

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
April 2, 1979

EVENING SESSION

Committee of Finance — Industry and Commerce Vote 19

Item 1 — Continued

MR. CHAIRMAN: — Order, when we adjourned at 5 o'clock we were on item 1, Industry and Commerce. Item 1 agreed?

MR. J.G. LANE (Qu'Appelle): — Here I thought we were already off item 1. I would like you to undertake (rather than supply it tonight) if you would; the Aid to Trade Program. I want to know who went on what conferences, if any out of province travel, the amount spent et cetera by each individual?

I would like to know with reference to the Economic Development Program and the special ARDA (Agricultural Rehabilitation and Development Agreement) Program about 48 projects. I would like to know how much was the break down on the cost per job and whether or not those jobs were full time, the 495 that you refer to, or whether they were one year job situations or permanent jobs. I would like to know the cost of setting up each one of those jobs. I would like to know how many people underneath that program were receiving social assistance that were subsequently hired.

(You know I could make a comment to the Minister of Social Services about the quicker we get them working and him out of a job, the better off we all are). O.K. I would like to know that and I would like to know how many actually were receiving assistance at the time that the job was created and then brought into the job, eh?

I note that some of the jobs created or some of the businesses that you're investing in (I refer to a cabinet making facility, I believe, in North Battleford). I'm wondering, when you set up a project like that, what studies you do to see whether you're in fact competing with other locally owned Saskatchewan businesses or not and if you would tell me in specific what the status of that particular project is?

HON. N. VICKAR (Minister of Industry and Commerce): — Mr. Chairman, there are two parts to that question, the first one with respect to the tabling of the Aid to Trade program information. We have already tabled that information; you have that. The remainder of the information which you require on the projects, Special ARDA (Agricultural Rehabilitation and Development Agreement) and what not, we will get that information sent to you. But we are at a loss to know what cabinet factory you are talking about.

MR. LANE: — Well I will have to go through and find it for you. It was with reference to one cabinet making or furniture making facility or something like that in North Battleford.

I see, for example, you undertook an in-house evaluation of Canadian supply and demand for kitchen cabinet manufacturing. I understand that there was some facility now being embarked upon in North Battleford. Am I not correct on that? Or am I jumping the gun?

MR. VICKAR: — Mr. Chairman, I think the hon. member is making reference to the second last paragraph on page 7 of the report. The study was not done specifically for any particular manufacturing firm. It was done for the information of all manufacturing firms and this is part of the study which was undertaken at that time. There is none in particular that we are aware of in North Battleford.

MR. LANE: — The question I asked you was on the special assistance branch and whether they were recipients or not. I think the minister may well agree with me that it's fine to have these programs and it's fine for us to say we are prepared to pay a premium to attempt to get these people out of either the poverty cycle or get them some job skills, I think, as well, we've got an obligation to monitor that and to ensure that it's not just a one-shot effort and it's not the same people coming back if it fails, or it's not the same ones that are just using the program. I would like to have this government start to monitor these types of programs, to determine how many people we really are bringing out of the poverty cycle and effectively breaking them out, and to determine the economic costs of that program. I would hope that the department in the future would be monitoring its programs with that in view.

MR. VICKAR: — Mr. Chairman, I would like to in that respect agree with the member's remarks and I would hope that we will be able to get that information for you so that you'll have it.

While I'm on my feet though, Mr. Chairman, under that subvote we have this evening the report of the study that was made (that was in question this afternoon) from D.D. Dick Engineering. However, this is the only copy that we have — the only copy. With your indulgence I would like to Xerox it before I table it.

MR. LANE: — I note on reading the annual report that you get the Field Services Branch to improve the level of management and operating techniques in Saskatchewan business. Planning Division does the same thing — management techniques and different departments all seem to be assisting in management skills. It strikes me as a serious duplication of supply of services in the way that you've set up the department or you're being repetitive in many parts of the department in its annual report.

MR. VICKAR: — Mr. Chairman, it is a fact that although it may seem to the hon. member that we are duplicating our services, it is a fact, however, that we are providing more and more services to business management and business advising, but we are definitely not duplicating the program as such.

MR. LANE: — Would you undertake to supply to me, from each of your Field Services Branch, the names of the advisors — same thing with marketing and those aspects of your department that deal with the business community and advising businessmen or those in business or potentially in business in the province. I would like to know the names of each of the individuals in your department and I'll accept your undertaking to supply them and the educational background and business experience of each of them.

MR. VICKAR: — Mr. Chairman, that's no problem although the hon. member realizes that it's going to take a little time but to the best of our ability we'll give him some of that information.

MR. LANE: — Now, on the matter of intergovernmental affairs — Page 12 of the annual

report — can you advise us in what specific areas you were active in the year under review or under this last year and in what specific areas your department will be active next year? I'm referring to the economic corporation projects in western Canada, industrial energy conservation programs. What specific areas are you zeroing in on and what did you do in this year?

MR. VICKAR: — Mr. Chairman, firstly, what we had done in the last year was the evaluation of the general agreement on tariffs and trades and the general economic co-operation with the western provinces and the co-ordination of the federal provincial activities on industrial adjustments. Those were the activities that we referred to that were done and those in the future that we are looking at at this point in time are the expansion of the federal provincial activities on industrial development.

MR. LANE: — I think we have shown over the last couple of days that in fact the department is sadly lacking in its own ability to be an initiator. Certainly nothing done on FIRA. You sit back and wait for Ottawa to make a move and then you decide whether or not you are going to make a decision on it. Now we find that on western co-operations that, in fact it mainly comes through federal initiatives by the looks of things, and I include in that the general agreement on tariffs and trade because that certainly is not a provincial initiative. Sadly lacking in an ability or a capability to be an initiator except in one area by the looks of things where you shouldn't be and that is in an awful lot of those deals like Henninger and some of those that are in shaky financial merit to say the least.

I asked you earlier about duplication. One goes to the communications branch. You see in the communications branch that they're doing promotions; help with the various projects and provide brochures and organize. Then we get the Aid to Trade Program doing promotions. I am sure there is other areas in there doing promotions. It strikes me that we have got different people in different branches all running around trying to get as many trips as possible and I don't know how successful they are.

MR. VICKAR: — Mr. Chairman, the Communications Branch does not, on its own, prepare all of this information. It is there to provide the services to the various branches that ask for assistance within the department.

MR. LANE: — I would like to ask you one final question on this agent general. It has been a perennial problem and that is that some time people may want to know exactly what that agent general does. The interesting thing about the agent general is that the Office of the Agent General flies right in the face of the Premier's earlier statements in this Assembly, for example, that we leave it up to the federal government to deal with other governments, that we don't think it a proper place for the province to be dealing with other countries and that it is a matter for the national government. That is what he said. I know that the hon. member happened to be on a good holiday and missed a lot of the House, but when he is here he can certainly . . . (inaudible interjection) . . . obviously he spent some time there with him when he was there.

The fact is that we can never find out, nor has the department answered (and the question has been asked for some years) as to specifically, which companies were encouraged to come here. Which specific contacts were made; what were the results of those contracts? I think that this Office of the Agent General, in my view, should be wound up unless we start to see some hard results. We would be better advised (unfortunately it got a little political a few years ago) to be directing our energies over to the Pacific Rim, as opposed to Europe, unless we are

seeing some hard and fast concrete results from our expenditure in that area. I think it could be wound up; we would be better off having offices in the United States; we would be better off having offices in Japan and the Far East than we would be in England. I suggest to you that unless you are able to start determining some sound economic benefits and do a sound cost analysis, that it is time for that department to be wound up as not doing the job that it was set out to do — that agency.

MR. VICKAR: — Mr. Chairman, the hon. members was questioning as to what involvement the Office of the Agent General has with the industries and what service they provide.

MR. LANE: — No. I know that. I said, specifically who have they brought . . .

MR. VICKAR: — If you just wait for one half moment I will give you that information. That is the information I wanted to provide, Mr. Chairman.

During the year under consideration, or within that period of time, the Office of the Agent General was instrumental in bringing to Saskatchewan these marketing outlets that the agent general was able to provide for Saskatchewan manufacturers, Flexi-Coil Limited, Senstek Limited and B.T. Johnson Scales Limited. Now, there are just three of many that may be around that we are quite aware of at this time.

MR. J.G. LANE (Qu'Appelle): — I will tell you right now that your recruiters in the Department of Health have more contacts in England than does the agent general in London. If that is the sum total of the record, I have no doubt that the officials in the Department of Industry, Trade and Commerce in Ottawa could have made just as many contacts if not more. I just suggest to you that, in fact, we would be better off if we decided to contradict the Premier and have contacts with other governments outside the province. We would be well-advised to direct our energies to the United States and to the Far East than to Europe. The federal government can handle European . . . I notice very pointedly that you didn't refer to some of the uranium companies, of course which came through mineral resources. I think that it is time to wind that one up and shift our directions elsewhere.

MR. VICKAR: — Mr. Chairman, for the information of the hon. member, I want him to know that the agent general in London does not deal with other governments. He only deals with the various companies that we want him to get involved with and that he can seek out for our industries. The agent general's office in London has also been a help in locating and inviting specific types of personnel for the province and for promoting tourism. There are many programs that the agent general is involved in which are not spelled out in our report, but it is part of the governmental function.

MR. H. SWAN (Rosetown-Elrose): — Mr. Chairman, I want some information, and it may take you a little while to get it. I would like to know all of the areas your department has provided assistance to in the past year that have generated new jobs within our province.

MR. VICKAR: — Mr. Chairman, I gave the House the information yesterday I think, on the various programs and the various estimated number of jobs that we think we provided. It is very difficult for the department to come up with the specific number of jobs provided by the various types of programs. If they are going to deal with every subject, it will probably take them six or eight months to do so. How are they going to pin it down on a per job basis? I don't know.

MR. SWAN: — I think that you could do better than that. You know when you go out to assist industry to come into our province, you must have a point in mind. Otherwise, there is no need for your department. If you are going to invest funds in any industry coming into our province you should have some idea whether or not they are going to create new job opportunities within the province and that's the type of information we've been looking for. You gave us a very broad statement but you didn't give us anything point by point of different industries that you have assisted and different jobs that have been provided because of it. I would like to have those figures.

MR. VICKAR: — Mr. Chairman, again I might say that in every area that we invest funds, wherever our department invests funds in, I gave you that information yesterday. Other than that we provide assistance to the private sector and other areas. We don't have a record of the exact jobs that are created as a result of that.

MR. LARTER: — Just a couple of questions for the minister. In one of the questions posed by the member for Qu'Appelle (Mr. Lane) he asked you about possibly doing away with the agent general and spending more time with our expertise in our third world countries; I wonder if the minister can tell me — you mentioned three companies that he has been successful in selling overseas on our Saskatchewan market — can you tell me what type of work-ups we do towards this agent general? What do we do to acquaint him with our products? Does he spend so much time of the year travelling through Saskatchewan with our manufacturing . . .

MR. CHAIRMAN: — Order, please! I am sorry to interrupt the hon. member but I realized when the member for Qu'Appelle was asking his questions that I feel these should be asked under subvote 6 of the Office of the Agent General but I allowed it to go on while he asked and the minister replied. Now I have the member for Estevan following it up on item 6 and I would prefer if you would deal with it when we come to that item. I feel that would be the proper place and it would keep things in order.

MR. LARTER: — Mr. Chairman, I would like to ask the minister what criteria, or what we do in the various locations such as Estevan when an industry wants to locate there, like a manufacturing plant? I know you have an industry and commerce man there and I think he's pretty good; but I would like to know what happens when somebody moves in and wants to build augers? Just what takes place with your representative at that area?

MR. VICKAR: — Well, if somebody wants to build augers I would imagine the first thing he would do is go to the office if he wants to use our help. He can go it on his own if he wishes; but if he wants to use our help he will come to our Department of Industry and Commerce representative at that particular office and we will provide the business counselling for him and find out what he requires in order to establish a manufacturing industry in Estevan — that could be market studies, that could be feasibility studies, that could be many things; it could lead on to the evaluation of properties and what have you. From there, he is given an idea of whether he is eligible for various programs or whether he is not. It opens up a complete new program for the chap who wants to get involved.

MR. LARTER: — Mr. Minister, do you play a part in arranging for or directing these possible new industries to financing? Do you have any preference, when they are going for financing? Do you direct them say, towards SEDCO, or do you direct them towards the banks?

MR. VICKAR: — Mr. Chairman, I mentioned earlier this afternoon that our department does not direct anybody to any particular finance company. It's entirely up to the individual. Should the individual ask our department, after all else fails, we will make suggestions, if that is necessary, but we will never recommend that he should go here or he should go there.

MR. LARTER: — Mr. Minister, a few years ago when SEDCO was moving into the banking business, it was mentioned that you were using retired people from different segments of industry as the people who would advise the industries that were starting up. Can you tell me, is this still the case? Are you using retired bankers, retired businessmen to get some of your expertise from in advising these people — such as feasibility studies and moving in to a certain type of business?

MR. VICKAR: — I think the hon. member is referring to the case program under the federal department. That is nothing to do with our department. We do not necessarily use retired people but we do like to use people with business knowledge. They may not necessarily be retired when we employ them.

MR. LARTER: — Mr. Minister, are these people who are advising these people who are going into business, with regard to feasibility studies, with regard to almost every portion of their business, are they experienced and do they generally have a knowledge of the type of business which is being started up? Is this where you go for your experience?

MR. VICKAR: — We use our business reps for that information and when our business reps feel they don't have the capabilities or we feel that they don't, in most cases we farm that out to business consultants.

MR. LARTER: — Mr. Minister, the reason I ask this, of course, is the fact that before many of these companies start off in business and during their first year, it's the most important part of their life. If they are to receive bad advice or bad direction in starting up, they absolutely have no chance of succeeding. Once you get behind the eight ball you absolutely have no chance. I wonder, do you fund some of these people you are attempting to help move into a community? Do you fund them in order to see they get the proper direction or do you count on your people whether they are fully experienced in that area or which way do you go on it? Do you attempt to help them out to the fullest that your department can?

MR. VICKAR: — Again, Mr. Chairman, we bring in consultants to do the work who are experienced if our person in the field can't handle it. We also have cost shared programs — when you're talking about charging the individual client — we have cost shared programs where we will help to maintain the business management until such time as he can get on his own feet. We monitor the program along with the entrepreneur until such time as we're satisfied and he's satisfied that he can go it alone.

MR. LARTER: — Just a couple more questions, Mr. Chairman. Do you immediately, on proving of a product, then put this into your chain of goods which you try to sell overseas or does the entrepreneur have to make the advancement to you? Does your department approach him with the attempts to help him get into the overseas market or even to the American market?

MR. VICKAR: — It varies with the product that is being manufactured. In most cases,

though, the manufacturing process goes into our manufacturer's guide magazine which is distributed widely over this continent and in other continents. Of course, it depends on the assistance that the entrepreneur does require. If he requires special assistance again, we are prepared to help him.

MR. LARTER: — Mr. Chairman, Mr. Minister, there are certain areas now, for instance in farm machinery, and I think you're acquainted with that, where we are attempting to sell prairie manufactured goods overseas. Don't you think it takes expertise and not just, for instance a catalogue, to attempt to crash some of these world markets? With the proper person promoting these goods in that area, do you not agree that we can do a much better job of selling Saskatchewan produced goods? If such is possible, do you encourage cost sharing from the prairie manufacturers or do you take the initiative on this or do they have to show you the initiative for your department on this?

MR. VICKAR: — Mr. Chairman, we take the initiatives to help promote this project but let me tell the hon. member — he's quite aware of this — that the best initiative is taken from the manufacturer himself and that manufacturer can make these sales far better than anybody can for him. However, having said that, we do assist. Our intertrade program is a good example of what we do to help the manufacturer sell his product abroad.

MR. P. ROUSSEAU (Regina South): — Mr. Chairman. A very short question that I'd like answered. This afternoon you gave me some salaries — deputy minister, executive director, and one other. Is the executive director the second in command of that department, next to the deputy minister? Is that the line of authority?

MR. VICKAR: — The management committee consists of the deputy and three executive directors and of course if the deputy is not there then there is a directive in the executive positions as to who is to take over.

MR. ROUSSEAU: — Who is the senior executive director? So he comes above Wayne Lorch?

MR. VICKAR: — Yes, your question is right.

MR. ROUSSEAU: — O.K. My next question then, who is your associate deputy minister?

MR. VICKAR: — Charlie Webster who is retiring at the end of this month.

MR. ROUSSEAU: — Would that person be your next in command if your deputy minister was not there? Wouldn't it be the associate deputy minister?

MR. VICKAR: — If the associate deputy minister were to be on staff for any length of time, he would have been, but because of his retirement (and we knew this quite some time ago) the line of command there has changed. He is retiring the end of this month.

MR. ROUSSEAU: — You've known that for some time. In other words he has been on the shelf for some time and inactive. I take it that's your answer. Would you give me his salary, answer the same salary questions that I had for the previous ones, that is, the 1978-79 estimate, the actual and 1979-80 estimate, please?

MR. VICKAR: — The 1978-79 estimate was \$30,110, the actual 1978-79 was

\$34,016 and the estimated for the one month, because he retires the end of this month, is \$3,050.

MR. ROUSSEAU: — Two questions. Are you going to replace the associate deputy minister? Why, if he is next in command, would he be that much less than one of the executive directors in salary?

MR. VICKAR: — Mr. Chairman, at this time it does not call for a replacement of the associate deputy minister.

MR. ROUSSEAU: — Well, was there a reason why the associate deputy minister who was second in command in that department would be — or put it the other way, why would an executive director be \$7,000 or \$8,000 higher in salary than an associate deputy minister?

MR. VICKAR: — Mr. Chairman, I'm told that it's not uncommon for an associate deputy to have his salary less than other branch heads in the department. There's no particular reason.

MR. KATZMAN: — Mr. Minister, some areas within your annual report I have a couple of questions on.

First of all, you suggest on page 5 of your annual report that you're assisting manufacturing develop new products. Are you suggesting for sales markets or for what purpose?

MR. VICKAR: — No. That program is to help develop new projects for manufacture in Saskatchewan. We help the manufacturer develop these projects.

MR. KATZMAN: — For example, swathers are a big item in Saskatchewan; all the farmers use them. A manufacturer, the only one in western Canada, manufactures a special type of swather attachment, plus the canvasses and so forth; would you be assisting him in the marketing of that after he's developed it or would you give him funds to assist him when he was developing it or what's your effect on that particular project?

MR. VICKAR: — Your question would fall into about three or four different categories. First, we have a program that would help develop that particular swather that you were mentioning. Second, we would help him promote the sale through another program and we would also help him develop the management skills to promote the particular industry that he's involved in and then, further than that, we would help him through the Aid to Trade Program to market his product.

MR. KATZMAN: — Well, using your third one, the Aid to Trade Program, the one industry I refer to is in Saskatoon. It's the only one in Canada that produces this particular equipment and it's interesting to watch since he tells me that when he made an approach to you people, or agriculture, that they just left him sitting; the same with DREE (Department of Regional Economic Expansion) by the way. He's the only one that produces double swather attachments for the market and I'm wondering why you people, with your information on agriculture machinery and so forth, are not having information about this particular piece of equipment available and printed about. Are you not aware of this piece of equipment? Is that basically the problem?

MR. VICKAR: — Mr. Chairman, without naming the individual manufacturer (as the member has not done), we believe that he took part in our Aid to Trade Program to help him sell his products. We have reference here of a particular industry he may be referring to which has received that type of assistance.

MR. KATZMAN: — Mr. Minister, regarding the mode of operation of your department, does somebody have to come to you, or when your people hear of a process or a product being produced, do you go to them? When DREE gets involved, do you not have a working relationship with them? When somebody goes to DREE with a new product, are you not informed about this product possibly coming on stream within this province? Or do you totally run your own thing and if they don't come to you you don't bother?

MR. VICKAR: — It's fairly difficult, Mr. Chairman, to have a knowledge of everything that goes on. The moment our department hears of any new promotion or industry that is prepared to establish we make contact with those particular people. However, having said that, we rely a great deal on the efforts of the individual to come to our department for assistance.

MR. KATZMAN: — Well do your people go to shows like agribition, mexibition and others where they see people with new products usually available to the public in agriculture, to talk to these people and to suggest that you could assist them, or do you just stay away from that? Do you leave that to the Department of Agriculture? What are the rules of the game here?

MR. VICKAR: — We do provide the information that is necessary at the agribitions and mexibitions and the trade fairs the member is mentioning. As a matter of fact, in many cases, we are co-sponsors of those exhibits and we try to encourage the manufacturers to get involved with us and the trade fairs so that we can help them promote their products.

MR. KATZMAN: — Your comment that you assist in sponsoring some different items, makes me think of the North Battleford show that we see referred to in your highlights here about all the products, handicrafts and so forth and the show that you run there. Could you tell me, because of the handicrafts show in Battleford and because of the assistance you give people to have booths at other different hobby shows, is it creating any solid businesses? I mean people who have moved from the hobby situation into the employment situation — something year round rather than a hobby?

MR. VICKAR: — Oh yes, Mr. Chairman, there are quite a number of these that have been established as a result of the handicraft promotion in Battleford.

MR. KATZMAN: — You indicate, I notice, that the sales in 1977 were approximately \$62,000. What about the other places where you, for example, paid people's entry fees into shows and you made up the nice little sign card that they hung above their booth and so forth? What are the shows and do you have an idea what it cost your department to do this particular type of project?

MR. VICKAR: — Mr. Chairman, for the hon. member's information, if he refers to the brochure or the information I tabled this afternoon, in amongst that he will find the information that he's looking for, I am told.

I'd like to send across to him the magazine Prairie Implement Guide for 1979 and see if

he's referring to this particular manufacturer. Do you have one?

MR. KATZMAN: — Mr. Minister, I have that one and I haven't found that particular one. Now, another question of your program suggests that under Aid to Trade programs, 136 grants were approved costing \$60,000, which resulted in direct sales impact of approximately \$4 million returned to Saskatchewan businesses. Can you give me a little more information on that statement?

MR. VICKAR: — Again, Mr. Chairman, we tabled that information which gives the hon. member the cost to us and the total value of sales that were a net result of the involvement of the Aid to Trade program.

MR. KATZMAN: — On page 7 of your annual report you refer to two things. The first one is Crawford's Foods. The Minister is probably aware that Crawford's Foods was sold the other day. I would ask if industry and commerce have any funds involved or were they just there to assist the promotion of these new ideas that were started? If you have funds available were you reimbursed or what?

MR. VICKAR: — Our involvement there was in a productivity study for Crawford's Foods. We have no money invested in Crawford's Foods and we were not involved in the transfer of the business.

MR. KATZMAN: — Productivity study? Are you talking about new products availability or are you talking about the best production per man-hour as worked? If you are talking about the second, where do you get the experts to be able to assist a company, or do you hire them for that?

MR. VICKAR: — The study was for the improvement of the productivity of the plant and we hired consultants to do that study who had the expertise.

MR. KATZMAN: — What you are suggesting is that you pay for consultants to come in and recommend to Crawford Foods ways of streamlining their operation to get a better product to the market or a cheaper product to the market. Could you tell me what it cost you and what increase in productivity or do you think that study will benefit Crawford Foods Limited?

MR. VICKAR: — We don't have that information, Mr. Chairman, but my people tell me that that information could be made available to you.

MR. KATZMAN: — I would like to go to another portion of your program which you mention on page 11 — Operation Recycle. Basically, you indicate that the company that did the contract for several years, of crushing cars and so forth, has completed its obligation; but I notice that there are all kinds of little people all over the province picking up vehicles and piling them here and there. Who has now got the contract for squashing them and hauling them and so forth?

MR. VICKAR: — We are referring here to phase 1 of the program which is now completed; but the same contractor has now under phase 2 completed his tender, his bid to us, and is now starting the second phase of the program.

MR. KATZMAN: — Well, let me ask: are each of the tow trucks or people who pick up scrapped vehicles around the province, on a formula paid so much per vehicle on a contract? I'll use my own area for an example. There is a fellow out with a little truck and

picks up scrap vehicles, hauls them to a compound and there is a crusher comes in every so often, crushes them and they haul them to Regina. Is he paid by the area he serves? Is he paid by a basic fee or is he paid so much a vehicle or so much tonnage?

MR. VICKAR: — The province is divided into about 60 contract areas and in each one of these areas there has been a contract let by tender. Whoever is doing the picking up won that contract by tender.

MR. KATZMAN: — One question here. Let's use the Warman area contractor. Do you have his name there? O.K. He is paid directly for what he picks up and that's how he is paid or how does he get paid for what he does?

MR. VICKAR: — He is paid by the ton if he delivers to the compound.

MR. KATZMAN: — Is he allowed to charge people for picking up their scrap vehicles when he comes in their yard?

MR. VICKAR: — No, we don't think he is.

MR. KATZMAN: — You're suggesting then if the scrap dealer comes in my yard — I phone him and say I've got this car I want moved and taken to the heap — that he is not allowed to charge me? Is that correct?

MR. VICKAR: — To my knowledge.

MR. KATZMAN: — Does he have the option when he takes that vehicle from my place to take it anywhere he chooses or he is automatically committed to take it to Operation Recycle?

MR. VICKAR: — He is under contract with us and he'll only get paid from us based on the tonnage that he supplies to the central location.

MR. KATZMAN: — My problem is, I've been informed in my own area that when the contractor you have is notified of the vehicles, he comes in and suggests to the people it should be worth something for them for him to haul the vehicles away. I'm asking if he has that kind of right or not. Now the ones he may get paid for by the people to take away he may not be taking to your compound. He may take them to a junk dealer for all I know. I'm asking does he have that right to make that decision or is anything he picks up supposed to go to you people?

MR. VICKAR: — I am told that the operator has to get a release for every vehicle that he picks up and that we rely on the integrity of the operator and we rely on the municipal authorities to make sure that everything is in order. If there is some discrepancy some place I wish sometime that somebody would bring it to our attention.

MR. KATZMAN: — Mr. Minister, I will bring the name of the individual and the whole problem to you at a later date.

Item 1 agreed.

ITEM 2

MR. ROUSSEAU: — Mr. Chairman, I will start out with the same questions on salaries. I

think I might like about three top salaries on that one since there are eight there for \$201,000. It seems like a fairly heavy salary area; so, you give me at least three of them, will you please?

MR. VICKAR: — The 1979-1980 estimate for the three top, I have already given you one. The other two are \$34,190 and \$32,010.

MR. ROUSSEAU: — Last year's estimates and actual salaries of those same two?

Mr. Chairman, if I may, your staff might at the same time go all the way through and get the top of every vote as we go.

MR. VICKAR: — Mr. Chairman, can we get this information for you after we're finished, if we are?

MR. ROUSSEAU: — Yes, I'll accept that if you want to pass it on to me so that we don't delay the votes any longer. I'll accept that. One other question. In that case, there was an increase of \$7,000 on other personal services, a decrease of \$150,000 approximately on other expenses. But I notice on item 3, there was an increase of \$150,000. Is there a switch of expenses here or could you explain that please?

MR. VICKAR: — Our study which that was taken out of the \$150,000 was taken out of other expenses and put into the next section under business development. It consolidated our total study funds.

MR. ROUSSEAU: — I suspected that that's what it was; but the other answer to the first part of my question, why the \$7,000 increase on other personal services under item 2?

MR. VICKAR: — Actually, that was only created by the fact of the type of personnel that we're hiring.

MR. ROUSSEAU: — Are there any more personnel or is it the type of personnel?

MR. VICKAR: — It's the type. There are no more. We're hiring the same amount of people.

MR. ROUSSEAU: — Mr. Chairman, I would suggest that to expedite matters that under two, three, four and five, if you will get me the top salaries of those (estimated '78-79, actual, and the '79-80), pass it on to me later and I would accept that.

MR. VICKAR: — Are you suggesting later this evening or later?

MR. ROUSSEAU: — Tomorrow would be fine.

Items 2 to 5 agreed.

ITEM 6

MR. LARTER: — Just one question on this, Mr. Minister. Can you tell me what the \$27,000 increase in other expenses is under this vote?

MR. VICKAR: — Yes, that is the rent we are now paying. We are assuming responsibility for this. Prior to this, Government Services assumed responsibility for the rent for the

property. Now we are paying it.

MR. ROUSSEAU: — How much is that rent?

MR. VICKAR: — The rent factor was \$45,000. Then there were other incidentals and related factors such as the cost of the pound sterling and what have you to transfer, which made up the little difference.

MR. ROUSSEAU: — Little different of what?

MR. VICKAR: — If you take the figure that we used last year of \$87,820 and \$114,530 and subtract one from the other it is \$46,710 which gives you the . . .

MR. ROUSSEAU: — So the extra \$1,700, you are saying, is the exchange on the dollar and so on. Could you tell me also the salary paid to the agent general and other expenses he's allowed such as automobile, clubs, expense account, etc.? To add to my question also, give me the 78-79 estimate, the actual, and the 79-80 estimate, for the agent general.

MR. VICKAR: — Mr. Chairman, can we provide that with the other information?

MR. ROUSSEAU: — Mr. Chairman, I'd like to have that information now, if possible.

MR. VICKAR: — The 1978-79 estimate is \$34,110; the 1978-79 actual is \$35,710; the 1979-80 estimate is \$36,150. On top of that he gets a, what we call, representation allowance which is \$6,500. Out of that he has to pay the same portion as the deputy minister does for the use of the car which is 1 per cent of the value per month. Out of this he also has to pay a portion of the rent for his apartment which is \$2,400.

MR. ROUSSEAU: — Is that apartment in the same building? Oh, it is a separate building. Are the other three employees of the Office of the Agent General Canadians, Saskatchewan people, from Europe, England or where are they from?

MR. VICKAR: — There are a total of four employees there including the agent general. Two are Canadian and two are British.

MR. ROUSSEAU: — So the other — there is one other Canadian besides the agent general and the other two are British. Now, you indicated the rent increase was at \$27,000. Can you tell us why there is such an increase in rent? Why \$27,000, making it a total of \$45,000? That is the way I understood your answer, and I may be wrong.

MR. VICKAR: — It was an increase. I said the rent factor was \$45,000.

MR. ROUSSEAU: — Well, the member for Estevan asked you the difference between \$114,000 and \$87,000 and I understood you said it was a rent increase. Is that not correct?

MR. VICKAR: — . . . the total other expenses, if you look on the estimate sheet, compared to last year.

MR. ROUSSEAU: — Why the extra \$27,000? Why have the other expenses gone up by \$27,000?

MR. VICKAR: — As far as we are concerned, it is just a straight transfer of duties from government services to the Department of Industry and Commerce.

MR. ROUSSEAU: — Yes, I'll accept that. Your report indicates a Mr. Merv Johnson is the new agent general in England. Could you tell me besides being a defeated member of parliament what his other qualifications are for that job?

MR. VICKAR: — Mr. Chairman, I don't have Merv's resume with me but Merv is a graduate of the University of Saskatchewan. Merv is a prominent farmer in the Kindersley district and he given the Master Farmer's Award, I remember one year. I could go on and list many, many qualifications and I think I'll run out the clock if you give me the time.

MR. R. ANDREW (Kindersley): — Mr. Minister, could you set out for me in the other expense column — \$114,530 — could you just simply set out the component parts that came to that total? Do you understand what I am saying? Rather than be specific about every one I would take that the financial statement would set out so much for this and so much for that and so much for the next thing. Do you have those figures available to make up the total of \$114,000?

MR. VICKAR: — Mr. Chairman, that figure includes many items and if the hon. member wants each one it's going to take us a little time to give each of them. I can sort of give you the highlights as to . . .

MR. ANDREW: — You can give it to me tomorrow. As long as you'll undertake to provide me with that information that's all I request. I don't need it tonight.

MR. ROUSSEAU: — Mr. Chairman, if the minister would give me a copy of that as well, I would appreciate that. I want to ask one final question. In your report you indicate that on-the-farm demonstrations of Saskatchewan made farm implements were held leading to sales of Saskatchewan farm equipment in the United Kingdom, Central Europe and the Scandinavian countries. Ball park — what kind of sales are we talking about?

MR. VICKAR: — Mr. Chairman, in those cases the actual sales are negotiated by the companies and the value of such sales is not reported to us. We don't have any figure on that.

MR. ROUSSEAU: — Then the next question would be then. It says on the farm demonstrations of Saskatchewan made farm implements were held. How many demonstrations were there? Were you talking about one or one company, several companies, different tractors, combines, what are you talking about?

MR. VICKAR: — The agent general made the arrangements for the demonstrations for these three particular companies that I mentioned earlier. But he was provided the sales, the markets for and we don't have any other information on that.

MR. ROUSSEAU: — Mr. Chairman, if you are saying that the agent general arranged for demonstrations for three different companies, yet you say that you don't know what resulted in sales, how do you know there was any sales resulted from these demonstrations? Were they from other companies, the sales we are talking about?

MR. VICKAR: — We have been in contact with these companies, Mr. Chairman, and from the information we received from these companies they were very happy with the results of the promotion that was done by the agent general's office.

MR. ROUSSEAU: — Mr. Chairman, would it be asking too much to name the three companies that were made these demonstrations in England?

MR. VICKAR: — No, I have already given you those three companies that we were talking about. They were Flexicoil Ltd., Sansted Ltd. and B.T. Johnson Scales Ltd.

MR. ROUSSEAU: — Scales? Weigh scales? That's farm equipment?

MR. VICKAR: — Yes it is, sir.

MR. KATZMAN: — One question . . . you know if you would ask a few questions, Mr. Minister, you might well find out what is going on in government instead of yapping all the time . . . (inaudible interjection) . . . Does the agent general represent the Government of Saskatchewan re the inquiries on livestock that are coming into Canada now? Do you represent Saskatchewan when people want to know about Saskatchewan livestock and availability for over there?

MR. VICKAR: — Yes, I would imagine he would perform that function if he was asked by the Department of Agriculture or whatever — certainly.

MR. KATZMAN: — The Department of Agriculture, I believe, does not have a man there any more. I'm just asking if your department now handles those inquiries?

MR. VICKAR: — We handle any inquiries. We direct them to the agent general.

Item 6 agreed.

ITEM 7

MR. ROUSSEAU: — Mr. Chairman, I would like a little explanation on that particular area — Portions of amounts loaned, the forgiveness, double the previous year.

MR. VICKAR: — In 1973, that program started with the proposition that we would forgive loans that were in good standing, 10 per cent per year for five years and also, 50 per cent in the sixth year. We are now in that sixth year program and that is why the vast increase in funds repayable or that are written off. That was a grant program established back in 1973.

MR. ROUSSEAU: — So in other words, it's not a receivable that you've not been going after; it's meant as such and it was from day one.

MR. VICKAR: — It's a program that was meant for performance and apparently, everyone of these companies are adhering to their program and proving good performance and for that we have granted them this money.

Item 7 agreed.

Item 8 agreed.

ITEM 9

MR. ROUSSEAU: — Mr. Chairman, just a very quick question on that one. Why a drop of \$200,000 in development programs in employment and development? That should have been \$300,000, sorry.

MR. VICKAR: — That was in effect, the result of the redistribution of the special ARDA (Agricultural Rehabilitation and Development Agreement) Program which is now divided between industry and commerce, social welfare and the Department of Northern Saskatchewan. Previous to that it was strictly our own program.

MR. ROUSSEAU: — With the removal of those other three, does that \$1,049,000 then represent the equivalent amount of the year before, or is it an increase or decrease from what is left?

MR. VICKAR: — My people tell me it is probably the equivalent to the year before.

MR. ROUSSEAU: — So, the difference between the two is the amounts that went to the other three programs?

Item 9 agreed.

Items 10, 11, 12 agreed.

ITEM 13

MR. ROUSSEAU: — Mr. Chairman, that is an increase of \$100,000. I would like an explanation on that.

MR. VICKAR: — Yes, when that program was introduced originally, we expected to introduce the program so that it would become effective on the first of January and that is why the estimate at that time was \$250,000. Subsequently it was not introduced until, and it became effective, on April 1 and therefore, the increase in \$100,000 is because of the expectation of the increased activity by the program.

MR. ROUSSEAU: — Mr. Chairman, I am not sure I understood that answer. Is it a longer period for that \$350,000, or are you talking about a year and three months now? What has the time of the year got to do with the increase?

MR. VICKAR: — There was no actual expenditure under that program during the year because it was introduced on April 1, therefore, under that particular program there will not be any expenditures, at any rate, until April 1 this year, because the interest abatement is not paid at any time during the year. It is paid on a 12-month basis. It is 12 months after the application was received. The program took effect April 1, therefore, the first application could have conceivably been effective April 1, which will be paid out April 1 this year.

MR. ROUSSEAU: — Well, then why have we got a \$250,000 estimate in the 1978-79 estimates column?

MR. VICKAR: — That is what I said earlier. The estimates were prepared before the decision was made to go it on April 1. We assumed that we were going to start on January 1.

MR. ROUSSEAU: — Of 1978?

MR. VICKAR: — Of '78, right. And we didn't until the following fiscal year which was '78-'79.

MR. ROUSSEAU: — Mr. Chairman, I agree that if the program started on April 1 of 1978, that's your fiscal year — April 1, 1978 to March 31, 1979 would give you 12 months. That doesn't answer my question as to why the increase of \$100,000 for the '79-'80 estimate. We are still talking the same 12 months — we are still talking April 1, 1979 to March 31, 1980. I don't understand your . . .

AN HON. MEMBER: — You are confused Paul!

MR. ROUSSEAU: — Yes, I am. You are right Ted.

MR. VICKAR: — It's a very simple deduction. As I said earlier this program only pays itself out after a year from the date of application. And because the program was not introduced until April 1, at that time we estimated our pay-outs for the '78-'79 year would have an increased value and that's why we estimated it at \$350,000 rather than the \$250,000 that we estimated the program would demand based on January 1 when we were expecting to introduce it and we did not.

MR. ROUSSEAU: — Mr. Minister, are you saying that you didn't spend the \$250,000 last year?

MR. VICKAR: — Yes, that's correct. The moneys which you are talking about were not spent on this particular program because they are not being paid out (as I said) from one year from date of application.

MR. ROUSSEAU: — Was there any amount spent? Or was the \$250,000 not spent at all?

MR. VICKAR: — None of it was spent, Mr. Chairman.

MR. ROUSSEAU: — O.K., well then that just brings up one more question. Then you are saying that because of the three months you delayed in starting the program last year you saved \$250,000. If you didn't spend any money because of that delay I can't understand why you'd have the \$250,000 there last year.

MR. VICKAR: — That is not because of a delay in the program that we didn't spend any money. As I said earlier, when an application is made for interest abatement, if it's made today and accepted, then the abatement of the interest is not paid out until one year from today. So there's no money, no transaction, whatsoever during the course of the year. That's what happened in the \$250,000 case. No money was spent. On April 1st at that time, however, we estimated our programs would need additional funding. That's why we estimated \$350,000 for the ensuing year, 78-79 — because of the experience we had from the applications that we were receiving in the year 1978-79.

MR. ROUSSEAU: — I'd just like to get it clear in my mind because — the interest didn't come due until April the 1st of 1979. Is that what you're saying? On any loan because your program didn't start until April 1 of 1978? Okay. But originally you had anticipated the program starting on January 1 of 1978. Then the interest on that would have come due on January 1 of 1979. So we're only talking about January, February, March of 1979 on interest abatement.

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You're saying then that the \$250,000 shown for last year was to cover that cost and that period of time, three months.

MR. VICKAR: — Mr. Chairman, the three-month period that the member is talking about — gives us an idea of evaluating the progress of that program. It has nothing to do with the spending of the money. The program was supposed to be in effect January 1 when we estimated we would spend \$250,000 that year. However, we didn't bring it in until April 1 of the spring of the year, the fiscal year. That three months gave us the time and the experience necessary to realize that \$250,000 was not going to be sufficient to cover the costs of this program and therefore the increase of \$100,000.

MR. KATZMAN: — Mr. Minister, you suggest that \$250,000, budgeted in the year 1978-79 was not spent — none of it was spent and it was all given back to the consolidation fund. Is that correct?

MR. VICKAR: — That's correct.

MR. KATZMAN: — So, basically, then, what you're telling me is that of the total vote last year that you were given, \$250,000 of that was not spent on the Vote 13, therefore put back into the consolidated fund; so basically then, you have part of this money, was it used in any other of your votes? In other words, in your estimates from '78-79, did you use any of this amount of money to balance your department or did you turn back the whole \$250,000?

MR. VICKAR: — We turned back the total \$250,000.

MR. KATZMAN: — I may be in the wrong place, but if I do, I apologize for that. But what happens if you over spend in 12 or 11 or 10 or one of those other programs, do you come in with a supplementary or . . . but you can't use this portion of money, is that correct?

MR. VICKAR: — If we should require additional funds in any one of the other subvotes, we have to go to Treasury Board for approval to transfer from one account to the other.

MR. KATZMAN: — So, any vote, for example like this one where you don't spend the money, you cannot use it in other parts of your department where you over spend. You must go back for additional funds for each vote independently. Where the supplementary estimates seem to say the whole department got X amount of dollars; It doesn't seem to break it down to which vote.

MR. VICKAR: — With Treasury Board's permission, we could use it in other locations, if we needed it.

MR. KATZMAN: — Mr. Minister, that's exactly the point I was looking for. So, basically then opposition members, when we see this figure here, will never know if it's exactly right. Because you could've, with Treasury Board's permission and therefore not coming back to the House for a vote, could've moved that \$250,000 within your department. So, therefore, the members of this House will never get to vote on that additional money in each individual slot. Am I correct?

MR. VICKAR: — No, you're not correct. I suppose that the money could be moved from one place to the other, but that's not the ethics of the program. You don't do those things. You just don't do that.

MR. KATZMAN: — Mr. Minister, you suggested to me that with Treasury Board's permission, you could've (if you would have overspent in any of your other votes that we've handled under Vote 19, if you would've needed additional funds, you could've transferred those funds into those individual votes, 8, 9, 10, or whatever with Treasury Board permission and not have to come back to this House for a vote or where normally it would come back under supplementary estimates.

MR. VICKAR: — In your 1978-79 estimates, you've approved the total amount of dollars period and it's not a necessary thing to come back to the House for a transfer for every odd dollar. And I'm only saying that we didn't have the opportunity to use up the \$250,000 in that subvote, should we have required it in another subvote, we would have to go back to Treasury Board to make that transfer. But you have . . . the House has already accepted the total subvote in last year's estimate, authorizing us to spend that amount of money.

MR. KATZMAN: — I don't argue with the minister on that portion of his statement. All I am saying, Mr. Minister, is when I see the figure in numbers 8, 9, 10, 11, whatever it is, estimated in '78 and '79, and when you have moved the funds from one vote into others, then I am not getting a true comparison when I am going through estimates comparing 1978-79 to 1979-80. My point, Mr. Minister, is when you move these funds, should you not have a way of indicating to the House that when it was voted under 13, you have used it under 9, 10, 11 or 12, rather than just say it was all in our department, therefore, we can use it anywhere we please.

MR. VICKAR: — Mr. Chairman, we don't do business that way. If we had to transfer, we would have told you that this was transferred. We are telling you this evening that we didn't require it. Therefore, we are letting it lapse back into the fund.

Item 13 agreed.

Expenditure by Type agreed.

Industry and Commerce Vote 19 agreed.

MUNICIPAL AFFAIRS - Vote 24

HON. G. MacMURCHY (Minister of Municipal Affairs): — Mr. Chairman, I will take the opportunity to introduce the officials from the department, starting with Urban Affairs. I think those are the first sub votes with which we will be dealing. I have with me on my right, Ray Clayton, the Deputy Minister; to his right Dave Innes, the Assistant Deputy Minister; behind me, Don Bennett, the Director of Administrative Services; Laurie Joorisity, who is the Accountant for the Administrative Services; and at the back, Nick Rudrick, who is Director of the Assessment Branch. Thank you, Mr. Chairman.

ITEM I

MR. SWAN: — There are a few remarks I would like to make in opening the municipal affairs area. Some of them I have made before but I am going to make them again because I believe they need to be said.

To begin with, I am getting many complaints from around this province about the

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revenue sharing, or the lack of it. It seems if there is revenue that many of the municipalities in the province are not receiving enough of it so that they are satisfied. Now, some of them may be receiving.

With your permission, Mr. Chairman, I am going to touch a bit on both urban and rural under subvote 1. We will proceed fairly steadily from there on.

In talking to some of the rural municipalities, they have been calling and they tell me that in the first year of revenue sharing, they sat back quietly, accepted less money than they had received before revenue sharing, said very little, cut staff, cut programs and generally, just sat there, waiting for the day when revenue sharing would be in full force and they would start to reap some of the benefits of it.

At the end of the first year, in your wisdom, you decided to change the computational mill rate. As it increased, the same municipalities found that this year, when they got the figure from the department, they again did not receive as much money as they normally would have with just the ordinary inflationary cost increase; so they are naturally not very happy with what they are seeing in the first two years of revenue sharing.

I think revenue sharing is perhaps a misnomer. It is really nothing more than a foundation grant program that you have established with a shiny new name. I believe that you should inform the people of that — that it is just a foundation grant program that you have introduced. Let the people know it; let them realize that they are going to have to continue to put in more and more of their own dollars in order to get any money out.

I have mentioned to you before that the rural municipalities are very concerned about the maintenance areas that you have established in the province. They feel that you are pushing them into a system whereby they are going to operate almost like a small county. They are upset about it. I think that you should be doing something to change the attitude in the country, and to change your attitude towards the people of the country.

There is a lack of funding for the capital grants, and I have mentioned it a number of times. The comments that I got back were that you are waiting for the federal government. The federal government has made its move and now I would like to see the provincial government reveal its program for the capital funding for the coming years. I think it's something that is necessary if we are going to see good, solid planning and generally good expansion of our Saskatchewan municipal system. It's interesting to note when you go through the estimates that you have provided fairly large increases in salaries in most areas. You've provided a fair amount of money into the urban revenue sharing pool, a lesser amount into the rural revenue sharing pool and still you're coming up at the end with a fairly large increase in actual dollars — something well in excess of 20 per cent for the total budget of the two combined. If you took the amount that you reduced the property improvement grant which is about \$9.6 million, then it will exceed the 20 per cent by a considerable amount.

There are a number of items that I'd like to touch on as we go through, but I would like to ask you, before we proceed, for a list of the grants that were paid for 1977, 1978 and 1979 for both the rural systems and the urban systems. In providing that information I would like it broken down so that it is meaningful. I would like to know the grants for 1977 which those systems received but I would like the comparable grants for 1978 and the comparable grants for 1979 so that they do show the amount of increase or

loss for each system in the province. Now, you won't likely have that with you tonight but I would ask you if you would bring it in later on.

I would appreciate very much if you would start out by telling us why the urbans receive more than the rurals in percentage increases? I think that rural Saskatchewan covers a lot of ground. They have a tremendous amount of roads to build, a lot of maintenance to continue with day by day and I think they have been cut quite a bit short. They feel they've been treated as second class citizens in the province and they'd like to know why. So, I'd like you to start in that area, please.

HON. G. MacMURCHY (Minister of Municipal Affairs): — Thank you, Mr. Chairman. Before I address some remarks to both the arguments and the questions put forward by the hon. member for Rosetown-Elrose perhaps since we're dealing with both rural affairs and urban affairs in his opening remarks, I can take the opportunity to introduce the staff from rural affairs.

Mr. Clampitt, the deputy minister is on my left. To his left, Stan Mingle, the executive director; Mr. Gelowitz who is the chief engineer sitting behind Mr. Mingle; Ron Sitter, who is the acting administrative officer here and Mr. Ernie Anderson, the bridge engineer, is the other member of the rural affairs staff.

Mr. Chairman, I think we are pretty happy with our revenue sharing program and the acceptance of the program in the province of Saskatchewan. There is no question that we were introducing a brand new kind of program for this country. While there has been an experiment in revenue sharing in the province of Manitoba, it has been a very, very narrow program. While there has been a development of revenue sharing in British Columbia, it is a fairly complicated program. Both programs simply were not acceptable, in our minds, to meet Saskatchewan needs. What we have developed, I think, is a program which is quite readily understood as well as being very acceptable.

Now the hon. member made mention that there is a good deal of similarity between our revenue sharing program and the foundation grant program for schools. I think we would have to accept that, particularly the allocation of a certain portion of the funds out of the revenue pools to both rural and urban municipalities, particularly the urban municipalities. There is a good deal of similarity between 40 per cent of the funding allocation for urbans with the foundation grant program for schools. I don't think the hon. member would be too surprised at that since the deputy minister of urban affairs here was the grants man in the Department of Education. I think (and I think he will agree) that the foundation grant formula for schools was a very, very successful program. The allocation of the funds, on a foundation or equalization kind of basis for the urbans only takes up 40 per cent of the total allocation. The other 60 per cent is paid out on a per capita basis. The proportion of equalization versus road grants on the rural side, is even less a proportion. While there is a similarity, it's not an extensive similarity. Where it does change significantly, our revenue sharing program, Mr. Chairman, relates to the issue and the policy of indexing. Because now that the pools of money are established, next year we'll be indexing those pools, or those funds, (and there are two of them) to factors in the economy as laid down in the revenue sharing legislation that was passed here in the Assembly a year ago.

Now with respect to the amount of money available to the municipalities, the increase in revenue sharing pool to the rurals last year was \$7 million. There was \$6 million allocated to roads, bridges and equalization and \$1 million allocated towards what we call the semiconditional portion of revenue sharing such as the road ambulance, the

fire protection, the recreation which is to come. This year the allocation is an additional \$6 million to the rurals, broken down into roads and equalization, with a million carried forward for the ambulance program, the fire protection program, the recreation program.

So what we have seen is the increase for the rural municipalities going from about \$18.5 million to \$32 million in two short years.

The hon. member will recall that SARM (Saskatchewan Association of Rural Municipalities), in coming forward with their position on revenue sharing, indicated to the government that they felt that the objective of the fund, or the objective of the pool, should be in fact \$33 million. So we've fallen a million short of their request of two years ago but we've come very, very close and we've provided a good deal of new revenue to the municipalities over a two-year period.

With respect to the urbans, our increase was \$12 million a year ago, \$10 million for per capita and foundation, \$2 million allocated for road ambulance, fire and recreation. An additional \$10 million is provided in this year's budget, the \$10 million going towards the per capita and for the foundation, with the \$2 million carried forward to bring their total pool to \$45 million.

Now, the hon. member indicated a concern about the level of the funding. I suppose there always will be a concern with the amount of money that's allocated to municipalities. I think there will always be a case to be made that there isn't quite enough. Just as when we do our budgeting process there never is quite enough. So I think there can always be a case made for that. We feel we have provided very handsomely over two years in terms of funding for the both the rural and the urban municipalities. With respect to the breakdown in terms of the amount for the urbans and the amount for the rurals, I think we are pretty well in line because it seems to me when you look at a population of about 600,000 people living in the urban communities and, let's say about 400,000 in the rural communities, a \$32 million breakdown is about right. One has to understand that the rural municipalities have high costs in road construction but one has to also understand that the urbans, particularly the larger the urban, have some built in operating costs which must be met and our objective is to accommodate both.

With respect to the allocation of funds, our practice has been to provide all members with allocations — and I think I provided to the hon. member the allocation to the urbans. We have the rural one ready. He has asked for the allocation for last year and the year before. We'll be glad to provide that information to the hon. member, but it will take us a bit of time to put it together.

MR. SWAN: — I think that when you talk strictly on the ratio of people — now there may be 600,000 in the cities and something around 400,000, a little under, in the rural — but I think you must also look at the size of the province that you are talking about, the amount of road building that is needed in rural Saskatchewan, the distance for ambulance travel that you have in rural Saskatchewan, and the cost of fire protection in the type of area you are looking at. And I believe that you can't go on strictly numbers of people to break out your figures.

In the high assessed municipalities in the province the grants have actually gone down and I think that your minister will verify that. In the lower assessed areas most of them are quite happy. They are getting a fair increase. But when I talk to the people in

Rosetown, in Mildren Lake and in Kindersley, the story is not a story of luxury at all but rather a story of less grants today than they received two years ago. I think that that in anybody's language can't be fair treatment. When inflation is running each year fairly high, approximately 8 per cent a year ago and this last year closer to 9 per cent, to get less money in grants than you had received before. It can't be working out right. I think your formula needs to be looked at in order to bring it into line. So I'm asking you if you have given some thought to a change of formula that will start to produce some revenue to these areas? They're paying taxes and they're paying lots of taxes. But they should be getting some grants and they're getting very little.

They tell me in the area around Rosetown, that they can't afford to go ahead and build roads since the revenue sharing system has come into play. If they're going to build any new roads, they're going to have to build it completely out of their own money because the extra cost that you demand to engineer the type of roads you demand in order meet the qualifications for grid road standards, are so high that they just can't go ahead even with the grant you do pay. They still must pay something like 58 per cent of the cost of the road. They tell me that that additional cost is far more than they can ever hope to recover in grant. So, I would like your comments on that area.

MR. MacMURCHY: — Mr. Chairman, with respect to the road grants, I think the hon. member will know that the main road grant is the main farm access grant and there's a formula for allocation of provincial funds towards that grant. I can get that information for the hon. member if he wishes it. But basically, what we have done is to set an objective of the construction of approximately 1,000 miles a year in that program area and we've allocated funds in relationship to getting that done. Last year, \$9 million, this year \$11 million is the allocation toward main farm access. That means their main farm access allocation has gone up, probably about 10 per cent or more.

With respect to equalization, I think the hon. member will be aware because I talked about it at SARM (Saskatchewan Association of Rural Municipalities) convention, that a year ago there was a concern expressed about the equalization formula. We established a committee representative of SARM, of councils, of the department, to look at that equalization formula. They took a look at it; they put forward some recommendations and when we applied their recommendations to the allocation of funds, we found there continued to be a problem. The hon. member will know that we provided what I would call a grandfather clause to accommodate that particular problem. The hon. member will also know that I indicated at SARM that the equalization examining committee, for want of a better word, will remain in place and I will be asking them again to review that equalization formula to see if we can adjust it to accommodate the problems that came forward as a result of application this year.

MR. SWAN: — When you spoke of the grandfathering, any time that I have worked with a group that talked about a grandfather clause, and that was mostly in the educational field, if you grandfathered somebody he didn't receive less than he had the year before. That is not happening under this grandfather. This must be a different kind of grandfather and I wish you would explain what he is like.

MR. MacMURCHY: — Mr. Chairman, as far as the grandfathering, this year, to my knowledge what it has meant is that no rural municipality receives less in the equalization formula this year than they did last year. I think when I present to the hon. member the list that he has requested, he will see that that is, in fact, the case.

MR. SWAN: — I am interested to find out why the figures that I am reading for salaries

throughout this estimate, are showing so high. I would like some explanation as to why, in many cases, we are seeing salary changes that are running 15 per cent and over. I think we need explanations on them and if you would like to provide the list of salaries for many of these areas, at least for the top people, that it would assist considerably in the process as we go through. Can you give me some of the top salary figures?

MR. MacMURCHY: — I think that two factors for the hon. member would be the negotiated increase, or the increase, and additionally increments. I can give the hon. member the deputy minister of rural affair's salary: for 1978-79, at \$42,475; the executive director for 1978-79, \$37,806; for the chief municipal engineer, \$34,991; for the deputy minister of urban affairs, 1978-79, \$43,680; for the assistant deputy minister, \$41,916. As the hon. member will know, the former deputy minister of municipal affairs is a special advisor to the minister, on formulas, legislation and so on. That is Mr. Walters. His salary is \$41,224.

MR. SWAN: — Could I have the comparable salaries for the estimated year for 1979?

MR. MacMURCHY: — For the Deputy Minister of Rural Affairs, \$44,141; for the executive director, \$40,500; for the chief municipal engineer, \$36,239. The three I gave you: for the deputy minister of urban affairs, \$44,885; for the assistant deputy minister, \$44,885; for the special advisor, (that's Mr. Walters, the former deputy), \$42,360.

MR. ROUSSEAU: — Mr. Minister, would you provide, at your pleasure, tomorrow or the next day, a list for all of the items under your department, under urban and rural — all areas of your department where salaries are involved — the salaries for every item under your department, including the 1978-79 estimated salaries, the 1978-79 actual salaries paid and the 1979-80 estimated salaries for all of the people that I have just asked for? At your pleasure. I won't ask the question again if you will give me your list in the next couple of days.

MR. MacMURCHY: — I want to get the question clearly. What you are asking for is the actual 1978-79, and the estimated 1979-80? Is that clear? Is that senior staff or all of the staff?

MR. ROUSSEAU: — Mr. Chairman, I will send over a form that I have made out. It will explain exactly what I want, but I want the senior staff of every item.

MR. KATZMAN: — Mr. Minister, vote 12, vote 18 and vote 19 of your department all refer to water, so I would like to do them all in comparison. They are all involved with water or assistance regarding water. Now vote 20 I'm not sure where to tie in, so I might do it under vote 20 separately. But all three of these votes refer to the spending of money to assist communities with water supply or grants for water and so forth. Could you explain to me, on vote 12 and vote 18, what the difference is between those two?

MR. MacMURCHY: — Well, Mr. Chairman, the Municipal Water Assistance program will be pretty familiar to the hon. members since it provides grants to villages and towns up to a maximum of 50 per cent for water and I think it is 30 per cent for sewage. That program has been around for some time and it is of real benefit. Subvote 18, The Water Pollution Control Assistance Act, was just, within this budget, transferred from the Department of Environment to the Department of Municipal Affairs, Urban Division. I suppose the best way to describe it, Mr. Chairman, would be an incentive for sewage

treatment program.

Mr. Chairman, no. 19 refers to special projects involving an agreement with PFRA (Prairie Farm Rehabilitation Act). The \$315,000 is the province's share of those special high-cost projects.

MR. KATZMAN: — Mr. Minister, I'm not sure if I have to go to DNS (Department of Northern Saskatchewan) on this one or if it is your department. In the North, road transportation is pretty difficult and right now the air ambulance is doing most of the flying. Are you giving any assistance to a private — let's assume Lac La Ronge wanted to have a service and yet they have to bring people to Saskatoon. How do you assist them on those?

MR. MacMURCHY: — Mr. Chairman, I think I would ask the hon. member to direct the question to the Minister of Northern Saskatchewan (Mr. Byers). Our program covers south of the DNS line, the established districts and so on.

MR. KATZMAN: — Some other questions. As I understand, is it your department or branch of your department that pays half the costs of a transit system bus when Saskatoon or Regina buys one? I believe you pay some assistance on fire fighting equipment for R.M.s and cities. Could you explain those, too?

MR. MacMURCHY: — The urban transit program, Mr. Chairman, comes under the Department of Highways. There are no fundings for urban transit in municipal affairs. With respect to fire protection, we have no capital program. We have an operating grants program where there's an agreement between municipalities to provide fire protection. Now, the municipalities may decide to put it towards capital but it's really meant to be a program to assist with operating.

MR. KATZMAN: — That's the dollar grant, I believe. On that particular grant, Mr. Minister, I believe it's a five-year or you suggest to the people it's five years but it depends if it comes up to the budget each year. Could you correct me if I'm wrong — is it a five-year or is it just each year as we vote it through in the House and you can't change the program?

MR. MacMURCHY: — Mr. Chairman, it's a dollar per capita with a maximum each year and we've made no reference at all to the length of an agreement at all. As long as they have an agreement then we'll provide the grant.

MR. KATZMAN: — So what the minister is saying is as far as you aware any R.M. that gets into one of these arrangements can count on those amount of dollars coming each year for perpetuity, basically. Is there an end line on this program right now or does the House just cancel it and that's the end of it?

MR. MacMURCHY: — Well, I think, there's no end line. Our assumption is, Mr. Chairman, that once the ambulance districts, the fire protection areas are spread throughout the province, those will automatically roll in to the revenue sharing pool and will be funded automatically. That's our assumption and we'll venture into new areas, let's say, as an example, possibly rat control or garbage disposal. So I think we can assume that they'll continue to be supported for fire protection and it would eventually be indexed.

MR. KATZMAN: — Mr. Minister, I want to go a little further on this one because in my

own constituency right now everybody is into the fire truck syndrome and making sure of protection for the people in the area. My concern is that nowhere do I find anything within the government to suggest the type of fire truck, the equipment they should have or recommendations on what they should look like for rural fighting. Urban is a different thing and there's no way that he inspects them.

Mr. Minister, in Ontario, for an example, anybody that has a fire truck is required to be inspected by a department of the government to make sure that it meets the standards the province requires and also requires that one or two volunteer firefighters are trained. Now I understand that is already being done in some department of the government where volunteer fire departments are trained. My concern is the array of oddball equipment that we are seeing coming out into the rural areas and the way it is not interchangeable. There is no basis for what they are buying. A fire truck is just a fire truck people think — a tank with water on it. My concern is that equipment. We should have some guidelines for lack of a better word; they should be told. These are the type of things you can look for. A rural fire truck — its concern is to have a large abundance of water. A town fire truck has got the hydrant system. Are you doing anything on that line of work?

MR. MacMURCHY: — Mr. Chairman, make it clear that this is a municipal program and there is only one condition on our funding under revenue sharing. That condition so far as fire is concerned is that there is agreement to provide fire trucks to a broader community than has been the case. The hon. member will know of cases where the town fire truck stopped at the edge of town and wouldn't go out to the country to fight a fire. This is to accommodate that particular problem. That's the only condition.

What is provided through the fire commissioner's office which is established in the Department of Labour is a program of seminars and provision of advice to municipalities seeking both the seminar and the advice.

MR. KATZMAN: — My question is would you suggest to the Department of Labour or your own department that when they sign this agreement which the minister has to witness before he gives out the grant, that the equipment doing the job should at least be capable of giving protection rather than leaving people with a false opinion that they have protection when actually a 200 gallon water truck fights nothing rurally. Are you considering recommendations or suggesting to these municipalities that go in with an R.M. on a joint that the equipment needed is something or another.

MR. MacMURCHY: — I think, Mr. Chairman, at this point in time we have a good deal of confidence in the municipalities. I think from what I have seen of their agreements they are building themselves in some pretty good equipment. I think we will just maintain the condition of agreement so far as this department is concerned.

MR. R. ANDREW (Kindersley): — Mr. Minister, a question from the people in my riding with regard to the road maintenance area. They have expressed a concern to me that this program seems to be superimposed on them from Regina as opposed to allowing the people from the area to determine whether or not they wish to have a larger area to be dealing with in their road program. Could the minister comment on that concern? It's a concern for a lot of the people in the rural municipalities in Saskatchewan.

MR. MacMURCHY: — Mr. Chairman, I don't want to get into the history of super-grid or of maintenance areas because I have a speech in my desk that I was giving on a motion resolution by the hon. member for Rosetown-Elrose.

We are aware of two concerns with respect to the super-grid program. The very, very broad concern for the mileage, both construction and oil, of that program — there is a great deal of concern arising with the rural municipalities about particularly the high cost of oil. Additionally, we're aware of the concern of the municipalities with the authorities or the maintenance areas. What has been established is a committee of SARM (Saskatchewan Association of Rural Municipalities), municipal councils and the Department of Rural Affairs, to examine that program. I hope the committee will report prior to the June round of regional meetings so we'll have an opportunity, at those regional meetings of SARM, to discuss their recommendations and firm up the policy.

I have indicated to the hon. member for Rosetown-Elrose that I believe the request for grid reconstruction has some relationship to the possible policy change with super-grid. We can consider that then as well.

MR. ANDREW: — A further follow-up on that question. What some of the R.M. people are saying to me is that we don't agree with this program. A lot of them are perceiving it to be the county system argument that was argued a number of years ago in this House. That's what the people are afraid of and they are concerned about that problem. What they're saying to me is that we don't accept this county system argument. If in fact the county system is going to come there's going to be larger rural municipalities, larger rural councils, then let's have them directed in a way more relevant to the people of rural Saskatchewan — that the concept of coterminous boundaries of this, that, and the next thing sort of fall into place. You are looking at trade patterns and that type of thing when you're determining whether the R.M. of Eston, for example, perhaps goes into the Kindersley area rather than down to Elrose and Beechy — down in there where there is no trade pattern whatsoever. So that's the other concern as expressed. I would ask the minister to perhaps comment on that.

MR. MacMURCHY: — Mr. Chairman, in response to the hon. member for Kindersley, I make it clear, as I do over and over again, that we have no plans as a government for the introduction of a county system or modified county system or regional government.

Clearly, the policy of the government is to encourage co-operation with some of the higher cost programs. Ambulance is an example of that. Fire protection, that the hon. member for Rosthern (Mr. Katzman) was debating just a minute ago, is part of that. The recreation program, the details of which I hope to announce very shortly, is part of that. I think the maintenance of oiled roads, where you have a system of connectors, is part of that, but it is not related to a policy thrust of this government to establish counties or regional government.

MR. ANDREW: — Does the minister, though, agree with me that it does tend to lead towards larger R.M. areas? In other words, you know you are joining, perhaps, three in most cases, into the maintenance area and really do you start interworkings of the government of those three rural R.M. councils? And really what they are seeing is that . . . perhaps, I say county system down the road. I don't suggest for a minute that you are trying to say that it is a county system now. But what we are seeing is a system being forced on the people of rural Saskatchewan that says that now you in R.M. 1, 2 and 3 must sort of be into this group together. So, what you are, in fact, creating is larger areas for the given R.M.

MR. MacMURCHY: — I think you can say that, as I say, we are encouraging co-operation for the delivery of certain programs. The ambulance area it has meant districts, districts

involving villages, towns and rural municipalities, cities and so on. With fire it has meant agreement between municipalities.

We think, based on what the commission (which was established under the former Minister, Mr. Wood) suggested as the vehicle to maintain the system, we are providing that vehicle in the maintenance area approach.

Now, Mr. Chairman, as I said, there is a committee looking at the mileage situation. They will, in that examination, be considering maintenance areas. And for my part we are prepared and we are open to look at the recommendations that that committee brings forward.

MR. ROUSSEAU: — Mr. Chairman, I omitted to ask a couple of questions a little earlier when I was asking about salaries. Does your department have any individual companies, partnerships, whatever, under contract and have you had any consultants in your department within the last 12 months? Or do you anticipate any? Also, I see your department is fairly well staffed. How many vehicles are you providing to your department? How many are you renting from CVA?

MR. MacMURCHY: — Mr. Chairman, in order of the questions of the consultants, the consultants in two areas: one, tied to the regional studies which are by agreement with the federal government and the municipal governments, Regina, Saskatoon, P.A., that work is ongoing and as soon as it is complete, we'll be releasing the recommendations of those studies.

The other area where we had the consultant of course, as the hon. member will know, will relate to Meewasin Valley and that consultant will be familiar to you, to the hon. member as a result of last Thursday evening.

The number of vehicles in urban affairs is 44, in rural affairs, 37.

MR. ROUSSEAU: — Mr. Chairman, just to add to those two questions. I take it your deputy minister receives a car on the same basis as the other deputy ministers have been getting: one at \$75 or 1 per cent of the cost?

MR. MacMURCHY: — In both of these cases, the deputy ministers have preferred to use their own vehicle.

MR. ROUSSEAU: — Then are they paid an allowance for the use of their own vehicle?

MR. MacMURCHY: — Each to his own. The Deputy Minister of Urban Affairs is on a \$75 per month, plus 8 cents per mile. So he's operating on that basis and that's his option; and the deputy minister of rural affairs is operating on from up to 12,800 kilometres at 13 cents, 13.5 cents per kilometre from 12,008 to 19,003 - 11.19 cents and over 19,003 - 9.63 cents.

MR. ROUSSEAU: — Mr. Chairman, I am very pleased that the Deputy Minister of Rural Affairs has decided to go kilometres. What happened to the other? You indicated 8 cents per mile. Are we using both systems in your department?

MR. MacMURCHY: — I will let the hon. member figure out the kilometres.

MR. ROUSSEAU: — Thank you. I won't bother spending too much time on it, but I am

surprised you are using both systems in your department.

The other question I have — you indicated consultants in your regional studies and you indicated one consultant — Meewasin Valley. How many in the regional studies, at what cost, and what cost is the consultant for the Meewasin Valley?

MR. MacMURCHY: — Well, Mr. Chairman, I think the easiest thing to do is to provide the hon. member with a list of the consultants attached to the regional studies and their costs. I think we can do that. We don't have that with us. I think the cost of the consultant for Meewasin (I'll get that figure for the hon. member). Perhaps we can go on, Mr. Chairman, and I will just send a note over providing the figure for Meewasin to the hon. member.

MR. ROUSSEAU: — Thank you, Mr. Chairman. I will just ask you to include then in your information for the regional studies the dollar amount that you are paying out, the number of consultants involved, as well as the share costs, (I understand you are sharing the costs with federal and municipal governments) and the portion paid by each level of government.

MR. LANE: — I haven't seen Mr. Franson since the election, so perhaps a question or two on Mr. Franson. Did he have leave of absence on election day and if so, did he have leave of absence on any other days during the recent provincial election campaign?

MR. MacMURCHY: — Well, Mr. Chairman, the staff here report they are not aware of any leave of absence provided to Mr. Franson.

MR. LANE: — I am sure you will want to check that out because if you also check the election returns there was a scrutineer listed for that particular poll. Perhaps it wasn't available to the department at all that day and you would want to check that out.

My first question deals (and I raised this with the Department of Highways and received no satisfaction) with the Rural Municipality of Edenwold, and I know that the Rural Municipality of Edenwold has been in contact with the department. It deals in particular with the Copper Sands Mobile Home Park but it also deals with the general problems in the rural municipality, and the same applies to the Rural Municipality of Sherwood. It is a matter that I have raised in the past, and that is that they do not have either the funds in the rural municipality or a program to supply an adequate access road to that particular Copper Sands Mobile Park. The rural municipality has attempted to have it placed in the highway system, without success. They have requested special status without success; they have tried the gravel pit, or the industrial access program, without success. The area is one of those areas where there are a lot of gravel pits and the industrial usage is just tremendously high. The rural municipality and the local people are being made to bear the cost of something that is not their fault. I know that this has been brought to the department's attention, but it strikes me that we can no longer say to these people, look, nothing is going to be done or nothing can be done. It is causing unbelievable problems to people in some of the villages and it is causing a particularly severe problem to the Copper Sands Mobile Home. I would like your response to that, whether you can instruct your officials to see if we can come up with some answer, because it is not their fault.

MR. MacMURCHY: — I think I am not familiar with the particular piece of road. The deputy minister indicates that it is a mile of existing grid. I think that it could be

designated as super grid, but that is not the solution the hon. member suggests because of the heavy gravel haul. I think therefore, that he is suggesting an industrial access designation, and I can indicate to the hon. member that we will ask the department to look at that road from that kind of designation point of view. In other words, you just wouldn't take a vehicle count, you would take the kind of vehicle traffic that is operating there. I think we can do that for the hon. member.

MR. LANE: — If you would consider, Mr. Minister, they had attempted that and the ruling came back that gravel is not an industry so it was ruled out on that basis. In fact, there's over half a million cubic yards of material being removed from the R.M. of Edenwold alone, most of which goes into the city of Regina. So perhaps the easy way of solving the problem is designing, when you have that heavy usage and removal of gravel, that as an industry.

MR. MacMURCHY: — Mr. Chairman, we're really trying to develop our industrial access policy. It's tied up until now to industry as we know industry, oil and timber. I think there's an argument for the kind of traffic that the hon. member refers to and we'll take a count and take a look at it. It's only a very short piece of road.

MR. LANE: — Thank you. With regard now to a continuing matter which you and I have discussed which deals with that regional planning study. I notice that the press statement by Mr. Franson indicates that the department is in the process of summarizing some 30 studies into shorter, more readable papers for the communities. Would the minister be prepared to undertake to supply the opposition and the municipalities, if they request, the complete studies as well as the summaries that you are having prepared?

MR. MacMURCHY: — Yes, Mr. Chairman.

MR. LANE: — Now, my read of the press statement today would indicate that there's no consideration of an urban transit system for the satellite or bedroom communities. Is that not being considered and if not, why not?

MR. MacMURCHY: — I have not seen the release today, but the assistant deputy minister who deals in this planning area, and this is one of the specific jobs he has to do, indicated to me, Mr. Chairman, that it will be part of the study and therefore part of the final report.

MR. LANE: — Would the minister, both in his capacity as Minister of Municipal Affairs and minister responsible for Transportation, undertake to give consideration to, (and I would suggest that it be studied, because I don't know the feasibility), communities like the ones, surrounding Regina, Pilot Butte, White City and whether or not STC (Saskatchewan Transportation Company) couldn't run a regular commuter service to those communities because the traffic volume, I think the minister well knows, is substantial. My feeling would be that they would get pretty heavily utilized if they were run on a commuter basis. Now, I know that they have some regular stops, but run on on a commuter basis, taking into account the needs of the community and their work times within the city of Regina, and I suggest Saskatoon as well.

MR. MacMURCHY: — Mr. Chairman, I think that would be part of the study. I am pleased that the hon. member has recommended STC as the vehicle for the service, should one be found feasible.

MR. LANE: — I don't know why you would be surprised. Now, with regard to belief, and I am referring to the release. I have your statement that you have not seen. It refers to the geological study, the cost analysis of building on different soil types. There has been a feeling, I believe with the department and certainly with some of the surrounding R.M.'s that are faced with the heavy growth and people moving out to the acreages, that we could do an awful lot to alleviate the problems the R.M.'s have if we could look at zoning based on the soil type and whether it's for good agricultural land or not. If it is not good agricultural land, perhaps a concentration of housing in a non-agricultural land may be much more advantageous than the objective criteria that we have now. I am wondering if that will be part of your study, that advantage, and if so, can you tell me if any information has gone back to the R.M.'s asking them to direct their minds to that particular issue?

MR. MacMURCHY: — Mr. Chairman, it is definitely a part of the study. No information has gone through the R.M.'s as part of the study. It is interesting that I have delivered the same kind of speech in hopes of getting the R.M.'s to be thinking along these lines, but insofar as the study is concerned they have not received any kind of information.

MR. LANE: — The other area that I notice is not referred to, I would ask whether it is being considered. We have some of the regional parks around Regina and Saskatoon. Will they be integrated into that study too because they are getting an abnormal usage on a short time hourly basis during the summer season?

MR. MacMURCHY: — Recreation is being looked at in a general sense and therefore an inventory will be taken of the parks.

I'm not familiar with any regional park within the vicinity — Saskatchewan Beach, I guess; it's a way out and it's a regional park. Last Mountain is a regional park.

MR. LANE: — It strikes me that they should be integrated in that study too, because the usage is coming not only from Regina but also . . . (inaudible interjection) . . . The Hon. Minister of Telephones indicated I'm becoming a socialist. I think that if he had shown a little more interest in those problems he could be here today (or would have been here four years ago).

MR. KATZMAN: — In the budget speech it is indicated, on page 10, \$15 million additional for senior citizens' grants for property taxes. That, I assume is your item under Vote 26. Am I correct?

MR. MacMURCHY: — Yes.

MR. KATZMAN: — Mr. Minister, I suggest to you that there is no additional \$15 million for senior citizens in this budget. I give you an example. In Vote 25, this year, you show \$40 million. Let's go back to 76-77 where it was \$42 million and 77-78 where it was \$45 million. If we take the increase that would normally have come about, and we follow it up to 78-79, which is \$49 million, then in the 79-80 budget we would have \$55 million for home improvement grants, which is exactly the total in Vote 26 in this estimate. This means that when you make the statement, in the minister's budget speech, which says \$15 million for senior citizens, in actuality all you've done is move figures around in your budget.

There is no new money here for senior citizens. You said there would be money for those over 65 to reduce their property tax. There is no new money here! If you follow

back these last four years you would find the figure this year would be \$55 million. Therefore, Mr. Minister, I suggest you are playing a hoax on the people of Saskatchewan by suggesting \$15 million for senior citizens when actually all you have done is move some money around, where normally \$55 million would have been available under Vote 25 which would be improvement grants but what you are suggesting now because you have taken and said election promise — those over 65 — we are going to give them an additional grant. You have actually just moved the money out of one area into another and I think you are playing games with the senior citizens because there is no new money here if you take the normal rise in that Vote 25 over the past three years.

AN HON. MEMBER: — Shame, shame.

MR. KATZMAN: — So I suggest, Mr. Minister, come clean and admit that there is no new money there.

MR. MacMURCHY: — Mr. Chairman, the hon. member knows I always do that. I think I won't get into the debate on what is a hoax and what isn't a hoax. But I point out to the hon. member that the figures he was using for increases in the Property Improvement Grants were based on increases in the grant in itself going up from let us say 22, 23 mills to 25 mills, etc. There is no increase in the Property Improvement Grant program this year in that sense. I think that under our department budget the senior citizens benefit in two areas in terms of new dollars: one, the renter's rebate program; two, the senior citizen's tax rebate program. The new dollars involved in the senior citizen's tax rebate program from the information that I have been provided is about \$8 million.

MR. KATZMAN: — Mr. Minister, I suggest that if you look at your figures there is a reduction of \$9 million this year from last year in the one vote so you can't say the formula's change is what caused it. You add the two votes together you get the same figure that a normal percentage increase would have brought it to and therefore, I can say that I suggest that you are playing a hoax on the citizens and especially on the senior citizens. I will give you the one point on the rent portion but that was not what was referred to on page 10 of the Finance Minister's Budget Speech where he said \$15 million for home-owners to reduce their tax burden.

So I suggest that either you have been given incorrect information from the Minister of Finance or the Minister of Finance is playing a hoax on the citizens of Saskatchewan.

I call it 10 o'clock.

The Committee reported progress.

The Assembly adjourned at 10:03 p.m.