

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**First Session — Nineteenth Legislature**

**Friday, April 6, 1979.**

The Assembly met at 10 a.m.

On the Orders of the Day

**WELCOME TO STUDENTS**

**HON. A.E. BLAKENEY (Regina Elphinstone):** — Mr. Speaker, it is my pleasure to introduce to you and to the members of the House a group of students who are seated in the Speaker's gallery. They are the Grade 8 class from Connaught School here in Regina. They are led by their teacher, Mr. Kaczowka. I believe they are about 28 in number. They are taking the opportunity to visit us today for the questions period and then we will do a tour of the building and I will have an opportunity to meet with them about 11 a.m. I know all members will join with me in expressing the hope that they find this morning's proceedings interesting and that they find their visit to the legislature, their tour of the building and the explanations from the guides useful in their educational work.

**HON. MEMBERS:** — Hear, hear!

**MR. R. KATZMAN (Rosthern):** — Mr. Speaker, I would like to introduce a group of 50 students from Waldheim School, Grades 11 and 12. They are here with their teacher, Mr. Schultz. They came in yesterday and have toured Regina. I hope they enjoy the question period. I will be meeting with them later.

**HON. MEMBERS:** — Hear, hear!

**INTRODUCTION OF GUESTS**

**MR. R.L. COLLVER (Leader of the Opposition):** — Mr. Speaker, it gives me a great deal of pleasure to introduce a Member of the Legislative Assembly from the province of Alberta, and his wife, Mr. George Wilstonhome from the Highwood constituency. He is seated in the Speaker's gallery with Mrs. Wilstonhome. It might interest all the members to know that Mr. Wilstonhome grew up in the Moose Jaw area and is now a representative in the Alberta Legislature. I am sure he will find our proceedings here very, very interesting in the light of the overwhelming majority that the Conservatives have in this legislature.

**HON. MEMBERS:** — Hear, hear!

**MR. KRAMER:** — When everyone thinks alike, no one thinks very much!

**SOME HON. MEMBERS:** — Hear, hear!

**QUESTIONS**

**Purchase Gas from Trans-Canada Pipeline**

**MR. R.A. LARTER (Estevan):** — Mr. Speaker, a question to the Premier in the absence of the

**April 6, 1979**

minister in charge of SPC (Saskatchewan Power Corporation). SPC has a potential loss of \$100 million for its swap deal with Trans-Canada Pipelines in 1976. As a result of a decision of the National Energy Board and the Supreme Court of Canada, has SPC made a decision to use its own reserves to cut the losses or will it continue to buy gas from Trans-Canada Pipelines?

**MR. BLAKENEY:** — Mr. Speaker, I believe that SPC is proposing to continue to do both. It is proposing to continue to buy gas from Trans-Canada Pipelines pursuant to contracts which it has with Trans-Canada. It is also proposing to use its own reserves and gas in Saskatchewan produced by private producers. As I indicated earlier in the House, it is my understanding that SPC (Saskatchewan Power Corporation) intends gradually to increase the percentage of Saskatchewan gas and decrease the percentage of Alberta gas so as to mitigate the combined cost of the gas which SPC distributes.

**MR. LARTER:** — Supplementary, Mr. Speaker. Mr. Premier, this major potential loss doesn't seem to be too much of a concern of the government. Can you tell me if any of the officials were disciplined as a result of this contract?

**MR. BLAKENEY:** — Mr. Speaker, I would not be able to give the hon. member that information without consulting with the members of the management staff of the power corporation. We are, of course, concerned about the contract and about the fact that the National Energy Board and the courts rules that the swap arrangement was in fact not a swap arrangement as we had assumed it to be, but was a buy-sell contract as the courts held it to be, with the result that the price was subject to escalation or subject to review by the National Energy Board. The price was, in fact, permitted to be increased by the National Energy Board.

**MR. LARTER:** — Supplementary, Mr. Speaker. Can the Premier tell this House the actual loss, or do you still anticipate it is going to be around \$100 million to the taxpayers of this province?

**MR. BLAKENEY:** — I would first indicate that it is a Saskatchewan Power Corporation matter so if loss is sustained it will inevitably be a loss to the gas consumers. While they are reasonably co-extensive with taxpayers there are some taxpayers who are not gas consumers (a significant number) and some gas consumers who may not be taxpayers. So I make that point just so that we understand what we are talking about. A good number of taxpayers are not gas consumers as anyone who goes about in rural Saskatchewan, as I do, will know. I make that point.

Secondly, I don't think we can say with precision, what the quantified loss (if that's the appropriate word) will be. I think members will recall that we had a trade deal with Trans-Canada where we supplied them with so many mcf (million cubic feet), so many thousands, probably billions of cubic feet of gas and they in turn were to return to us that number of cubic feet of gas — 80 billion thereabouts. Subsequent to the contract they asked that they get more money for their gas because they said it was a buy-sell contract and not a swap and they were sustained in that by the courts. That is the situation. I am not able to say to the hon. member what the calculated increased cost to the power corporation will be.

### **Statistics Canada Weekly Bulletin**

**MR. R.L. COLVER (Leader of the Opposition):** — Mr. Speaker, a question to the Premier.

Yesterday he took notice of a question which I asked in this Assembly. I wonder if he would be prepared to answer it today?

**MR. BLAKENEY:** — Regrettably, the answer is no. I have a little note from my staff saying that the people for the Department of Finance have not been able to locate the March 23rd Statistics Canada Weekly Bulletin, catalogue 11002E which . . .

**MR. COLLVER:** — The copy was returned.

**MR. BLAKENEY:** — That's right and I returned it to you. If you would be kind enough to return it to me, I will supply it to my staff. But my present situation is that you have a copy and we don't. Therefore, I am simply not able to respond to the hon. member's question at this time.

### **Increases in People Receiving Public Assistance**

**MR. J.G. LANE (Qu'Appelle):** — I'd like to direct a question to the minister responsible for social services (Mr. Rolfes). The latest quarterly or monthly bulletin that we have received from the department indicates that there are a total number at the end of January of 42,025 people receiving public assistance in the province of Saskatchewan. The provincial total of caseload by employment status indicates 22,000. It indicates fully employable, partially employable, undergoing training and seasonally employed of 5,564 cases. It seems to indicate that there's been (giving the consistency of this roughly 40,000 number) a failure of the government's policies with regard to breaking the poverty cycle and getting people off welfare. Have you made any significant new policies to, in FCL, get the employable people, particularly during the winter, off the welfare rolls and on to some type of employment?

**HON. H.H. ROLFES (Minister of Social Services):** — Mr. Chairman, first of all, I think to put things into context, the member will note that there has been a significant downturn of people on public assistance since 1971-72 since we took over. I think there were about 57,000 people on public assistance at that time so there has been a decrease of about 15,000.

Secondly, there certainly has been an increase in certain categories and one of the increases has been, of course, senior citizens. Mr. Speaker, here, I think, again to make sure that people don't misunderstand, for cost sharing purposes, people who are in nursing homes are classified under the public assistance programs and, therefore, there's a big category there.

Thirdly, right across this country and not so much here as in other provinces, the category of the single parent family has substantially increased. In some of the provinces, it's as high as 37 to 40 per cent. That is a real concern to the Ministers of Social Services across this country but here again ours is lower than in most others. The increase also and I announced this in a news release and also in this House, I stated that changes made to the UIC (Unemployment Insurance Commission) benefits whereby people can no longer qualify for unemployment insurance if they work for a certain period of time, we indicated at that time that that would cost the provinces a substantial amount of money and in many instances, people would have to go on public assistance. The other factor, Mr. Speaker, and this cannot be denied is that there are many people coming from other parts of Canada, particularly from the Maritimes, some from Ontario, some from Quebec, and some from British Columbia who are looking for employment in Alberta and Saskatchewan. They come through the province and, Mr.

**April 6, 1979**

Speaker, because of the cost-sharing arrangement, we must give them public assistance at least on an interim basis. Therefore, our number will be up to some extent; they'll be going up and down. We have made, I think, a substantial gain, Mr. Speaker, through ESP, the Employment Support Program. We have been very successful. About 80 per cent of those people who have been through these programs are not back on public assistance and I would hope we could expand that. The Minister of Finance (Mr. Smishek) has given me, I think about, \$4.3 million in that particular subvote and I'm hoping we can be even more affective than we have been in the past.

**MR. LANE:** — Supplementary, again, so that we can keep things in perspective. The '69-'71 years as the minister opposite has alluded to on many occasions, were an aberration in the statistics and in fact, the 40,000 to 42,000 range has been consistent roughly since 1956.

My question to the minister is this — in this Assembly last year, we asked if, given the high number of welfare recipients, you would consider a program during the summer months or during the winter involving those employable and with the aptitude, in special programs to train them as farm laborers to assist the farmers who have a manpower shortage during seeding and summer. You undertook at that time to study the particular program. Why did you not implement such a program? You indicate that you have; we haven't seen the results of it, nor have the farmers. The latest statistics indicate a significant shortage of skilled farm labour and the farmers themselves are crying for assistance.

**MR. ROLFES:** — Mr. Speaker, first of all, let me again correct the member. The statistics, if he goes back, will clearly show that the numbers at that time, in 1971-72, were 57,000 people on public assistance. I know that they will say yes, you took out DNS (Department of Northern Saskatchewan). DNS will only have about 870 cases, so that will not substantially increase the number. You can add those on.

We have substantially reduced the number on public assistance. My information is that we have the lowest number per capita on public assistance. Our programs are working.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. ROLFES:** — Mr. Speaker, I did give a commitment to the House that we would try and implement a program whereby we could train some of those people who are either potentially on public assistance or actually on public assistance, for farm labour. But the member must understand that you cannot take many of these people, who have no knowledge at all about farming, and put them on a \$50,000 tractor. Just no way can you do that. Many of those people simply do not have the skills. They don't have the training and you cannot do it overnight. We have done some of it but even if you took a couple of hundred it would not substantially reduce the number of people who are on public assistance. I think it is going to be a slow process. I think the ESP (Employment Support Program) as I say, has been very, very successful. We will continue to expand, we will try to give those people the skills that are necessary so that they can seek employment.

We have said that those people who can work, shall work. I think our records prove it. We have the lowest number of people per capita on public assistance in Canada. I think we are tied with Alberta and Ontario, Mr. Speaker. I think the record speaks for itself.

**MR. LANE:** — A final supplementary, Mr. Speaker. I think the record is wrapped in failure.

Will the minister give consideration, giving the high number, and again, I have given the statistical average for over 20 years in this province of 40,000 or better, would the minister, as British Columbia has done, give consideration to refusing assistance to those people who come from other provinces to take up work here without having a job in advance, and in fact, indicate in the strongest terms to the federal government that that is a change in the Canada assistance plan that should have been made years ago that people can't go from one province to another in the hopes of getting a job just to take assistance.

Secondly, will you indicate, or will you give consideration to making some liaison or some contact with the municipal governments of this province so that those who have not been used to a job environment can, in fact, be employed by the municipality in some way, at government expense, to break the poverty cycle, so that we can start to create some job skills in them and get them into the job force and off the poverty cycle?

**MR. ROLFES:** — Mr. Speaker, . . .(inaudible) . . .

**MR. SPEAKER:** — Order! I think the point of order is well taken. We are getting into a debate about this. We have both sides giving more information than is necessary and I wonder if we could stick to the questions and answers.

**MR. ROLFES:** — Mr. Speaker, two suggestions were made. Mr. Speaker, I want to advise the member for Qu'Appelle that I do have an advisory council and advisory board of municipal people. We did meet last January. I made that proposal to them but I would like to meet with them again in June, hopefully that they could take under advisement some way that we could have a program whereby those people who were on public assistance, or those who would go on public assistance, work out something with the municipal governments. I would be prepared to subsidize the salaries or wages of those people, with local governments, so that has been taken under consideration. I don't know whether the member has been talking to some of those people and now he is bringing it up in the House, but I can assure him, that we have done.

His suggestion, Mr. Speaker, that we should do away with the residence requirement, or that we should have a residency requirement, I cannot accept because, really, what that will do is lock those people who are in regions of Canada where there is high unemployment and say to them basically, you stay there and don't go out to look for jobs. I think the jobs are in Alberta; they are in Saskatchewan. The people, generally speaking, are coming here; they are looking for jobs. Mr. Speaker, I don't think there should be a residency requirement. All of the ministers of Social Services across Canada agree with that and when I go to these conferences I will support the no residency requirement.

### **Lambert Commission Report — Department Costs**

**MR. P. ROUSSEAU (Regina-South):** — Mr. Speaker, a question to the Minister of Revenue. Mr. Minister, in light of the recent release of the Lambert Commission report in Ottawa and specifically the recommendation where departments should operate on a cost-recovery basis, are you prepared to accept and adopt this recommendation within your government and specifically your department? Specifically again, I will refer to the charge for the use of aircraft, on a 30 cent per mile basis, instead of the \$2

**April 6, 1979**

which it actually costs you.

**HON. W.A. ROBBINS (Minister of Revenue, Supply and Services):** — Mr. Speaker, we have an appropriation in the Department of Revenue with respect to aircraft, which is related to the cost of the aircraft. That is in the appropriation in the Department of Revenue simply because if that craft is on the ground that cost is involved. The costs that are charged with respect to mileage are related strictly to the fuel consumed and the board or keep of the individual pilots in terms of where they have to stay when they go on a trip. The actual cost of the handling of the aircraft themselves, related to depreciation, repairs, and those sorts of things and the wages of the pilots (because the pilots have to be paid whether they are flying or not) are charged in appropriation in the Department of Revenue.

**MR. ROUSSEAU:** — A supplementary, Mr. Speaker. Whether they are on the ground is immaterial, Mr. Minister. The fact that you own them is the cost, the fact that you have them in operation, and they are being used by the department. Why not charge the department using them in the amount it is actually costing you, the total cost and not only part of it? It's the same as anything else. If you own and operate something, it's the total cost and not a breakdown of certain costs.

**MR. ROBBINS:** — Well I don't necessarily agree with the member, Mr. Speaker. I think it's a reasonable proposition to make sure that the depreciation costs, etc., associated with those aircraft are carried in appropriation in the Department of Revenue.

**MR. ROUSSEAU:** — A final supplementary, Mr. Speaker. The true cost doesn't show up to the user department in that case. My question to you is, are you prepared to accept and adopt the recommendation of the federal government? They seem to see fit to do it in that respect; why not the provincial government?

### **Shareholders of CCF Printing Company**

**MR. G. MUIRHEAD (Arm River):** — Mr. Speaker, the CCF Publishing and Printing Company Limited, as the Premier stated the other day in the House, has been kicked around many times in the past. But government doing business with its own NDP party is by everyone else's standards a conflict of interest. My question to the Premier is this. When I searched the file of the CCF Publishing Company on Wednesday, I was not able to find an updated list of the preferred shareholders after 1974 as required by law. There was a note attached to the file saying, 'obtained 49,000 preferred shareholders of company at 1630 Quebec Street', and I have this copy here of the document.

**MR. BLAKENEY:** — I acknowledge the hon. member's question.

**MR. MUIRHEAD:** — My question to the Premier. When I went to the office of the CCF Publishing and Printing Company, they refused to give me the list of the shareholders. I would like to ask the Premier why does this company not have to comply with the law as anyone else has to? Secondly, they must file a balance sheet with each annual return by March 1 of each year; why does the CCF Publishing and Printing Company not have to comply?

**MR. BLAKENEY:** — First, with respect to the questions asked by the hon. member, the CCF Publishing and Printing Company Limited has no different obligations in law than anyone else, and I frankly don't know whether the hon. member's facts are accurate,

and if so, what the explanations for the seeming conundrum which he raises. I am sure I do not have the records of the Department of the Provincial Secretary at hand but I'm equally certain that the Provincial Secretary would be happy to offer some information to the hon. member and I'll take notice of the question.

**MR. MUIRHEAD:** — Another supplementary.

**MR. SPEAKER:** — I'll seek a new question.

**MR. MUIRHEAD:** — Also, when asking the Provincial Secretary, ask this, is the minister aware . . .

**MR. SPEAKER:** — Order. I'll seek a new question.

### **Miss Argue and Land Bank Land**

**MR. R. PICKERING (Bengough-Milestone):** — Mr. Speaker, a question to the Minister of Agriculture (Mr. Kaeding). The other day, Mr. Minister, you advised this Assembly during a debate on a motion put before the House by our hon. member for Kindersley (Mr. Andrew) about land bank. You had met with a Miss Argue who farmed some land bank land in the Kayville district, and you indicated that she loved to farm and farmed all of her own land. Is this true, Mr. Minister?

**HON. E.E. KAEDING (Minister of Agriculture):** — As far as I'm aware she's farming the land that she has from the land bank. That's all I know.

**MR. PICKERING:** — Supplementary, Mr. Speaker. Mr. Minister, I have in my hand here a copy of a lease between a Miss Argue and an Ormiston district farmer for a one-half section of land owned by a Miss Susan Argue. Does this not give you another indication that Miss Argue cannot farm all her land and should not qualify to farm land bank lease land?

**MR. KAEDING:** — Well, Mr. Speaker, I don't have a copy of the document that he has in hand. I'm sure that if he will give me the copy of the document I'll be prepared to look at the situation and see whether there is any breach of contract or anything else. My observation in this particular area is that this is a family type of operation and there is some cross help being given between the various members of the family. That's not inappropriate. It seems to me that that is done all over the province of Saskatchewan and we should not discourage that. Whether there is any additional work being done by other people, I don't know.

**MR. R. ANDREW (Kindersley):** — Supplementary, Mr. Speaker, to the Minister of Agriculture. Would you not agree, Mr. Minister . . .let us assume that this girl has two sections of farm land, including three quarters of it which belongs to the land bank which is leasing to her. Now, if a half section of that land that belongs to her is leased out to a third party, do you really think it's fair and do you think that it's in the spirit of The Land Bank Act that she can lease out.

**MR. SPEAKER:** — Order! I'll take a new question.

**MR. ANDREW:** — It's her own land and . . .would you not agree, Mr. Minister that if a person leases from the land bank, the object is for that person to create a viable farm unit and that should not include being able to lease out some of their own land.

**April 6, 1979**

**MR. KAEDING:** — Well, of course, you started out by saying is an assumption that she had land that she was not farming . . . (inaudible interjection) . . . Well I have indicated that I am prepared to look at it if he has evidence. The indications I have from the family is that that's not the case. So we are talking about assumptions here, we're not talking about facts. If you can verify facts for me I'm prepared to listen to them and look at them.

**MR. D. M. HAM (Swift Current):** — I would like to direct a question to the Minister of Tourism — where did he go? Go ahead. I'll get him when he comes back.

### **Abandoned rights of way**

**MR. H. SWAN (Rosetown-Elrose):** — Mr. Speaker, a question to the Minister of Municipal Affairs. Some time ago there was a question raised in the House with regard to the property that is left when the railway abandons a right of way. I would like to know, Mr. Minister, what is the state of your negotiations with the federal government and the urban and rural municipalities with regard to the land that is being abandoned when a railway right of way is released?

**HON. G. MacMURCHY (Minister of Municipal Affairs):** — First of all, Mr. Speaker, in response to the hon. member's question, abandoned rights of way in the urban municipalities are still with the railways. There is no basis of transfer as yet, no policy relating to them. With the rural municipality there is a policy of transfer to the municipalities. Two things have happened. The federal minister has established a committee representative of the province (meaning municipality, community). We have appointed a person to that committee to decide on allocation to individuals. So that structure is there. There was no negotiation re that that was a policy laid down by the federal minister of transport.

Additionally, we have established a planning area commissions to deal with zoning and development control. So we have two structures: (1) established by the federal government, which will deal with ownership; and, (2) structure established by the province to deal with the zoning and the development.

### **COMMITTEE OF FINANCE — THE LOCAL GOVERNMENT BOARD — VOTE 22**

**HON. G. MacMURCHY (Minister of Municipal Affairs):** — Mr. Chairman, I will introduce the people whom I have with me from The Local Government Board. Sitting beside me is the Chairman of the Board, Norm Rosenberg. Sitting behind is Mary Molnar, administrative officer and assistant secretary; Mr. John Chancy, the secretary of the board, and seated at the back we have two board members, L.H. (Scoop) Lewry and Martin Janzen.

### **ITEM 1**

**MR. H. SWAN (ROSETOWN-ELROSE):** — I don't propose to take a lot of time on Local Government Board. I think it has shown a very responsible attitude as a board to come in with a modest 10 per cent. That's the first one that we've had come through here at 10 per cent. So, for that reason, I'm not going to question it very much.

Item 1 agreed.

**MR. MacMURCHY:** — I'd like to thank the hon. member for his compliment. And

perhaps it's not surprising, since Mr. Rosenberg is a former town secretary of Melfort, as he will know. In fact the board is made up of these kind of people, so they are very efficient, and I thank the hon. member on behalf of the board and its staff for his compliment.

The Local Government Board Vote 22 agreed.

### TRANSPORTATION AGENCY OF SASKATCHEWAN — VOTE 41

**MR. CHAIRMAN:** — Order, order please. Now if the minister would care to introduce his support staff, please.

**HON. G. MacMURCHY (Minister of Municipal Affairs):** — Mr. Chairman, I introduce on my right, the Executive Director of the Transportation Agency of Saskatchewan, Dr. Gerry Gartner, and with Dr. Gartner is the Administrative Officer, Erna Stinnen behind me here.

### ITEM 1

**MR. R.L. COLLVER (Leader of the Opposition):** — Mr. Chairman, when this agency was first introduced (I believe it was either last year or the year before) it came in with a thunder. It came in with a great round of applause from all sides of the House and I think from the people of Saskatchewan as well, that finally the Government of Saskatchewan was going to take seriously the whole field of transportation in our province and the really serious problems that all people in Saskatchewan experience with reference to transportation. Serious problems. Mr. Chairman, we have yet to see the results of this agency, so my first question to the minister is this. Given the real problems that we face with the Canadian National Railway, the Canadian Pacific Railway the problems with trucking in our province; the truckers are going broke in many of the rural areas as the minister knows; they're not being replaced so that some of the rural areas are experiencing serious difficulty, would the minister be prepared to tell this Assembly just what has this agency accomplished since its inception?

**MR. MacMURCHY:** — Well, Mr. Chairman, in response to the hon. member for Nipawin (Mr. Collver), from our point of view the transportation agency has done an outstanding job and has an outstanding job still to do. The reason for the establishment of the agency was, I think, first and foremost to deal with the rail situation in the province. At the time of the establishment of the agency, we were facing preparation for a position both as a province and I think in broader terms than that, province meaning government, province meaning community, for making presentations to the Hall Commission on grain-handling and transportation. I think the work of the agency, the work of the transportation advisory council, the work in particular relating to the Transportation Advisory Council of Harold Horner who is well known both to the province and to those who have followed this issue outside of the province, has dealt adequately and beyond adequately in terms of putting forward the problem of rail transport. Additionally now, in this area, its involvement has shifted from a discussion, an examination, suggestions dealing with the problem into positions relating to the cure.

I think it is obvious to the hon. member for Nipawin (Mr. Collver) that Saskatchewan is the one province which has followed up on the recommendations of the Hall Commission, has followed up with a positive position with money on the table. The transportation agency has played a very vital role in staking out the position. In the

**April 6, 1979**

other areas that the hon. member raised, the area of trucking, the transportation agency has played a role, not a major role, in terms of attempting to sort out the problems of trucking in rural Saskatchewan but it has played some role. I think the process of solution is coming re transportation problems in rural Saskatchewan. A major problem was faced with the withdrawal of CN and CP trucks. I think we've gone some way of accommodating that situation. True, there's more to be done and there are proposals being examined to do just that.

Finally, I think the agency through one of its staff, Carl Shields, has just done an outstanding job in the area of traffic safety. We're pretty pleased with the agency, obviously as any agency of government can be subject to some criticism but I think its intended role has been met, is being met. We look forward to using this vehicle, this agency, in working out a solution to our grain-handling and transportation problem.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. COLLVER:** — Well, Mr. Chairman, I earlier stated and the minister will be aware and will recall that when this agency was established — I don't recall whether the Liberals to my right in the last session of the legislature were in support of this agency — but certainly the Progressive Conservatives were. I am not certain of that, but certainly we applauded the Government of Saskatchewan for creating the agency, and for as long as the minister assured us (as he did at the time, I recall), assured this Assembly that he was not just making redundant work, work that was already done by another department. He assured us that this was not the case, that this was going to be an overall organization that would, in fact, program and plan all of the transportation needs of the province of Saskatchewan and would, in fact, develop real alternatives to the kinds of attack on the transportation system in Saskatchewan, that have been over the years traditionally made by the federal government in Ottawa and, in fact, are continuing to be made by the federal government in Ottawa. The minister has mentioned that on many occasions.

My question to the minister is this. He says that they made submissions, that the agency made submissions, to the Hall Commission. Well, I suggest to the minister that a great many people made submissions to the Hall Commission and the Hall Commission came out with good recommendations that we all support, or at least all in this Assembly support. Yet, with the transportation agency supposedly taking the position of Saskatchewan and supposedly standing up for the province of Saskatchewan, we still have the federal government introduce PRAC (Prairie Rail Action Committee). We still have them negate the Hall Commission and come forward with exactly what all of us in this Assembly, at any rate, are opposed to and that is a diminution of the importance of rail lines in the province of Saskatchewan.

I suggest to you that the transportation agency has not made the case strongly enough, because if it had made its case strongly enough, Otto Lang and the Liberals in Ottawa would never have dared come out with PRAC.

Secondly, we have seen no indication at all that the transportation agency has worked out an overall program to indicate that the total transportation system is important and is being examined and studied. We have seen no indication, as the minister said he was going to do when he established the agency, we have seen no indication that the transportation agency is tying together trucking, rail lines, air transportation, and road networks in the province of Saskatchewan and coming out with an overall scheme of

things, that is in any way to be used as a guideline. I am not talking about any master plan that is not able to be changed. What I am saying is that the transportation agency, presumably, was going to study all aspects of these problems and was going to come out with some ideas, some new ideas.

What I asked the minister, this morning, is this. What new ideas has the transportation agency come up with? In what way have they come out with some new positive suggestions for transportation in our province? What have they done except to try to present, from time to time, a reactive, if you want, to the actions of the federal government? Has there been any overall planning? Has there been any overall scheming by the transportation agency, to give some ideas and suggestions?

We suggest that the results would indicate the answer is no. For example, in air traffic, we have seen a continued diminution of air transportation in our province. The transportation agency came into existence. NorCan Air now doesn't go to Minot. I'm not going to say whether NorCan Air should go to Minor or should not go to Minot, but the fact is, they don't go to Minot. Yorkton is still not served by air. North Battleford and other communities in the province are still not served by air.

We still have very serious problems with regard to trucking. As the minister will well know, especially in some areas of his own constituency, and certainly in areas of my constituency, there is a problem of proper and adequate trucking service and freight trucking service to these local communities so that they are not held up to ransom both in terms of delays and in terms of costs of that trucking.

We had PRAC (Prairie Rail Action Committee) introduced in the rail network and there was no improvement and the minister will know. He has a transportation agency, yet when the PRAC recommendations were brought in, he went on an open-line show and he hadn't even read the PRAC report. Now I say to you, Mr. Minister, we are talking about expending \$1,229,000. It might interest you, Mr. Minister, to know that the transportation agency expenditure, in total, would more than meet the needs of the Medical Care Insurance Commission in terms of any settlement that it might want to grant to the doctors of Saskatchewan, more than meet the needs. Perhaps that much money put into medicare might enable the doctors to stop direct billing of patients. I suggest to you, that that is a possibility. Now we admit that transportation is important and we agree that it is essential that a proper network of transportation and ideas for transportation be established in Saskatchewan. What I asked you was not to use the words, "outstanding, first-class." Those are subjective words. Would you please tell this Assembly what concrete proposals are being put forward by the transportation agency, what programs you are going to do next year; what you are going to introduce next year; what kinds of studies are being undertaken; what kinds of ideas are they examining?

**MR. MacMURCHY:** — Mr. Chairman, I'm not sure whether the hon. member has the wrong interpretation of the role of the transportation agency. I listened to his remarks and it occurs to me that he sees the role of the transportation agency as some super department, over all other departments. It's going to provide the policy for highways or for whatever. That was not the intended role. I don't recall at any time during debates regarding the transportation agency where I have given that kind of indication. I think the role of the transportation agency is to co-ordinate; the role of the transportation agency is to fill in gaps, and that's the role it's been trying to play in a general way regarding the operations of the Government of Saskatchewan. Now, I think the hon. member will agree that the number one issue facing Saskatchewan is transportation of

**April 6, 1979**

grain. No question. The pressure is really on — not to talk about the problem, because there's been all kinds of talk about that — but to seek a solution and to seek a solution very, very quickly. The hon. member will know that we're losing grain sales now, deferring grains sales now, because of an inadequate transportation system. So therefore, it seems to me that in coordination of provincial government efforts that's got to be the number one priority of this agency and in fact that's what is the number one priority of this agency.

I think in terms of priority, you've got to set aside issues like air. We've got to put in a secondary basis issues like trucking, and the bus system, although there has been involvement of the agency in that particular area. Now it's fine for the hon. member to say that this agency, in providing the government the tools to take positions, should have been able to stop the PRAC report, or should have been able to stop PRAC. But there's no question that the federal government was informed of the position of this government with respect to the Hall Commission report. But we supported Hall's recommendation on the Prairie Rail Authority. That position was supported by the Manitoba government, that position was supported by the Alberta government. The combined efforts of the three governments did not prevent the federal transport minister from ignoring that Hall recommendation. And we've talked about the tragedy of the decision because of the thought put into the Prairie Rail Authority by the Hall Commission. Those combined efforts didn't prevent the establishment of the Prairie Rail Action Committee, and to lay the blame at the feet of transportation agency and its minister solely, I think, is not a responsible statement by the hon. member for Nipawin (Mr. Collver).

Now with respect to the criticism that's been addressed at the minister regarding the Prairie Rail Action Committee report on an open line, I think it is true. When I was on the open line I had not read the report and I said so. How could I read the report when I had only just that morning received the report? My response related to the press statement and the press reports which had been before the people of Saskatchewan for three or four days prior to my appearing on the open line show. I was very careful to say that if the recommendations in PRAC are what the press say, then obviously we have to be opposed to those recommendations. I think I made that clear and if it wasn't clear to the hon. member, it was certainly clear in my mind and it was certainly clear in the minds of a lot of people who contacted me after, congratulating the Government of Saskatchewan on the position they were taking regarding branch line abandonment.

**MR. COLLVER:** — Mr. Chairman, it is interesting to note that the minister still has not answered my question. I can accept the importance of transportation of grain and that it is the number one issue in the province of Saskatchewan. That's true. But if the transportation agency was doing its job, to review all of the transportation needs of the province of Saskatchewan at a cost of \$1,229,000, perhaps we would have been prepared to present some solutions that might have had some meaning.

If the minister is telling me that the Transportation Agency of Saskatchewan is a research department for the NDP to present NDP policy positions, then I say it is a waste of money and a waste of time. If on the other hand, the Transportation Agency of Saskatchewan is to do what the minister said it was to start with, not just to present reports on the transportation of grain but to review the overall transportation needs of the province of Saskatchewan, then in fact, some new ideas could come forward.

When you say that I am laying the blame at the foot of the minister and the transportation agency because after the Hall Commission, Otto Lang and the Liberals

in Ottawa continued to insist on policies like the PRAC report, darn right I am laying the blame on you. The fact is that at the time that this agency was created, Hall had still not given his report. We were still awaiting the Commission report. Submissions were made all over the province of Saskatchewan and a good, sound report ensued.

The transportation agency was still in existence. Now it is still in existence after that. What did they do after that, Mr. Minister? The question that I asked of the minister was specifically, what has the transportation agency done since its inception? If you are saying to me that it has made submission to the Hall Commission, if you are saying to me that it has provided ammunition for you to announce your political stand, then I say to you, the transportation agency is a waste of money.

**MR. MacMURCHY:** — Mr. Chairman, perhaps I can outline some examples to the hon. member of the activities of the transportation agency.

I think probably the one key proposal that has come forward from the government regarding the transportation area to meet the immediate high priority situation is the crow rate guarantee plan. Now, if the hon. member thinks that plan is a political plan then I would want the hon. member to indicate so. If that is the case then he is in the same breath saying that the Hall Commission proposal resolution is a political kind of proposal. Certainly it has implication for government decision and in that sense it is political, but I did not interpret the hon. member's last remarks in that kind of light.

The transportation agency has put together a proposal for a rural bus assistance program which is operating out of the Department of Highways and in operation now. The rural bus assistance program — the hon. member for Rosetown-Elrose (Mr. Katzman) will be very familiar with that little program, because it is operating in his constituency. I think the people of Rosetown-Elrose in that particular area who were without that kind of transportation are pretty happy with the development of this bus assistance program. I note the hon. member for Nipawin (Mr. Collver) was not familiar with this program. He should be familiar because it involves his area.

The transportation agency has been involved in changing the trucking policy for the forest timber industry, involved in the development of the industrial access road program which is going to be a very, very important program (is a very, very important program in the North) and will be increasingly so in relationship to the new developing heavy oil industry in the Lloydminster area.

It has been working on an intermodal passenger station strategy, heading up this strategy for Regina. I think the hon. member will be familiar with the work that's going on regarding the utilization of the union station here in Regina as well as at Moose Jaw, as well as at Melville. It was the lead agency in negotiating through the recently assigned agreement between SARM (Saskatchewan Association of Rural Municipalities), and the Department of Highways for a system of spring bands for municipal roads and highways. I think that gives the hon. member some examples of the activities of the agency with, as I say, the No. 1 one, the rail grain transport.

**MR. COLLVER:** — Well, that was certainly an interesting discussion by the minister. The crowrate guarantee plan was announced by the NDP during the last provincial general election campaign. It was announced by the party. It was not, so the member for Kelvington-Wadena (Mr. Byers) is wrong. It was announced during the course of the last provincial election by the NDP. So what the minister has admitted today is that the

**April 6, 1979**

transportation agency of Saskatchewan is in fact a political research arm of the NDP.

We say that's nonsense. First of all, the rural bus assistance plan I was not aware of, and I am pleased to hear that that's the kind of program the transportation agency is involving itself in. If that plan is a good one (and the member for Rosetown-Elrose, Mr. Swan, says it's certainly good in his area) it's terrific, but don't tell me the transportation agency is only set up to do that.

The industrial access road program was announced long before the establishment of the transportation agency by the minister. So were uniform weight limits announced long before the establishment of the transportation agency. The fact is, I'm asking the minister what new program, new ideas, new developments and new planning is this department involving itself with? What new ideas is it putting forward with reference to the number one problem, for example, the transportation of grain? What new ideas? The NDP put forward the crowrate guarantee plan which, during the course of the last provincial election, was supposed to have been a definitive plan, and only after the election was it announced that it was dependent upon the federal government — only after the election.

We concur totally that transportation of grain is the number one priority in the province of Saskatchewan. We have lost sales. We concur totally however, that another very serious and material problem is the trucking of supplies into rural areas. That is a material and serious problem as the minister will be well aware. I say to the minister that the transportation agency should not be an overall transportation-czar agency. It should be an idea agency.

The minister mentioned co-ordinating and he mentioned two or three examples of the kinds of programs the transportation agency has been involved in, but what have they done? The rural bus assistance plan is the only plan that he's announced today that he can state without any doubt is the transportation agency's baby. And don't tell me that it costs \$1,229,000 a year to come up with a rural bus assistance plan that's operated by the Department of Highways.

Mr. Chairman, the fact is, what we are concerned about is that the transportation agency do its job. We supported the creation of this agency, and we supported the minister in setting it up. It's an expensive agency. We want to know that they're doing their job. Are there any programs or studies done by the transportation agency, or planned by the transportation agency in Saskatchewan that the minister can table that would indicate some new ideas for transportation in Saskatchewan? Are there any studies or programs that the transportation agency has created or is about to embark on that would indicate to the people that this agency is, in fact, doing its job and that we're not just wasting the \$1,229,000?

**MR. MacMURCHY:** — Before I respond to the last question put forward by the hon. member for Nipawin (Mr. Collver), I can't let his comments regarding the announcement of the crowrate plan go by without making a clarification for the House. To say that the crowrate guarantee plan was announced by the New Democratic Party after the election was called is just not a true statement.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. MacMURCHY:** — It's just not true. The hon. member knows that in August the Hon.

Edgar Kaeding, the Hon. Norm Vickar, and myself met with representatives of the alfalfa dehydrating industry, with representatives of the rapeseed crushing industry, here in Regina, and we put forward the crowrate guarantee plan to them. And I will get the actual date of that meeting, so I can provide it to the hon. member so he has this clear in his mind. And the plan was put forward then as it stands now. As a matter of fact, the full-page release to the paper on the crowrate guarantee plan was put out on September 12, 1978, and the election had not yet been called by the Premier of Saskatchewan. So I will provide the hon. member the actual date of the meeting with the processing industry at which our government unveiled this solution based on the Hall proposal for the establishment of the crowrate guarantee plan.

Mr. Chairman, in response to the hon. member's final question on what is the transportation agency doing or what has it done relative to the issue of trucking, I report this. Faced with the withdrawal of CN (Canadian National) and CP (Canadian Pacific) we asked the Transportation Advisory Council to look at this issue. The hon. member will recall the council had hearings in the province. Following those hearings, came forth a report on transportation, on general merchandise trucking, and some action has been taken by the Government of Saskatchewan re that report. Other actions are still pending decision.

**MR. COLLVER:** — No, Mr. Chairman, it's not agreed. First of all, I think the minister is certainly splitting hairs when he talks about the release of the crowrate guarantee plan on September 12 and the election was called four or five days later. As a matter of fact, the member for Rosthern (Mr. Katzman) informs me that his wife, who operates a weekly newspaper, already had the NDP ads that were going to be placed in the paper also pertaining to the crowrate guarantee plan in her hands at the same time as the announcement. So don't split hairs on that. The minister will also recall that there was a meeting by one of the members in Yorkton where he announced a very similar program to the so-called crowrate guarantee plan which was a direct copy of the L-CEP (Livestock — Crown Extension Package) program put forward by Mr. Grant Devine, a direct copy of that program which was very similar to the so-called crowrate guarantee plan. The fact remains that that was a political program announced by the NDP for election purposes. It would have been a good program if in fact the NDP meant what they said. Instead, what they did during the campaign was, they said we're going to put it in for sure and after the election, they said we're going to put it in if the feds will put it in. Oh, yes, sure.

**AN HON. MEMBER:** — That's your version.

**MR. COLLVER:** — My version, nothing. I've asked the member for Shellbrook (Mr. Bowerman) to rise in his place today and state one farmer who had received one dime from the crowrate guarantee plan. Name one. It has been six months since the last election. Name one farmer in Saskatchewan who has seen one dime of it.

**AN HON. MEMBER:** — He doesn't know one.

**MR. COLLVER:** — There isn't one. Name one producer who has received a dime. The point is the federal government has not come forward with the necessary so-called guarantees to the provincial government, so the province cannot go ahead with its crowrate guarantee plan.

**MR. BOWERMAN:** — There isn't any more reason why we should believe in it than the public of Saskatchewan.

**April 6, 1979**

**MR. COLLVER:** — Well we'll see about that. You just tell me one farmer that's received a dime under the so-called crow rate guarantee plan. Name one.

**MR. CHAIRMAN:** — Order. Order, please. I think the minister is quite capable of answering the questions here without any assistance, and I ask any time that questions are directed to him that they be directed when the members from the opposite side stand in their seats, please.

**MR. COLLVER:** — Thank you, Mr. Chairman. The minister did not, however, answer my question. What programs, what studies can the minister provide to this Assembly to indicate the work of the transportation agency for new ideas for the future of Saskatchewan transportation.

**MR. MacMURCHY:** — Mr. Chairman, I indicated to the hon. member regarding his last question. I don't think he has listened to what has happened in the coordinating capacity of the transportation agency. I responded in my final comments that last time I was on my feet regarding the activities of the agency in trucking. I've now received the information I was seeking because I wanted to be sure so the hon. member would be sure, and he can refer to splitting hairs, and so on. He can talk about Grant Devine. I can't recall in my mind — and if the hon. member has any documentation which would clear this up — I don't recall any proposal from that particular staff member of the University of Saskatchewan regarding a crowrate guarantee kind of plan. I recall his position on feed grain policy. It seems to me that was the main thrust of many of his comments. But if there is something that I don't know, I will be glad to be straightened out.

However, I want to clarify the date. On August 18, 9:30 a.m., here in the legislative building, Mr. Vickar, Mr. Kaeding and myself met with that industry, where we put forward the crowrate guarantee plan and we released the plan at a press conference that afternoon, so that Friday afternoon, and that was more than a month before the election call.

As we get into this discussion regarding the crowrate guarantee plan I'm starting to question whether in fact the hon. member for Nipawin supports the Hall proposals and to question, therefore, whether the hon. member supports Saskatchewan's crowrate guarantee plan, because it's based upon Hall's proposals. While it differs in the sense that Hall didn't propose provincial co-operation with the federal government, that's the only area in which it differs from the very strong outstanding solution offered by Hall and his commissioners.

**MR. COLLVER:** — Well, Mr. Chairman, I was going to leave it go since the minister obviously can't give us any studies or any documents that we have asked for. We certainly don't agree with spending \$1,229,000 on an NDP research arm. We believe that that much money should be allocated to a transportation agency all right that in fact does the job, goes out and develops new ideas and new concepts in Saskatchewan with the overall transportation in our province and starts to come to grips with the real problems being faced especially in our rural communities.

However, I would like just to comment briefly on what the minister has suggested. Using the kind of logic that he has just used, the NDP don't support the crowrate either and don't support the Hall Commission because Mr. Justice Hall talked about the prairie rail authority. When Otto Lang came out with a prairie rail authority which totally negated

what Mr. Justice Hall was trying to say, the NDP quite rightly went against it and so did we. But using that kind of logic is absolute and utter nonsense.

Dr. Grant Devine of Saskatoon on January 25, 1978, put forward a program to assist producers of feed grains, put forward a program so that the crowrate could be extended to those people. A week or two later (I don't have the date but it was certainly later) at a meeting in Yorkton the Minister of Agriculture (Mr. Kaeding) put forward an identical program. To suggest that you in the summer of 1978 put forward the crowrate guarantee plan as a crowrate guarantee plan is absolute nonsense and the minister knows it. September 12 is when you first announced the plan, which was four days in advance of the Premier calling the provincial election. That's when you put it forward. The crowrate guarantee plan was in fact an NDP program, an NDP election gimmick. A crowrate guarantee plan that was meaningful, a real provincial government commitment to crowrate might have been meaningful and might have been a good idea. But to have stated before the election that it was your program to do so and then state after the election that you were only going to do it if the federal government offered their assistance too, I think, is just plain crass, that's all. It is misleading kind of information of the worse kind. You raise people's hopes to believe that they are going to have some commitments by a provincial government, you with the election and then you don't bother implementing the programs. You say it is dependent on the feds. Well, we think the transportation agency should be doing a lot more. We think that they should be putting forward a lot more new ideas and we think they should have been able to have stopped PRAC in its tracks if they had done their job, from the issuance of the Hall Commission until the issuance of the PRAC report.

**MR. ROUSSEAU:** — Mr. Minister, you indicated that the executive director was Dr. Gerry Gartner?

**MR. MacMURCHY:** — Yes.

**MR. ROUSSEAU:** — Could you give me his 1978-79 estimated salary, his actual salary paid, and the 1979-80 estimate?

**MR. MacMURCHY:** — The actual 1978-79 was \$46,078; the estimate was \$43,460. The estimate for 1979-80 was \$46,590.

**MR. ROUSSEAU:** — You mentioned an administrative officer. I'm sorry that I didn't get the name. Could you give me the same information on that one as well?

**MR. MacMURCHY:** — I will take a minute to get this information. It is not documented in actual, estimate and estimate for 1979-80. As soon as it is ready we will give it to the hon. member. Perhaps he can ask another question.

**MR. ROUSSEAU:** — You mean that you will have it shortly?

**MR. MacMURCHY:** — Oh, yes.

**MR. ROUSSEAU:** — Is Dr. Gartner provided with an automobile?

**MR. MacMURCHY:** — Yes, and the agreement is that he pays 1 per cent per month of the purchase price of the vehicle. So that is \$52.20 per month that he pays for the automobile.

**April 6, 1979**

**MR. ROUSSEAU:** — While you are looking up the information for your administrative officer, would you, at the same time, give me (and I won't bother asking again today) the information for the key personnel in administrative services, transportation services and traffic safety, all the way down the line. Perhaps you could give the top two positions on all of them.

**MR. MacMURCHY:** — The exact information I provided for municipal affairs, yes.

**MR. ROUSSEAU:** — Thank you very much.

**MR. SWAN:** — I wonder if I could ask the minister to provide the amount of subsidy that you are providing in the rural bus transportation system and to name the number of systems which you have initiated under this program?

**MR. MacMURCHY:** — Mr. Chairman, we have established three — one in the hon. member's riding. The policy, because these are really pilot projects and we are testing them out, is the revenue based on STC rates minus the cost. There we pick up the difference between their cost of operation and their revenue based on STC rates. In fact, we pick up the deficit. I think our objective in the long term is to try to work out some kind of a formula which says, here is a policy for any given area to come under. That may not be possible. It's very difficult because of the varying situation. That, we would hope to be our objective. I don't know whether we will be able to meet our objective in that area, but we are trying.

**MR. SWAN:** — Now I asked you to name the areas. You have three — I know Beechy-Outlook is one, but could you name the other two, please?

**MR. MacMURCHY:** — Rose Valley and Fosston and go to Wadena and Central Butte, into Outlook.

**MR. SWAN:** — That's good. They needed it. Now when you pay the subsidy is it paid into the Saskatchewan Transportation Company, or is it paid directly to the operator of the route?

**MR. MacMURCHY:** — The hon. member will probably be aware, because it is in his constituency, there is a local authority established and a subsidy or compensation is paid directly to the local authority. The involvement of STC is really tying into their schedules. I guess at Outlook — they go to Outlook and it ties into the Outlook schedule. That's the involvement of STC.

**MR. ROUSSEAU:** — I would like a little more information on the question put forth by the member for Rosetown-Elrose (Mr. Swan). Is the assistance and the routes operated by STC or another transportation company?

**MR. MacMURCHY:** — That system is operated by a local transportation authority. The municipal government there, really establishes an authority to handle this operation. They buy the vehicle, they operate the vehicle and they interline with STC. There's no involvement of STC at all other than interlining in his case at Outlook and we pay the compensation or the difference, as I called it previously, to that authority.

**MR. ROUSSEAU:** — O.K. I have just one final question on that. If I understood correctly you said the local authority owns the bus. They buy the bus and the vehicle they use on the route?

**MR. MacMURCHY:** — They can. I'm now informed by Dr. Gartner here that in the case that we're referring to, they contracted the service with a local operator. So, they can either own their vehicle or they can contract the services, whichever they desire as a local authority.

**MR. ROUSSEAU:** — The vehicle they are leasing or contracting is not STC?

**MR. MacMURCHY:** — No.

**MR. ROUSSEAU:** — That's what I wanted to know. So it's an entirely separate operation or operator.

**MR. R. ANDREW (Kindersley):** — One question and I'll just be brief, Mr. Minister. With regard to your transportation policy — some people have advanced the thesis on total transportation policy in western Canada saying we have to look at a system of transportation from the inland area to the port as a total thing rather than simply looking at one commodity group or another commodity group in a piecemeal way. Has your department looked at that concept at all?

**MR. MacMURCHY:** — I think any positions the Government of Saskatchewan have put forward related to the total system. Obviously our emphasis in looking at that total system is focussed more towards the West coast because this is the pressure area. We always keep in mind Churchill, of course, and additionally, the agency views the issues beyond grain. For example, potash. In fact, there's work going on now in the agency to look at our total requirements in Saskatchewan of hopper cars. As the hon. member will know, we have indicated to the federal government that we would be prepared, as a government, to sit down at the political level to examine the proposal put forward by the wheat board for the purchase of hopper cars and, at the same time, look at the crowrate guarantee plan. Work is going on in terms of not just our needs in Saskatchewan for hopper cars for grain, but our needs beyond that towards 1990. So there is a broad overview beyond grain in terms of transportation needs. As you will know, as part of the premiers conference in Prince George, the Premier and the Deputy Premier took a tour of Rupert, and I think the hon. member knows of the efforts to get Rupert moving as an alternative significant outlet instead of Vancouver.

**MR. ANDREW:** — Just one question on the Rupert thing. Is the Government of Saskatchewan prepared to inject any money into that Rupert scheme, as is the Province of Alberta? Now, I understand the federal government is intending to increase some of its money into that project.

**MR. MacMURCHY:** — Mr. Chairman, we've not been asked, and so I think I really can't respond to the hon. member. From our point of view, I don't think it's a financial problem facing the group that's trying to get the terminal established, but more getting sufficient grain there to justify the construction of the terminal — in other words, getting an agreement between CN and CP for car interchange to move CP grain into Rupert. We've been asking for that report. It was supposed to be a month after the Winnipeg meeting. That's now more than two months past. There's still no agreement. I've written to the federal minister to request this agreement. He's indicated to me that it's not there yet. As soon as it's there, he will provide an agreement. That's important to us — what does the agreement do? And additionally, what implications might such an agreement have for a similar kind of interchange for the port of Churchill? As the hon. member knows, that research has been extended by the insurance people, and I think

**April 6, 1979**

there's an opportunity, if we can get more grain there, to expand the utilization of that port, and that's important to Saskatchewan.

**MR. G. TAYLOR (Indian Head-Wolseley):** — Mr. Chairman, I'd like to go back to the rural bus assistance program, and I must first preface my remarks by saying I'm pleased to see that there is this type of a program. It obviously must be answering a need. You say there are three pilot projects on. Probably you may have good justification for this but I would like a little clarification. If that need is there and the service is being supplied, it seems to me there may be a bit of a duplication here between what you are doing and STC (Saskatchewan Transportation Corporation). I suppose my question is, why did STC not pick up these routes? You mentioned that these are pilot projects. Is there some indication that they may move into these fields in the future?

**MR. MacMURCHY:** — No, while I don't want to get into a great long debate on STC, although I'm vice-chairman of the board, I think there's a vehicle for that. I think that STC is operating on a commercial kind of a basis and while on many of their routes there is cross subsidization, these areas are really, I think outside of any kind of commercial operation. They — what would we say — are not viable in terms of STC operating even one of its community services vehicles, which is a small vehicle, or the regular bus. Now in order to attempt to assist these communities in getting service for senior citizens, some availability of express service, we have established this program. While it is only an experimental program at this time, I think the results to us would indicate an expansion. As I indicated to the hon. member for Rosetown Elrose (Mr. Swan), see if we can arrive at some kind of a formula which we can say to any authority that wants to organize itself, here is some assistance from the province, go ahead. I don't know whether that's possible, but that's our objective, so it can be a broad provincial program. Right now it is just operated on a pilot basis where there were, we felt, lots of pressures and lots of needs. I think Central Butte, Riverhurst, Beechy, Rose Valley, Fosston are good examples.

**MR. ROUSSEAU:** — Mr. Minister, you mentioned a couple of things that I would like to question you on. You said STC was primarily a commercial entity or enterprise. Then you said these other routes that you are subsidizing under the rural bus assistance program were not viable. Well, correct me if I'm wrong, but isn't the first responsibility of STC to provide a service to the people of Saskatchewan? If it is and they have \$1,500,000 of retain earnings in their corporation, made up of mostly liquid assets, and you are setting up separate authorities for these pilot projects, I consider that as being a duplication of service and STC not providing the service which it should be providing to the people of this province, that could take the responsibility of non-viable routes, non-profitable routes because it is not the function of STC to be a profitable, as such corporation. Why are you setting up separate authorities when STC, with the profits it has, the retained earnings, liquid assets — not using that to look after the non-viable routes?

**MR. MacMURCHY:** — Mr. Chairman, I don't want to get into debate on STC. I tried to respond to the hon. member by referring to STC as taking a commercial type operating approach, which is its approach, but there is a good deal of cross subsidization within STC. I think every one knows that.

We have STC operating in its area properly. I see nothing wrong with meeting needs of a very isolated nature through this kind of program. It is likely that the revenues, related to costs in these authority areas, or these isolated areas, will not be higher than 15 per cent. We think those situations require a special kind of program and that is what this

little program is attempting to do.

**MR. ROUSSEAU:** — Mr. Chairman, perhaps if the minister were to tell us how much money you invested, if you like, in your rural bus assistance program last year, it might help us to understand the reason why you have two separate companies, or an authority on one side and a company on the other. You indicate that you don't want to get into a debate of STC and I agree, Mr. Chairman, this is not the place to get into a debate on STC. However, STC does come under, as I understand it, transportation agency. I am not interested in getting into that debate either, but I am wondering why that particular area isn't looked after. Because as I see it here, it looks to me like a duplication of service and duplication of costs. Can we save some money by having it under the one umbrella?

**MR. MacMURCHY:** — Well, Mr. Chairman, I think the hon. member knows that STC is a Crown corporation and we debate STC in Crown Corporations Committee. I think the hon. member also knows that this program is not funded from the transportation agency. It is funded through the Department of Highways.

In the debate with the hon. member for Nipawin (Mr. Collver) he asked, what kind of co-ordination effort had the transportation agency been doing? I indicated that is one of the co-ordinating efforts it had come up with. I will indicate to the hon. member that the expenditure last year in the development of these three was \$40,000. The expenditure out of highways budget for this coming year is estimated at \$60,000 for those three. Now if we expand the program, of course there are, I think, funds in the highways budget which are frozen pending a decision to expand and how to expand.

**MR. ROUSSEAU:** — Thank you, Mr. Chairman. I'll just finish it off with this, that I wasn't aware that it was funded by the Department of Highways. I missed that part of it this morning. And you mentioned \$60,000 is estimated for '79-'80. Did I miss the point on how much it cost last year?

**MR. MacMURCHY:** — \$40,000 for those three, last year. We were just getting them up last year.

**MR. ROUSSEAU:** — \$40,000 for last year, and I think I understand it at this point. I take it that really your department is the think tank for the needs of the bus transportation services, and you're going to set it up either one way or the other.

**MR. MacMURCHY:** — They did the coordinating work in this particular little program.

**MR. R. KATZMAN (Rosthern):** — Mr. Minister, I may be in the wrong estimate. I would suggest that maybe you can answer it anyway. How much staff do you have seconded from other departments?

**MR. MacMURCHY:** — None. I think staff moved into the agency from other departments when we established the agency but we don't have any seconded now.

**MR. KATZMAN:** — I may be out of order. I should maybe have asked in our municipal affairs then. Do you have some staff who are borrowed from the education department or some other department, which is paying the wages, yet they are working for you?

**MR. MacMURCHY:** — I'm not aware.

**April 6, 1979**

Items 2 and 3 agreed.

#### **ITEM 4**

**MR. TAYLOR:** — Mr. Minister, in going through these estimates in the last few days we have heard quite a bit about merit in some cases, especially in the position of deputy minister. If there's service over and beyond the call of duty, there's merit pay in there. And we've heard about six per cent general raises. I'm just looking at this one personnel that you have in traffic safety, and I see this position went down \$20. Was this a case of demerit?

**MR. MacMURCHY:** — I assure the hon. member that it is not demerit. We are pretty pleased with the work of (and I don't mind mentioning his name) Carl Shiels. In a shake, he will get the information for the hon. member.

**MR. TAYLOR:** — I would like to add that to me this subvote, traffic safety, is very important and I certainly hope that there was no demerit in this case.

Item 4 agreed.

#### **ITEM 5**

**MR. TAYLOR:** — A couple of questions here, Mr. Minister. First of all, I would like to know what type of research your department has been doing. I know you outlined some things for the member for Nipawin (Mr. Collver) but you have budgeted \$76,000 here. You must have some ideas as to the type of research you are looking at, so could you give me an outline of the type of research you are moving towards in this budget?

**MR. MacMURCHY:** — Mr. Chairman, the particular subvote we are dealing with is grants, not research. Grants to the following organizations are: Western Transportation Advisory Council (WesTac, as it is called) \$30,000; Federal provincial Committee on Western Transportation, \$15,000; Port of Churchill Development Board, \$26,400; Hudson Bay Route Association, \$2,100; and the Saskatchewan Rail Committee, a grant of \$3,000 for 1976.

**MR. TAYLOR:** — These grants then, I take it, are namely in connection with studies on grain handling. Is that correct?

**MR. MacMURCHY:** — No, these are grants to established organizations. For example, the hon. member will be familiar with the Port of Churchill Development Board. The hon. member will be familiar with the Saskatchewan Rail Committee. Western Transportation Advisory Council is an organization made up of representatives of the four western governments, plus a major number of private organizations, dealing with exporting through the west coast terminals, grain companies, unions, and so on. We think it has been a very, very worthwhile venture.

What I think I can do for the hon. member is to provide some materials put out by WesTac, which will make him familiar with its activities. That one, plus the Port of Churchill Development Board gets the lion's share of the funding.

**MR. TAYLOR:** — I would appreciate that very much, Mr. Minister.

Maybe I am under the wrong subvote here (and maybe I am under the wrong department) but I didn't hear anything in the way of grants for transport research and development in connection with the transportation of individuals. I will come right down to it and ask you what I am driving at. Would this be the area of government where, if you were going to do some research into the transportation of students in Saskatchewan or in school buses, the research money would come from? Is this part of the Transportation Agency of Saskatchewan?

**MR. MacMURCHY:** — No. The transportation agency hasn't involved itself at this point in this area. There has been a structure involving the Department of Education, SSTA (Saskatchewan School Trustees' Association), and the Highway Traffic Board (really what I call the school bus safety committee), which has been dealing with changes and regulations in that area. I think if the hon. member wishes to raise some questions regarding school buses and school bus safety, the Highway Traffic Board which is coming up next in estimates would be the place to ask them.

Item 5 agreed.

**MR. R.A. LARTER (Estevan):** — Mr. Chairman, could I ask the minister one question? The other day in Crown Corporations Committee I asked the minister in charge of SGIO (and I noticed Mr. Innes from your department today was commenting on the buildings) if all of the people who were in leased buildings around town would be moved into the SGIO building. He commented, yes, they would. Today a man from your department, Mr. David Innes, commented that there wouldn't be room enough in the new \$15 million, 18 storey, SGIO building for all of the SGIO people. Would you make a comment on that?

**MR. MacMURCHY:** — Well I don't know ..

**MR. CHAIRMAN:** — Order, please!

**MR. MacMURCHY:** — I won't make a comment because I don't know the answer to the question. We will have an opportunity to react to the statement made by the Associate Deputy Minister David Innes when we do the final subvote of the Department of Municipal Affairs. I think the hon. member will have an opportunity to direct that question more specifically to Government Services, which I understand is to follow the work which we have here.

Transportation Agency of Saskatchewan Vote 41 agreed.

### THE HIGHWAY TRAFFIC BOARD VOTE 15

**MR. H. SWAN (Rosetown-Elrose):** — I would like some explanation of the overall increase ..

**MR. CHAIRMAN:** — If I might just . . . it's my fault. If the minister could introduce his support staff, please. I'm sorry for interrupting.

**HON. G. MacMURCHY (Minister of Municipal Affairs):** — Mr. Chairman, we have with us Bill McLaren who is the acting Chairman of the Highway Traffic Board sitting beside me here. We have Terry Pollock, director of motor carrier administration; Louis Henbury, director of driver licensing; Paul Landry, chief administrative officer; Jack Clake in the back row there, is the administrative officer. These are the staff from the Highway

**April 6, 1979**

Traffic Board.

**MR. CHAIRMAN:** — I apologize for having to interrupt you, sir.

### **ITEM 1**

**MR. SWAN:** — That's fine. In looking at the budget for the Highway Traffic Board for this year, I noticed that the increase is about a 50 per cent increase. Now there must be some realistic reasons for it, but it is a very, very large increase and I would like an explanation of why.

**MR. MacMURCHY:** — Well, I think, Mr. Chairman, that, one, there are the normal operating cost increases with the Highway Traffic Board and I think as we go through the estimates that will be identified. There's a million dollar increase to be transferred to SGIO (Saskatchewan Government Insurance Office) for updating the vehicle licensing operation of SGIO. The hon. member will know that has been moved from finance to SGIO and its operation is funded through the Highway Traffic Board.

**MR. SWAN:** — If that's the case (and I know that it is operated through SGIO) it must've been handled through the Highway Traffic Board prior to this. Why, then, is there a need for \$1.5 million for SGIO to operate the same business? Evidently they are not being very effective.

**MR. MacMURCHY:** — Mr. Chairman, no, it was never handled by the Highway Traffic Board. License issuing prior to the change, was handled by the staff of the Department of Finance. So the Highway Traffic Board is the vehicle that is used for providing the funding to SGIO. I'm not in a position, Mr. Chairman, to debate, to any great extent, the operation of the licensing issue in SGIO. I think there's another vehicle for that.

**MR. SWAN:** — Well, I'm just not getting the answer I'm looking for, Mr. Minister. Normally you have given me the answers I've been looking for but, when I see an increase from \$3 million last year to \$4,482,000, I think there has to be some significant reason given by any department for that kind of an increase. Just to say that it went to SGIO, and nothing more than that, I don't think is necessarily the answer.

**MR. MacMURCHY:** — Well, let me try to answer the hon. member's question. I know he's seeking an answer and I'm trying to provide that answer for him.

When SGIO took over the license issuing they became involved in a whole major change: the five-year plate, the staggered renewals, etc. As they sorted out that situation there was, as the hon. member will know, kind of a hairy time for a bit, but I think they are getting it in hand, and this required additional funding than had been previously provided and perhaps previously expected.

Additionally, the commission to the issuers (in Elrose and Dinsmore and so on) has been increased by 71 per cent, so that is additionally part of the need for the \$1 million increase in the grant to SGIO.

**MR. SWAN:** — Well, a lot of the change in the program by SGIO occurred in the last year. It didn't occur in 1979, which is the year of the estimate we're looking at. SGIO, in Crown corporations, tells us that they had their house in order in 1978 and that the program is now computerized and operating well. Then, to turn around for 1979 estimates and say you are having to do this because of the licensing by SGIO, I don't

think is making sense; it isn't to me. I'm wondering if there's something here that we're not getting.

**MR. MacMURCHY:** — Well, I'm informed (and I'm trying to get some details to answer the hon. member's question) that the major portion of the increase involves a new program established by SGIO, which has been called an error reduction program. Part of the error reduction program is the increasing commissions which I referred to earlier; education or schooling-type programs for issuers, more issuers, particularly in the large urban centres, etc. There is an attempt, in this error reduction program, to speed things up with less error. The major funding for that particular program is required this year. Therefore the increase relates to that particular program.

**MR. SWAN:** — In this figure that we're seeing, is that \$488,000 loss that SGIO incurred last year in the issuing of licenses, showing up here to try to repay it?

**MR. MacMURCHY:** — No.

**MR. SWAN:** — All right then. Mr. Minister, will you give us the top salaries for each of these departments? You can either provide them now, or in writing later, but I would like to have the top two salaries in each of the departments for the three periods we have been asking for.

**MR. MacMURCHY:** — I'll provide the information to the hon. member here. I have it on a yellow sheet and I'll get it run off and we'll send it over.

I should clarify, in case it's not clear when he receives the information that, as I indicated in the introduction, Mr. McLaren is the acting chairman of the Highway Traffic Board. Mr. Glendinning, who was the chairman, left at the end of the year and that will show up when he receives the figures. We'll try to make it as clear as possible but that will maybe affect the figures.

**MR. SWAN:** — I would like to go back to the original question I was asking you. You did state that you had given an increase to the license issuers of 71 per cent. I would like to know what that increase amounted to? What did the license issuers receive in the year prior? What do you expect the 71 per cent to amount to this year?

**MR. MacMURCHY:** — I think this will give the hon. member the information. For vehicle transaction, it went from \$1.50 per transaction to \$2.50; for driver licensing transactions, from 75 cents to \$1. Now that makes up 95 per cent of the funding which goes to the issuers. There are permits, etc., but that's not a major item. So, \$1.50 to \$2.50 for a vehicle transaction; 75 cents to \$1 for a driver transaction.

**MR. SWAN:** — Do you have a figure which tells what that amounted to last year when you figure out what the total was? That's what I'm looking for.

**MR. MacMURCHY:** — Mr. Chairman, we have to look for that information. We'll provide it for the hon. member as soon as it's available. I'll slip a note across to him.

**MR. J.G. LANE (Qu'Appelle):** — A question to the minister with regard to the operations for motor vehicle authorities, transport authorities. I have had some complaints from practitioners with regard to hearings for operating authority that the date is arbitrarily set by the board for the hearing without asking those attending, the opposition or the applicant, to see whether the date would be convenient. Perhaps there could be a

**April 6, 1979**

review of that policy. I have seen situations personally where the date was just not convenient to anybody. Certainly the obligation of the applicant asking for an adjournment to make arrangements with all the oppositions, is fair and proper, but I would ask that the minister review that arbitrary assessment of dates without discussing the matter with those appearing.

**MR. MacMURCHY:** — Mr. Chairman, a complaint has already been launched with the board and the board's policy has changed and, by telephone, they are trying to accommodate as much as possible a proper time when people can appear. So the policy is changing to accommodate as much as possible a proper time when people can appear. So the policy is changing to accommodate the hon. member's concern.

**MR. LANE:** — I don't object, obviously within reason . . .if there is not a financial penalty placed upon people who don't appear. I have been told in some applications some people oppose everything that comes along that affects them and then they don't show up. Well, I think that there should be a financial penalty placed on these people that may be putting applicants or oppositions to additional expense that is not fair and proper. Perhaps, an opposition fee, as well as an applicant's fee — the opposition fee to be refunded assuming they show up — may go a long way to alleviating that particular problem.

**MR. MacMURCHY:** — Well, I think we will take the hon. member's suggestions and see if we can follow up on them. Mr. McLaren, here, informs me there is now a \$25 opposition fee and if they don't show up the board keeps it. If they do show up — it is like the old ball games, I guess.

**MR. LANE:** — You can see the problem I am getting at is that you can show up and then somebody just doesn't bother to appear. They just get it on record and people can go to a fair amount of expense. I think that the penalties should be an effective one, obviously not an onerous one, but an effective one. I hope that you would consider that.

Item 1 agreed.

Items 2 and 3 agreed.

#### **Item 4**

**MR. KATZMAN:** — A question to the minister here. What's the inter-travel of trucks between provinces and agreements to co-operate in allowing the hauling of materials? Are there some negotiations going on between Manitoba and some of the states touching our borders to allow us to cross with Saskatchewan plates by just paying for the trip only.

**MR. MacMURCHY:** — Well, negotiations are going on at the national level. There are no negotiations going on with the three prairie governments. What there is now is a permit system which all the provinces operate but the negotiations aren't here; they are in the broad scale.

Item 4 agreed.

Items 5, 6, 7 agreed.

The Highway Traffic Board — Vote 15 agreed.

## SUPPLEMENTARIES

Item 1 agreed

### ITEM 2

**MR. KATZMAN:** — Mr. Chairman, we were just told in the other portion of the estimates of the one million four hundred and some thousand dollars, that part of that money was for SGIO. Now you're giving us another million so forth to go to SGIO under supplementary estimates. So basically we are talking about \$2.2 million rather than \$1 million as the minister indicated earlier.

**MR. MacMURCHY:** — Mr. Chairman, if I can clarify this for the hon. member, this payment is for the fiscal year of '78-'79. While we debated at some length the increase for '79-'80 over the estimate in '78-'79, this will give some clarification of the extent of the increase over what was actually spent in '78 and '79, and what is going to be spent in '79-'80.

**MR. KATZMAN:** — Question to the minister, then. You're indicating that \$1.2 million overrun basically and an additional amount was paid to SGIO from last — \$1.2 million you are requiring now for overrun. How much did you have in last year's budget for them then, so we can compare to the figures that you gave us earlier? The other figures weren't true comparisons.

**MR. MacMURCHY:** — Last year the estimate was \$3,740,000. They spent last year this \$3 million plus this \$1.1 million. That's what they spent last year. That's what this special warrant, or this supplementary expenditure is all about. This year we estimate their expenditures at \$4.4 million, so in actual fact what is estimated over what they actually spent last year is about \$270,000.

Item 2 agreed.

Supplementaries The Highway Traffic Board Vote 15 agreed.

## GOVERNMENT SERVICES — VOTE 13

**MR. CHAIRMAN:** — Would you like to introduce your officials, Mr. Minister?

**HON. G.T. SNYDER (Minister of Labour):** — Mr. Chairman, may I introduce to you the officials of the Department of Government Services: Mr. Dennis Foley, the deputy minister to my left; behind me, the assistant deputy minister, Dwight Lacey; on my right, Don Nevill — he joined the Department of Public Work in '63 as office space planner and has duties which we describe now as Director of Project Planning and Design Branch; behind me is Doug Archer and Doug holds responsibility for directing and account budgeting and systems co-ordination activities of the department.

### ITEM 1

**MR. R.A. LARTER (Estevan):** — Mr. Chairman, I would like to direct a question to the minister that I asked a while ago of the Minister of Municipal Affairs. On Wednesday in question period under Crown corporations — SGIO (Saskatchewan Government Insurance Office) — I asked a question of the minister, will the new \$15 million building

**April 6, 1979**

house all of the people in the area you now have under lease? And he says, yes it would, except for the Bowman Brother's building on South Railway. In today's newspaper, David Innes, deputy minister for the Department of Municipal Affairs, suggests that there is not enough room to house all the SGIO people in this new building. I would like to ask the minister, what kind of planning is that? We spent \$15 million on a building and we are still not going to be able to house the staff in that building.

**MR. SNYDER:** — I am wondering, Mr. Chairman, if the hon. member believes that he is asking his question in the right forum. The Department of Government Services has not had responsibility nor does it have responsibility for the space-planning requirements of the Crown corporations and the Saskatchewan Government Insurance Office. We are not given that mandate. My deputy just handed me some material which says, it is intended to lease 1,551.5 square meters of space in the new SGIO building to the Highway Traffic Board, who have frequent contact with the driver's license division of SGIO.

My understanding is that that represents our only responsibility in terms of placement of an agency or department of government in the SGIO building.

**MR. LARTER:** — Mr. Minister, I was told to refer this to either government services or the final vote on municipal affairs late on.

Maybe this isn't your responsibility, but I want to know in Crown corporations, if it isn't the responsibility of the minister to answer the question honestly?

**MR. CHAIRMAN:** — Order. I don't think that is a fair question for the Minister of Government Services.

**MR. LARTER:** — Could I ask a new question then? Where do I refer this question on how this building was designed? It's a brand new building, and can't even handle the people you planned it for. I would like to know where to ask this question.

**MR. SNYDER:** — The question could more properly be directed to SGIO who make arrangements for their own planning needs. And what their objectives are over the next decade, I expect is a decision that will be made by the Saskatchewan Government Insurance Office. I am sure that their future and present needs have been taken into consideration when the design of the building was brought forward and agreed to by the Saskatchewan Government Insurance Office. I think that is properly where you should be directing your questions.

**MR. KATZMAN:** — Thank you, Mr. Chairman. The Department of Government Services has gone through a reorganization as is stated in your annual report, where you have lost a part of your area of responsibility to the Department of Revenue. But with the portion remaining, I would be very concerned because I think that government spending, as was indicated in Ottawa, has also gone the same way in Saskatchewan. I use the Tommy Douglas Building for an example. I'm informed that when the price tag comes in from that building your overruns will be almost one-third from what your original estimates were. I understand (and it was last year in the House when I asked questions along this line) . . . I was informed that you were staying within budget. I'm informed from contractors who were working there, who were involved with the steel work and in other areas of that building, they have suggested to me that the original design (the ones the original tenders were on) has undergone numerous changes, constant changes and in their portion they would recommend that the over-run will be

there. They have also suggested that there are more over-runs in other departments and, therefore, they indicate when the final prices comes in that the original amount that the government suggested the building was going to cost is going to be much more than was actually estimated.

It is interesting to watch within that building, which is probably your new . . . And as you indicate in your annual report, there are two new showcases — one which I call the Tommy Douglas Building and some people refer to as the building with the dungeon in it, and the Saskatoon provincial office, which I understand has now got a name which I am not sure was adequately chosen — Sturdy Stone. I understand, from talking with people who are working in that building, it is running into the same problem. Oh, oh, the old minister is coming now to help you — you are in bad shape if you need his help, Gordon.

It is interesting to note that the government, when they went through with this building, has introduced in one or two areas an interesting change in concept of government buildings; and I refer to the non-fixed walls. Therefore, as times change and needs change, the building is totally interchangeable. I will compliment the government for that idea and concept. I think we will see this in other areas.

But, I am told, the overruns are there, even though this House has been told they are not. I'm told that the structural steel designs were changed several times from the original and that costs extra. I have been given other information in these areas along the same line.

I make another comment based on your annual report, and I understand that there is a major financial bungle, for lack of a better word. It's referred to in the auditor's report, and I understand your department designs the systems for accounting for everybody. Therefore, I understand it was your department that caused the bungle, where, I believe it's \$400,000 approximately, because of the design of the problem, that SGIO will take a loss on. Now, I understand you people designed the system and how it was done, and I understand that's part of your function as is indicated in here, that you design the financial systems. I refer back to my time that I spent in public accounts several years ago, when Mr. Schneider, who was the person responsible for the system of accounting, informed us that was one of the jobs. I understand your department has made the bungle which is costing SGIO money, and the citizens of the province.

Mind you, the minister in Crown corporations the other day indicated it's only 75 cents per vehicle registered in the province. But you know, if you watch the nickels and dimes, the dollars will look after themselves, and the people of the province won't be paying so much interest on money that you've borrowed for all the different areas. I suggest, Mr. Minister, that one of the biggest complaints I continuously hear when I talk to anybody that has to tender on government contracts, be it office supplies, be it building, or any other area, is, yes, government services is one of the better departments to make sure that everybody gets a chance to tender. But, in questioning the Minister of Highways earlier in the House, he informed me that they write the specs and everything for equipment that they need; they make the final decision, but your department is supposed to circulate for the bids. That was a surprise tome, but that's what Mr. Kramer said in the House. And, if you would like to check Mr. Kramer's estimates, you will find that statement, because I was questioning him and he said, no, that's government services, not him . . . (inaudible interjection) . . . sorry, fine. You're informing me that that's now moved to revenue and supply? O.K. I'll talk to Mr. Robbins about that then.

**April 6, 1979**

The other area that is indicated, and I still can't understand this one. In your annual report, on page eight of it, you refer to safety section. I'm not sure what that refers to, under personnel and training branch. I thought that was Department of Labour. I'm not sure if you're just doing systems for them or you're referring to one man in the department when you're doing designing, or what you're referring to. But it seems to me like a crossover and, therefore, I was concerned about that one. One of the biggest concerns I have is all through the Government of Saskatchewan your department is responsible for supplying the space for the health people, the finance department and all other departments of government, including, I would assume, all lease space which you rent to put the Attorney General's Department in City Hall and so forth. And nowhere do I see an indication in any area of this budget, or in the annual review, of where the cost for each of these departments is indicated and how much you are paying out on behalf of them.

Let me give you an example. In the Tommy Douglas building the biggest group there, I understand is the health department people. The cost of that building should be amortized over X amount of years and charged to that department even though it's being paid for your budget, but it should be tagged somehow saying the cost of this \$10 million or \$3 million, or whatever the figure is, is paid by us on behalf of the Department of Health.

I also suggest that that's the way I discover most normal businesses operate. They know what the cost for each department is, to house them in a building. Each department is given a certain amount of footage and assessed for the cost of that footage, the maintenance, the cleaning and all other areas. In your department you absorb everything. There is no indication. So, therefore, Mr. Minister, I would like to know if you can give me a breakdown and I suggested this to you before your estimates were called to give you some lead time. Could you break the information down for me and give it to me by the departments and what it's costing you? Second of all — in fact while I'm on my feet, I'll even mention to the Minister of Revenue (Mr. Robbins) that in some of his areas where he supplies the same thing, I would like them; so he has warning to get that information available ahead of time.

Now, my concern is, Mr. Minister, we do not really know in Saskatchewan the real cost of a program because your department absorbs portions. I refer to the housing of the staff. I am concerned, Mr. Minister, as I said earlier, about the two white elephants and I compliment you on the furniture style but I question the Saskatchewan firms which may be our manufacturing system's cloaks. Were they asked to bid and were they comparable in their bids or did you go to direct and therefore Saskatchewan citizens did not benefit in employment and work or in profit, therefore, paying taxes to the Government of Saskatchewan?

I refer to another building. The hon. member for Estevan (Mr. Larter) was asking you about an SGIO building. I will ask you about another SGIO building in Prince Albert, where I understand that SGIO has built the building but you have leased the whole building from them. In an in-house deal I'm always a little curious to make sure that all financial dealings are proper and above board. When I say that I suggest that all due costs are there and that the lease and the indications aren't just to make one department look good because your department absorbed so much we can lose it in the shuffle. For that reason, I would like to know if the minister would be willing to supply the conditions of an in-house deal ..

**MR. SNYDER:** — Just a point of order on a matter of procedure, Mr. Chairman. I don't mind if the hon. member wants to direct 10 or a dozen questions to me and expects me to make fairly substantial notes in an attempt to reply to him on each occasion. But I rather expect before you get done you're going to have to re-ask a number of your questions. I am prepared to answer them in some kind of well regulated form if this is the wish of the committee. I'm in your hands. But obviously if you're going to ask a series of questions, you can take till 1 p.m. and we'll answer the rest of them on Monday or whatever way you wish. I rather suspect that all of the answers will not be given to all of the questions that you're asking. I make that point to you and ask you to bear with us.

**MR. CHAIRMAN:** — I think the point is perhaps well taken. Can you confine yourself to one or two? I'm not disallowing your questions, but don't make so many at one time.

**MR. KATZMAN:** — Mr. Minister, I'll let you answer some of them. I have them all listed here. I was just covering a broad basis of some of the areas I was going into so that on Monday you may be able to make sure you have that information with you, in case you don't have it with you today. O.K., if the minister could start on some of the notes he was taking, I will take my place while he answers.

**MR. SNYDER:** — I will obviously have some that will not be answered to your satisfaction, particularly the ones related to the systems centre which was a part of the re-organization which took place and the systems centre found itself with the Department of Revenue, Supply and Services. Accordingly, the questions which you are asking related to the systems centre and motor license bureau, etc., will be questions which should properly be directed to the minister in charge of the Department Revenue, Supply and Services.

A question which you raised related to safety services. We have a person on staff, Bert Jaycock who has responsibility, among other things, for our in-house safety program. Finally, the question of Westinghouse furniture, the open space concept that you chose to compliment us on — we think in large measure the program is a good one. It affects a number of savings to the department and to the taxpaying public. We are given to understand that something in the order of \$1.5 million can be saved by not having to move the semipermanent partitions in office buildings in order to provide more flexibility in providing space to the people whom we serve. There will be some objections, of course, from those who have been used to space where they had an enclosure and had a solid wall and had a greater degree of privacy. I expect that some of the complaints will persist but, in large measure, we think in the Sturdy-Stone Centre in Saskatoon and the T.C. Douglas Building here that it will be accepted, in large measure, as it was when we put an extension to the Workers' Compensation building some time ago. So we think, in large measure, that the Westinghouse furniture has served the purpose very well.

With respect to the procedure in terms of the providing of the furniture, investigations, were conducted and offers were received from a variety of firms. The Westinghouse firm supplied theirs at a cost that was very advantageous to the department to a much greater degree. The saving was fairly significant over and above all of the other suppliers and the product was one which we thought was the most acceptable among those that were viewed.

To return then finally to what I think what was among the first of the questions that were asked — the hon. member drew attention to what he referred to as overruns. As a

**April 6, 1979**

matter of fact, I'm told that the original estimate for the entire project was in the order of \$28 million. You have to distinguish between the project cost and the building cost because they're not precisely the same. The project cost, of course, involves additionally the extra work that was necessary on 23rd Avenue, the widening and the landscaping and a host of other matters as the road walks, sidewalks, the 23rd Avenue exterior parking, the exterior landscaping, the furniture, equipment system and furniture and draperies and site-clearing, drainage and development and things of that nature.

The project, as you know, went ahead under a project management function. It allowed the department to proceed with construction on the T.C. Douglas Building at a time prior to the completion of all of the plans, which is necessary when it is tendered to a general contractor as the member will know. Everything has to be in place and accordingly, there is a considerable time lag before any real construction can begin. Accordingly (a number of instances) we affected savings and the tenders came in on a number of phases of the project well under the estimates.

Accordingly, I can give you the current estimates. I can send it over to the hon. member — a summary. The architects and engineering and construction and management fees, \$2.6 million. The building costs, \$21.6 million. I'm giving you rounded out figures, \$21,614,500. The miscellaneous building cost included tender advertising, the opening ceremonies, the display in road signs, phone for energy conservation information, printing, small equipment rental, for a figure of \$70,000; site clearing — this is where the difference comes between the project cost and the actual building cost — site clearing, drainage, and development \$102,008; the road walk, sidewalks, and the widening of 23rd Avenue and exterior parking \$1,700,000; exterior landscaping \$765,000; furniture and equipment system, draperies \$1,684,000 for a total of \$28,681,000, just about on target with respect to the original estimated project costs for the entire project — almost dead on with the \$28 million plus.

I'm not sure that there's something else that I've missed in the summary of your questions. You can re-ask them if you would.

**MR. KATZMAN:** — Well, on the building as I indicated earlier, on the steel portion, I understand there were several changes in the original design and I questioned who was responsible for paying for the changes and what did these extra changes cost you? I assume what you are suggesting to me, Mr. Minister, even though in the steel work there were problems, in other areas you were able to recoup the losses because of the project design system, as Saskatoon is using it with its field house — this project idea. And if you could indicate the size of the steel, how far did that overrun on what you had originally expected, and where did you really find your savings. If you don't mind indicating?

**MR. SNYDER:** — My deputy indicates to me that if the hon. member wishes we can give you a complete breakdown. It's a little difficult to relate them all to you but we can give you the estimated cost of the particular phase of the building, the estimated cost and the actual tendered cost that was accepted. We can give you a breakdown on the project by project basis within the total framework of the Douglas building. We can give that to you at a later point if it's more convenient. If not, we can dig it out.

**MR. KATZMAN:** — One area I'd like to have a bit of discussion with the minister on is the furniture and drapes, as he referred to it, of \$1,684,000. What portion is the Westinghouse system? My understanding is that you are locked in to Westinghouse

only in this particular building. If you are using one section, you must all be Westinghouse. There is no interchange of different brands so that they will work together, so therefore, from now on you are locked in and you can't go after a top price. You are locked in to whatever they want to charge you. That is my concern.

**MR. SNYDER:** —I have an indication that we have an assurance from the Westinghouse people who supply the action furniture that it's a contract for one year to provide any additional furniture with no escalation in price; so there is some advantage in us continuing to purchase from the supplier that gave us the best figure initially.

In addition to that, the colour scheme, the aesthetics of the Westinghouse furniture, all blend very well with the furniture that is currently in the building. It is expected that, because first of all it is a good financial arrangement and the furniture seems to suit the specific needs of the building, we likely will find ourselves mainly by design locked in to the provision of Westinghouse furniture for the remainder of the building.

**MR. KATZMAN:** — Mr. Minister, down the road a short while (I assume you have a year, as you have indicated, on the contract for the price to remain as initially tendered), I would suggest in maybe a year or two, or maybe even longer, there will be requirements of changing because of department's restructuring and so forth, and you will need a different system of partitions in an area which you do not have. Do you have any guarantee that the price you pay will be comparable to something close to what you paid when you bought the system? I will explain it this way. The retail price in the book is X dollars today and you paid X dollars minus for it. Do you have any guarantee down the road, that whatever their top end is, you will be looking at this kind of pricing below the net price?

**MR. SNYDER:** — Well, I think, as I have indicated to the hon. member, we have a guarantee or a contract with Westinghouse to provide this action furniture for a period of one year. We can add to the inventory of action furniture for a period of one year. At that point in time I expect there will be escalation as there is in almost every other field that you can enter. You couldn't buy any other type of furniture without expecting that in 1980 or 1981 it would probably be more costly than it was in 1979 and 1980.

I would expect that anything that we purchase at a point some time in the future, beyond the contract that we have with Westinghouse now, will represent an increase in the price to us. That is to be expected I think.

**MR. KATZMAN:** —Yes, I agree with the minister that that is to be expected, but my concern is, do you have any guarantee, because they have you locked in, that the price you will get on the further additions you may require will be similar to the basis on which they originally contracted with you versus their original retail price. In other words, do you have a guarantee down the road that you'll get the same kind of break on purchasing?

**MR. SNYDER:** — This is still a competitive business and there's nothing to prevent us from going from Westinghouse to some other supplier . . .(inaudible interjection) . . .Well, O.K. then, you say there is and my people tell me that we're not locked in; we have a contract with them to supply X number of pieces of furniture and we have a contract which provides that we may purchase up to and including one year hence from when we finish the installation in May. For 12 months forward, we have a contract with them to purchase any additional Westinghouse furniture at the list price, as we have purchased the bulk of the furniture at this moment. So from that point on, they're free

**April 6, 1979**

agents to increase their price and we're free agents to go elsewhere.

**MR. KATZMAN:** — Mr. Minister, you missed one point and I think you deputy will tell you. The other systems do not lock into the Westinghouse system; therefore, you are locked into purchasing from Westinghouse if you want additional parts, no matter what they charge you and I'm asking you, have you got some agreement that says you're not going to get hosed down the road?

**MR. SNYDER:** — We will have an inventory on hand and we will have other buildings that are using Westinghouse furniture and it may be that we may decide, in the event of damage or wear and tear and the replacement of furniture, there may be a consolidation. Some parts removed from one portion in one part of an office to another and replacement with a new type of furniture. That's the kind of flexibility that this allows. I'm told that for example, furniture is moved around so readily that a couple of men in an afternoon can change the whole complexion of a large office.

And accordingly, it provides the kind of flexibility that will allow us, I suppose, to clear that action furniture out of one office space entirely if we want to consolidate. So, you're always in a position, I suppose, when you buy any type of furniture, any type of equipment — whether it's a Cadillac car or whatever — you've got to go to the Cadillac dealer to buy your spare parts and to that extent you're locked in, but there's nothing to say that you're obliged to buy a Cadillac car for ever and ever. You may decided to change your brand or change your automobile in the same way as we may decide at some point in time to develop a policy of brining in other sets of action furniture and In think that, I hope, provides an answer to the hon. member's question.

**MR. ROUSSEAU:** — No, Mr. Chairman, I notice you've changed your system of reporting under your report . . . for your report, for your annual report of government services and it's difficult to go back and try and make an analysis. But I'm looking at the T.C. Douglas Building. First of all, in this new report 1978-78, you are showing tenders called and contracts awarded. When I add up the tenders called, contracts awarded for the T.C. Douglas Building in that report, it comes to \$2,122,843. The capital program indicated \$9,671,000 spent in 1977-78. Then if you go back to the 1976-77 report and the two years prior to that, it would be a total of some \$21 million. Yet you are giving us figures of \$28,681,000. I am sure you will have an answer for it, but first of all, was the contract a contract on a tender basis or was it a cost plus affair with the contractors? According to these tenders I am sure it must have been locked in contracts. Why the difference in those figures that I have mentioned?

The second part of my question (and maybe make a note of this) is what is the actual square footage of the T.C. Douglas Building? I am referring now to office area, not including the parkade. The actual and the usable. I want the actual square footage and the usable square footage.

**MR. SNYDER:** — Perhaps, the hon. member for Regina South was out of the Chamber when I gave the member for Rosthern the breakdown which provides the answer to when the member related to the project cost of \$28.6 million and the building cost of \$21.6 million.

**MR. ROUSSEAU:** — Mr. Minister, I was in the Chamber and I heard that.

**MR. SNYDER:** — Well, you are drawing attention to the fact that I provided a figure of \$28 million and the original building estimate, cost of the building estimate, was \$21

million and those figures still stand. But as I indicated to the hon. member there are a host of things that are involved in the project cost that are not related directly to the construction of the building per se. It means, for example, the \$1.5 million for furniture, the exterior landscaping for something like \$750,000, the sidewalks and the roadways and the 23rd Avenue exterior parking for \$1.7 million, the site clearing, drainage and development for \$1.2 million and a number of miscellaneous items amounting to something in excess of \$70,000.

Now, that is how you get the difference in the two figures between the project cost of \$28.6 million and the building cost of \$21.5 million. Added to that \$21.6 million also has to be included the architects, engineering and construction management fees of \$2.6 million. Now, that is how you rationalize the two figures of \$21 million and \$28 million. There is the difference between the project cost and the building cost.

**MR. ROUSSEAU:** —I had that information, Mr. Minister. Part of my question was, why the \$9,671,000 capital program amount in your report. And under the tenders and contracts awarded it came to \$2 million something. Were the contracts awarded prior to and accounted for in that year? Is that the answer for that?

**MR. SNYDER:** — Yes, that is the answer. That is the reason.

**MR. ROUSSEAU:** —We don't have the tenders and contracts awarded for the prior years. Could you provide that information to let us have the tenders and the contracts that were awarded from day one to date?

**MR. SNYDER:** — The hon. member for Rosthern (Mr. Katzman) has asked for that material and we can provide the material to him. Perhaps he can share it with the hon. member for Regina South (Mr. Rousseau). He has asked for that material and our people have it all prepared. It's all here and we can provide it to you then, yes, we've even gone metric for you. If we can't confuse you any other way, we'll give it to you in square meters. There are 18,134 square meters of office space and in square feet that's 195,200. What do you want me to give it to you in — meters or square feet? O.K. Unfinished storage — 1,000 square feet, but total of usable area — 196,200 square feet.

We'll send it over to you in square feet. We'll see that you have it before Monday then.

The committee reported progress.

The Assembly adjourned at 1:02 p.m.