North American and European collections and also in those of Mitsubishi Ltd., Marubeni Ltd. and Tohoku Electric Power of Japan, and other collections internationally, Mr. Speaker.

I have provided the Leader of the Opposition with one print and the Speaker with one print for your perusal, and because they are of some size and perhaps a little awkward to deal with in there, all other members will have them delivered to their office. And I would like to ask Dr. Hobbs to rise and be recognized, and I would ask all members to join me with a nice welcome for Dr. Hobbs.

**Hon. Members:** Hear, hear!

**Hon. Mr. Blakeney:** — Mr. Speaker, I would to add my words to those of the Deputy Premier in commendation to Dr. Hobbs for the outstanding painting of the Legislative Building which is to be presented, and the print thereof, a copy of which I have here.

I think just one look at it indicates that Dr. Hobbs has exceptional technical competence in the drawing aspect of painting and prints, and has real feeling with respect to the composition in the painting aspects.

You ask, Mr. Deputy Premier, why Saskatchewan seems to attract painters. I have . . . my son's wife's mother is a professional painter who exhibits her painting not only in eastern Canada but in the eastern United States, and I asked her why this was so — she once lived in Saskatchewan for a brief time; she's an Austrian woman who came here — and she said it's the light. Now I don't understand what that means, but I gather that the nature of the light, the sunlight in Saskatchewan, is stimulating to many, many artists. And I think that . . . I don't know what stimulated Dr. Hobbs, but it was obviously very successful in allowing him to produce works of this calibre.

I close, Mr. Speaker, by noting that the print I have is number 249 of 250, and I say, "How soon they forget!"

**Hon. Members:** Hear, hear!

**Mr. Speaker:** I understand the member for Regina Lakeview has a little business you'd like to bring to the attention of the House.

## PRESENTING REPORTS BY STANDING, SELECT, AND SPECIAL COMMITTEES

### Non-Controversial Bills Committee

#### Bill No. 81; Bill No. 95; Bill No. 96

**Ms. Simard:** — Thank you, Mr. Speaker. I'd like to file the third report of the Non-Controversial Bills Committee, and it is briefly this: that we report Bill No. 81, An Act respecting the Consequential Amendments resulting from the enactment of the Saskatchewan Property Management Corporation Act, as controversial; Bill No. 95, An Act to provide for the Registration and Regulation of Persons Engaged in the Real Estate Trade, as controversial; and Bill No. 96, An Act to amend The Provincial Court Act, as controversial.

And I'm wondering if I could have leave of the House to file that report, Mr. Speaker?

Leave granted.

**Mr. Speaker:** — Second reading next sitting.

## GOVERNMENT ORDERS

### COMMITTEE OF THE WHOLE

#### Bill No. 56 — An Act to amend The Litter Control Act

**Hon. Mr. Swan:** — Thank you, Mr. Chairman. Seated beside me is Peter van Es, the deputy minister of Environment and Public Safety; and behind him, Larry Lechner, director of the lands pollution and air pollution divisions of the Department of Environment.

#### Clause 1

**Mr. Lyons:** — Thank you very much, Mr. Chairman. I have a few words that I would like to say regarding this Act. As the chairman knows, our caucus and party supported this Act in principle on the second reading of the Bill, and we did that for some very specific reasons. We wanted to make it clear to the people of Saskatchewan, and clear to the retailers of Saskatchewan, clear to the consumers of Saskatchewan that we are not in principle opposed to their demands for the sale of beverages, whether it's soft drinks and, I suspect very soon, beer in cans.

Having said that though, and our caucus having demonstrated in practice that that's our position, we have some very serious concerns that we believe that the Minister of the Environment has not addressed in this Bill, very serious concerns as to questions he himself has raised in discussing the intent of this Bill. For while it talks about a Bill which basically is a Litter Control Act, in essence, according to the minister's public statements, this is a Bill which would change the consuming patterns of Saskatchewan people in terms of how they're served beverages, which may not appear as a big matter.

It may not appear as a tremendous issue out there, except to the extent that we're talking the loss of literally hundreds of jobs in this province. This Bill represents a turning back, and the potential turning back of the clock when it comes to questions of the environment, questions of littering, questions of the defacing of the landscape.

And we had here an example today of a noted painter who talked about Saskatchewan, who talked about the light that we all see that bathes this province in the kind of landscapes that we all have come to enjoy. Our concern is that we don't want to see the face of that landscape defaced, and we feel that in this Bill there is the potential for the defacing of that landscape. And the minister's own statements, the minister's own public statements have done nothing to alleviate those fears.

The minister's own statements, saying that this Bill, far from being just a litter control Bill is really a method to introduce into the province cans and other, cans and other non-refillable containers, raises the concerns over for those environmental issues as they're raised.

I know that the members of my caucus, the members of the caucus here, the party I represent, have a great many issues that they want to raise with the minister in these regards, in regards to the loss and potential loss of jobs, and into the loss and potential loss of the environment as we've come to know it. And is so far as those comments, I will cease at this time.

**Hon. Mr. Swan:** — Well, Mr. Chairman, in a Bill that's just amending a piece of legislation, it's hard to deal with all the issues that the member speaks of, but I want to assure the hon. member that we haven't moved forward with this Bill without having considerable amount of discussion and meetings with the people that this Bill will affect.

You indicate the loss of jobs as a major issue, and it is a major issue and a concern that the government has had, and that the department has had over a long period of time. The member also realizes that in the past year the number of cans of soft drink that have appeared in our stores has been considerable — considerable numbers. As those cans have come into the province, they've displaced the market share that many of our producers of soft drinks have had here in the province. So the jobs, in a sense, have been in jeopardy, and in some cases are lost even before today.

On the other side, the soft drink bottlers themselves have moved away from actually bottling, in some circumstances, and have been trucking bottles from Alberta and from Manitoba into our own province. So they have made a conscious decision that their bottling operation was not able to stand alone, and therefore they have gone to the business of trucking soft drink in.

I think by the time that we're finished with the regulations and put in place the process of collecting the cans for recycling, you will indeed find that we may not have job losses. We might have jobs that are different, but we may indeed have more jobs than we have today. So that area, I

think, has been adequately addressed and will continue to be addressed, and when we're finished, I believe that likely the job issue that you raise will not be a serious one — rather, the jobs will still be there.

(1445)

The pollution control side is also being addressed and addressed very seriously. We have met with people in the recycling business from the United States, from eastern Canada, from Manitoba, from across the nation, really. We're bringing together the expertise of the most qualified people in that area to give Saskatchewan the opportunity to go out and lead the pack as far as Canada and the United States are concerned, by bringing together the technology that's available today. We expect, when the regulations are in their final form, that indeed Saskatchewan will be well served, and we intend to protect the environment from having cans left out there for a long period of time.

As you realize, cans are perhaps one of the easiest methods of recycling. They have a value in themselves of about 3 cents a can, which is enough to begin to generate the recycling cost and to encourage people to bring them back for recycling.

**Mr. Lyons:** — I wonder, Mr. Minister, if you would care to elaborate on those two aspects. On the one hand you say that you have plans or regulations that you intend to put into practice in the province that deals with job loss, and on the other hand those same regulations intend to deal with the recycling of cans.

Would you outline exactly for the people of this province: (a) how you're going to save the jobs, and (b) how the can and the recycling of those cans is going to work?

**Hon. Mr. Swan:** — Well the regulations aren't complete, as I indicated to the member. The Bill is the first stage; the regulations are the second stage. We are working very closely with both the brewers association and the soft drinks association from Saskatchewan in the developing of the regulations and the recycling process. It's a slow process, but I think one that warrants the time that we're using. Now the House will not be in session probably in another week or two or three, and we'll have more time to work on some of these things. It's been difficult with the House is session all summer.

But we have been working, and we have special consultants working at this time in the development process to put in place the recycling for the cans. So I can't give the member all the detail that he might like today. But I can assure the member that we are taking great pains to put in place a proper recycling method, and I believe that what will come out of this process will be one that he will indeed be pleased with.

As you move into recycling, you generate other jobs. That's what I'm indicating to the member, that likely you may lose a few jobs on the bottle line; they could transfer over to a can line if anybody goes ahead and establishes a can line, or they could move into the recycling side, and those options will be made available to the people.

**Mr. Lyons:** — Mr. Minister, on the job side for a minute, and on consultation. You've met with . . . I know you've met with the brewery workers and with the soft drink workers and with the owners of the . . . or the managers of the breweries here in the province.

And I'm wondering: do you have any idea, first of all, of whether or not the brewers plan to set up a can line in the province? And secondly, what impact did the brewers tell you would happen vis-a-vis jobs in the province in . . . We'll deal with the brewing industry first. In the brewing industry, how many jobs did they tell you that were going to be lost?

**Hon. Mr. Swan:** — I have met with the union that represented the brewery workers. I didn't meet with the union that necessarily represented the soft drink workers. There are so many of the small companies that I'm not sure which union you might turn to in their circumstance. They're not as well organized as the brewers.

In the meeting that we had with them, they registered their concern about the possible loss of some jobs. But you know, it's all on assumption at this point that there will be a loss of jobs. It depends on the market-share that cans take. It depends on whether or not the brewers and the bottlers decide to put can lines in Saskatchewan. And there are indications that they're looking very seriously of that aspect of it, and there's a good possibility they may indeed put their lines here.

If they do that, it's a possibility that we may see even more jobs than what we have at this point. So I can't tell you how many jobs we may or may not have; that's something that a lot depends on the businesses involved. So I don't know what more I could tell the hon. member on that side. I think I'll just have to leave it there.

**Mr. Lyons:** — Well, Mr. Minister, I've met also with the unions that represent both the brewery workers and the soft drink workers, and basically the soft drink industry isn't as fragmented in this province as you make it out to be. We have one owner, basically, for all the Coke franchises in the province.

But be that as it may, isn't it true that at a minimum — at a minimum — both the brewery workers and the brewery managers in this province told you that as a minimum we're going to lose 30 per cent of those employed in the brewing industry — 30 per cent of those employed in the brewing industry, which does not even take into account those jobs which will be lost, for example, at the Saskatchewan bottlers association return plants. And there's 60 temporary workers there in the summer who probably will lose their jobs, and up to 30 regular full-time workers who probably will lose their jobs.

Because that's what they told me, Mr. Minister, and that's what they told me they said they told you. And when they said they told you, that your response to them was go get a job in the ethanol plant — go get a job in the ethanol plant — that you yourself recognize that in fact there was going to be job loss, as you did today; there's job loss on the bottling lines. Also there is job loss and permanent job loss in this province because you know very well that the brewers are not going to establish can lines in

Saskatchewan because you were told that Carling O'Keefe, for example, which had, sitting in storage, a can line in Saskatoon, moved it out to Winnipeg and is able to serve their entire western market by the operation of that can line one day a week.

And you know very well that you were told that the breweries were going to try to, what they call, rationalize or centralize their production, and that that rationalization and centralization, with the possible exception of Molsons, would take place outside the province — that Labatts would set up their operation in the Calgarys, that Carlings would be in the Winnipegs, and maybe Molsons would stay in Regina. But that depended on a number of factors, none of which seems to be within the realm of possibility of you looking at it terms of trying to control those.

Have you, Mr. Minister, as a government, developed a plan to encourage a brewers or force brewers or force soft drink manufacturers — if in fact they're going to sell cans in this province — have you developed some kind of plan, or have you developed some kind of legislation which will force the brewers and the bottlers to produce those cans and to save those jobs and to keep them here in Saskatchewan?

**Hon. Mr. Swan:** — The member raises an issue that I think is a little blown out of proportion when you speak of all of the people, the 60 people in the bottle refund situation losing their jobs, and you speak as though the whole brewery was going to shut down and all of the people in the brewery were going to lose their jobs. And that's not the case.

Even if you go to cans, as many cans as the market will demand, they tell me that in Alberta and in Manitoba it runs 20 per cent, approximately, in the winter-time, and 25, 26 per cent in the summer-time. I would anticipate Saskatchewan might be higher than that because of the novelty factor in the very early stages, but would likely level back to what is more the norm across the country.

When I spoke to the people from the brewers' union and he suggested to me that if 20 per cent of the product went into cans, if it happened to come from another province, he said we wouldn't need as many brewers as we have now. And I suggested to him that likely one of those people could get a job with an ethanol plant because it's the same type of operation — they actually operate a brew operation, and they need a brewer. And that's a very realistic approach. I didn't got to him with the idea that all of the people would go to the ethanol industry. It's not that large.

There may be some changes in jobs but, as you realize, many of the jobs when you stand along a bottling line are not specialized jobs; they're jobs that most people could walk in and do with very minimal training. So to change the opportunities for those people to work in a different area may not be that difficult, and our technical institutes and other educational facilities certainly are in place to do that.

**Mr. Lyons:** — Well, Mr. Minister, not to overly belabour this point, not to belabour it, but probably to bring it to



your attention, because when you lose jobs, as you will, and as you were told, and it's not a maybe, not a maybe unless you guarantee that those can lines are set up in this province, it won't be a maybe unless you guarantee that. There will not be a maybe.

But there are spin-off effects. Now your government has time after time after time talked about how they want to diversify the Saskatchewan economy. And brewing and bottling, given its geographically central location vis-a-vis the major market areas to the west of us and to the east of us and also to the south of us, could be a possible source of diversification. But if you shut that down, if you shut down this industry which is not necessarily hooked to the agricultural industry but, in fact, is a diversified industry, you, in fact, are defeating your own purposes in your rhetoric.

Let's take this for example: we have the MacMillan-Bathurst plant in Regina which employs X amount of people. Part of the product that they make here goes into the cartons, to form the cartons in which the beer bottles are shipped out.

You have in Biggar, a malt plant, the major malting plant — one of three in the country. If, in fact, you contribute to shutting down the brewery operations in this province — now don't say it hasn't happened because we've seen the shutting down of a number of breweries in this province, including the Molson's brewery in Prince Albert and the Carling brewery here in Regina, and other breweries — if, in fact, you contribute to the shutting down of those breweries, what of the people who work at the Biggar malt? And how is that going to impact back on the firm to the farmers who grow malting-grade barley? That has, as you, I'm sure, understand, Mr. Minister, that spin-off effect. You know, and it doesn't have to happen at the whims of the international market-place. It doesn't have to be that way.

You can take steps as a government to ensure that those jobs remain here in Saskatchewan. You can take steps as a government to ensure that the can lines are set up. You can take steps as a government to ensure that the soft drink manufacturers manufacture their product here and can that product here. You can take those steps if you have the political will to do so, and if there, in fact, is political will behind your rhetoric of diversification of the economy. I want to know, sir, what steps you as a government are going to take to ensure that can lines are set up in the province and that jobs are kept here in Saskatchewan.

(1500)

**Hon. Mr. Swan:** — I don't know whether the hon. member lives in a vacuum somewhere in our society. If you look around you, the demand of the general public is that we have canned soft drink and canned beer. And it's a very keen demand by the people. If we don't move to fill that need, then other provinces are indeed filling it now. So we're going to open up the borders of Saskatchewan. If we put in can lines here and they can gather market in Manitoba or Alberta, so much the more power to them. Let them ship there.

But as far as we as a government are concerned, we have no intention of coming into a position of forcing anybody into establishing a can line. They have to do that in the market context. If we force them into a can line and they go bankrupt. I don't want that on our government's record.

If they decide that in their wisdom, and as their business management dictates, that they should put in a can line, and they do and go forward and it's a successful business, it's to the credit of that company. That's the way that we intend to work with it, not in the method of forcing people to do things.

**Mr. Lautermilch:** — Thank you, Mr. Chairman. Mr. Minister, I have no quarrel or no argument with the fact that the people of this province are very favourable towards canned drinks in this province. I think we're all clear on that. As well, I don't think there's any doubt that the retailers would welcome canned soft drinks in their operations.

But I want to share with you, Mr. Minister, as well, that the retailers are afraid of more job losses in this province than we've already experienced. And I don't think, Mr. Minister, in your response to the questions from the member from Regina Rosemont, that you have addressed those issues. From my understanding, when he asked you if you had done anything in terms of job opportunity creation in terms of recycling in this province, I don't believe we had a favourable answer.

I would like to know if you would address that issue and if you would ensure the people of Prince Albert, and Regina, and other areas of this province, and of Saskatoon, that the people who will be put out of work because of this will be able to find an alternate source of employment. And I ask, specifically, if you've done that in terms of recycling?

**Hon. Mr. Swan:** — I couldn't begin to give you the number of jobs that recycling will entail. I can tell you that we do intend to put in a recycling system. And we demand that the product be recycled, so that in itself will generate jobs. I can't tell you how many because I don't know what the circumstance will be.

The method of collection in Manitoba is one that we very definitely looked at. It does demand a considerable number of people. We've looked at the one in Alberta and find it a very costly method.

So we're looking at a variety of things, and I can tell you that we're also looking at the Saskatchewan scene and the mentally handicapped situation where a number of those facilities are anxious to be involved in the recycling process. And if we can provide jobs for those people that are mentally or physically handicapped, I think it would be advantageous to them.

But we haven't a final decision on who will do the recycling. We're working on it. We have a number of people in the consulting business working on it. And likely in the next few months we'll be able to finalize that side.

**Mr. Lautermilch:** — Well, Mr. Minister, it appears as though you've gone half way again. You've introduced the legislation that will mean job loss, but you haven't gone the other step. You tell me you're consulting in terms of recycling and jobs through recycling, and I would like to know specifically if there is going to be an in-province system set up, or are you going to be exporting jobs to Alberta or Manitoba and use their recycling facilities?

I would like to know if there is going to be a system to gather that litter in this province, and I would like to know if it's going to be a centralized situation? Or are you going to . . . if this program comes in place, in effect, is it going to be here in Regina, as you have centralized the hundreds and hundreds of government jobs? Are you going to be doing that in terms of recycling?

Mr. Minister, those are the two questions I have. Is it going to be in-province? And I want a specific time frame as to when we will know that these jobs are going to be created.

**Hon. Mr. Swan:** — Well I think that the member says we go half way. Let me tell you, there'll be no authorization of cans until the regulations are in place. It's the regulations that give that authorization, so they will come in place at the same time. Just because we pass this legislation doesn't mean that cans of beer or soft drinks are available tomorrow. It's the regulations that spell that out.

The legal authorization of the change comes when the regulations are final, and I can't give you an exact time frame because, as I told you, we have consultants, and I think the best in the industry, available to us now. They're working with us, the brewing industry is working with us, and the bottling industry is working with us, along with the retailers. So when we put them all together and we come up with the best system that those people with their expertise can develop, I think that has to be a plus for Saskatchewan, and we may indeed lead all of Canada in the method of recycling when we're completed.

**Mr. Lautermilch:** — Mr. Minister, let me make it clear to you, if you're not aware of the fact already, there are cans for sale in this province, and there have been for a considerable number of weeks. I think you're pretty clear . . . I would hope you're pretty clear on that.

I want to leave it with this, and I'd like to make a few closing remarks. I say to you that the changes in these regulations are going to allow you to allow cans to be in this province, and other containers, plastic containers, and so on. But we know that that's going to happen, because it's going to happen like that. They're going to be here.

And I'm asking for a commitment on behalf of the retailers in this province, on behalf of the working people in this province, that you will not allow those soft drinks in those containers until you've got a system that will allow for job creation through the jobs lost by those containers being allowed to be used in this province. And I say to you, if you can stand up and give that commitment to the people of this province today, then you will go a long ways to

satisfying the two concerns that I have regarding the changes to these regulations, one being job loss, and the other being no system to pick up that litter.

**Hon. Mr. Swan:** — I think as far as I can go in giving the member the kind of assurance that he is wanting is to tell you that we are aiming at the tying together of the approval of the container with the recycling capability of that container, and the two should take place at the same time. If we do that and we don't approve the container sale within the province until the recycling method is in place, then the jobs should come at the same time.

I have not been successful in stopping the cans coming in from outside of our province. Those cans coming in from across our borders from both east and west are indeed taking some job share today, and I suppose are going to continue to. But they are here without coming in as a legal entity. and I think the people of the province realize that, that they are breaking the laws of Saskatchewan when they do it. I really don't have a method of controlling that at this point.

**Mr. Prebble:** — Well, Mr. Chairman, I think the minister's problem is one of his own making. He simply failed to enforce the law that's on the books, which states that beer and soft drinks can't be sold in cans.

And then he tries to claim that with all these canned soft drinks and canned beer coming into the province, that the market share of Saskatchewan manufacturers in the industry is being lost. And lo and behold, that's because you, sir, have failed to enforce the law.

I want to ask you two specific questions. One is with respect to the question of recycling. You failed, Mr. Minister, to provide members of this House and members of the public with the assurance that the recycle jobs will be recycle jobs in Saskatchewan, and not recycle jobs in Manitoba or Alberta or some other part of Canada. So I want to know what you're going to do to ensure that those recycle jobs stay in Saskatchewan.

And I also want to know, Mr. Minister, whether you will give this Assembly your assurance that the deposit fee on canned soft drinks and on beer cans is going to be at least equivalent to the deposit fee that currently exists when those goods are sold in bottles.

Will you, for instance, for soft drinks, ensure that the deposit on a can is at least 5 cents, equivalent to the deposit on a soft drink bottle? Because if you don't do that, Mr. Minister, there'll be no incentive for the consumers to return the cans, as there is currently with the bottles. So I ask you for your assurance that the deposit on the can will be at least equivalent to what it is on the bottle.

**Hon. Mr. Swan:** — Well the member covers a number of things. I guess maybe I share some responsibility for the fact that there are cans in the province now, but I don't believe that I take all the responsibility.

The department did take a case to court last year in August, I believe. When the case went to court, it was thrown out on a technicality, but the indications were that

the law was not strong enough really to fight the case adequately. That case triggered the number of cans that started to come in all over the province, and it has been difficult.

Now certainly when I became minister last November, had I tried to take the people to court, I would have had to take not hundreds but literally thousands of store owners to court — that's the only way that you could have dealt with this issue.

I don't think it was a realistic approach to go that route. It was not a realistic approach because I don't think our court system could have even handled the volume of cases that we would have had to deal with. I know the Justice department could not have handled it. So we didn't choose to go that way, we felt that it was better that we look at what we were doing and what the demands of the public that we serve were. And that public was demanding a change.

The phone calls and the letters and the meetings that I've had with groups across this country, they all indicate to me that they want cans. And I think that the hon. member realizes that, and the very fact that the opposition voted in favour of this Bill in second reading would also indicate that. If you had thought the public thought otherwise, then to be in favour of what I'm doing you would have voted against the Bill — don't question that, I know you would have. But because you know that the public demand is there, you want to be on the side of what the public is saying, so you voted in favour. And I appreciate the fact that you did.

But now we have to get on with the fact of finishing the job, putting this one through committee and through third reading, and then get the legislation and the regulations in place to allow it to really happen legally. That's the process that we're in. I won't give you a guarantee to put a 5 cent, or a 10 cent, or a 2 cent deposit on cans, because that is not final until the regulations are in place.

**Mr. Prebble:** — Mr. Chairman, what I was asking for is assurance that the deposit on cans will be at least equivalent to the deposit on bottles. Because if you don't do that, Mr. Minister, your recycling program is simply not going to work. I also asked you for a guarantee that the recycle jobs would be in Saskatchewan, and you've refused to give us that guarantee, Mr. Minister. If you care to comment on either of those items, I'd welcome your comment.

I want to ask you one final question in addition to that, and that is whether the Department of the Environment — before you made this decision to allow cans to come into the province on a widespread basis — checked many of the recent studies that have been done with respect to the fact that the use of canned soft drinks, and for that matter cans on a number of other food items, contribute to such things as increased aluminium levels in the blood — that that is a health concern.

Did the Department of the Environment examine that health concern at all before making this decision?

(1515)

**Hon. Mr. Swan:** — Well you've asked a number of questions. When you started, you talked about the deposit. And I indicate to you that I will not give any guarantee of any specific amount of a deposit because we do have the experts in the field of recycling from Coca-Cola, and Alcan of Canada, and some of the major players in this business that are doing the study that should give us that kind of an answer of which direction is the best to go at this point.

For me to stand here and give you a guarantee that I'm going to have a certain level of deposit would not be realistic. It would be making decisions in advance of the information that I believe should give us the right direction, so I'm not prepared to do that.

I believe that the other area that you raised with regard to the health side, that is better dealt with through the health people than the environment people. We have cans across Canada and across the United States and indeed across the world. If they were causing a major concern, that would not be the case. And so, I guess, we trust to some extent what has happened in other parts of the world as an example that we may follow.

**Mr. Brockelbank:** — Mr. Minister, I want to deal with your manner in which you intend to deal with the evolution of this process if cans are allowed in Saskatchewan. And it appears clear from your responses to earlier questions that your manner in dealing with it will be a *laissez-faire* fashion. In other words, you will allow a commercial rationalization to be decided by the companies that are involved.

And if in fact that is correct, Mr. Minister, as I believe I heard you say, I want you to consider this, that in Saskatoon, we have two breweries, Labatts and Carling O'Keefe Breweries. Now if, in fact — Carling O'Keefe brewery is quite a small brewery, and their main operation is not in Saskatoon — and it's interesting to note that Carling O'Keefe back about two and a half years ago had brought in a bottling assembly for their plant. However, they did not proceed with the bottling system, and they sent it to Winnipeg, and it's installed in Winnipeg, and it's idling in Winnipeg, just waiting for an opportunity to be brought up to speed by canning more beer.

Now the consequences of a *laissez-faire* attitude towards the development of, the evolution of this system, will be that perhaps Carling O'Keefe brewery in Saskatoon would shut down. Now, Mr. Minister, that means this year, this year \$76,809 in property tax will be gone from the city of Saskatoon; that means that \$14,200 in business tax will be gone from Saskatoon, for a total of \$91,000, in excess of \$91,000 loss of revenue for the city of Saskatoon on that one brewery. And if in fact the employees are dispersed elsewhere because the plant is shut down, an annual payroll of over \$2,800,000 will be lost to the area. I'm not suggesting that there won't be some offsetting factors such as storage, but that will be a small offsetting factor in relation to the consequential effects of the policy that you're talking about in the imposition of cans for beer in Saskatchewan. I wonder if the minister can comment

on that.

**Hon. Mr. Swan:** — Well let me comment in a couple of ways. First let me tell you that I've met with Carling O'Keefe and with Labatts and with all of the brewers, and the indications are that they had some concerns, but they want to be able to bring canned beer to the public in Saskatchewan.

Almost every car that goes into Alberta or Manitoba, if the person is a beer drinker, they buy beer and bring it back in cans, or if they're drinking soft drink, they buy that and bring it back in cans, and that's been happening. And you just talk to people who travel, and likely when you've travelled yourself you've done the same thing, so we can't keep our borders entirely closed.

The assumption that you make that Carling O'Keefe is going to close its doors and Saskatoon is going to lose all this money, you know, that's simply a wild guess that has very little meaning. I think you'll see that Carling O'Keefe will be there this year and next and probably 10 years from now. They had more concern about other things than they had about the cans coming, believe me.

I think that what the member throws up is really hypothetical cases. They won't stand much in the light of day. You should have thrown that up after supper.

**Mr. Brockelbank:** — Mr. Minister, I still feel that you have not examined or addressed the consequential effects of this legislation. My concern is not that whether we drink our beer out of a can or a bottle. That's not my primary concern. My concern is the consequential economic effects of what you're doing. And I believe you haven't addressed that problem, Mr. Minister. And I'm going to circle this issue in my debates, and I'm going to come back in about two or three years from now when you're ready to call an election, and I'll have this section circled in my debates, and we'll see who was right because that will be the test — that will be the test.

**Hon. Mr. Swan:** — Mr. Speaker, the hon. member . . . I missed one point when I was speaking last time, and I should have touched on it, I think. He indicated that Carling O'Keefe had a can line brought into Saskatoon and then, because they couldn't sell cans in Saskatchewan, they had to send it on to Winnipeg. That's the results of the kind of legislation that was put in place at the time that the hon. member was on the government side of the House. If we had moved sooner to get rid of that kind of legislation, likely we'd have had that can line in Saskatoon.

**An Hon. Member:** — You were the government.

**Hon. Mr. Swan:** — Yes, we were the government. But you were the government when this type of legislation first came in. I think it's high time we change it. I'm sorry that we didn't change it in time to take advantage of that can line.

**Mr. Shillington:** — I just wish to add my voice to that of others, and particularly so since I am Labour critic, Mr. Minister.

Mr. Minister, it's been apparent for some time that cans are going to occupy a large portion of the consumer market in drinks, whether they be beer or soft drinks. That's as apparent as the fact the sun is going to rise. We have here a local cottage industry which itself believes it is unlikely to survive the onslaught.

Mr. Minister, you've had a good deal of time to take some steps to ensure that the jobs weren't lost, that the industry's protected. You've done nothing. In typical Conservative fashion you've sat and done nothing, and all of a sudden, out of the blue, you admit the obvious. And by so doing at this point in time, Mr. Minister, you have put in jeopardy a large part of the industry. I must confess, I don't see the humour in the situation, Mr. Minister.

We have met with — which I'll bet you is more than you have done — we have met with members of the unions involved who represent the workers whose jobs are on the line. Mr. Minister, their concern . . . the bottlers agree, everybody connected with the industry agree that bottles are going to have a difficult time competing in their present form without some form of protection, and you've done nothing.

Mr. Minister, if you believe that cans are not going to adversely affect the bottling industry in this province, then you're the only person with a passing interest in the subject who believes that, because nobody else does. The bottlers don't believe it; people involved don't believe it.

Mr. Minister, you've done nothing; you're just simply going to allow this industry . . . you're going to allow nature to take its course — *laissez-faire*, as my friend said. The result is going to be a good deal of hardship which could have been involved had you got involved and done some forward planning in this area.

**Hon. Mr. Swan:** — I don't know where the hon. member has been for the last hour while we've been talking about this. My department have met, and I have met, with groups across this province many times in the past year. The bottlers association are working very carefully with us to bring forward the kind of recycling plan that we need in order to make cans a viable issue.

But beyond that, this legislation allows for the use of non-refillable containers — that's approved, non-refillable containers. The bottlers association indicate to us that they could move to plastic bottles and still use the lines that they have now.

Now this may not happen immediately; it depends a lot on the recycling capability. And I think the two must be tied together, that as you approve the container, you also have the recycling method in place to bring that container back off the roads and out of the ditches and to keep it out of our land fills.

So we have that opportunity. And that's what the bottling association has been looking at, is that if we can put it together properly, they could likely make a change over the next few years to where they're bottling in plastics, which are also a very popular form of soft drink container. And that's likely the route that they would go to maintain

their jobs.

We're looking at it, and they're looking at it, and I believe that working together you'll find that this isn't going to have the impact on jobs that you're anticipating.

**Mr. Shillington:** — Mr. Minister, the problem is not that they use glass. The plastic isn't necessarily going to solve the problems. The difficulty is that cans, and I suspect plastic, lend themselves to very large assembly lines, if they're allowed to do that. And thus huge plants produce enough containers to do a very large market. In the existing industry we have avoided that sort of centralization and gave us some local benefit.

Unless, Mr. Minister, you understand the nature of this local industry of ours, a change from glass to plastic isn't going to change a thing. You allow nature to take its course. The containers will be produced in very large factories, and Saskatchewan will get none of that benefit.

Clause 1 agreed to.

Clauses 2 to 4 inclusive agreed to.

#### Clause 5

**Mr. Chairman:** — There's an amendment to clause 5 of the printed Bill. Moved by the member for Regina Rosemont that:

Section 5 of the printed Bill:

Amend section 6 of the Act as being enacted by section 5 of the printed Bill by adding the following subsection after subsection (2):

(2.1) The minister shall not approve a non-refillable container unless it is manufactured out of aluminium and a deposit is charged on each container in an amount that is not less than the amount charged as a deposit on refillable containers.

**Mr. Lyons:** — Thank you, Mr. Chairman. Just a comment on this amendment. Given what the minister's said today in terms of recycling and incentives for recycling, and that it must be in terms of aluminium which is the recycling material, and he's already talked about the high value of that, hopefully the minister will support this amendment which will make it clear to the people of Saskatchewan that the non-refillable containers which will be introduced will be recyclable, will have value, and that in fact that they will receive value for the non-refillable containers that they do turn in.

Amendment negated on division.

**Mr. Chairman:** — Order, order. Order.

The second amendment to section 5, moved by the member for Regina Rosemont:

Section 5 of the printed Bill:

Amend section 6 of the Act as being enacted by

section 5 of the printed Bill by adding the following subsection after subsection (7);

(8) The Government of Saskatchewan is liable to make compensation for any job that is lost as a result of the approval of any non-refillable containers.

On page 233, paragraph 773(7) of *Beauchesne's*, I find this amendment not in order.

It's a money amendment and it's not in order.

(1530)

**Mr. Lyons:** — Mr. Chairman, I wonder if I could make a comment about that. The intent was not to, in fact, specify any moneys that the government had to pay out. It was to make the government liable should anybody lose their job or should a bottler in fact suffer some business injury. What it does is then make the government in law liable for an action.

It does not specify — and the intent is clear — it does not specify that any money must pay out, but in fact merely makes the government liable for any jobs or any business that is lost through the introduction of the approved containers.

**Mr. Chairman:** — Order, "Liable to make compensation" makes it a money amendment, and it's not in order.

Clause 5 agreed to.

Clauses 6 to 8 inclusive agreed to.

#### Clause 9

**Mr. Chairman:** — Amendment to clause 9, moved by the member for Regina Rosemont:

Section 9 of the printed Bill:

Amend section 13 of the Act as being enacted by section 9 of the printed Bill by renumbering it as subsection (1) and adding the following subsection:

(2) No person shall sell, offer to sell or distribute beer, as defined in The Liquor Act, in non-refillable containers unless those containers are filled in Saskatchewan.

This amendment goes beyond the scope of the Bill, as on page 223 of *Beauchesne's*, clause 773(1), so I find the amendment not in order.

**Mr. Lyons:** — Mr. Chairman, the Bill deals with containers and approved containers and what's to be sold in those two approved containers and how the process of those approved containers are to be regulated in the province.

And with all due respect to your ruling, sir, it seems to me that this amendment that is offered up says that when those approved containers that the minister shall take into

account . . . the filling of the beverage in those approved containers as part of the setting out of the regulation and as part of the regulating of those approved containers. In other words, it says that he won't approve the containers for sale unless they're filled and bottled or canned here in Saskatchewan, sir.

Could you please explain to me the reasoning for, your reasoning behind that? It seems to me, sir, that this amendment — without wishing to challenge your ruling on it, I would certainly like some explanation as how the fact that these containers have to be filled in Saskatchewan is outside the jurisdiction or outside the purview of the Bill?

**Mr. Chairman:** — Order. The member . . . Order! The member from Regina Rosemont is referring to section 9(13) of the printed Bill, "to sell, offer or distribute containers," and in his amendment is "adding . . . or distribute beer as defined in The Liquor Act," and goes beyond the scope of the Bill.

And I will read on page 223, paragraph 773(1):

An amendment is out of order if it is irrelevant to the bill, beyond its scope of governed by or dependent upon amendments already negated.

It's my judgement it's beyond the scope of the Bill.

Clause 9 agreed to.

Clauses 10 to 15 inclusive agreed to.

The committee agreed to report the Bill.

### THIRD READINGS

#### Bill No. 56 — An Act to amend The Litter Control Act

**Hon. Mr. Swan:** — Mr. Speaker, I move this Bill now be read a third time and passed under its title.

Motion agreed to on division, the Bill read a third time and passed under its title.

### SECOND READINGS

#### Bill No. 94 — An Act to amend The Saskatchewan Medical Care Insurance Act (No. 2)

**Hon. Mr. McLeod:** — Mr. Speaker, I'm pleased to explain the purpose of these amendments to The (Saskatchewan) Medical Care Insurance Act.

Several months ago, our government announced its intention to eliminate the Medical Care Insurance Commission as a separate entity and to incorporate the medical care program into the Department of Health. That change will be implemented on January 1, 1988, and a major purpose of these amendments is to accommodate and reflect the change.

The administrative amendments can be divided into three main categories. First, all those sections of the Act which deal with the existence and membership of the

commission and related matters are being repealed. Second, the necessary authority and responsibility associated with the operation of the program are being transferred from the commission to the minister. And third, the commission's various powers with respect to the making of regulations are being transferred to the Lieutenant Governor in Council.

Mr. Speaker, I want to emphasize several important points about these changes. The employees of MCIC (Medical Care Insurance Commission) will become employees of the Department of Health, and the program will continue on as it does at present. For the public, the transfer will not create any change in program policies or procedures. For the professionals who provide insured services, the change will be that they will now be dealing directly with the department and the minister rather than with the commission.

Mr. Speaker, apart from these purely administrative amendments, there are a number of others which I would like to point out. Mr. Speaker, until now residents of one province who receive medical services in another province were reimbursed at their home province rates. In other words, when a Saskatchewan resident receives a medical service in Alberta, MCIC pays for that service at Saskatchewan rates, not at Alberta rates. As a result of a reciprocal billing agreement which has been negotiated among all the provinces in Canada, this situation will now change, and all services will be paid for at host province rates. For patients this will mean that they should no longer be billed directly for services in another province. For MCIC it means eliminating the need to process hundreds of cheques a month to beneficiaries to reimburse them for such services. In other words, Mr. Speaker, a better arrangement for everyone.

Another important amendment relates to extra billing. Mr. Speaker, in 1985 this government took a major step to protect medicare by banning extra billing for insured services. However, in some other provinces there is evidence of service providers attempting to circumvent extra billing rules by levying administrative fees and similar charges on patients. Although we're not aware of this problem having arisen here in Saskatchewan, we are moving now to prevent such problems in the future. Specifically we are defining any such charges as constituting extra billing within the meaning of the Act. Mr. Speaker, this is further evidence of our commitment to protecting the very basic principles of medicare.

Mr. Speaker, there is one other substantial set of amendments to the Act which I want to outline for all members of the House. These amendments relate to the process by which representatives of the professions in conjunction with officials of the medical care plan review the billing patterns and practices of individual practitioners and recover funds where excess billings are identified.

Obviously, Mr. Speaker, this is an area in which differences of opinion can arise with the professions over what constitute appropriate processes and rules. However, we are talking about a program which cost the taxpayers of our province close to \$200 million a year. We believe, therefore, that it is appropriate and essential

that we have a strong and effective mechanism to monitor and protect the disbursement of these public funds.

Mr. Speaker, the process that is currently in place in the statute is cumbersome, it's drawn out, and has encountered significant problem in the courts. In short, it has become almost totally ineffective. It is therefore being replaced with provision which spell out in detail a clearer and more direct process to ensure that we are not spending taxpayers' dollars improperly.

Mr. Speaker, we are not suggesting that substantial numbers of health professionals are billing MCIC improperly — not at all. The vast majority operate within the plan with no difficulty whatsoever. And the new system isn't designed to punish or penalize a practitioner for the occasional honest mistake in his or her claim. And that needs to be made very clear. This is simply a matter of being able to ensure responsibility and accountability in the minority of cases.

It isn't just a matter of dollars and, as I said earlier, Mr. Speaker, this process operates through a system of joint professional review committees. In other words it is a peer review process which enables the professions themselves to monitor standards of practice by their members and identify cases in which intervention may be required.

(1545)

Mr. Speaker, I want to point out that all these amendments to the Act have been discussed with the Saskatchewan Medical Association, the Chiropractors' Association of Saskatchewan, and the Saskatchewan association of optometrists and, I might add as well, with the College of Physicians and Surgeons. As a result of the discussions, a number of revisions were made to the original proposals.

Mr. Speaker, these amendments to The Saskatchewan Medical Care Insurance Act are necessary to allow the transfer of the medical plan from the commission to the Health department and to accommodate related administrative changes. They are necessary to implement an interprovincial agreement on claims that will be of benefit to Saskatchewan residents, and they are necessary to implement an effective new reassessment and peer review process.

Mr. Speaker, I beg to inform the Assembly that His Honour, the Lieutenant Governor, having been informed of the subject matter of this Bill recommends it to the consideration of the Assembly.

And I move that a Bill, An Act to amend The Medical Care Insurance Act (No. 2) be now read a second time.

Thank you, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Ms. Atkinson:** — Thank you very much, Mr. Speaker. As members will know, the Act was not introduced into this legislature until late this evening. Consequently, Mr. Speaker, we are now just reviewing the contents of the

Act to amend the Medical Care Insurance Commission.

I would like to point out, however, Mr. Speaker, that while the minister says that he has consulted with these groups, that there are some groups in Saskatchewan that are taking issue with the minister's method of consultation. Mr. Speaker, the minister and all of us have known for some time now that the Medical Care Insurance Commission was going to be rolled into the Department of health. A number of professional organizations, particularly medical professional organizations in this province, were told that there would be no significant changes to the legislation, and that they would be consulted with, Mr. Speaker.

Well I want to inform the members of the House that that consultation came this past weekend, November 1, before the Saskatchewan Medical Association, and they met with officials of the minister's Department of Health until late into the evening on Sunday night.

Now the medical professions are having some difficulty with what the minister simply calls "housekeeping" or "no significant changes." In particular, Mr. Speaker, they are having difficulty with the joint professional review committee and how it is now structured under the legislation.

Mr. Speaker, we want to have some time to review the legislation, and we will be consulting with other medical groups around the province before we have any further comment. Thank you.

I now beg leave to adjourn the debate.

Debate adjourned.

### **Bill No. 69 — An Act to amend The Medical Profession Act, 1981**

**Hon. Mr. McLeod:** — Mr. Speaker, I am pleased to explain these amendments to The Medical Profession Act, 1981, which deal with the manner in which physicians are able to lodge an appeal against disciplinary action by the College of Physicians and Surgeons.

Under the existing Act, appeals are heard as a trial *de nouveau*, or new trial, by a three-member appeal tribunal. These tribunals consist of a judge of the Court of Queen's Bench as chairman; one member appointed by the University of Saskatchewan, usually but not necessarily a physician; and a layperson appointed by the Minister of Health.

Mr. Speaker, the trial *de nouveau* appeal before these tribunals is not an appropriate or effective way for such matters to be handled. It runs counter to the basic principle of our health professions legislation, namely that the people best able to assess matters of professional competence and conduct are the members of the profession itself. By the time a physician's licence has been revoked or suspended, his competence or conduct have been reviewed thoroughly by 15 or more of his professional peers.

It is not appropriate for this entire process to be repeated by a tribunal which includes only one physician and two individuals with no medical expertise. Therefore, Mr. Speaker, the present process contributes to lengthy delays in having appeals heard. Time is needed to obtain names for the three members and then to arrange a hearing date suitable for all the individuals involved. The result is that appeals tend to be heard a long time after the actions which initially prompted the disciplinary action.

The proposed amendments will replace the current appeal process with the right of appeal directly to the Court of Queen's Bench. Either party may also request leave for a further appeal to the Court of Appeal on a point of law.

Let me emphasize a number of points, Mr. Speaker. First, the College of Physicians and Surgeons has been fully consulted — in fact, has requested this change — about these amendments and believes that they effectively address the concerns it has raised about the existing provisions.

Second, there is no other province in Canada in which medical legislation provides for appeals such as those now in place here in Saskatchewan.

And third, apart from four other health professions which are based on the medical model, which we'll be dealing with in just a few moments, no other professional group in Saskatchewan has this kind of appeal. In other words, Mr. Speaker, the proposed amendments are neither unusual nor radical but are, in fact, fully in keeping with the most common way of handling appeals by professionals.

Mr. Speaker, public awareness and expectations with respect to quality medical care have been steadily rising. The College of Physicians and Surgeons is attempting to effectively fulfil its responsibility to protect the public by enforcing high standards of competence and professional conduct. The proposed amendments will assist the college in this respect while still giving physicians the same kind of protection through appeal as is available to other professions in our province and across Canada.

Mr. Speaker, it's my pleasure now to move second reading of Bill No. 69.

**Some Hon. Members:** Hear, hear!

**Ms. Atkinson:** — Thank you, Mr. Speaker. Once again we have had very little time to review the legislation. We are of the understanding that the legislation was amended in the early 1980s to allow for an appeal tribunal and not for the doctors to go directly to the Court of Appeal. We now have a situation where some five or six years later we have the government coming before the legislature to amend this piece of legislation back to what it was prior to 1981.

We want to consult with a number of individual doctors in the province as well as a number of lawyers, so I would now beg leave to adjourn the debate.

Debate adjourned.

### **Bill No. 67 — An Act to amend The Ophthalmic Dispensers Act**

**Hon. Mr. McLeod:** — Mr. Speaker, this Bill is largely consequential to the amendments to the appeal provisions of The Medical Profession Act, 1981, which I just spoke about a moment or two ago.

The appeal provisions for ophthalmic dispensers were modelled directly on those for physicians and they include cross-references to The Medical Profession Act, 1981. But there's one additional amendment which involves the board of examiners required to be established under the Act. The Act states that this board must include an ophthalmologist and a non-dispensing optometrist. However, there are few, if any, optometrists in the province who do not dispense as part of their practice. And some difficulty has arisen in finding a qualified individual to serve on the board.

The proposal is to remove the statutory reference to the composition of the board and to have the composition defined instead by by-law under the Act. This move will provide greater flexibility and eliminate the potential for the registration process to be stalled because of inability to establish a valid board of examiners.

With those few remarks, Mr. Speaker, I move second reading of Bill No. 67, An Act to amend The Ophthalmic Dispensers Act.

Ms. Atkinson: Thank you, Mr. Speaker. Once again, we've had a very little opportunity to review the legislation. Because we want to consult with a number of professionals in Saskatchewan as well as some legal people, I beg leave to adjourn the debate.

Debate adjourned.

### **Bill No. 68 — An Act to amend The Dental Profession Act, 1978**

**Hon. Mr. McLeod:** — Mr. Speaker, this Bill is simply consequential to the amendments to The Medical Profession Act, 1981. The appeal provisions for dentists were modelled directly on those for physicians and they include cross-references to The Medical Profession Act, 1981. The amendments are intended to maintain this consistency of approach and to keep the cross-references accurate. With those remarks, Mr. Speaker, I move second reading of Bill No. 68, An Act to amend The Dental Profession Act, 1978.

**Ms. Atkinson:** — Mr. Speaker, for the same reasons that I've previously articulated, I'd like to beg leave to adjourn the debate.

Debate adjourned.

### **Bill No. 66 — An Act to amend The Denturists Act**

**Hon. Mr. McLeod:** — Mr. Speaker, this Bill as well is simply consequential to the amendments to The Medical Profession Act,



1981. The appeal provisions for denturists were modelled directly on those for physicians, and they include cross-references to The Medical profession Act, 1981. These amendments are intended to maintain this consistency of approach, and to keep the cross-references accurate. Therefore, Mr. Speaker, I move second reading of Bill No. 66, An Act to amend The Denturists Act.

**Ms. Atkinson:** — Thank you very much, Mr. Speaker. As we all realize, these Bills have recently been introduced in this legislature. We have not yet had a proper opportunity to review the legislation, and I would, therefore, beg leave to adjourn the debate.

Debate adjourned.

#### **Bill No. 96 — An Act to amend The Provincial Court Act**

**Hon. Mr. Berntson:** — Mr. Speaker, changes are required to The Provincial Court Act to ensure that the principle of judicial independence from the executive branch of government is apparent in the legislation. The requirement in the Canadian Charter of Rights and Freedoms is that an independent tribunal must hear the case and make a decision when a person has been charged with an offence.

Therefore the legislation must be structure din such a way that judges actually are, and perceived to be, sufficiently independent of government. For judicial independence reasons, regulations will provide for the salaries of judges, any associate chief judges, the Chief Judge, and retired judges who may be appointed temporarily to hear cases.

Presently the Act provides that cabinet can fix salaries of judges. In practice, the salary fixed is the same amount for all judges except the Chief Judge, or associate chief judge. The amendment will enshrine this practice in legislation.

In the existing Act, judges beyond the age of 65 years of age can, with annual approval of cabinet, hold office until they reach 75 years of age. To provide some flexibility, the Act permits these judges or barristers to be appointed by the minister or Chief Judge to hear cases in circumstances where no other judges are available. For judicial independence reason these provision are being replaced by a provision that will allow cabinet to compile a list to which they may add, but not remove, names of retired judges who may be hired on a contractual basis to hear cases.

Where, due to the absence of a judge it is necessary to have an additional judge temporarily hear cases, the chief Judge will be able to choose a person from this list for that purpose. Where the need for a temporary additional judge relates tot he business of court, such as backlog of work, the Chief Judge must obtain the approval of the minister before appointing a person on the list.

The appointment of the Chief Judge will continue until resignation, retirement, or removal for cause. The appointment of any associate judge will be for a term of . . . associate chief judge will be for a term of five years. Under the existing provision a chief judge or associate chief judge can any time be demoted to an ordinary judge by an order in council. The amendment will remove the “at pleasure” aspect of these appointments.

Redesignation of a judge’ residence will be made by the chief Judge with the approval of the minister. Presently the initial designation and subsequent designations of a judge’s residence are made by the minister. Thus a judge could be transferred from one place to another in the province upon ministerial order only. This almost never occurs in practice, but the existence of the provision in legislation is not in compliance with the charter requirement. The judicial council is given the power to make orders, based on results of inquiries into complaints by committees of the council constituted for that purpose.

Such orders include: dismissal of the complaint; suspension of the judge for a definite period of time; and reprimanding the judge. Presently the judicial council makes the decision as to whether a judge should be removed from office and makes that recommendation to cabinet which decides upon the actual removal. The judicial council should also be able to make a wide-range of disciplinary orders to deal with the circumstances of a case.

(1600)

With respect to extra-judicial duties, the following amendments are proposed:

The approval of both cabinet and the Chief Judge will be required before a judge can engage in any business, trade, or occupation.

When his role is as a commissioner, arbitrator, inquirer, mediator, or so forth, the approval can be by cabinet or by way of legislation after consultation with the Chief Judge.

The Act now provides that a judge can engage in extra-judicial functions or act as a conciliator, arbitrator, commissioner, etc., when authorized or appointed by cabinet or legislation.

Approval of the Chief Judge will also be required where the function is not essentially judicial in nature.

There are also certain changes relating to judges’ pensions. Most of these result from changes to federal legislation. For example, the provision will ensure that the proportion of their salary that judges contribute to the pension plans is maintained. This proportion is tied to the present legislation, in the present legislation, through the maximum deductible registered pension plan contribution amount. As a result of the federal government eliminating the specified maximum deductible for registered pension plan contribution to The Income Tax Act, the judges’ contribution to their pension plan will automatically rise significantly and their take-home salary decrease correspondingly unless these changes are made in our Act.

Amendments are also required as a consequence of federal changes through the Canada Pension Plan, which became effective on January 1, 1987. The intent is to maintain the *status quo* in terms of the judges’ contribution and benefits formula as they relate to the Canada Pension Plan.

I beg to inform the Assembly that His Honour the Lieutenant Governor, having been informed of the subject matter of the Bill, recommends it to the consideration of the Assembly. And I move that a Bill, An Act to amend The Provincial Court Act be now read a second time.

Mr. Shillington: Thank you very much, Mr. Speaker. There are a number of inquiries which we will wish to make on this Bill, and we would therefore beg leave to adjourn debate.

Debate adjourned.

## COMMITTEE OF FINANCE

### Consolidated Fund Budgetary Expenditure Executive Council Ordinary Expenditure - Vote 10

#### Item 1

**Hon. Mr. Devine:** — Thank you, Mr. Chairman. I would like to take this opportunity to introduce my officials to the leader of the Opposition and to members opposite. Norman Riddell is deputy minister to me, and cabinet secretary, Sheldon McLead, is acting director of administration, and Bonita Heidt is administration officer.

And if I could, Mr. Chairman, I would just, briefly as I could, outline a few of the activities and responsibilities of Executive Council. And I will be as brief as I can to summarize the last year's events to give an idea of some of the activities that we've been involved in.

The cabinet secretariat has continued to provide cabinet and cabinet committees with the process to deal with the public generally. We've had out-of-town meetings, certainly some interesting and very useful cabinet meetings in Saskatoon and Pelly, and, in fact, in Pelly it coincided with the town's 75th anniversary.

The secretary helps us co-ordinate delegations to cabinet, including major religious organizations and women's groups and various other people from across the province. Information services is involved in news releases and provides the liaison to media throughout the province. Intergovernmental affairs branch — that is my responsibility — deals obviously with interprovincial, national, and international affairs, and we've had some, I believe, some valuable contributions made recently with respect to intergovernmental affairs.

The 1986 western premiers' conference was a case in point, and we dealt with international subsidy wars with farmers, and I think at least shared in the lead for deficiency payments and help for farmers. The 1986 annual premiers' conference was responsible for what we know as the "Edmonton declaration" to try to get a commitment to get Quebec into the country in terms of the constitution, and that's been relatively significant. The 1986 first ministers' conference on the economy pursued many similar objectives in terms of a national agricultural strategy, the support for western economic

diversification. And when we did sign those, we were prepared to look towards some interesting economic development in the future.

The 1987 western premiers' conference was also part of our responsibility, handled here in Humboldt with some straightforward objectives with respect to agriculture again, and diversification, and was successful, I believe, in providing that kind of direction. The 1987 annual premiers' conference, we had major objectives of agriculture, health, and education. And we put them on the table again, and particularly with respect to health care, and have made several significant contributions with respect to agriculture that I think will speak for themselves.

Regarding the constitutional conferences, Executive Council has been involved extensively. And clearly one of the most notable things of this has been the agreement that is known as Meech Lake, and we have been prepared to endorse that and have passed that here in this legislature, as they have in Quebec, and my staff has played a very important role in the negotiations of that. I would say that under the recent times and events, that I believe that history will record that it was in the best interest of the country.

Similarly we took a lead role with respect to the first ministers' conference on aboriginal constitutional affairs in March of 1987, and the fact that this process ended in failure in the eyes of some is an indication that there is wide divergence of views, and that we contributed and have placed before the nation several alternatives, and many, in fact, were accepted by the aboriginal people themselves.

First ministers' conference on trade — obviously we found it very interesting and did a great deal of homework, and Executive Council people worked on towards the reduction of protectionism, the reduction of tariffs, and looked at the fact that we make most of our living from exporting to other countries. Our objectives of having less and less tariffs and less protectionism world-wide, and particularly with our major trading partner, was something that I believe our officials carried very well.

We've done the same with respect to the national governance association, the premiers' governors' forum, various other border advisory groups, and have had the opportunity, with my staff, to contact senators, secretaries, cabinet minister and others in the United States and in various kinds of groups to allow us to pursue objectives that would reduce subsidies and protectionism.

The same applies to Japan — and it's a major trading partner of ours — and we've been involved there in a twinning process and exchange of information, and in terms of getting Japanese people to invest here in many things in terms of, say, turbines, for example, manufactured here; continue the interest in energy, whether it's upgraders; looking at sources of revenue in terms of borrowings which have been very attractive for Saskatchewan; and for us to penetrate markets there by some of our business firms.

Finally, let me say, with respect to protocol internationally, we have looked at many visitors here. President François Mitterrand was here; Her Majesty the Queen and the Duke of Edinburgh visited our province. The monarchs obviously promoted a very powerful understanding of the parliamentary system during their visit and participated right there in this Assembly in celebrations marking the 75th anniversary of the Legislative Building.

Other distinguished guests include the Deputy Prime Minister of the U.S.S.R., Mr. Murakhovsky, and Governor Gao Dezhan of Jilin in the province of China.

We've been involved with, my staff has, the Saskatchewan Award of Merit and obviously, as well, the Policy Secretariat, in terms of planning and priority and research that has been tied to virtually every commodity and every facet of our life. And the Canada-Saskatchewan Planning Agreement is administered by the secretary.

So in conclusion, let me say that the Department of Executive Council has been instrumental within our province and within our nation, and also internationally, in developing, defining, and communicating the objectives of our province and assisting me and all of government in the attainment of our objectives in providing as many opportunities for the people of Saskatchewan as possible.

Finally, I would like to say in my opening remarks that if in fact the rumours are true, Mr. Chairman, that my colleague and the Leader of the Opposition perhaps may be stepping down — and I won't speak for him, but if in fact that may be the case, and this in fact may be perhaps our last opportunity to have an exchange in the legislature on estimates related to Executive Council and probably everything else in government, that I would just say very sincerely that I have learned a great deal from the Leader of the Opposition. I respect very much his experience, the years here, and his contribution to the province, and to his political party. I wish him well in his new career or careers — whichever they may be — and it's been a pleasure to have been with him here in the legislature.

**Hon. Mr. Blakeney:** — Mr. Chairman, and Mr. Premier, first I thank you for those kind words. I think, at least in part, your supposition is entirely accurate in the sense that I am unlikely to be here again in the capacity of Leader of the Opposition. Whether I will be here in any other capacity, I suppose, remains to be seen. But I do thank you for the kind words, and then I would perhaps repeat what my wife will have said to me, and perhaps other wives will have said to them: flattery will get you nowhere.

I want now to turn to the estimates which we have before us. And I think in order to save some time, I would ask the Premier whether he has prepared or would have prepared a list of the staff of the Executive Council together with the salaries of all of the staff members over, let's say \$25,000 — pick a figure in there which will ... It can be somewhat higher than that, depending. But basically I want the people who are in a decision making role to see what changes have been made.

With respect to the half dozen or so senior people in the Department of the Executive Council, will the premier indicate what changes there may have been since the last budget?

(1615)

**Hon. Mr. Devine:** — Mr. Chairman, I have the top seven positions and two out of the seven are new. And the entire list of those making over 25, we'll send over when we put it together here. But there's only seven of them and I'll give them to you: Mr. Riddell, and his monthly salary is 7,595; Mr. Martin, Larry Martin, 6,292; Mr. Harrold, 6,132; Mr. Hewitt, which is new, is 5,691; Mr. Dutton, 4,917; Mr. Pringle, which is new, 5,750; Mr. Shorvoice, was here before, 5,579. Those were as of August 31.

**Hon. Mr. Blakeney:** — Well, Mr. Chairman, and Mr. Minister, we have been reviewing the estimates of a number of the departments. We now are at Executive Council, which is in a sense the department which manages all other departments. And the overwhelming theme of the review of the other departments was the fact that money was short, that this is a time of restraint, that there is an absence of money. And I was looking at the television last night, and hearing the Minister of Health recount that same story to the Saskatchewan Health-Care Association, that we had to recognize the fact that there was a shortage of money.

And I looked at the estimates and I've seen some increases, clearly, but one of the most impressive increases in all of the spending undertaken by the government — one of the most impressive ones — is the interest on the public debt. In one year that figure has gone up by close to \$100 million, about \$95 million, which is indeed an impressive figure. And every indication that it will go up next year by a similar amount, probably more because of the massive deficit announced by the Minister of Finance in March — \$1.2 billion — which must now be covered for a whole year. And we can expect, I think, that figure to rise to a figure approaching \$400 million. These are very, very large figures, and they really set the framework for the entire policy of the government opposite — the fact that we have had massive government deficits.

And, Mr. Chairman, it perhaps not fully realized the size of the government deficits. I have looked up the record of government deficits from 1945, which I have before me. And aside from two modest deficits, each under \$4 million, which were caused by the greatest crop failure in this province since 1937 — the crop failure of 1961 — aside from those two very modest deficits which were ... the total of the two were more than covered by the 1964 surplus so it was of no account in terms of crating any ongoing deficit, we have had surpluses in all of those years.

And then we look at the deficits which we encountered for the years ending March 31, '83, '84, '85, '86, '87 — we don't know what the '88 one will be — and they total close to \$3 billion. and that is the overwhelming fact of what has happened to the Government of Saskatchewan in the last five years.

We are now seeing the result of those types of financial measures in other countries. We have seen the stock market crash, which is very, very widely attributed to the succession of government deficits run up by the Reagan government.

We are now hearing this type of financing which consists of a steady string of government deficits — each one, for the most part, bigger than the last. And that was certainly true up to now — '84 was bigger than '83, and '85 was bigger than '84, and '86 was bigger than '85, and '87 was bigger than '86. I don't imagine we can top 1.2 billion, but that type of financing is now being very widely called voodoo economics — voodoo economics, the financing which says we can lower taxes, somehow money will come in, somehow by lowering taxes we will get a great influx of industrial activity or something, and money will come in. Well that was the supply-side economists who kept saying that, in the late 1970s and early 1980s, and they had their way and we see the result of this voodoo economics.

Now we clearly cannot put the Government of Saskatchewan on the same footing as the Government of the United States, because we are not looked upon as financial leaders — thank goodness! But none the less, we also are constrained by the same rules which say that when you spend money, you must raise it. You don't have to raise it right away, but sooner or later you'll have to pay.

Mr. Premier, someone has said that deficits are only deferred taxes. And I think you will recognize that phrase, and I could give you a number of others coming from you; that one is your quote. But for many other people, I could give you Mr. Andrew . . . excuse me, the member for Kindersley, when he was minister of Finance. And we have to ask ourselves whether or not this can go on.

Now everybody can put up a reason for spending money. There's always a reason. There are difficult times in this industry or that industry or resource revenues are down or they're up or whatever. But those things have been true since 1945, and we have managed to balance budgets.

Resource revenues are massively greater than they have been in any year prior to 1980 — massively greater. I suspect they're higher than they've been in almost any year in history, but massively greater than they were in any year prior to 1980. And yet we had balanced budgets up to that time. Agriculture, net farm income is much, much greater than it was in years like '69 or '70 or '71 or '72 — much, much greater. And yet in those years we had balanced budgets.

Now everybody knows that governments, everybody in government is in favour of more spending, everybody's in favour of lower taxes, and everyone's in favour of balanced budgets. And we all know we can't have all three, unless the money is dropping from heaven and it frequently does not. And therefore we have to make the choices, and making choices is what government is all about.

And I submit to you, Mr. Premier, that over the years of your administration you have made the choices, and the

one you have eliminated is the balanced budgets. You haven't even aimed at that. You have preferred the more spending and the lower taxes. But unbalanced budgets simply means higher taxes in the future, and unfortunately the future is now upon us.

And that's why we're discussing the budget that we are now. That's why we're dealing with cuts in education, and that's why we're dealing with cuts in health. That's why the Minister of health is saying that to believe that we have enough money to carry on is to be unrealistic. That's why we have the Minister of Highways writing letters saying, I'm sorry, we can't fix your road. That's why we're having the Minister of Justice saying, we don't quite have the staff to keep the Land Titles offices going, and on and on.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Blakeney:** — And that is the fundamental fact of this budget. And I suggest to you, Mr. Premier, that we in this province have to address the hard fact that although we all like more pending and that we all like lower taxes and that we all like balanced budgets, we know we can't have all three. You have opted to ignore any, any requirement for balanced budgets. I believe that we have to change that approach.

I'm not saying that we should have a balanced budget next year. That may be impossible. But I believe, and I believe Saskatchewan people believe, that we can't spend money as if it did not matter any more. We've done it for five years, and it can no longer go on.

(1630)

Now, Mr. Premier, it was not said that that was going to be what was going to happen. The member for Kindersley, the former minister of Finance, started out by saying that he was going to balance the budgets over a four-year term. I invite you to read his speeches.

And I don't want to deal with the intricacies of the budgets, except that he laid out a financial policy which said, we will follow a policy of balanced budgets — not necessarily in every individual year, but over a four-year period we will balance.

And each year it got worse. And each year the promise of a balanced budget, or anything approaching it, receded into the distance. And the ultimate receding into the distance was in March of this year when a deficit of \$1.2 billion was announced.

Now I believe that your government owes to the people of Saskatchewan a statement, and I invite you to give it now, as to what you think the financial policy of your government will be over the next three or four years in your next term of office; when you believe you will be able to return to a balanced budget; whether you believe the figures put forward by the Minister of Finance that somehow in three or four years we were going to reach balanced budgets.

I think it is desperately important that people know that — that they know that you have abandoned the policy you

have followed over the last five years, and that you are committed to somehow getting the finances of this province into some reasonable shape.

Even if the proposals put forward by the Minister of Finance turn out to be true . . . And not a single one put forward by any minister of Finance since 1982 has turned out to be true. Not one. All have been worse. But even if they turned out to be true, we would owe \$4 billion and have carrying charges of well over \$400 million a year — twice what it now costs us to operate the medicare plan. Combined it would be more than it costs us to operate the medicare plan and what we spend on roads, both capital and operating, repair of the roads, construction of the roads. Those are big, big figures — twice the cost of medicare in interest. The bankers and bond dealers who are not in our province, for the most part — a few of the bond holders are, but massively they live somewhere else.

And that is if everything turns out for the best, that's our situation. If they turn out for the worst, if they follow the pattern of the last five years, we will be spending much larger sums.

Now, Mr. Premier, I'm going to ask you to make a statement. Obviously there's great reservations about the policies of your government in the financial community — and I'll come to that — what the rating agencies say about your government, not in words but in actions, and that's what counts.

But I'll take my seat now and ask you to make a statement to the people of Saskatchewan on what you believe the broad outline of the finances of this province will be over this term of office, between now and the next election. I think the public are entitled to that and it can only come from the first minister.

**Hon. Mr. Devine:** — Well, thank you, Mr. Chairman. Let me say at the outset to the hon. member that we have to take our case and the province's credit position, our expenditures and our revenues, to the rating institutions on an annual basis. And the hon. member knows that. So I . . . It's always reviewed in the competitive sense by all the rating institutions, and compared to other provinces and jurisdictions and states that go through this process.

We have just received, and have been maintained, an A-1 credit rating which, granted, is below what we had before, but is as high as Saskatchewan's credit rating in the good part of the 1970s. And in the latter part of the '70s when commodity prices really rose, credit rating rose. But it was at A-1 in the 1970s.

I can say that under these circumstances — and I will take a minute to describe them — I don't think there's a jurisdiction in the country that hasn't faced some difficulty in running up a problem with normal expenditures but the lack of revenue.

Let me say at the outset that — and we've had this discussion before — that we decided, in difficult times, to protect people and to really make a serious attempt at protecting them.

When you look at interest rates at 21 . . . or 20 to 21 per cent, we opted to protect people against high interest rates, and that costs money. And we opted to protect farmers with 6 per cent interest rates and home owners with nine and three-quarters and thirteen and a quarter, and I admit that cost some money. And we were . . . If we were asked to do that again in the face of 20 per cent interest rates, we would do it again and people appreciated that.

Now in some other jurisdictions they did not protect them as much or they followed our lead at a period. And particularly during the early '80s when interest rates were so high, it was just a terrible burden because your payments on your farm or your home or your property doubled, with no fault of your own. You took out the mortgage at 10 per cent and the interest rate went to 20 or 21 per cent.

Now you and your administration, in all fairness, decided not to stick up for farmers and home owners in that regard. You decided that you were going to do something else with the money. And clearly, I mean we don't have to review all that, but it's on the record and in speeches and so forth. It was not the provincial government's responsibility to protect people against high interest rates, it was the banks and it was an international problem.

We didn't accept that. We said we will defend farmers and home owners and small business, and we will maintain expenditures on health care and education and social services particularly, because of the economic need, and obviously because of the political sensitivity.

Now I can point out that you did decide to borrow money from international bankers. To be fair, you borrowed money for potash, and it's never been paid back. And you borrowed money for pulp companies, and you borrowed money from Crowns, and in many cases the so-called Saskatchewan family of Crown corporations received more attention than real families, because you would not protect the families of farmers and home owners against high interest rates, but you would go into the international markets and borrow from bankers in New York and Chicago to buy potash.

Well clearly, any historic evidence will tell us if we hadn't borrowed all that money to buy the potash mines, it would make a significant difference to the financial picture in the province of Saskatchewan. We wouldn't have that debt.

Now the pulp company — we've sold the pulp company and the 300-and-some million dollars that was in debt, because it was never paid, is obviously something that we inherited. And we wouldn't have bought it, but that's the decisions that your administration made.

Now you can say, well, but at the same time you balanced the books because you didn't defend people against high interest rates but, by gosh, you were out there buying corporations and land, a million acres of farm land and so forth, with borrowed money. You borrowed it. Now you said, but we still balanced the books. Well if we look at the prices, I mean, since 1981 — I mean, we've been here before — but wheat's declined by 50 per cent,

oil by 34, potash by 29, uranium by 25 per cent. Resource revenues have fallen by 47 per cent.

Now you can say, well, Mr. Premier, that's true, but we went through cycles and we balanced the books. You've said that. our total spending — we've tried to maintain in social areas, and if you look at social, economic, and administration in the revenues that we pulled together, we're just short of money. If you took all the income tax and all the sales tax and all the oil royalties — and you know that's a considerable amount of our potential to collect money — it doesn't quite pay for the health care budget alone. And it's up considerably, and we can discuss that. But our health expenditures are up over 60 per cent compared to 1981-82.

Now if you could take all those three revenues and you can't even make your Health budget, or if you took just income tax alone and it's sucked up by your Education budget, then you have a choice, and I suppose the choice is — and you state very clearly — you would have balanced the budget as opposed to defending people, one, against high interest rates or some of the other programs we've got out, like a billion dollars at 6 per cent. And your colleagues have been asking me for more and more and more all through my Agriculture estimates — more money, lower interest rates, longer term, rewrite it all; more for health, more for education. And as you state clearly, I mean, but they don't want more tax, and they don't want a cut.

So when your revenues decline in resources, just the prices, by 47 per cent as an aggregate of all the things that were used to collect money, the demands by health on health care system and the demands in the education and social services system do not cut . . . are not reduced by 47 per cent.

The Alberta government, with the same administration, has a deficit, and I remind the hon. member that. Same administration that put money in the Heritage Fund now has a deficit, and a deficit in every province in Canada. And some have been, I think, pretty frugal, and Ontario has a manufacturing sector, and others, and are not affected by the commodity swings.

So I agree with you — we'd rather have a balanced budget. Under extremely unique times of 47 per cent decline in resource revenues, we have said we will not balance the budget all at once when people are frightened of losing their homes by high interest rates, or because of drought, or \$2 wheat and other things. But we will cut some expenditures in certain areas, and we will raise some income tax — and you're familiar with those because you've debated the budget — and put ourselves on a track that says we would like to be able to move towards a balanced budget with any sort of normal international economic conditions.

We're at the bottom in terms of commodity prices for a long time, and I think it's a reflection of the stock markets and maybe even to some degree the commodity markets. It's not a particularly fun time to be trying to balance the budgets. But I could point out that our objective is to put the government on track towards a balanced budget.

Let me just say briefly that the rating institutions have said, yes, I see a revenue base there that is reasonable, and you have contained some of your expenditures, and I know your political commitment to social services, economic . . . agriculture and health, and those budgets are up, and you know they're up — all three of them — more than they've ever been. We have a commitment to diversification to deepen and broaden the economy to make us a little stronger — upgraders and processing plants and paper mills and the kinds of things that don't move so much with respect to inter-commodity and the international cycles, and obviously our commitment towards as much trade as possible with other nations, multilaterally and bilaterally, as a commitment to continue to grow.

So I mean, I agree with you. We would much rather have a balanced budget. Nobody likes tax increases. Nobody likes to tighten your belt in terms of expenditures, but when your revenue's cut and, you know, cut in half, how do you cut the Health budget and the Education budget and the Agriculture budget and your expenditures in half?

I mean, and you've been there. You've got to look at that this is a cycle, and I believe you're quoted . . . I remember quoting you years ago saying, during difficult times we could have a deficit to help people through a particular situation. Well maybe this is longer than more people care to admit, world-wide — world-wide. And our commitment is to move in the appropriate direction.

The rating institutions say that you do have a revenue base, and we can see that and, right, if the forecasts are anywhere in the ballpark, then they can see us having a balanced budget in the immediate future — in a matter of years, less than a handful. The track is there because we're going like this. If you look at a dollar wheat, or if you look at potash continuing to decline, if you look at oil revenues going down significantly, it will have an impact. Now if that's the case, you have three alternatives: you can either cut expenditures, raise taxes, or you can look for economic growth — and there's no other source; it's those three.

If I could finally say, and I will take my seat, when I look at the kind of expenditures that you are prepared to make, and we went through a campaign in 1986, but the kind of expenditures that I saw outlined in terms of a home program and so forth were very, very lucrative. And from your experience and you knowing the debt that we had in the province in 1986, and knowing the hundreds of millions — and I indeed believe it's billions that it would cost for this 70,000 at 7 per cent and so forth. That's a lot of money.

(1645)

Now you had to take that out of somebody's hide, so I would ask you: who would you tax, the farmers, these days? Would you tax those in the potash industry? Would you tax those in the oil industry? Would you tax those in the pulp and paper? Would you tax . . . Where would you find this extra tax? You say, well, we'll get the big railroads, we'll get the banks, and we'll get so forth. You know very well that I tax railroads and banks much more than you ever did — much more. The banks pay through

the nose, and they complain about it. And we can compare the records. They're taxed much more than the NDP ever taxed them, and the railroads pay much more than the NDP ever taxed them.

So you say, well what other big business? Well then we get into the whole question of whether it's a good idea to have the royalty structure we have in terms of oil to encourage that investment here or not. And you say, well we could get all those billions out of the oil patch. Well I think you could . . . It's fair ball out in the coffee shop to tell everybody that that's possible, but you know yourself, when revenues decline by almost 50 per cent, you've got a pretty handsome problem. And you have to help people through that because they feel the same revenue declines. When they have no money in farming at \$2 wheat, how do you tax them? Where do you get the revenue and the tax revenue to immediately balance a budget under those circumstances?

I can say, Mr. Chairman, finally, that even in terms of Crown corporations, to spread the borrowing around Saskatchewan as opposed to just internationally, we have offered, for example, the several series of power bonds so that Crown corporations can go to the people, borrow the money at a fixed rate, pay the interest back to Saskatchewan people, and that has circulated the money and the savings back to our own. Hundreds of millions of dollars out, as opposed to giving it to bankers some place else in New York or other places.

Now it's popular, and they buy them up as quickly as possible, and to the extent that we can do that more and more with respect to debt that is here, or we can do that, and we discussed it yesterday with respect to various forms of investing in agriculture to make sure that we can encourage that investment here; we're prepared to look at any and all of those instruments.

So I agree with you. Nobody likes a deficit. And it's been difficult times. Everybody across the country has one. Our neighbours do that are NDP, and our neighbours do to the west that are PC, and they all wring their hands. And I talked to the premiers. I'm sure you did. Boy, how are we going to handle this? Extreme demands in health care, extreme demands in education, and agriculture's a big problem. We got to get money out there, but here's no money. It dried up.

Now that's what we face. And for better or for worse, we have said we're going to go and protect people first under these circumstances and not the Crowns. And certainly in terms of interest rates and those kinds of things, we will make sure that people have as many breaks as they can so that they feel as secure as possible in getting themselves out of the situation.

Well, I can't argue with you that it isn't a good idea. I mean, I agree with you; deficits are not pleasant. And there isn't a premier in the country that wouldn't say just as you said: deficits hurt; sooner or later you're going to have to pay for them. And that's true.

And, Mr. Chairman, I can only concur with the hon. member that you try to put together the best financial package you can under difficult circumstances, and you

raise some taxes, and you do make some decisions with respect to expenditures, and you cope with the difficult time in terms of the lack of revenue and put yourself in a position to maintain your credit rating — not as good as it was — but maintain it at an A-1 as it was in the '70s, a good part of the '70s, and then hopefully, as you look to the future, you can see improved conditions.

**Hon. Mr. Blakeney:** — Well, Mr. Chairman, and Mr. Premier, I asked you, as you will recall, to lay out your financial plan for the next four years. And if that's the financial plan, then I am sure that many, many people will be concerned.

You didn't indicate when you think the budget will be balanced; you didn't indicate at what speed you propose to pursue that objective. You indicated that you would protect people, and obviously everybody wishes to protect people, and we can all argue about what's the best way to do it. And as with other things, the proof of the pudding is in the eating, and we know just how many farmers are being protected now compared with the previous situation.

There's no point in talking about the future by resolutely looking at the 1970s. We're looking at the 1990s, and I'm asking you whether you will outline a financial plan. And I take it the answer is you will not, because there was ample opportunity. And I take it you are simply not prepared — not to guarantee, no one can guarantee the future — but you won't tell the people of Saskatchewan what you're aiming at by way of balanced budgets, whether it's two years or three years. And when I sit down, I'll ask you again to tell the people of Saskatchewan what you're aiming at.

Always recognizing that none of us can predict the future with certainty — the future will buffet us if we don't have a plan. Unless we have some plan, you can hardly tack with circumstance. If you let yourself drift, you will get nowhere. It is my submission that financially you have let us drift over the last five years because you didn't know what you wanted to reach.

Now I come to this question of the credit ratings. I have here a clipping of a few months ago dealing with the dominion bond service credit ratings. And, Mr. Premier, when you came to office there were two provinces in Canada who had a better credit rating than ourselves, Alberta and Ontario. And we were better than most other provinces. Depending on which agency, we ranked ordinarily with B.C. and everybody else was behind us.

We now have the distinction of being ahead, at least by the dominion bond rating service, ahead of one province, Newfoundland. And I say to you, Mr. Premier, anyone is in bad shape when their credit rating isn't any better than Newfoundland's. We are now the same as New Brunswick's, which I've heard described as a financial basket case — I think that's unduly harsh, but certainly it's not a great target to aim at, the financial status of the province of New Brunswick or, in fact, of Nova Scotia at the current time.

And I say to you, Mr. Premier, that is not what I am saying about your financial report; that's what the dominion

bond rating service is saying about your financial record. Newfoundland is down in the B category, and most of the cities in Canada will do a little better than that. So I think it is no great distinction for us to be better than the province of Newfoundland.

Mr. Premier, you attribute your difficulties to sharp drops in the value of resources, but I point out the obvious fact that the value of resources was highest — or at least of oil — was at its highest level in 1985 at \$30. Value of oil was never above \$10 before 1978; 1979, \$12; 1980, \$21; '81 was a very good year, but so was '82 and '83 and '84 and '85. We were up in the 25 to \$30 range in all those years. '81 was a bad year for production. So in terms of gross revenue, '85 and '84 and '83 and '82 will be better than any years prior to them. Now I don't want to argue about that because it's not relevant to what we're doing in the 1990s.

But I ask you again, Mr. Premier, will you outline for the public what you believe the financial outcome will be of your financial plans for the next four years, for this term of office, so that the public will know at least what you're aiming at, recognizing that circumstances may well make it impossible for you to meet your targets? People are forgiving if they think you have got a plan and are working toward it. They are very uneasy if they think you have no plan and you're saying, well I'm going to deal with the problem that's on my plate now, and next year will look after itself. That is the feeling they have of what you did from 1982 to 1987, and I ask you again: do you have a plan for the next four years, or do you not? And will you outline it?

**Hon. Mr. Devine:** — Well I will, Mr. Chairman, briefly reiterate the plan for the hon. member so that he can review the plan.

Let me say, just at the outset, that when we're looking at the credit rating and how it ranks with other provinces . . . I mean, he's quoted one rating institution, and we can look at them all, but if we look at 1987 and if we want to look at Standard & Poor's or we want to look at Moody's, we see that indeed British Columbia has a better rating than Saskatchewan and Alberta does, and then there's Saskatchewan. And Moody's credit rating, we're the same as Manitoba and we're above all the rest of the provinces.

I mean, you've got Standard & Poor's, who ranks Ontario's higher now. As of April '87, Alberta is an AA plus and British Columbia is an AA, Ontario is an AA plus, and then there's Saskatchewan with an AA minus. And Moody's credit rating, a little different symbols, but they've got an AAA — B.C., and an Aaa (with the two a's, small a's) in Alberta, and in Saskatchewan an A-1.

So I agree with that it's not as high as B.C.'s and Alberta, or Ontario, which has had some rather good times, and many consider it a boom. But under these conditions, we've certainly ranked according to the rating institutions.

And both Standard & Poor's and Moody's have recently affirmed the province's credit rating, and the affirmation of that rating now is from the fact that the province's

revenue initiatives, and the province's initiatives to control expenditures have shown them that despite difficult economic times we still rank an A-1, or as the other put it, AA minus. Well we can argue about that, I suppose.

Let me say that what we plan to do, and part of it is in the budget, but what we plan to do is increase and stabilize revenues through diversification of our economy. And there are many things that we can do to do that, and I can mention a few. We plan to bring government expenditures into line with projected revenues with two major considerations. One, that we protect people during difficult times; and secondly, that we maintain good employment figures in the province in terms of jobs. Now you can argue about whether we'd like to do that or not. But in any event that's what we'd like to do, and at the same time to project a balanced budget, under the forecastable conditions to date, by 1990-91.

(1700)

Now we will continue to expand projects, and I won't need to go through them all, to maintain the employment and to generate economic activity and things we do in the oil patch and upgraders and paper mills and bacon plants and recreational vehicles and turbines, and so forth, which I think are positive, and the rural gas and some other things that we're doing across the province.

We will hopefully maintain our employment level at either the best or the second-best in all of Canada. We've ranked there right around number one in western Canada during these really difficult times. I think our housing program, and part of the reason why you had a housing program, or promised one, was for the same reasons.

Now we will watch our employment and we will watch our protection programs, and our objective will be to diversify the economy and contain expenditures in line with the forecasted revenues. And the target is by 1990-91 to have ourselves a balanced budget as we see growth, as we see near the best employment record, and we protect people from circumstances beyond their control like high interest rates or drought or some things that might come down the pike.

Now we've stated that in the budget document on page 12 . . . the *Saskatchewan Economic and Financial Report*, pardon me, March 1987, by the minister, and our objective is to at least contain expenditures before we go into the taxation base area as much as possible — and I know that that's kind of fodder for the opposition in terms of, we cut a few things — but to at least maintain expenditures and review them. And then we look, obviously, to the only other source of money, which is getting revenue from people. And we've been through some of that before in terms of property improvement grants and flat tax and other things.

The plan is to stabilize and diversify revenues, diversify and increase revenues and have them stabilizing through diversification and economic development, particularly in processing and manufacturing, to bring expenditures in line with our forecasted revenues, while we protect people and maintain employment, and move towards a



balanced budget by 1990-91.

I can say that it would have been an interesting exercise for you, sir, given the revenue forecasts and the difference between expenditures and revenue of your last budget, to deal with about a 400 to \$500 million gap in what was forecasted in terms of revenue and the way it turned out.

Now obviously it wouldn't have been any fun for you and it wasn't any fun for us, but it was extremely difficult to forecast that, and I'll say that. Even though it was an election year and you might have been a little generous here or there, you know, I mean, you're out a lot. And you've said, well I was out as well . . . Well that's . . . I guess it's going around.

The forecast there was very, very wrong, as you know, in terms of potash revenues and some other revenues and so forth. Then we had to deal with that. And then it kept getting worse in many cases and it fell right off to now, in terms of wheat . . . it's like the 1930s, in terms of all that revenue we get from wheat and income and sales tax. It's gone.

So the plan is, as outlined on page 12, and with the caveats that I would point out that we want to maintain employment and we want to protect people . . . and as you know, health and social services spending have risen 65 per cent since 1982, and that's well ahead of inflation. And somebody could argue, well no, because social services is down, that's not the facts. I mean, education, health, and social services are up and up significantly.

I suppose we could argue about, you know, where we're spending the money and you'd say, well I'd rather spend it on the dental program than on this, and so that's fair enough. We can differ there. But no question, expenditures are up a great deal in those three areas.

**Mr. Chairman:** — Order. Being 5 o'clock the committee is recessed until 7 p.m.

The Assembly recessed until 7 p.m.