

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
First Session — Nineteenth Legislature

Monday, April 9, 1979

The Assembly met at 2 p.m.

On the Order of the Day

INTRODUCTION OF GUESTS

MR. SPEAKER: — The members of the Assembly in the last legislature may recall that we had on April 10, 1978, Mr. Pat Michael, the assistant clerk of the Yukon Legislative Assembly for a visit with us for that week. Today, I have the pleasure of introducing to the Assembly Ms. Missy Parnell, acting clerk of the Yukon Legislative Assembly at this time. Ms. Parnell is visiting our Legislative Assembly on an attachment to the Table for the purpose of studying parliamentary procedure as practised here. With the Yukon Legislative assembly entering its first session since the introduction of party politics the rules and practices of the Assembly are undergoing significant and interesting changes. During her assignment to our Table she will have the opportunity to study the activities of our legislature in its various forms. This will include observing the proceedings of the Assembly, the Committee of Finance, and standing committees, particularly the Public Accounts Committee.

Ms. Parnell will also be studying the organization and administration of support services to the Legislative Assembly and to members in Saskatchewan. Part of her time will include an examination of the record keeping system of the House and the production of our Votes and Proceedings, order paper, and daily Hansard.

Ms. Parnell was raised in Ontario, attended Queen's University and Toronto Teachers College before moving to Edmonton where she worked with the Edmonton social planning council as a social planner. She moved to Whitehorse, Yukon in 1976 where she worked with the Native Alcohol Community Action Project and then served as a research officer with the Yukon Legislative Assembly prior to going to the Table. Some of our members have had the opportunity to meet Missy during the interprovincial visit to Whitehorse last year. I am sure she will find members and staff helpful in making her stay here a valuable learning experience. I ask all members to join me in welcoming Missy Parnell to the Table of our Assembly and wish her a productive and enjoyable visit to Saskatchewan.

HON. MEMBERS: Hear, hear!

WELCOME TO STUDENTS

HON. N.E. BYERS (Kelvington-Wadena): — Mr. Speaker, on behalf of my colleague, the member for Quill Lakes (Mr. Koskie) who is unavoidably absent at this time, I wish to introduce through you to the members of the assembly 70 Grade 10 students seated in the Speaker's gallery. They are from the Wynyard School and they are accompanied here today by their teachers, Miss Sharon Armstrong and Mr. Alan Stange. Mr. Koskie was unable to be here to meet them today. I hope he will be able to meet with them later this afternoon. Wynyard school is in the Shamrock school unit where I had the good fortune to teach for a number of years, and I know well of the capabilities of the Wynyard school in sports and many other fields. I hope all members of the Assembly

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will join with me in welcoming the Wynyard students here today. We hope that they will find their visit to this Assembly educational and rewarding and that they will see fit to visit this Assembly on a future occasion.

HON. MEMBERS: Hear, hear!

MR. G. TAYLOR (Indian Head-Wolseley): — Mr. Speaker, I'd like to take this opportunity to introduce to you and through you to this Assembly 27 students seated in the east gallery from Glenavon high school along with their principal, Mr. Ron Williams, and their teacher, Mr. Steven Fedak, bus driver, Mrs. Connie McKay. I'll be visiting with you in a while. We'll be having some refreshments and pictures. I do hope you enjoy your stay here, and find it an educational experience. I wish you a safe trip home.

HON. MEMBERS: Hear, hear!

MR. D.F. McARTHUR (Regina Lakeview): — Mr. Speaker, I wish to introduce to you and the members of this Assembly 33 students from Athabasca school here in Regina sitting in the west gallery. They are students in Grade 8 at Athabasca school and have come to the Assembly in the legislative buildings as an extension of their studies, and out of a general interest in government and politics in this province. They are accompanied by their teacher Mrs. Bev Coulter who will, regrettably, be leaving her position as a teacher and as a resident of the city at the end of the week. I will be meeting with the students at 3:15 for discussion and refreshments. I'm sure all members will join with me in wishing them an educational and interesting visit to the legislature.

HON. MEMBERS: Hear, hear!

QUESTIONS

Moratorium on Uranium Development

MR. R. L. COLLVER (Leader of the Opposition): — Mr. Speaker, I would direct my question to the Premier. On Friday, the leader of the New Democratic Party of Canada, Mr. Ed Broadbent, called for and stated that his party stood for a moratorium on uranium development in Canada. What is the position of the Government of Saskatchewan with reference to that call by the leader of the New Democratic Party of Canada?

HON. A.E. BLAKENEY (Premier): — Mr. Speaker, I'm not familiar with the report attributed to the leader of the New Democratic Party of Canada. My understanding was that he had called for a moratorium on the construction of nuclear power plants which is a very, very significant difference from the report that the Leader of the Opposition brings to this House. At any rate I will answer on the general question, whether or not the leader of any national party took a position. It is the position of our government that with respect to uranium mining in Saskatchewan there is no proper basis at this time for a moratorium on uranium mining in Saskatchewan. With respect to the development of nuclear power plants we have no intention of developing a plant in the foreseeable future in Saskatchewan and we do not have a view on whether or not there should be a moratorium on the construction currently underway in provinces such as Ontario and New Brunswick.

MR. COLLVER: — Supplementary question, Mr. Speaker. Since not only the

New Democratic Party, but other jurisdictions in the world, have re-examined their position in the light of the Harrisburg incident, with reference to uranium development, would the Premier not agree that the market for any potential uranium development in Saskatchewan must, of necessity, be affected by any moratoriums on the development of nuclear facilities, either in Canada or in the United States or in Japan or anywhere else? As a result, would the Premier be prepared to table the studies that he has made and that his government has made with reference to uranium development and the expenditure of \$78.7 million of Saskatchewan money in the current fiscal year for development of uranium properties in Saskatchewan, in the light of this call for moratoriums?

MR. BLAKENEY: — Mr. Speaker, I'm not sure that I understand the hon. member's question, but, as I understood it, he asked me whether or not I felt that the incident at Harrisburg, Pennsylvania, would affect uranium markets. My view of that is yes, it will affect them. It will probably be a temporary effect. No one, I think, can estimate that with certainty, but certainly I think the development of uranium in the past, as a fuel for thermal power plants, has been characterized by incidents which have caused there to be lags in growth and then when alternatives were assessed, it was found that, notwithstanding the very real dangers of nuclear power, there were real dangers in relying upon other sources of electricity, and real dangers in trying to do without electricity, and people have turned back to nuclear power. That's in essence, what's being going on in Sweden and many other places, and I would anticipate that will be the course of events here, and accordingly, while I think there may be some effect on markets, potential markets, long before very much of Saskatchewan uranium will fall to be marketed, that this matter will be very much clearer than it is now and I think the incident at Harrisburg will not have any long-term effect. That's my own view. Obviously, it cannot be supported by facts, any more than anyone else's opinion of the future can be supported by facts.

MR. COLLVER: — Supplementary question, Mr. Speaker. Obviously, the Premier misses the point entirely that his own party is calling for a moratorium on development of nuclear facilities in Canada, that there are other governments in the world re-examining their position, and the Government of Saskatchewan persists in going forward without tabling or making the people aware of any market studies of any kind whatsoever, with reference to the expenditure of huge sums of money. My final supplementary is this. Would the Premier, at least, call for a moratorium on the development of the refinery at Warman as at least a step in the direction of his own party in Ottawa (of his own national party) of a re-examination of the facts so that the people of the area can decide for themselves whether they want that development?

MR. BLAKENEY: — Mr. Speaker, there is no decision to proceed with a refinery at Warman. Eldorado Nuclear Limited has a proposal, and it is no more than that, to build a refinery in Saskatchewan.

Mr. Speaker, the hon. member suggests we have agreed to it and the answer is no. To suggest that the Government of Saskatchewan has agreed to Eldorado Nuclear building a refinery at Warman is a straight falsehood. That is not true.

Mr. Speaker, I will indicate what our position is with respect to that. We will insist, and indeed have insisted with Eldorado Nuclear, that before any refinery is constructed at any location in Saskatchewan, they shall submit an environmental impact study. I understand work on that is proceeding. When it is submitted there will be environmental hearings, at which time people in the Warman area (or anywhere else

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that may be thought of as a site for uranium refinery) will have an opportunity to submit their views as to the merits or otherwise of having a uranium refinery in Saskatchewan or indeed at any particular point in Saskatchewan.

With respect to the general comment of what he is saying, the suggestion by the hon. member that uranium mined in Saskatchewan will have any lesser or greater effect on the uranium cycle in the world, if it is refined in Saskatchewan or refined at Port Hope, Ontario, is a difficult concept to get a grasp on. Once the uranium is mined, it will presumably be processed. It makes not a whit of difference from the point of view of whether or not it feeds a uranium reactor, whether it is processed at a plant in Saskatchewan or at Port Hope or elsewhere in Ontario, and accordingly, I find it very difficult to follow the line of argument which says, presumably, we should mine the uranium in Saskatchewan. As I understand it, they are not opposing that. Once it is mined, you can be certain it would be used. At some point before it is being used it must be refined. The issue is whether or not it should be refined in Saskatchewan or Ontario, and that makes not a whit of difference to its contribution, for good or ill, to the uranium cycle in the world.

SGIO Building

MR. R.A. LARTER (Estevan): — Mr. Speaker, a question to the minister in charge of SGIO. In answer to a question of mine last week in Crown corporations, I asked the minister whether or not all of the people who were presently out in leased quarters, would go into the new building. He stated emphatically, yes, they would fit into the new building. In Friday's Leader Post quoted the associate deputy minister of municipal affairs as saying that the people would not fit into the SGIO building and that they would require more space. This is an 18-storey building, a multi-million dollar building. I would like to know if we are deceiving the people again on this. A question to the Premier in the absence of the minister in charge of SGIO.

AN HON. MEMBER: — He's there. Go ahead.

HON. E.C. WHELAN (Minister of Consumer Affairs): — Mr. Speaker, in answer to the hon. member's question, I read what Mr. Innis said — does not have sufficient space, etc. My answer is that this kind of a statement that SGIO does not have space for its own operations is completely without foundation. When SGIO began the construction of its building, it's true that the motor vehicle division was not to be in the new accommodation and neither was the Highway Traffic Board. But provision was made for both those operations in the new building and the present tower does contain two and one-half floors of leased space for the Highway Traffic Board for instance. What is SGIO's concern is provision for long range expansion. We own 150 feet north of the tower and underground parking is already in place under the area and footings are in place to allow above ground construction when it is necessary. What SGIO was doing was making a request from the centre to make sure that the long-term expansion was guaranteed, keeping in mind the need for future expansion. We assessed the demand that might be made on the Cornwall centre. We're looking at the future access and control of the 150 feet and the construction costs at the present. We received from the Cornwall Centre the approval to build, if need be in the future, on the footings that are already there but there is no intention to do that. We only want to make sure we have access to it and have use of the space over the underground parking we have already put in place.

MR. LARTER: — Supplementary, Mr. Minister. The member for Quill Lakes (Mr. Koskie) was on the radio on Saturday and stated that you did have enough room in the building

when you started out but because the license bureau was going in there now and you're going to sell licences you now didn't have the room. I'm wondering what kind of a government can plan a modern building (an 18-storey building) for this time of the year and not plan ahead. I can't understand that. I think that's the stupidest planning I've ever heard of.

SOME HON. MEMBERS: Hear, hear!

MR. WHELAN: — The hon. member obviously didn't hear what I said. I said that the motor vehicle division was housed in it. I said very clearly that the Highway Traffic Board was housed in the building and I indicated clearly that the 160 feet was already in place, the underground parking was there and footings had been put in place for future expansion. We had to get an approval if we did want to build in the future. But I indicated clearly that we did not need the space now and I'm repeating it and I'm prepared to say — and I don't care what the member for Quill Lake (Mr. Koskie) said or the deputy minister said — these are the facts.

Hiring of New Civil Servants

MR. R.A. LARTER (Estevan): — Mr. Minister, in light of the Leader of the Opposition (Mr. Collver) pointing out to this House the other day that Saskatchewan was the leading province in hiring of new civil servants, 13.3 per cent, the closest to Quebec, did you make allowance for this 13.3 per cent increase in people in the SGIO (Saskatchewan Government Insurance Office)?

MR. WHELAN: — We are planning for a long-term expansion of SGIO and we had to have a clearance for the 150 feet that's already built underground and the footings are in place. We have clearance because this is necessary if you're going to plan and we did that.

Prairie Malting Plant

MR. P. ROUSSEAU (Regina South): — Mr. Speaker, a question to the Minister of Industry and Commerce. Mr. Minister, your report or feasibility study that you tabled last week from the D.D. Dick Engineering Company, indicates a capital cost of some \$16,800,000 for the building of the Prairie Malting Company at Biggar. Mr. Minister, how do you explain the present cost of some \$31 million and a serious cost overrun of almost 100 per cent in the building of this Prairie Malting Plant.

HON. N. VICKAR (Minister of Industry and Commerce): — Mr. Speaker, I don't know where the hon. member gets the \$31 million but . . . (inaudible interjection) . . . if you'll just let me finish for one-half a moment. In Crown Corporations coming up very shortly, we will be able to give you the complete breakdown of prairie malt and we will show you where the costs are and the exact cost to date.

MR. ROUSSEAU: — Mr. Speaker, a supplementary question.

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

MR. ROUSSEAU: — You indicate in your annual report an amount of \$14 million borrowed from SEDCO (Saskatchewan Economic Development Corporation) and yet you show a 91 per cent ownership through a Crown investments corporation of the company with a \$31 million cost. Where does the other — 91 per cent of \$31 million

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would be approximately \$28 million — where is the other \$14 million coming from?

MR. VICKAR: — Mr. Speaker, I have to again remind the hon. member that in Crown corporations that information will all be available. I'm prepared to give every bit of it to you and we'll have it.

MR. ROUSSEAU: — Mr. Speaker, with a questionable loss of \$14 million I suggest to you, Mr. Minister, this is fairly urgent. Where is the \$14 million coming from?

MR. VICKAR: — Mr. Speaker, again, I will give that information to the hon. member in Crown corporations.

Alternative if question not answered

MR. J.G. LANE (Qu'Appelle): — New question to the minister. If, in fact, in Crown corporations you do not give the information requested, will you resign your seat . .

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: — Order. I will take a new question.

Divulging borrowing intentions of government

MR. W.C. THATCHER (Thunder Creek): — Mr. Speaker, a question to the Premier. Mr. Premier, I am sure that you are aware of some discussion which has been going on in this Assembly the past week and, shall we say, perhaps culminated by the performance of the minister in charge of SEDCO a few minutes ago, are you aware that your government has been questioned in the legislature concerning capital borrowings which the government plans to proceed with in this Assembly? The Premier may be aware that the position of his House leader is that he will not divulge any of the borrowing intentions to the opposition. My question to the Premier is simply this. Would the Premier agree that in light of the fact that the per capita debt, or the total debt of the province, has gone from \$500 million to \$2.6 billion at the end of this fiscal year, that perhaps it would be appropriate for the government to begin divulging borrowing intentions and the purposes for these borrowing to the opposition?

MR. BLAKENEY: — Mr. Speaker, yes indeed I agree that the intentions with respect to capital borrowings should be divulged to the legislature and I am unaware of any instances where this in fact has not been done. The member for Thunder Creek (Mr. Thatcher) and I have both sat in this House now for seven or eight years.

MR. THATCHER: — I'm three and one-half.

MR. BLAKENEY: — Oh that's right, that's right.

AN HON. MEMBER: — It just seems like seven or eight years.

MR. BLAKENEY: — For three and one-half years then, and I am unaware of what the problem is. Is he suggesting that something which has been done in the past three and one-half years is not now being done, or is he suggesting that what we have been doing for the last three and one-half years is the wrong method and he wants something else done? It seems to me that we have in the past given comments on the general policy of the Saskatchewan Power Corporation for which the bulk of the borrowing is

proceeded, the general policy of Sask Tel, for which the next largest segment of borrowing is, and so on, SEDCO and the others. I am sure the practice which has been followed in the past (and so far as I am aware has been satisfactory to all hon. members on both sides) will be followed in the future. If in fact the practice which we have followed in the past without objection or demur from members opposite, is not now satisfactory, then obviously I think they need to put forward a case for changing the practices which have prevailed in this House for many, many years and many, many decades.

MR. THATCHER: — A supplementary question, Mr. Speaker. I'm sure the Premier is aware that of the \$2.6 billion debt, 95 per cent of that is for Crown corporations. From the Premier's comments, may we then assume that as the spending estimates appear in this legislature (for instance, Sask Housing Corporation, SEDCO, Sask Power, Sask Tel, etc.) — as the vote with these capital spending intentions appear in this Assembly, might I assume that the Premier will instruct the ministers in charge of those respective Crown corporations to answer specific questions as to precisely what that Crown corporation intends to do with the funds it's going to borrow?

I'm sure the Premier is also aware that this year the government has indicated it is going to borrow \$419 million for the purpose of capital spending. Is the Premier then agreeing with the opposition that we do have some right to question your ministers as to exactly what you intend to do with these borrowings?

AN HON. MEMBER: — Here in the legislature, right now!

MR. BLAKENEY: — Mr. Speaker, the hon. member has raised a couple of different types of questions. With respect to, let us say, Sask Housing, I think there has always been a good deal of latitude here in the House because there is a significant grant in a department dealing with Sask Housing and it is in the Department of Municipal Affairs. I know that the Department of Municipal Affairs would be happy, the minister who is responsible for that grant would be happy and has been happy to answer questions on the general policies of the Sask Housing Corporation, for which the grant is directed.

With respect to Sask Power, again the general policies of the power corporation for the future are open for comment and discussion in the future as they have been in the past. If we wish to have detailed questions as to what the power corporation intends to do, obviously we will have to change the customs of this House a good deal and the customs, so far as I'm aware, of every other legislature in Canada because I'm unaware of any legislature where, let us say, the borrowing program of Alberta Government Telephones is subject to questions in the Alberta legislature to the extent that the minister shall have all of the officials of Alberta Government Telephones around him to tell how many dollars are going to be spent on underground cable and how many are going to be spent on PBXs and PAXs and the like. I suspect that that is not the practice anywhere in Canada. If hon. members think we ought to change the practice of this House to be different than any other legislature in Canada and to be different than we have carried on here for the years that this legislature has operated then I think they ought to put a substantive motion on the order page and we can debate it in the proper way.

MR. THATCHER: — A supplementary, Mr. Speaker. Is the Premier suggesting . . . stating that, despite the fact that his government is presently borrowing on a compounded rate from 1971 to 1979, at a compound annual rate of 20.5 per cent per year — that is net, that's what you borrow and what you pay off. The increase every year is 20.5 per cent

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and that's out of Standard and Poor's Prospectus, Mr. Premier. Are you saying that at that rate of interest that the opposition should wait two years to ask these question in Crown corporations when it is past history, meaningless and after the fact? Is the Premier saying that he is going to continue to instruct his ministers to not provide any specific information as to the purposes, general purposes, which these borrowing will be used for?

MR. BLAKENEY: — Mr. Speaker, two points. As I caught his last words, if he wants comments on the specific general purposes, he can have them. It's the specific, specific purposes which we are troubled about. Those are the ones where the minister can't possibly be expected to have the information and where he would have to have all of the officials of the corporation with him. We have for many years adopted the practice that questions directed to the corporations should be directed in the Crown Corporations Committee where the questions can be asked with the officials there.

I have heard the hon. member again say on a number of occasions, for example, with respect to the Saskatchewan Power Corporation and any money which they may borrow in the calendar year 1979, that he is going to have to wait until 1981, two years from now to get his facts. That is, of course, not the question. With respect to the Saskatchewan Power Corporation, (and I guess it hasn't been to the Crown Corporations Committee yet) the annual report will cover the period up to December 31, 1978. Any capital moneys spent up to December 31, 1978, are going to be accounted for in that committee in one week's time. Anyone who doubts that and anyone who shouts nonsense, should read the annual report of the Saskatchewan Power Corporation which has been tabled and he will find it deals with the calendar year 1978. All of the activities of SPC for the calendar year '78 are available for discussion before the Crown Corporations Committee in a couple of days.

SOME HON. MEMBERS: Hear, hear!

MR. COLLVER: — Mr. Speaker, my question is to the Premier. It's really a three part question.

1. Does the Premier sincerely believe that the answers that his Minister of Industry and Commerce (Mr. Vickar) has given to the Legislative Chamber in the last few days — I could quote several of them — are reasonable in giving the answers the people are entitled to get, for example, today, how they are spending \$16 million. That's part one.

2. I would hate for anybody listening to this question period to believe that the Premier is expecting this. Does the Premier expect this Assembly to believe that at no time in the last four years has the opposition criticized the Government of Saskatchewan for failing to give information to this legislature or the catch 22, to this legislature and the Crown Corporations Committee?

3. Does the Premier honestly believe that anyone is going to believe that answers are available when they hear, in Crown Corporations Committee, the ministers say that's not in the year under review, it's not in the public interest.

MR. SPEAKER: — Order, order! I'm cutting you off! Order.

MOTION

House Adjournment

HON. R. ROMANOW (Attorney General): — I would like to move seconded by the Minister of Finance (Mr. Smishek):

That when this Assembly adjourns on Thursday April 12, 1979, that it stand adjourned until Tuesday April 17, 1979.

Motion agreed to.

COMMITTEE OF FINANCE — GOVERNMENT SERVICES — VOTE 13

ITEM 1

MR. P. ROUSSEAU (Regina South): — Mr. Chairman, I would ask the Minister of Government Services (Mr. Snyder) if you would kindly provide me with the list of senior officials of your department, of their salaries, as I've asked the other ministers in the past. If you'd like I'll repeat the question or the way I want it supplied to me, or do you know? Mr. Chairman, I would ask the minister to provide me with the senior, starting with the deputy minister down through every vote, and the first two or three senior officials of every department, with his 1978-79 estimated salary, his 1978-79 actual and his 1979-80 estimated. I will send you a form if you like so that you can get an idea of what I want.

MR. CHAIRMAN: — Order! Mr. Minister, before we start I find it difficult to hear ourselves here. I would ask any of the small meetings, particularly to the right of me, if they want to visit or to whisper, whisper in silence. I'm sorry to intrude, Mr. Minister, but carry on, please.

HON. G.T. SNYDER (Minister of Labour) — I think, Mr. Chairman, I can give the hon. member the information he's looking for if it follows the general pattern that was asked during another — do you want me to send it over, or do you want me to deliver it to you now, or read it to you?

MR. ROUSSEAU: — Send it over; it'll save some time.

MR. SNYDER: — Fine. If this is not sufficient ask for something else and we'll provide you with the additional information that you're looking for if you wish.

MR. ROUSSEAU: — I think we could save an awful lot of time in the estimates if I were to ask the Attorney General (Mr. Romanow) if he would instruct all of his ministers to provide this, for all the other departments that are coming up. I think we could save some time if that instruction could be passed on to all of the ministers.

One other question that I have for the Minister of Government Services. Automobiles — how many automobiles are you leasing from CVA (Central Vehicle Agency) and who is supplied with an automobile?

MR. SNYDER: — I can indicate to the hon. member the number of vehicles, if I can describe them as vehicles (trucks used in the public works advance account and in other areas of service in the Department of Government Services and the private passenger vehicles) total some 36. He might be interested in knowing this is down from, I believe the figure is, 44 or 45 vehicles a couple of years ago. There's been a withdrawal of some vehicles from that portion of the operation. So, there are 36

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vehicles in total, including trucks that are involved in government services.

MR. ROUSSEAU: — Mr. Chairman, the second part of my question — who receives an automobile as part of his remuneration?

MR. SNYDER: — Just so I'm clear on the hon. member's question. I believe the question was how many employees in the Department of Government Services receive an automobile as part of their remuneration. And the answer is one only. The deputy minister, as is the case with other deputies, has an automobile as part of the remuneration or employment package, if you like. The rest of them who have an automobile have an automobile directly related to the operation of the kind of work that their employee did. It is in direct relation to the travelling which they do with respect to the job that they fill.

MR. ROUSSEAU: — This is the final question. I take it that it's the 1 per cent a month charge for the deputy minister's automobile? Is it based on 1 per cent of the capitalized cost of the automobile?

MR. SNYDER: — Yes, that's the same as all of the deputies, the same formula.

MR. R. KATZMAN (Rosthern): — Mr. Minister, first of all I think I should give you and your department a thank you for supplying me with a very weighty document listing all the properties that the Government of Saskatchewan owns, leases or rents in the amount of square meters, on a figure that you recommend I use for calculations. I would also like to thank you for the letter but I would like some clarification on page two of the letter that you sent over today. In the estimated total annual cost, and here we are dealing with one department, are all the services in that figure? Does that include like the janitorial services, everything they require?

MR. SNYDER: — I am sure that the hon. member will appreciate some of the problems attendant to breaking down all of the absolute costs involved in a building where we may lease only a portion of the building, and attempt to then arrive at an average cost per square metre, if you like, in that particular building. To the extent that it is possible, average costs are allocated to each department indicating average costs with respect to power and heat and caretaking services that are apportioned to that number of square metres in a building where we may lease a portion or all of a floor or a portion or all of a building.

You will appreciate some of the difficulties in breaking it down into any more delicate figures than those we have given to you.

MR. KATZMAN: — Mr. Minister, I am not . . . I understand (correct me if I am wrong) the figures that I was given by your department in this letter. I am not using them because I assume that you don't want them related publicly, so I will go with that attitude, but I assume that if I took the square metres, multiplied them by the figure I have, type 1, type 2, type 3, which are the only three types that there is basically a charge geared on, that I would come out with approximately the amount of money which your department spends (some of it is recoverable, I realize that) on behalf of everybody that you supply space and services for. The Crown Corporations, I realize, will have to reimburse you, I would assume.

MR. SNYDER: — The short answer would appear to be yes. If you take the average cost

for level 1, 2, 3, type of accommodation, multiply it by the appropriate figure and add them together, and the aggregate you will have basically is the cost to provide for space to the different agencies and departments of government that are serviced by the Department of Government Services.

MR. KATZMAN: — One last question then, with that information. I assume, from the Crown corporations, you recover your costs. Am I correct? With all other departments you absorb the costs?

MR. SNYDER: — That is right. Crown corporations are separate and apart, some are at arm's length and accordingly, costs are recovered from them.

MR. H. SWAN (Rosetown-Elrose): — I was looking at your administration costs on Item 1, and I notice that it is in excess of 33 per cent. Now, if we are going to let our expenses run rampant and go up 33 per cent in administration only, then I think we are all headed for deep trouble, as a government.

I would like you to explain it in detail, the reason for the large percentage increase.

MR. SNYDER: — I would have to indicate to the hon. member that he has got to look at more than one subvote when he is looking at the increase from \$80,610. That is the reference point that you're drawing attention to, I gather, to \$252, 270. I have to refer you to subvote 4 in order for an explanation. You'll see that the subvote under Property and Planning Branch will show a major decrease from a figure of \$217,180 to \$51,580. Now it's a difference in the manner in which computer costs were allocated. Computer costs that were formally shown under Property and Planning branch are now to be found in subvote 1 under administration which accounts for an increase of from \$80,000 to \$252,270. The reason then for the increase is the transfer to administration of \$171,020 of computer costs from property and planning and in addition to that, the transfer of \$3,140 in space co-ordination costs from administration to property and planning. So the net increase of \$2,050 for midyear approval for CVA (Central Vehicle Agency) cars for the deputy minister is also included and there's an increase of \$1,730 in other codes. So, I think it provides then the explanation of why, what appears to be a rather marked increase here in relative terms. It does not represent a major increase. I think a very modest increase, in fact.

MR. SWAN: — I wonder in the future when you're making changes like that if you could indicate them in your estimates book because it would make it simpler for us. But when you look at the total on the first subvote, it shows over 33 per cent increase which is unreasonable.

MR. SNYDER: — I think the member makes a good point and probably it could have been marked with an asterisk to indicate the computer costs have been moved from property and planning to administration. That obviously would have made my work easier not having to answer the question which was a rather obvious one.

MR. R.A. LARTER (Estevan): — Mr. Minister, do you not have anything to do with this new SGIO (Saskatchewan Government Insurance Office) building in Regina — government services?

MR. SNYDER: — No, no we do not.

MR. LARTER: — Mr. Minister, you mentioned that automobiles for deputy ministers

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were part of the incentive to work for the government. A lot of the private sector does not supply cars. Their reimbursement is in salary or if they need a car, there's a car in the pool they can use. I'm curious about how many cars, extra cars, we need throughout this province for deputy ministers who may or may not need them in their every day work other than going to and from work. I'm wondering if deputy ministers do need cars in this province.

MR. SNYDER: — Well, I suppose that's a matter of how you approach the problem of competing in the market for good people to occupy important positions and serve their respective departments well. I am one of those who personally is of the opinion that to provide an automobile to a deputy minister is a good idea. I say that in terms of providing for remuneration; it is more meaningful oftentimes than the additional dollars which are, in many instances, captured by the federal government in taxes. I think there is some real advantage in providing that additional incentive and providing to the deputy minister an automobile which in some instances, for the same amount of money, reflects to the advantage of the employee. I think there is probably not a department of government that doesn't provide the deputy minister with an automobile, at least I would be prepared to guess all jurisdictions provide an automobile for their deputy minister.

MR. LARTER: — Just one last question, Mr. Minister. Do you know how many automobiles this would cover for deputy ministers with the Saskatchewan government?

MR. SNYDER: — Revenue, supply and services would be the one who would give you that information. Central Vehicle Agency is their responsibility. But you can take the number of departments and it would be somewhere in the vicinity of 20 automobiles, give or take one or two.

Item 1 agreed.

Items 2 and 3 agreed.

Item 4

MR. KATZMAN: — In the property and planning division, do you have a formula for all staff and positions on related space that each one is assigned? For example, an MLA, I believe is allowed 140 square feet of space and secretaries are 100 and something. Is there a formula for all staff?

MR. SNYDER: — In general terms I can tell the hon. member that the average is 178 square feet per employee and, of course, that will vary depending upon function. We can give you a list, if you like, of the different levels of accommodation and we'll send it over to you so you'll have some more good bedtime reading. If that doesn't give you insomnia, nothing will. We'll provide you with a list if you wish.

MR. KATZMAN: — For the minister's information, I spent the weekend with a computer tallying these all across and I think I feel like I'm a punching board after doing that. But anyway, I'll make one more comment on this area and that is, hopefully, in very short due course, the opposition members will have as comfortable a location as the government members have.

MR. SNYDER: — I'm sure we're going to make every effort when the renovations begin

to provide you with the accommodation to which you're entitled. You'll know that there's been a degree of complaint, I suppose, ever since I arrived here. I recall, at one point back in 1960, when office space now being occupied by two people was occupied by half-a-dozen, with very minimal services, secretarial pool and the like. So I think it has to be said that services have improved to a very marked degree and we trust that with the renovation of the offices on the east wing of the building we'll be seeing space more in keeping with the taste of members opposite. I understand that 12 offices will be provided, room for a secretarial pool and a suite of offices for the Leader of the Opposition, whoever he may be. That should be along the way very shortly. When we adjourn the House, that will, of course, speed up the operation considerably and the sooner we're out of here, the sooner we'll be able to abandon those premises and start the renovation work that's necessary for good and updated office space.

MR. J.G. LANE (Qu'Appelle): — I think it would be in your own self interest to renovate the opposition offices, perhaps in time for the next election. Mr. Minister, on the T.C Douglas Building there was a cost overrun. Would you have your officials supply to me the extent of that cost overrun, the reasons for the cost overrun and the items? I'm getting conflicting report on it. They're now saying it cost \$27 million. At one time it was \$21 million and there seems to be a difference in that. I think one can see some of the overrun. Secondly, would you have for me the total cost of what would normally be called leasehold improvements in both the T.C. Douglas Building and the one in Saskatoon — the partitions, those costs that are excess over construction? Thirdly, the acquisition of furniture in the T.C. Douglas Building — can you tell me whether that was acquired by tender? Was it tendered? Who was the main supplier of furniture or, if there were more than one, who they were and the amounts of each contract and what they were supplied. And then the fourth one, in both cases, the Saskatoon building and the T.C. Douglas, is there an allocation made or is that your department, for an assessment of parking costs? I'm trying to determine why underground parking? Given the problems that have resulted, it would have been cheaper to go with above ground parking, rather than what's accepted to be more expensive, underground parking. If your officials can supply me that, I give them in that order, Mr. Minister, because I have constituents waiting outside that I've undertaken to meet too. I can come back in at the subvotes Regina and Saskatoon, if you wish.

MR. SNYDER: — Well, I'm wondering if I didn't explain in an adequate way on Friday, the question of the differences between building cost and project cost. We went into this in some depths and I think both the member for Regina South (Mr. Rousseau) and the member for Rosthern (Mr. Katzman), it strikes me, were satisfied with the answer that was given, related to the figure, the project cost of \$28 million for the T.C. Douglas Building vis-à-vis the \$21 million allocated towards building cost. The additional money, of course, was accounted for in terms of exterior parking, widening of 23rd Avenue, landscaping, furniture, drapes, and things of that nature, and that made up the difference. I'm not sure whether you were here on Friday and received that explanation or whether my explanation was inadequate but that question was raised and I thought adequately dealt with. The question of the furniture, the Westinghouse furniture, was also dealt with on Friday, at which time I attempted to indicate to members opposite the fact that Westinghouse furniture was provided by a supplier on the basis of an offer received after inquiring of a number of suppliers. We found the offer received from Westinghouse was, by far, advantageous to us in terms of overall costs, with respect to the offer by Westinghouse compared to the other suppliers. Accordingly, the Westinghouse equipment was accepted for both the Saskatoon building and the Regina T.C. Douglas Building. Additionally, an offer was made to provide the costs would remain fixed for a period of one year and, accordingly, there would not be an

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escalation in costs in the event that any additional Westinghouse furniture was ordered between the time of, I believe it was in May, anyway for 12 months hence. I believe from May until May of 1980. At that time, we'll have a firm figure on any additional inventory that we wish to put in place with respect to Westinghouse furniture.

Item 4 agreed.

Items 5 and 6 agreed.

ITEM 7

MR. P. ROUSSEAU (Regina South): — Mr. Chairman, \$5 million in two areas seems like an awful lot of money for other expenses. Could you give us some kind of a breakdown as to what the \$5 million includes?

HON. G.T. SNYDER (Minister of Labour): — Well, I can give the member not all of them (I'm sure he doesn't want all of them) but the rent of building and other space shows our 1979-80 budgeted figure of \$4,362,900; light, water and other utilities, \$157,950; another large one, natural gas and manufactured gas, \$110,830. That will account for a large piece of the \$5 million you are inquiring about.

MR. ROUSSEAU: — Mr. Chairman, I would like to have a comparison. You mentioned \$4.3 million and some for rent. What was it the year before?

MR. SNYDER: — For 1978-79, the figure was \$3,821,480.

MR. ROUSSEAU: — Mr. Chairman, a comment on that amount of money. We're talking about half a million dollar increase in rent from one year to the next. Since most leases are on the long-term basis and the rent would remain fixed, can you explain it? Are you acquiring more office space or more property? I thought that was why you were building all these Taj Mahals to eliminate the need to lease that much property.

MR. SNYDER: — For a number of leases that you draw attention to, the increase in cost is attributed to the fact that a number of the leases have re-openers in them with respect to increased costs in power and natural gas, which becomes part of the least that is entered into with the landlord. Four particular increases in the year that we're referring to: Shadow Towers, Humford House, the Gemini Warehouse, and other miscellaneous buildings had leases that were adjusted. There was new lease space for the Wascana Institute of Applied Arts and Science for the agricultural program, a figure there of \$195,000, new building; SEDCO building \$46,200; Chateau Towers \$39,900 for an additional \$281,00 in new lease space; \$182,000 increases as a result of escalation of existing leases. There was an increase in renewed leases in two other instances, the Towne Square and miscellaneous buildings for the total of those that were adjusted during the past year.

MR. ROUSSEAU: — I can understand the increase in the Towne Square, since I assume that was a long term lease renewal which came up for renewal last year, but I can't understand the Chateau Towers. Wasn't your original lease last year on Chateau Towers, and you're telling me that you renegotiated that lease, or there was an increase in that one?

MR. SNYDER: — Involved in the original lease was an escalation clause which covered unforeseen and unavoidable increases, i.e., natural gas and power costs, and that

reflects on the lease cost to government services as a tenant of Chateau Towers, Humford House, Gemini and several other miscellaneous buildings.

MR. ROUSSEAU: — So the \$5 million you are saying are escalations and new leases and so on — a combination of a lot of things. Could you, Mr. Minister, table some of these costs item wise so that we could have copies of them, such as your leases, where they are, the costs the escalations, and the other expenses, because actually we're looking at over \$10 million between the two districts — Regina West and Regina East. Where is the dividing line, by the way, on that? I think we'd like to have a look at the itemized cost of this \$10 million.

MR. SNYDER: — I can tell the hon. member the dividing line is on Hamilton Street, which divides the city on the north and south with everything to the west of Hamilton Street in one are and to the east in the other. My people tell me we are in a bit of an awkward position in complying with your request to provide copies of leases because we are, in effect, in a competitive business in terms of providing space and entering into lease agreements with different landlords. Perhaps I misunderstood your question, but I understood you would like to see or have some background on the copy of the leases that have been entered into and that creates a bit of a problem.

MR. ROUSSEAU: — Mr. Chairman, obviously the minister misunderstood my question. I'm not asking for copies of the lease, the details of the expenditure of the \$10 million, the leases — how much of it is rent and where? I don't want to see the leases as such, just the cost. For example, how many square feet are you leasing in the Chateau Towers, at what cost? A terrible cost — you know, an itemized report of your \$10 million estimated budget to those two departments. May I correct you on one. You said the dividing line being Hamilton Street, north and south. You meant east and west, I take it?

MR. SNYDER: — Yes. It occurred to me when the hon. member was saying that he didn't really want the cost per square foot, just the complete cost and the number of square feet. You don't have to be much of a mathematician to work out the details on that. If that's all you want, then you are asking for the very thing you were suggesting that you really didn't need. It does create some problems for us. I hope you'll appreciate why. We are in a position of renting a large number of square feet from a number of landlords and to provide in a public way that kind of information is, I think, somewhat beyond what the department has ever done in the past. It virtually gives the members opposite the actual cost per square foot. If we give you the number of square feet that are rented in the Chateau Towers and give you the cost, then the mathematics that would come out of that would leave very little to the imagination.

MR. ROUSSEAU: — Well, Mr. Chairman, I fail to understand how that can create a problem even if that is a know figure. Any realtor will tell you the cost per square footage of office space for rent where available. You are renting from, not renting to. I fail to see where that can be a problem except that knowledge can be a competitive matter. I don't follow your thinking on that at all.

MR. SNYDER: — It is provided in general terms, quite a bit of that information by way of a computer print out and the hon. member for Rosthern (Mr. Katzman) has that. It deals in averages and I would hope that that might be sufficient without getting more specific in dealing with the individual building and the actual cost per square foot. If that would serve the purpose, I think the member for Rosthern has most of that information made available to him last Friday.

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MR. ROUSSEAU: — All right. Maybe the minister can tell me if in that report how much of the \$10 million that we're talking about, how much is rent, how much is gas, how much is electricity, how much is whatever the other expenses are? Is it in that report? First of all that isn't. Could you provide to us a breakdown of just those categories? How much rent — like if it's \$4 million or whatever? How much for power? How much for other costs which you incur in the \$10,200,000?

MR. SNYDER: — Mr. Nevill indicates to me that it's not quite as easy as you might suggest. What we do is rent the appropriate number of square metres from a landlord and he provides the gas and the electricity. The amount of money which is paid by Department of Government Services to that particular landlord is represented in a dollar figure which doesn't segregate the cost of space from the caretaking, from the provision of heat, from the provision of electricity, and so on. So the actual cost for providing heat and light or water if you like, is all part of the package when government services provides so many dollars and cents per square foot of space occupied.

MR. ROUSSEAU: — One final question then. You mentioned earlier \$4.3 million for rent on subvote 20. I understood from that there would be the \$4.3 million and the difference to the \$5,008,000 would be other areas. Are you saying to me now that the \$5,008,000 is strictly property and the various costs of the property, including rent, gas, heat, taxes and whatever else it involves?

MR. SNYDER: — I think I understand the member's question. He is asking me to make allowance or explain the difference between the \$5,008,000 which appears in other expense '79-'80 and the \$4.3 million which I indicated was for rent. The difference between the \$4.3 million and the \$5,008,000 is represented by the cost of operating buildings which we own, that is to say, this building, the health building and the administration building along Albert Street, that will be what is represented in the difference between the \$4.3 million and the \$5,008,150 you see in that particular subvote.

MR. ROUSSEAU: — In other words, Mr. Minister, what you are saying is the \$4.3 million is property you are leasing from others and the \$700,000 is your own property and the cost of operating your own buildings?

MR. SNYDER: — Yes.

MR. ROUSSEAU: — O.K.

Item 7 agreed.

ITEM 8

MR. ROUSSEAU: — I could have asked this question, I suppose, under item 7; I am not sure how to even put the question. Could you give us an indication of the total square footage (metres I think you are using now) of office building being used by the government, rented and your own, and what does it work out to on a per capita basis? By that I mean employees. Is that a possible figure to give us? I would like to compare it with the private sector.

MR. SNYDER: — Could you give me that once more?

MR. ROUSSEAU: — How many square feet (or metres) of office space do you occupy,

being owned and leased? Now you have three categories of building — there's (1), (2) and (3), I notice from your report. The (1) I take it is office; what is (2)?

I think I am referring to (1). How many total square feet of space type (1) do you occupy on an ownership basis and a lease basis? How does that work out on a per capita — if that's possible? I don't expect that answer today, but if you could give me, at a later date, the per capita occupancy of that office space.

MR. SNYDER: — I am told that our figures are not more recent than March 31, 1978, where you will find in the annual report that the number of square feet in lease space is 1,138,000, and there is 690,000 of owned space. In attempting to determine how many square feet per capita or per government employee, I return to the 178 square feet, which is the average per employee. That is sort of a horseback guess — 178 square feet per employee is the general rule of thumb.

MR. KATZMAN: — Can you give me those figures one more time?

MR. SNYDER: — It is in the annual report March 31, 1978 — 1,138,000 square feet leased, ad 690,000 square feet owned. That is in your annual report on page 13.

MR. ROUSSEAU: — O.K. For a total then of 1,828,000 owned and lease, you indicated a rule of thumb of 178 square feet per employee. Is that the rule of thumb or is it the actual? Is that what it works out to? I will now use the figure in the budget of approximately 10,000 employees. I don't know how many of those 10,000 employees are office people. Are there 5,000 office people or what percentage out of that 10,000 are office personnel?

MR. SNYDER: — I hope we are not in any way misleading the hon. member, but the calculation of 178 square feet per employee is intended to relate to just those office employees. Of course it won't cover the field staff people, employees of the Department of Highways who do not occupy office space. This will relate to the number of employees who occupy office space when I referred to that kind of employee — 178 square feet for that group of people.

MR. ROUSSEAU: — I haven't got a calculator at hand, but in may head, very quickly looking at 10,000 employees that the civil service supposedly has and looking at 178 square feet per employee would come to 1,780,000 square feet. Your calculation here is 1,828,000 which, by the way, doesn't add up with the column; oh, no that's the estimate total area required. O.K., you're saying you have 1,828,000, then are you telling me that of the 10,000 employees that you have that they are all office workers? Surely, they can't be. So, I would suggest to you that your calculation is way out. If you have in fact, for example let's say 7,000 employees in offices that's 7,000 into 1,828,000 would come to about 250 square feet per employee and in fact a little more than that.

MR. SNYDER: — My people indicate to me that your figure if you're attempting to use 7,000 and indicate that that is the number of bona fide office people that that is low and considerably low. It's a good deal higher than that. The figure of 178 feet may be slightly under, probably in the are of 180 square feet per office employee, but there's another feature I suppose that has to be considered too and that is some office space at any given time will be vacant, and subject to be refurbished as will be the case when we vacate a portion of three floors in the legislative building for refurbishing, and that will

be office space that is not useable at any given point in time because of the refurbishing that is taking place.

MR. ROUSSEAU: — I think that was a poor example to use, Mr. Minister, because that only means that 17 MLAs are going to have to work out of their homes while you are refurbishing our offices. I don't think you can use that one as an example. Perhaps your argument is valid in other areas. However, I think I'm going to ask two questions. First of all, what is the private sector rule of thumb? You mentioned 178 square feet per employee. Now, I don't know what it is. I intend to perhaps inquire into it. You also said that 7,000 employees is perhaps low, and perhaps it is. I don't know. What is the actual office workers that you have employed in the civil service? Do you have that figure?

MR. SNYDER: — I'd imagine it has to be said that that figure varies from month to month, and we in the Department of Government Services wouldn't have that figure. Probably the appropriate agency would be the Public Service Commission, when the Public Service Commission is before Department of Finance. I can't give you, nor can the departmental people give you a figure that would be any more than an estimate.

MR. ROUSSEAU: — Mr. Minister, you say you can't give us that figure. How can you possibly arrive at an estimated requirement for office space if you don't have that figure? It's your responsibility to decide what the government is going to need for office space, and you're saying it needs 1,828,000 square feet. How do you know it needs 1,828,000 square feet if you don't know how many employees are involved?

MR. SNYDER: — What I said to the hon. member was that the figure would be nothing more than an estimate and we do work on, you know, long term estimate. And I don't think the member can expect that I can provide a figure that will be accurate on a month to month basis because, obviously, inventory of staff takes place from time to time and in order to be answering and be certain that at some point in time you won't be charging me with giving you misleading or false information. I'm saying that we do not have that precise figure for this year of our Lord in April 1979.

MR. ROUSSEAU: — I don't want to dwell on the question, and I'll ask you to come back with the answer if necessary because we have other things to carry on with but, Mr. Minister, I suggest to you that you can provide us with the estimated or the average for 12 months. I can't see that you can't tell us within a 12 month period what the average number of office employees, the civil service, had. And if you can provide us with that information and using your rule of thumb of 180 square feet per employee then surely we can arrive at the required total inventory you need for office space for a year, and it may be away out from the 1,828,000 square feet that you have indicated. That's all I'm asking.

MR. SNYDER: — We can provide the information for the hon. member. We can give it to him probably tomorrow or the following day I would think. We'll be able to give it to him very shortly. It will include not only bona fide civil servants, if you like, but it will include some employees of Crown corporations and, additionally, some of boards and commissions who cannot be described as bona fide civil service, or part of the public service of Saskatchewan. So, remember, that will be part of the overall picture when you receive the two.

MR. ROUSSEAU: — O.K. That bring up another question, then. Are you responsible for Crown corporation office space as well? Does that 1,828,000 include the Sask Power building, Sask Tel, SGIO?

MR. SNYDER: — We don't provide space for the Crown corporations, unless there is vacant space. Then, if there's vacant space in a publicly owned building and we need a filler, oftentimes that will be rented to a Crown corporation seeking space. And so, on occasions, space is provided as a filler in lease space that we have available to other agencies and departments of government.

MR. ROUSSEAU: — Well, okay. I suppose that would be the exception rather than the rule. So, will you then provide me with the number of employees that are occupying the office building that you are responsible for? That's what I'd like to have. If you provide me with that information tomorrow, that will be fine.

Item 8 agreed.

ITEM 9

MR. KATZMAN: — Of that \$1,757,000 is any portion paid to Wascana for the operation of the legislative area, or is that strictly for this building?

MR. SNYDER: — There's nothing included in that subvote for the Wascana Centre Authority.

Item 9 agreed.

Items 10 to 17 agreed.

ITEM 18

MR. KATZMAN: — Mr. Chairman, if I may, I would like at this time before we go into the capital expenditures to thank the minister for the reams of information I will have time to check out later and ask if he would be willing to produce for me another copy of this six months down the road, six months down the road with the changes as they come about?

MR. SNYDER: — Well, I can't think of better bedtime reading material if you have insomnia, so we'll be glad to provide it for you.

Item 18 agreed.

Government Services Vote 13 agreed.

GOVERNMENT SERVICES — Capital Expenditure — Vote 14

ITEM 1

MR. KATZMAN: — Mr. Chairman, all of these figures listed under Vote 14 are construction, am I correct?

MR. SNYDER: — Yes, that's right, either in the development stage or in the planning stage.

MR. KATZMAN: — Of the \$54 million, basically, under this vote, how much of it is statutory in departments or is it all strictly having to be voted here?

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MR. SNYDER: — The figure you're groping with is the \$23 million capital figure, not the \$54 million one. That's a combination of the two, operating and capital. None of these is statutory. These are all projects to be voted or portions of projects that are carried over from the previous year in capital expenditures.

MR. KATZMAN: — Could you supply me with a list of a breakdown of the \$23 million then, at a later date?

MR. SNYDER: — I can give you the breakdown by department — agriculture, Attorney General, and so on and we've even broken down for your convenience, by constituency if you wish.

Item 1 agreed.

Items 2 to 6 agreed.

ITEM 7

MR. KATZMAN: — On the Department of Northern Saskatchewan one here, air tanker base, I thought they were all built. Am I incorrect or is this just the payoff on the last of them? The Buffalo Narrows for the air tanker base.

MR. SNYDER: — This will be the completion. They won't appear in next year's estimate. This will be the final payment for the tanker base, the final figure during this fiscal year.

MR. KATZMAN: — In other words, all the other tanker bases were paid out of last year's vote. This is the only one left in this year's?

MR. SNYDER: — Right.

Item 7 agreed.

Item 8 agreed.

ITEM 9

MR. KATZMAN: — Are any of these portions in tourism recoverable, for example, service centre, Good Spirit Provincial Park; the service centre at Pike Lake, are any of these bearing revenue?

MR. SNYDER: — A number of those in Tourism and Renewable Resources under that subheading have some costs which are recoverable but the benefits accrue to the Department of Tourism and Renewable Resources but not to us. They show that as a revenue item but Department of Government Services does not.

MR. KATZMAN: — Mr. Chairman, I may have a crossover. I'm just double checking here. I assume this is all renewable resources. I thought it was part of somewhere else. Mr. Chairman, I notice here Meadow Lake Correction Work Camp; there are funds there. Now that's social services I believe, yet it doesn't seem to indicate it; it just says capital works project. Am I misreading this? It says Meadow Lake Correction Work Camp . . . then there's an amount of money. Where would the rest of the costs be?

MR. SNYDER: — Correctional work camp. Meadow Lakes — \$176,000. That's the material I just sent over to you, incidentally. Starting date was December, 1978 and it is due for completion in September, 1979. Some of that work, I believe it has been indicated, will be done by the Department of Tourism and Renewable Resources, some of the laying of water mains and things of that nature.

MR. KATZMAN: — I assume it was an error on your part. It wasn't intention, but I notice in this estimate there is another air tanker base at Buffalo Narrows and there is another one under DNS (Department of Northern Saskatchewan) which is separate. It is under two different votes. Is there any reason for that? One is under DNS and one under tourism and renewable resources. Is there a reason why it is in both places and not just one?

MR. SNYDER: — I am told the reason they are listed under a different subvote is that one is an airport terminal building and the other is a water tanker base and it falls under a different set of circumstances with, I guess, the Department of Highways having major responsibility in one area and not in the other. I am not sure just at the moment which is which.

MR. KATZMAN: — It says here, under the Department of Tourism and Renewable Resources, HI 0655 and gives a figure of how much money, 428 and yet over on another vote it gives 528,000. One says air tanker base. One does say terminal building. I agree with you there. The same figure, 528 shows up again in both places. I shows 957,000 is Buffalo Narrows in total for the air tanker base, yet you also show the same \$528,800 in two votes. Was that an error?

MR. SNYDER: — What page are you referring to? I have a little difficulty keeping track.

MR. KATZMAN: — One is subject 7, the Department of Northern Saskatchewan. There is no page on these, unfortunately. It is the last one, finalizing projects. The other one is on the second page of the Department of Tourism and Renewable Resources which is subject no. 9, under Athabasca. You seem to be voting the same money twice.

MR. SNYDER: — The information has been given to you as a breakdown by department, and given again to you as a breakdown by constituency. I think you are cross-membering those and attempting to indicate that it has been voted twice. Just for your convenience, we broke it down by constituency in order that if you wanted to have a look at it to see what capital works programs were allocated in each of the provincial constituencies, you could do it that way. The covering letter gives you an explanation of what is provided in the material we sent you.

MR. KATZMAN: — What you are saying is that that is a supplementary sheet and we are not voting these figures. That is a grand ally of everything ahead of it. O.K.

Item 9 agreed.

Government Services Capital Expenditure Vote 14 agreed.

Government Services Provincial Development Expenditure agreed.

DEPARTMENT OF MUNICIPAL AFFAIRS — Vote 24

Saskatchewan Housing Corporation

ITEM 33

HON. G. MacMURCHY (Minister of Municipal Affairs): — Mr. Chairman, perhaps I can assist the House. As we left off on municipal affairs, we'd come to the subvotes on the housing corporation and I indicated that we'd have the chairman of the housing corporation board respond to the question raised by the opposition.

Additionally, there's the final subvote under municipal affairs and a supplementary. I have the two deputies with me in case the hon. members wish to ask some question on those two final subvotes. So I think that perhaps we'll ask the chairman of the housing corporation board to introduce his officials.

HON. D.W. CODY (Minister of Telephones): — Mr. Chairman, to my right is Stan Willox who is the general manager of the Saskatchewan Housing Corporation. The gentleman in the back is Tom Carter, the director of research. Behind him is Alex Fowlie, an executive officer, and the gentleman here is Wayne McDonald, the treasurer.

MR. H. SWAN (Rosetown-Elrose): — I'd like a little information on Saskatchewan Housing. Some of the reports we've been getting from around the province show that, in the opinion of the local people at least, there's money being wasted in Saskatchewan Housing in considerable amounts. Now, it may not show here but I would like to ask the Saskatchewan Housing people to provide me with a list of all of the programs that you've entered into in the past year and give us the estimated costs you had for the project and then the actual cost at the end of the project. Can you provide that type of information here?

MR. CODY: — Mr. Chairman, we can't give the information to you right now because there's just a raft of programs. It would be a document as large as this because there are thousands and thousands of houses and half a dozen or a dozen programs. We certainly will be willing to give you any and all information we have on any particular project with regard to the amount of money that was estimated, the actual money spent and all that. We'll give you all of that but they'll have to ferret it out and it'll take several weeks to do it.

MR. SWAN: — I don't want everything Sask Housing started. I'm asking for the year 1978. If you can give me an indication of the areas you will be working in '79 that's the information I want. I don't think that will constitute a whole book. It'll be a fair size.

MR. CODY: — yes, it's a lot of information but we'll certainly get that for you — no problem at all.

MR. SWAN: — In question period the other day I was commenting to you about the program in Whitewood, and you had promised me some information. I haven't received that. Can I get that?

MR. CODY: — Mr. Chairman, the officials tell me the letter is just underway. They don't have all of the information at their fingertips but by tonight I can probably have it for you.

MR. W.C. THATCHER (Thunder Creek): — Mr. Minister, I noticed this vote 33 is termed an operating grant to Sask Housing Corporation from Municipal Affairs. Would the

minister briefly tell us how the funds are dispersed, like what proportion is salaries, what proportion is just day to day things, and in general just give us a general description of what the \$3,000,000 will be used for.

MR. CODY: — Yes, salaries and fringe benefits is \$2,236,200 and other administration is \$835,630 and that makes the total subvote of \$3,071,830.

MR. THATCHER: — Mr. Minister, I don't like asking these questions but we have to because he's your number one man, and I suppose you get used to it, but what out of that proportion of \$2,236,000, what is the salary for your general manager of Sask Housing Corporation? I apologize for the question. I don't like to ask it, but it's something that has to be asked in each one.

MR. CODY: — Mr. Chairman, I think that the general — I know that the member will not like my answer — but I think the general practice is that in Crown corporations, any Crown corporation, that we have agreed in Crown Corporations Committee that we would give to the members the aggregate of let's say the top five people, or the aggregate of 15 people, or whatever the case may be, but that we would not give a specific salary of any particular individual. I would be quite prepared to give you the top executive, the general manager and the top three or four people, if you wish.

MR. SWAN: — We are not, at the moment, in Crown corporations. We are in the legislative Chamber in the Committee of Finance and we have been getting that figure in almost every case. We would like the exact figures for your top man and the next two.

MR. CODY: — No, I beg to differ with the hon. Gentleman but the information you have been receiving with regard to salaries is information for departments. That information is readily available to you. However, for Crown corporations the policy has been that we would give an aggregate of the top three, four or five, whichever the case may be. I think that policy was made in Crown corporations and I think it should stand for this committee as well as any other because of the fact that we are dealing with a Crown corporation rather than with a department.

MR. ROUSSEAU: — Mr. Chairman, if we are dealing with a Crown corporation why are we discussing it in this legislature today? Why are we discussing this department in Crown corporations, then? In this legislature, in this Assembly, on every department that we have asked a question we have been given the answer . . . (inaudible interjection) . . . That's fine but if it's Crown corporations, why aren't we in the Crown corporations and not here?

MR. CODY: — Well, Mr. Chairman, I guess the reason we're in estimates in the Committee of Finance is because of the fact we have some subvotes. As a result of that we will give you any and all information you want with regard to those subvotes. However, if it's policy which we have made in Crown corporations for this particular Crown corporation I don't think that I can, as a minister, deviate from that policy and I'm not prepared to do so. So, the information you will get will be the aggregate of the top four or five people. If this were a department of government you would get the top two or three salaries specifically but that's not what we're giving you here because it is a Crown corporation. The policy is set and as a result that's what we're giving you. If you say, why are we here, I'll tell you that if you say yes to each one of these subvotes we can be out of here in about two minutes.

MR. ROUSSEAU: — Mr. Chairman, we are liable to be here for the next two hours until

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we get the answers we are looking for. We have been getting the answers on the top salaries of the senior civil servants on every department. I'm going to ask you again to supply us with that information here today. What is the 1978-79 estimated salary and the actual pay in the 1979-80 estimate for the top senior officials of that department?

MR. CODY: — I have indicated to the member that we have made a policy in Crown Corporations Committee. We are a Crown corporation and we're going to stick by that policy, Mr. Chairman.

MR. ROUSSEAU: — On a point of order. I question the minister's answer. He says in Crown corporations the decision was made. We are not in Crown corporations. We are in the Assembly. . (inaudible interjection) . . It's my point of order. I brought it up as a point of order because he is talking about discussions in Crown corporations. We are not talking in Crown corporations. We are in the Assembly.

MR. CHAIRMAN: — Order! I think the question from the member for Regina South (Mr. Rousseau) is in order and I think the answer given by the minister is in order. I think the member must accept the answer which was provided by the minister. That's my ruling.

MR. LANE: — Oh, we do not . . just a minute, Mr. Chairman. We don't have to accept the answer he made.

MR. CHAIRMAN: — Show a little respect. Is item 33 agreed?

MR. LANE: — That ruling has absolutely no merit whatsoever and I think the Chairman knows it. We don't have to accept the statement of the minister and there is absolutely no parliamentary custom that indicates we have to accept it. That's the most arrogant attitude I have seen and I don't think the Chair wants to stand behind that ruling that we must accept the answer of the minister. Maybe the minister could tell us this. Would you give us the aggregate of the top employee, top paid employee in Sask Housing?

MR. CODY: — The member doesn't mean top employee; he means top employees. If he want top employees I can give it to him, but if wants the top employee, he doesn't get it because that's one person.

MR. LANE: — There's little difference in this one, Mr. Chairman. This is not a statutory item which was the spurious defence of the Attorney General trying to bail out the minister responsible for industry and commerce the other day. This is a subvote of the Department of Municipal Affairs and that defence of the other day has no application to this vote at all.

Now I am going to get off the salary for just a minute. We are going to come back to it.

MR. CHAIRMAN: — Order, order. Continue member for Qu'Appelle.

MR. LANE: — Could we get the hon. member for Saskatoon Centre (Mr. Mostoway) to jump to his feet and maybe contribute to a debate.

MR. CHAIRMAN: — Would the member for Qu'Appelle ask his question?

MR. LANE: — My question is, would you detail the number of housing starts that you expect to participate in, either through grants or loans, in the year under review — or the estimates of the next fiscal year?

MR. CODY: — There will be about 3,200 we will be involved in, in one way or another. That's under public housing, rural, native or whichever they are.

MR. LANE: — That's 3,200. What's the average contribution or involvement in each one?

MR. CODY: — Mr. Chairman, there are various amounts of money that we put in — full cost in some programs, 25 per cent in public housing, 100 per cent in the co-op program, 100 per cent under the prairie housing development. There are just a raft of them We'd have to figure each one out so that you'd know specifically. But, there are various formulas that we use, according to the various sections of the NHA (National Housing Act).

MR. LANE: — I could ask you to give me the aggregate. I asked you for the average contribution or involvement in the housing starts. You've given us the number 3,200. You should be able to give me that. I didn't ask it by program.

MR. CODY: — We'd have to figure out an average for these, but I would think, looking at the 25 per cent under public housing, and 100 per cent under co-op, and fully funded under PHD (prairie housing development), and so on and so forth, we're looking at an average 35 per cent to 40 per cent contribution by the province of Saskatchewan.

MR. LANE: — That's 35 per cent to 40 per cent of the total cost of construction on 3,200 units. Is that what you're saying? What's the average total cost of the unit?

MR. CODY: — Again, Mr. Chairman, it's difficult to tell because some are in highrises, some are built in the country, rural, native, you have all kinds of them. I would think the average would be on the order of \$30,000.

MR. THATCHER: — I find your answer a trifle surprising on these. Maybe 3,500, somewhere around 3,200, maybe 35 per cent or 40 per cent. Now, Mr. Minister, somewhere in the assessment book, you're going to be before us asking for \$3 million or \$44 million. I suppose if we ask what are you going to use that for, you'll reply, oh, maybe a little bit of this, an average of this, some of this. Mr. Minister, you've got your officials there. Now ask them, and be precise.

Mr. Minister, you also have another bill in front of this Assembly. If I'm not mistaken, that bill roughly raises your borrowing limits from \$75 million to, I think, \$200 million. Now, Mr. Minister, I suppose when we get into the committee of that we could ask you what are you going to do with a borrowing limit like this — some of this, maybe a portion of this, and a little bit of that? Now, come on, Mr. Minister, you can do better than that. Your people are here, ask them, take some time. And incidentally, while I'm on my feet, Mr. Minister, that tie with that suit is terrible! If I have an opportunity and if you're going to assure me that you're going to be on at 7 o'clock, well, I'm sorry this is Regina. I was going to say, I would slip down and get one over the dinner hour, but in Regina, everything is shut down. It's Henry's town. So, excuse me.

Anyway, getting back to the subject at hand, you can do a considerably better job and not only in that tie, but also in your answers, now get on with the question that the member for Qu'Appelle asked you and let's get this over with!

MR. CODY: — Mr. Chairman, the reason . . . by the way this tie here is not on a shared cost

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basis. I had to pay that 100 per cent myself. I can give you . .

MR. LANE: — Terrible! Well, I hope you paid for the suit because, my God, the taxpayers will revolt!

MR. CODY: — Well, we'll take a chance on that.

I can give you the programs that as I said before it's difficult to come up with averages because there's so many different types of programs. But if you want to start out I can tell you that under public housing, we will be spending \$7,965,000 — 1,260 units; take an average out of that for yourself, if you wish. Under the Co-op Housing Program, (100 per cent provincially funded, by the way, Mr. Chairman) for a \$12 million price tag, approximately.

MR. LANE: — Average cost of house in each one of those.

MR. CODY: — Anybody who wants to calculate that can do that for themselves. Approximately 300 units. Under the non-profit rental, we will be spending \$10,350,000, 300 units . .

MR. THATCHER: — Mr. Minister, you said non-profit rental? Non-profit rental you call that?

MR. CODY: — There's a program which we are just negotiating with the federal government at this point in time . .

AN HON. MEMBER: — Just tell that big mouth to shut up!

MR. CODY: — That would be a good idea, then we could all hear.

The program I'm going to give you is a program which we are negotiating at this time with the federal government for cost sharing. And it's an acquisition of existing housing under a native housing program. That program is not announced and that program has not all of the funds attributed to it at this point in time with regard to the feds, so I can't give you accurate estimates here, because we don't know how many dollars the feds are going to give us. So, we think that there will be 350 houses under that program; approximately \$3.5 million. However, I want to be very careful to say that we are negotiating with the feds on this program and we do not have those dollars. We are not sure how many dollars they will give us. As a result, I would not want to be held to 350 units nor \$3.5 million. That is the estimate we have put in, pending the negotiations.

MR. LANE: — Can we expect an announcement before May 22 of this year?

MR. CODY: — I doubt it, but it will depend on the federal government. We make announcements as quickly as we get negotiations over with and hopefully, that will happen before that time so that the Native people can have good housing just like the rest of the people of this province.

Loans for the construction of rural housing are \$4 million. We expect to construct about 450 units under that program. I think under our agreement, the technical name is the Rural Native Housing Program. There is \$4 million — 450 units. Loans for repair to existing units (that is the residential rehabilitation), \$5,200,000. We expect to have applications for 1,500 units for repairs. Under the land assembly and development

project, we expect to spend \$28.6 million. That is for acquiring and servicing of residential land. The total package makes \$71,615,000, and I would like to tell the hon. member for Thunder Creek, that is where the \$43 million will go.

MR. LANE: — I would like to ask a question on the land assembly project. The government opposite has kind of hung its hat on the land assembly project and the benefits supposedly derived therefrom. Did you participate in a joint study with CMHC (Central Mortgage and Housing Corporation) and some other projects with regard to land assembly in Canada?

MR. CODY: — Yes, we did.

MR. LANE: — What was the name of that study and what was the extent of your participation?

MR. CODY: — The Greenspan study.

MR. LANE: — What was the extent of your participation?

MR. CODY: — The only participation we had was by giving information to them.

MR. LANE: — What were the results of that study?

MR. CODY: — I'll just give you some of the points that are in a little paper that I have here. It's not the report or anything like that; it's a paper which comes from . . . (inaudible interjection) . . . they think it's great stuff, don't they?

Well, several of the points . . . I can just read a little bit from this letter here. It says that it is important for government to do its land purchasing well in advance at the time. There is no point in governments buying up large quantities of land during a boom period because this merely drives the prices up even more. Unless lots are placed on the market they won't have a moderating influence on prices. In some cases they say we should try and buy the land at the low market if we can. Of six major cities studied west of the Ottawa river only Regina was able to keep its rates of low price increases below its rate of house price increases for the entire period from '72 to '75.

And that's a quote directly from the report.

MR. LANE: — Let me tell you what else that report says. The report condemns land assemblies by governments as a multibillion dollar bungle, in fact they have done nothing, nor would they, to reduce the cost of housing in the Dominion of Canada. The interesting thing about that study is that every government in Canada that participated in land assembly happened to bury it very, very rapidly because it was very embarrassing. Here's what it says — and maybe all you know about farming having sat in that caucus for a long time is hogwash. I would suggest to the hon. minister that you did some of the very things that they don't think you should do . . . and he's grinning . . . yes, of course, because you shouldn't acquire land during boom times. And let's make no mistake that the acquisitions that you made in Saskatoon and Regina were at inflated values during boom times . . . oh yes, they were during the high cost period of two and three years ago . . . don't try and tell me you weren't acquiring land around Regina, because there's nobody in the city of Regina that's going to believe you. The fact is you were making major acquisitions during those boom times in the city of Regina. And in

fact, I suggest to you that the acquisition or land assembly does absolutely nothing to reduce the cost of housing unless the acquiring authority is prepared to subsidize the land costs, because if you're buying it at fair market . . . (inaudible interjection) . . . 'Oh that', is what he says. You obviously didn't read it either, did you — the fact is that the land assembly costs in the city of Regina (except where they are subsidized) have in fact done nothing to keep the cost of housing down in the city, that you subsidize them to keep the cost down. I would like to know the average costs (and I wish the minister would listen) of subsidy that you are working on a unit basis of the land assemblies that you have already done in the city of Regina.

MR. CODY: — Well, Mr. Chairman, I just simply do not agree with the member for Qu'Appelle with regard to land assembly. I think that if the member for Qu'Appelle went, from time to time, to see some of his own constituents who are on the periphery of the city of Regina where the Saskatchewan Housing Corporation and the city of Regina have undertaken land assembly projects, he would find that the lots invariably are the cheapest that can be bought anywhere in this country. There's little question about that. We have literally saved thousands and thousands of dollars for the buying public with regard to the lots which we put on sale through land assembly projects.

With regard to subsidies, the Government of Saskatchewan, or the Saskatchewan Housing Corporation, do not pay one dime of subsidy towards land assembly.

MR. LANE: — How can you, when you get the member for Saskatoon wanting you to expropriate all the lands around the cities at farm value, buy land (which you have done from some well-known vendors to you) at development costs? And don't tell me you didn't buy it at development cost or inflated cost. You didn't buy it at farm cost. You are doing precisely exactly what a developer would do. If, in fact, you gave it away at your acquisition cost, is that not in fact a subsidy or just a give-away at the acquisition cost or not taking a profit? You could very easily have required the developers . . . and put a tax on the inflated profit of turning that land over without putting up a cent. You could have saved yourself literally millions of dollars.

MR. CODY: — Well, again, I certainly don't agree with the member. There is just simply no fact in what the man says. The fact of the matter is that it is not the price of raw land which necessarily makes up the biggest portion of the cost for land, under a land assembly project for selling of lots. The way the land assembly projects work in Saskatchewan . . . that may not be the case in Ontario; I'm not sure of this but I do know what happens in Saskatchewan. We go out and purchase raw land. We then have it serviced and we sell the lots, at no time, at more than 5 per cent over the amount which we have purchased the land for, plus the development costs. If there is any profit left after that, that profit goes back into the subdivision for amenities for that community. There isn't anybody who in that case makes a profit and that's the way it should be. That's why the cost of lots in Regina is better than it is in some other areas.

If this were done by a private developer, what would you see? Do you think a private developer would be satisfied with 5 per cent? No, he wouldn't want 5 per cent on the whole project. He would want 10 per cent or 15 per cent on the land; he would want 10 per cent or 15 per cent on the development and then he would want 10 per cent or 15 per cent on the sale of the lots. So what would you have? You have lots which have an inflated price and that is exactly why we are in the land assembly projects. We think that is the right way to go. There is little question that the one in Saskatchewan would be as successful as the ones in Regina but we don't hold 100 per cent control in Saskatoon. We do think the city of Saskatoon is staying within a parameter of about 5 per cent

profit and turns back the profit to that community, if and when it's completed, and lots are sold.

MR. LANE: — Then why did you enter into a project with Cairns? What are the terms of the contract between you and Cairns for the planned unit development and the commitment you made. I believe about 1974, to Cairns for that northwest project? What were the terms and conditions of that contract?

MR. CODY: — We did make a contract with Cairns. Basically the reason it was done was so that we could keep the prices of that particular private developer, who had a lot of land, to where they were compatible with the prices we had. This particular developer, Cairns Homes, has asked us not to reveal the contents of that contract. On a general basis, it's a price and development contract and we only allow them a certain amount of profit on any one particular development on the sale of their lots. Also, if they have any lots left later on, we have agreed to purchase them.

MR. THATCHER: — Mr. Minister, you indicated that the total funds which you planned to disperse this year were about \$71,615,000. I believe that's the total of the figures which you put out. Now under vote 49 where you are going to borrow \$43,400,000 for capital purposes, would you tell us the source of the funds for the additional \$28,215,000 which would probably be required to fulfil your requirements for this year?

MR. CODY: — Yes, approximately \$14 million are in short-term investments which will be carried forward and \$14 million are internal revenues generated from projects.

MR. THATCHER: — Mr. Minister, you indicated non-profit rental housing. Is this the sort of housing — I believe the figure that you gave was \$10,350,000 — is that for native housing, non-profit native housing which has been under discussion at various times?

MR. CODY: — No. This project is the Prairie Housing Development Corporation which is for projects like Lloydminster or where you have major developments going on and they need reasonable cost housing. This is not the native one.

MR. THATCHER: — Mr. Minister, under which heading which you provided us with — and incidentally, Mr. Minister, I acknowledge your co-operation this afternoon, in very sharp contrast to a previous minister with a Crown corporation — Mr. Minister, under which heading, under which expenditure do the non-profit building or construction co-ops fall? Now, if I'm not mistaken, you gave us the headings public housing, co-op non-profit rental, then you gave us a heading of one which you could not define regarding which we will respect your wishes and not go into. Then you gave us a heading of a loan purchase housing program. Where do the non-profit construction co-ops fit in?

MR. CODY: — That's the program I just announced last week, a \$12 million program which I announced last week. That's the complete Co-op House Building Program and that's 100 per cent funded by the Government of Saskatchewan. Anyone at all can participate in that program, of course, according to his income and the maximum size of house and this kind of thing.

MR. THATCHER: — Perhaps I'm not being clear but is this the one, oh, say Larr housing and what is it — the housing, the non-profit one in Prince Albert — is this the one that they fit into? What category are they in then, Mr. Minister?

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MR. CODY: — You are thinking of the Rural and Native Housing Program and that's the \$4 million program where we will have something like 450 units constructed.

MR. THATCHER: — Mr. Minister, now do you really think that, well \$4 million — Mr. Minister, do you really think that these people can build houses within that sort of a budget? You are indicating that you are going to spend \$4 million and get 450 units built for that. Do you really believe that you can?

MR. CODY: — No.

MR. ROUSSEAU: — Mr. Minister, you indicated a minute ago that \$12 million announcement. How many units were involved in that \$12 million announcement you made last week?

MR. CODY: — Three hundred.

MR. ROUSSEAU: — If you're talking 300 units under that, it works out to \$40,000 per unit. Now you're talking about \$9,000 per unit on this other \$4 million vote. The two don't make sense. But getting back to the \$12 million one, on the \$40,000 per unit, how much is land?

MR. CODY: — Mr. Chairman, it varies from community to community. I suppose if you were going to a very small community, and land cost would be very low, whereas if you go to Regina I imagine you likely wouldn't get a lot for under \$10,000. I suppose, or \$8,000 to \$10,000. The land would vary, probably from \$5,000 in a smaller community to \$10,000 in a large city. I really don't know what the lots are worth.

MR. ROUSSEAU: — Mr. Chairman, if the minister is saying that \$40,000 is average then I take it there will be some in the \$45,000 range and some in the \$35,000 range, or whatever. Isn't that fairly expensive low-cost housing — \$40,000 to \$45,000? By the way, what size are these low-cost housing homes? What square footage are we talking about?

MR. CODY: — The maximum size will be under 1,050 square feet and the maximum loan will be \$42,000 or less.

MR. ROUSSEAU: — I haven't checked the market lately but what cost per square foot are you talking about when building today?

MR. CODY: — The market price is around \$38 a square foot. That's the general industry price. Under the co-op program we'll probably be hitting around \$33 or \$34. It's simply because of the fact that people are participating in a co-operative. They can buy co-operatively. Many people will be doing a lot of sweat equity and result of this is the reason why the co-op program is so popular and works so well.

MR. ROUSSEAU: — Don't you think that \$38 per square foot is not a low-cost home but fairly expensive by today's standards?

MR. CODY: — No, I think \$37 is in the reasonable range. Industry seems to think that that's about the best rate they can work within and we don't think it's really that serious, so that's roughly it. CMHC standards are very much the same, in fact even a bit higher than what we think they should be.

MR. THATCHER: — Mr. Minister, you indicated under the housing program, non-profit housing group and native programs you are going to spend \$4 million but you are going to build 450 units with that. I assume that's the provincial portion and that you must be receiving revenue from elsewhere. I break this down to about \$8,800 the province is going to put up per unit. Could the minister tell us what the total cost of the unit is going to be and how much federal participation there is?

MR. CODY: — It is approximately \$38,000 per unit and we put in 25 per cent and the federal government puts in 75 per cent.

MR. THATCHER: — Mr. Minister, when there is a cost overrun in this area who picks up the tab? Is this divided proportionately, or does the province pick it up, or how is this checked?

MR. CODY: — Any cost overruns that there are are divided proportionately — 75 for the federal government and 25 for us.

MR. THATCHER: — Mr. Minister, you have indicated \$38,000 is the average cost of the unit . . . very well. Mr. Minister, I asked you earlier whether you felt in this category that these people could bring these figures in on budget. Do you still believe this to be true?

MR. CODY: — Yes, they are going to be fairly close. There will be the odd non-profit group a little over but generally speaking, yes, they will be very close to the \$38,000 per unit. As I say, there is going to be an odd one overrun a bit, but not by a substantial amount.

MR. THATCHER: — Mr. Minister, this would be in very sharp contrast to preceding years if there were not some cost overruns. Of these 450 units would the minister care to break them down as to who is going to build them? I suppose my initial question in that area should have been: have you decided who is going to build these 450 units? Have they been awarded to the various non-profit companies or co-operatives, or whatever you choose to term them?

MR. CODY: — We don't have it finalized for this year, Mr. Chairman. But last year the non-profit groups built 70 per cent of them and the private groups built 30 per cent. When I talk private I'm talking about people who tendered for them. The non-profit, of course, we just give them to them on a certain unit cost. So it was 70 per cent by non-profit groups and 30 per cent by private industry. I'm sorry, we don't have the complete details worked out for this particular year, but I can say this, that the Metis and non-status Indian group have five regions in the province and each one of those regions, or districts as they call them, will receive 40 units. So that non-profit section of the industry will receive 200 units out of that 450. We expect there will be another 4 or 5, maybe 6, I don't know exactly how many, will be in making applications for housing to construct and that will likely take up another 100 or so. From there on, we think the balance will go to the private sector, and they'll be going up for tender.

MR. THATCHER: — So in other words, the minister is telling us that those going to the private sector will be tendered; those going to the non-profit sector will not be tendered, they will simply be awarded. Now, could the minister tell us what process is used to award these to a non-profit group? For instance, if I could use the example, let's say, Green Lake or Spiritwood. How do you decide whether you're going to give them to

a non-profit group, say out of Saskatoon, versus one out of Prince Albert? Some of these names I'd have in front of me but I was unaware that your estimates were coming up today, or that this vote was coming up, so I'm a little short of some material. But I'm sure you know the companies that I'm referring to. Their names slip my mind. How do you decide which one is going to be which, if there's no tender.

MR. CODY: — First of all, just to indicate to you how things happen. A non-profit group of people, let's say three or four people, will come in and they will indicate to us they would like to set up as a non-profit organization for the purpose of constructing houses. Okay. The officials will go through the general financial configurations with them. Then it has to go to a federal-provincial committee. The federal-provincial committee is made up of the general Manager of the Saskatchewan Housing Corporation, the General Manager of CMHC (Central Mortgage and Housing Corporation) Saskatchewan, which is Bob Day, and Mr. Jim Sinclair, the president of AMNIS (Association of Metis and Non-Status Indians of Saskatchewan). The three of them will rule as to whether or not this group can become a non-profit organization for the purpose of building houses under the rural and native housing agreement which we have with the federal government. After this has been done, then the group will look at the area in which they come from and ascertain if there are any houses to be constructed in that area. If there are, they will then come to us and tell us which houses they would like to build, or where they would like to build them and, if we have had applications from those communities asking for homes, they then will be given a contract or whatever you call it to construct those homes. However, prior to that, AMNIS, as I said in the five districts, will have to have their allotment first and if there are houses in Green Lake to build and there's an AMNIS group there, that group will get those houses to build first. After that has been done, then another group could qualify.

MR. THATCHER: — Mr. Minister, did I understand you correctly that Sask Housing Corporation does not go to a given town or a given site, that you wait for somebody to approach you and say we would like to build some houses here, because we think there is a need? Is that the process? You're saying that Sask Housing does not go out to Green Lake or Spiritwood or whatever may be and decide that there is a need, do a study and decide there is a need. You wait for somebody to come to you. Am I interpreting you correctly?

MR. CODY: — Generally what happens, Mr. Chairman, is that the community will come to us with an application for housing or the Metis Society or AMNIS (Association of Metis and Non-Status Indians in Saskatchewan) could come to us indicating they have people in an area which require housing; that's two ways. Or if we think there's a need in the community, we could go and ask the community if they wish to have some housing. That kind of approach would be the lesser of the three. It would be AMNIS or the community. When they give us an indication if they would like to have housing, we then set up a meeting with that community, with the municipal officials, explain exactly what the program is all about, how it will be delivered, how it will be paid for, who can get into the housing, and from there on, we proceed, if the community indicates they would want to have that type of housing.

MR. THATCHER: — Mr. Minister, how many houses last year and how many houses this year have you committed for a non-profit group known as Larr Housing in Saskatoon?

MR. CODY: — They received 57 in 1978; they've had a total of 1978 from the date they started. Incidentally, Larr Construction is probably the most successful non-profit organization that we have. We no longer give Larr contracts. They now have to bid on

them just like the industry does. They are now capable of being bonded with SGIO (Saskatchewan Government Insurance Office), a good place to bond. They can now come out as the industry does in competition for housing and they don't receive it on the same basis as another non-profit organization any more.

MR. THATCHER: — Mr. Minister, thank you for volunteering that information because it is very common knowledge that Larr has been very successful and that was obviously my next question. If Larr (and you acknowledge that they have been successful) have been a non-profit co-op for their time in business, how have they been so successful? Why have they been able to acquire what they have acquired? For instance, they have purchased several distributorship or dealerships from which they formerly had to buy supplies. Where did they get the funding for this? How have they done so well if they were, in fact, non-profit, if they were, in fact, unable to have any retained earnings? If they were unable to operate like a private company and put away surplus funds and accumulate funds internally, how could they be so successful, if they were a non-profit organization?

MR. CODY: — Well, Mr. Chairman, I guess there are several reasons why Larr would be successful. First of all, they do have the opportunity to get grants from the federal manpower to help them along because of the fact that the people they hire, and have hired, and have done a very good job with, are unskilled tradesmen. They have trained them and as a result of that they have gotten a lot of work out of them.

I think there are other grants that have been available to them. I can't tell you exactly what they are because I don't really know, offhand. I could probably find out if I were to get a hold of Larr and ask them if they got any DREE grants or anything like that which they may well have to get started in this organization. But they certainly haven't had any overruns, if you are trying to tell me that the reason they are so successful is that we in the housing corporation have let them go holus-bolus, and have given them as much overrun as they wish to have and as a result, have turned that into profit. Their average house cost (their average cost to build a home) in 1978, was \$33,000, and that is a very, very good program when you look at getting that amount of housing for \$33,000, and still they were able to stay on a reasonable break-even basis — I am sure they made some profit. We say they can make some slight profit. When we are talking non-profit, we are not saying you have to just chop off right at the line at all. But we are not going to allow them to make 10 or 15 per cent or anything like that. If they make 1 or 2 per cent, fine — to get more people working and things like that. That is basically all I can tell you about their success story. You would have to ask the people in their group why they are so successful.

MR. THATCHER: — Mr. Minister, I have to ask you because you are the only one who is available, and because your answers are in very sharp contrast to your predecessor in Crown corporations about one year ago. He got, shall we say, (without getting too colorful) a trifle upset over suggestions that some of these groups may have turned out just a wee little bit of a profit. I think a trifle upset is certainly a fair description, Mr. Minister.

Mr. Minister, you have acknowledged that they have made a profit. You are terming them as a non-profit group. You have acknowledged that it is all right for them to make a profit. Tell us just what do you acknowledge as a satisfactory profit if I can go back to your terminology, what is a satisfactory profit?

MR. CODY: — Yes, we allowed them \$200 incentive, per unit, if they come in on budget

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and that they received. So, that's the profit they've had. All of the books have been audited and the auditors have given us a clear certificate that they were within the confines of a non-profit organization. I think that if you have a certificate from an auditor indicating that they are a non-profit organization and have stayed within those bounds, I think it is crystal clear that they haven't made any great astronomical amounts of profits. Mr. Chairman, \$200 per unit I think is only reasonable for us to expect that they might keep.

MR. SWAN: — Mr. Minister, when I questioned you the other day about non-profit, you said that it was a cost plus. Now it's cost plus what? How much?

MR. CODY: — I'm sorry if I said cost plus. I don't think I said that anywhere that I am aware of, really. My understanding is that they sign a contract with us for X number of dollars and that certainly isn't what you would term specifically cost plus. I don't recall telling you that.

MR. SWAN: — When I raised the question with you before, it was through question period and I asked you specifically if they operated on a cost plus and you said, yes. Now, I don't think that you are telling me that Larr or anybody else is going to build houses without earning any profit at all. They are going to make something. They are going to make wages, they are going to make something. This is what we want to know. How much do they actually get to build a house?

MR. CODY: — Well the average cost of the 57 houses that Larr Construction built in 1978 was \$33,000. We have a specific amount of money which we say that the manager can receive and their directors or their finance people and what have you. I'll just outline them for you: in 1976 the highest salary for a manager or for managers was \$24,000; for construction supervisors was between \$18,000 and \$21,000; for bookkeepers it was between \$10,000 and \$14,000; and labourers received \$6 per hour. Now that's the amount of money that the group who are actually the non-profit organization will receive. We indicated to you that we will give them \$200 per house if they stay within the budget. In Larr's case that's the way they operated and they got their \$200.

MR. ROUSSEAU: — No. Mr. Chairman, I can't let this go by. You mentioned a manager at \$24,000. I thought you said today you were not going to give us the salary of anybody in the Crown corporation. You just did. Now could we have the rest of them.

MR. CODY: — Mr. Chairman, I don't know what the man heard. Obviously, I didn't give the salary of anybody in a Crown corporation.

MR. ROUSSEAU: — You just did. You said manager, \$24,000. Didn't you hear that?

AN HON. MEMBER: — Yes.

AN HON. MEMBER: — Sit down and let the minister reply.

MR. CODY: — Mr. Chairman, I gave no such thing. I just gave you the salaries that we allow a manager for a non-profit organization and that is not the Saskatchewan Housing Corporation, I'm sorry to say.

The Assembly adjourned from 5 p.m. until 7 p.m.