

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN

April 5, 1984

The Assembly met at 2 p.m.

Prayer

ROUTINE PROCEEDINGS

NOTICES OF MOTIONS AND QUESTIONS

HON. MR. McLAREN: — Mr. Speaker, I give notice that I shall on Monday move first reading of a bill, The Power Corporation Amendment Act, 1984.

HON. MRS. SMITH: — Thank you, Mr. Speaker. I give notice that I shall on Monday move first reading of a bill, The League of Educational Administrators, Directors and Superintendents Act.

INTRODUCTION OF GUESTS

HON. MR. SANDBERG: — Mr. Speaker, it gives me great pleasure today to introduce to you and members of this Assembly, some 79 students from the fair city of Saskatoon — 59 of them are from the St. Paul's elementary school, which is in the Saskatoon Centre constituency, and 20 of them are from St. Matthew's. They're accompanied by teachers and chaperons, Mr. Dennis Serre, Frank Brysk of St. Matthew's School, Bob Kelly, and Dennis Le Blanc.

St. Paul's, of course, is a French language immersion school. There are 325 students and 15 teachers there, and the French immersion portion includes kindergarten to grade 8. The English program includes grades 4 to 8. Their principal is Mr. Fogel.

So on behalf of myself and the Speaker, I would hope that this Assembly will show them great welcome here today. I hope you enjoy your stay this afternoon and learn from the happenings in this democratic institution. I shall meet with you at 3 o'clock for pictures and for some refreshments. Again, welcome to the Assembly.

HON. MEMBERS: Hear, hear!

HON. MR. McLEOD: — Yes, Mr. Speaker. With a great deal of pleasure I introduce to you 15 grade 12 students from Ernie Studor School in the community of Loon Lake in my constituency. I think that community and that school and the people involved in chaperoning and in teaching them should be commended for travelling the distance that they did, and for taking an interest in the affairs of their province in coming here.

Just to put that into a little perspective for everyone here who thinks of travelling in Saskatchewan as it relates to the Trans-Canada Highway, Loon Lake is about the same distance from here as is Winnipeg.

So I would like everyone in the Assembly to join with me in welcoming them here today, and I will be meeting with them in a few minutes after question period.

HON. MEMBERS: Hear, hear!

MR. TUSA: — Mr. Speaker, I'd like to take the opportunity this afternoon to introduce a group of 40 grade 10, 11, and 12 students, who are located in the east gallery, from Lestock High School, along with their teacher, Mr. Barry Davies, and chaperons Marce Wolfe and Elaine Yaychuk. They have had a tour of the Legislative Building, and they are here this afternoon to witness question period.

I might say that Mr. Davies takes his responsibilities as a history teacher in Lestock High School

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very seriously. He brings his students here to the legislature in each sitting so that they might have the opportunity of witnessing democracy in action.

It is my wish, Mr. Speaker, that once more this afternoon the students have that opportunity, and that they will have a very uplifting and edifying experience, particularly watching government members perform.

With that, Mr. Speaker, I would like to ask hon. members to receive these students appropriately.

HON. MEMBERS: Hear, hear!

ORAL QUESTIONS

Taxation on Food

HON. MR. BLAKENEY: — I direct a question to the Premier, and my question deals with some reports of some rather startling comments attributed last night to the Progressive Conservative member of the legislature for Melville.

In a speech at a Chamber of Commerce event, the member is reported to have suggested that Saskatchewan should introduce a 3 per cent tax on all food. And that is the impression I gained from the report. All members are invited to read the same report.

This seems rather strange from a government which not only has apparently not approved of sales tax on food, but has promised to remove sales tax on all commodities. My question is this: was the member for Melville stating government policy? Or will you repudiate any suggestion that you're going to put a tax on food purchased by Saskatchewan people?

HON. MR. DEVINE: — Mr. Speaker, the member from Melville was not stating any new policy, and no, we have made no decision to put a tax on food.

HON. MR. BLAKENEY: — Supplementary, Mr. Speaker. The Premier has indicated that no decision has been made, and I noted with care the choice of words. May I ask him whether any consideration has been given in government circles to applying a tax on food, as suggested by my colleague, the member for Melville?

HON. MR. DEVINE: — No.

HON. MR. BLAKENEY: — Mr. Speaker, a new question to the Premier. At the same meeting in Melville last night, the president of the Canadian Agricultural Movement, Mr. Jim Coueslan (I think is the way that name is pronounced. For the benefit of the records, I will say it: C-o-u-e-s-l-a-n). Mr. Coueslan publicly called for a return of a family farm protection act, presumably along the lines proposed by our caucus, but to quote Mr. Coueslan, with respect to the financial hardship now facing farmers, I will quote:

One-third of Saskatchewan farmers are eligible for welfare, but most are too proud to apply for it.

My question to the Premier is this: will you support Saskatchewan farmers in financial trouble, as the Canadian agricultural movement has recommended, and support in principle a family farm protection act which will contain a moratorium to deal with the circumstances referred to by Mr. Coueslan?

HON. MR. DEVINE: — Yes, Mr. Speaker, we will certainly help farmers that are in financial difficulty, and we've addressed it. We have several programs, and we will be assessing those, and looking at those, and continuing to talk to people throughout Saskatchewan in agriculture. I

will not say yes to a moratorium until I have fully examined and analysed the impact of the programs already in place.

MR. ENGEL: — A supplementary question to the Premier. This legislation, or Bill 30, has been before you for at least four days. You know the impact of it because you were involved.

MR. SPEAKER: — Order, please. A bill that is before the House will have to be dealt with at the time the bill comes forward, not in question period.

MR. ENGEL: — Mr. Premier, do you recognize the effects that led a moratorium on foreclosures on farm land, and on farm cattle, would have on the farm community, and do you appreciate that that could save some farmers till the proposals you have before this House will come into effect? You have some proposals before this House from your budget that you say will help farmers. Don't you think it would be a good idea to give the farmers an opportunity to stay around, to take and avail themselves of that kind of legislation? That is my question to you.

HON. MR. DEVINE: — I believe, Mr. Speaker, the hon. member has asked the question several times and the answer is no. The answer is no. We have several programs in place, and we are going to assess the impact of those programs before we would bring in debt moratorium legislation. And if I could add to that, Mr. speaker. Debt moratorium legislation in the past, and any other jurisdiction that I know, also has an impact on other people in the community who have to be paid, pray, whether it is the grocer, or the machinery implement dealer in Assiniboia, or wherever.

So I will be looking at all the consequences of farm debt and those problems. I note, for example, that one in 500 farmers are going down the tubes, if you will, in Manitoba, and one in 1,600 here in the province of Saskatchewan, because of all the various kinds of programs we have.

So I say again, I want to measure the impact of what we are doing here before I go on to bring in moratorium legislation, or give it any further serious attention.

Aid for Farmers near Bankruptcy

MR. ENGEL: — New question for the Premier. Is your intent to wait and count the farmers going bankrupt before they can avail themselves of your mediocre programs that aren't coming into effect for a long time, that are . . . in the case of tax evasions, or whatever? Or are you going to say to these farmers, we believe in you, and we hope we can do something that you've got a chance to recover and stay in the business of farming. Are you writing them off and saying no, you don't care for those that are going under? Is that what you're saying?

HON. MR. DEVINE: — Mr. Speaker, I know that the member opposite is under some obligation to make some mark on the rural community, but I would stack up the programs that are now in place in this administration with any formal programs that he had, or any that I see to the east of us. I can go through them in detail, but they amount to an awful lot of money, and they amount to an awful lot of care and attention being placed on rural Saskatchewan.

So I will compare the programs. I'll look at farm costs. I know we have a large number of farmers, and we are looking at them very carefully. And we will make sure that our farmers are as well protected as anybody in the nation, or, as far as that goes, anywhere in North America.

SOME HON. MEMBERS: Hear, hear!

MR. ENGEL: — A new question, Mr. Speaker. And I'll use an example of a patriarch named Abraham. Will you wait till 50 farmers go bankrupt before you propose a moratorium? Will you wait till 50 go bankrupt?

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HON. MR. DEVINE: — Mr. Speaker, if we're looking for some money, a great deal of money, I would think that the hon. member could phone his friends in Ottawa and ask for at least two things. He could say: would you please remove the tax on diesel fuel across the country for farmers. He could do that.

SOME HON. MEMBERS: Hear, hear!

HON. MR. DEVINE: — Secondly, he could say, Mr. Speaker: how about a grain stabilization payment for western Canadian farmers, and particularly Saskatchewan, because we would get the lion's share. He knows the people in Ottawa much better than I do because they're his friends. He could probably help out the Saskatchewan farmers a great deal if he'd go to work for them.

SOME HON. MEMBERS: Hear, hear!

MR. ENGEL: — Mr. Speaker, now that the Premier has an answer, maybe you could tell me: are you going to wait until 50 more farmers go broke before you do something for them? Before you introduce debt moratorium legislation? Are you going to wait for 50 farmers? Yes or no.

HON. MR. DEVINE: — Mr. Speaker, the single-minded suggestion of the member opposite, that it is just debt moratorium or nothing, is not the issue. That's not the issue. The issue is: can we put a comprehensive package together to help farmers with respect to income. And that covers an awful lot of things, including grain stabilization, tax on diesel fuel, low-interest loans, and no end of programs that we have already designated and identified.

Now if you want to compare whether they're popular or not, whether they're effective or not, I would look either economically, Mr. Speaker, economically or politically, at our neighbours to the east. Politically, I think they rank about 11 per cent, which is the lowest in their history. As far as being popular economically, there is bankruptcies — one in 500, compared to one in 1,600 here. So either dimension you'd like to look at, we're doing an awful lot better.

SOME HON. MEMBERS: Hear, hear!

MR. ENGEL: — One more, Mr. Speaker, the Premier has all of a sudden started counting an awful lot of people that are farmers in Saskatchewan, because there are more than one out of 1,600 in trouble today. There are more. And I asked you a simple question: are you going to wait till 50 more go bankrupt before you do something, or are you going to do something now? This is a simple question.

You say your programs are going to work. Prove it. Prove it to the people of Saskatchewan and introduce a legislation that's going to affect your friends, the banks. That's all I'm saying. You're worried about the banks and the moratorium. We're worried about the farmers. Are you going to do something for us now — when 50 or 45 or 30 or 25 or 5 — or how long are you going to wait? That is my question.

HON. MR. DEVINE: — Mr. Speaker, I want to make one thing very clear, and I want all the farmers in Saskatchewan to hear this. By the hon. member saying that he will threaten the world with debt moratorium, there are credit unions and there are bankers out there right now who will refuse to give loans to farmers because he's standing up there threatening with a debt moratorium. And if you want to make sure that farmers don't get any help, just keep it up.

SOME HON. MEMBERS: Hear, hear!

Salary Increase for Nurses

MR. LINGENFELTER: — Mr. Speaker, my question is directed to the Premier in the absence of

the Minister of Health. The Premier will know that 5,000 nurses in our province are unable to get a contract. He will know that the nurses are being very reasonable in asking for a 2 per cent increase this year and a 3 per cent increase in 1985. As well, he will know that the Saskatchewan Health Care Association is saying that the reason a contract cannot be settled is because money is not available.

Mr. Speaker, my question to the Premier is this: in light of the fact that his government had 5 per cent for the doctors, why are you insisting that the nurses of the province are obliged to accept less than half of the amount of the increase that you gave to the doctors of the province?

HON. MR. DEVINE: — Mr. Speaker, it's always relative, and it's compared to where they were before, and where they've been the year before, and the year before that, and the year before that. Beyond that, I don't want to comment on way or the other on negotiations. And it's always relative, and both sides know that, when they come to the table.

I understand they're very close. They're within 1 per cent or something on the second year, so I am optimistic that they can resolve it through the normal collective bargaining process.

MR. LINGENFELTER: — Mr. Speaker, a supplement to the Premier. Part of my question was: do you agree with the principle that nurses should be required to accept one-half of the increase? That's in percentage terms; that's not in real dollars. In real dollars it will be four or five times more for the doctors. But do you agree in principle that nurses should accept one-half of the increase that doctors are getting in the province of Saskatchewan?

HON. MR. DEVINE: — Mr. Speaker, the hon. member either doesn't understand what I said, or he refuses to admit that he doesn't understand, or that he understands. I said it depends on the level as well as the percentages.

For example, you could have unemployment in Newfoundland maybe running 20 per cent. They could have an improvement of 5 per cent, and that would be tremendous. They'd be down to 14. Ours might only be an improvement of 1 per cent, but we're down to 6. It's from where you are, plus the percentage. So it's the combination.

Now I just throw that out to the hon. member because it is not the principle. We'd have to go back and look at where people have been over time, where they are today, and look at the comparisons to know what would be fair.

MR. LINGENFELTER: — If I understand what the Premier is saying, and it's a little confusing, he is saying that doctors who are receiving in excess of \$100,000 a year at the present time are eligible from the public purse to get a 5 per cent increase, and nurses who get around \$25,000 or \$30,000 or less should not get a 3 per cent increase. And I wonder if you agree with that. That's the point, and I wonder whether or not you agree with that principle, or whether you will open the public purse to give the nurses the increase they deserve.

HON. MR. DEVINE: — Mr. Speaker, I think, for the last 50 years, and probably for the next 50, there will be a difference in salaries between nurses and physicians — doctors — and that's the case. So, Mr. Speaker, we look at the relative comparisons in the profession, what they do, what generally society attributes to their profession, and we settle on that basis, and we do it over time, and we do it comparing to other jurisdictions. So we look at salaries that nurses get in Manitoba and Alberta and other places, the salaries that doctors get, the salaries that public employees get, to make those changes and those comparisons.

So, the hon. member again goes back to his original story that there is somebody making less than somebody else, even if they are trained differently and have different responsibilities. Mr. Speaker, that's exactly why nobody has any confidence in them any more. They don't make any sense.

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SOME HON. MEMBERS: Hear, hear!

MR. LINGENFELTER: — Mr. Speaker, final supplementary to the Premier. He will well know that the nurses in the province work very hard and do an excellent job in the hospitals and cannot understand why they are not eligible to the same kind of increases as a doctor. And I would challenge you, Mr. Premier, and ask you whether or not your government is not down-playing the role of nurses by offering them half the increase that doctors are getting, by cutting back in the dental program where nurses are the first contact with the patient, by cutting back in the home care program where nurses are the first contact. And is this not an attempt to cut back on the influence of nurses in the health care program of Saskatchewan?

HON. MR. DEVINE: — Mr. Speaker, perhaps I could use an illustration to address the member's question. The former premier of Manitoba, Mr. Schreyer, under the NDP, said that there would only be \$10,000 difference between all the salaries in the public service. The maximum could be \$35,000, and the difference could be \$10. That's not the way it is in . . .

MR. SPEAKER: — Order, please! The member has asked a question. He has not given the minister the opportunity to even get a beginning, and you are not listening. So I would ask the member if you ask a question to listen for the answer. If it's out of order, I'll call it out of order.

I said when I am going to call the member out of order, it will be done from this Chair, and not from that chair, and I would ask the member to remain silent while the answer is given.

HON. MR. DEVINE: — Mr. Speaker, the hon. member asked about the principle. He asked about the principle. Let's go back and review it . . . (inaudible interjection) . . .

MR. SPEAKER: — Order, please. I'm cautioning the member for Shaunavon to remain silent until the answer is given.

HON. MR. DEVINE: — Mr. Speaker, I believe if we review the record, the hon. member asked about the principle of . . . (inaudible interjection) . . .

MR. SPEAKER: — The member for Shaunavon is walking on very dangerous ground, and I'm giving you the second warning.

HON. MR. DEVINE: — Mr. Speaker, I do not believe, and this government does not believe, in having all salaries within \$10,000 of each other in the public service. It has been done in Canada before, or offered as a solution, where the top would be 45 and the maximum difference would be \$10,000. And that was totally rejected, Mr. Speaker, and that administration lost miserably because of it.

I don't believe in that principle because it isn't fair to those people that provide the kind of service that society thinks is valuable. Now if he's asking about the principle, the principle isn't fair, and I don't endorse it.

Nipawin Hydro Project

MR. YEW: — Thank you, Mr. Speaker. In the absence of the Minister for Environment, I'll direct my question to the Premier. My question deals with the Nipawin hydro project, and the fact that you still have not consulted with the communities downstream of this project — Cumberland House and Sturgeon Landing — about the environmental impact of this project and the way of life it is for those people. Trappers, fishermen, wild rice growers, and . . . (inaudible) . . . have told me that their incomes have been damaged by projects like this one.

On July 5, 1982, your Minister for Environment told this legislature that you would create an

environmental advisory committee with northern representatives to regularly monitor the impact of the Nipawin project on the people who live and work downstream from it. Nearly two years ago, Mr. Premier, there's still no commitment and no follow-up.

My question is this: why did you break your 1982 promise to these people, and when will you proceed with an environmental advisory committee for the communities living downstream?

HON. MR. DEVINE: — Mr. Speaker, I'm not quite sure what the hon. member means by the 1982 promise, and with respect to the timing of an environmental advisory council, I would have to consult the minister. I'll take notice.

MR. YEW: — Supplementary, Mr. Speaker. The assurance to establish an environmental advisory committee was given to me in this Assembly on July 5, 1982. It's in *Hansard*, and basically, my question is a follow-up on whether or not your government will proceed to establish an environmental advisory committee in conjunction with the communities living downstream — communities that will be directly effected by this project.

HON. MR. DEVINE: — Mr. Speaker, I'd be glad to take notice and review *Hansard*, and review what kind of proposals were said on July 5 of 1982, and consult with the minister.

Special Infrastructure Grants

MR. THOMPSON: — Thank you, Mr. Speaker. I direct my question to the Minister of Urban Affairs, and I want to ask the minister about a cabinet order, no. 291, dated February 29 of this year. This cabinet order, signed by you, provides a special \$2 million grant to the town of Meadow Lake.

According to this document, the grant is to help bring the infrastructure development in the town to the standards set by comparable communities in the province.

My question is to the minister: can he assure the House that other communities such as Buffalo Narrows, La Loche, and Ile-a-la-Crosse will also be soon receiving special infrastructure grants of this type?

HON. MR. EMBURY: — Mr. Speaker, we are working with those communities mentioned in regard to their capital requirements over the next number of years. I think I'd like to point out to the member, in regards to the Meadow Lake situation, which was a unique one for that centre, the infrastructure that was required for Meadow Lake was much more expensive to put in than is normally the case in other centres, because of its location, and because it is built on a certain type of ground — muskeg — in which the normal services that are put in at five or six feet, had to be put in at 12 feet underground. And it was just beyond the capacity of the town to do under the normal local improvements which are used in other communities. So we assisted them in that way.

If there are unique situations in the communities that you have mentioned in the North, we'd be very happy to negotiate with them. And I think the member knows that I will be up in those communities this spring, and we will be going over their capital requirements and their needs for the next number of years, to see what assistance they require.

MR. THOMPSON: — Supplementary, Mr. Speaker. Mr. Minister, you are suggesting that the community of Meadow Lake is a special community because of where it's built on muskeg. Are you suggesting that if . . . My supplementary question is: are you suggesting that if there are communities in northern Saskatchewan north of Meadow Lake, such as Ile-a-la-Crosse, and can they apply for the same special assistance as Meadow Lake has received?

HON. MR. EMBURY: — Mr. Speaker, I think what I'm trying to point out to the member is that

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one has to look at the total cost of the infrastructure to be put in, look at the capacity of the communities to pay, and try and weigh those factors when negotiating assistance to those communities. And yes indeed, if those factors are negotiated and applied to the communities that you have indicated, we will negotiate assistance.

MR. THOMPSON: — A final supplementary, Mr. Speaker. Then, Mr. Minister, are you saying that the formula that you used is a criteria that the community has to be able to pay their share of this improvement?

HON. MR. EMBURY: — Mr. Speaker, of course a community, because of its tax base and assessment, has a certain capacity to pay for local improvements. Beyond the capabilities of the community to pay, if your infrastructure costs are much higher because of location to do in the communities that you have mentioned than a southern community, obviously they need greater assistance, and we would be happy to look at their situation on a one-by-one basis and negotiate that assistance.

MR. YOUNG: — Well, Mr. Speaker, I have a question for the Minister of Justice, and it deals with press reporting, and in particular today's *Leader-Post*, page 2. The headline is: "Western Liberals said gaining massive support."

And if you look down at the bottom of the page, Mr. Speaker, buried away, there's another small article, and I'll read the necessary portion to make my point. It says:

Support for federal Progressive Conservatives has increased since Prime Minister Trudeau announced his resignation, while Liberal support has fallen off . . . The poll indicates Conservative support among decided voters has climbed to 54 per cent . . .

MR. SPEAKER: — Order, please. I believe the question has very little relevance to this House.

PERSONAL STATEMENT

MR. SVEINSON: — Mr. Speaker, I rise today on a point of personal privilege. I've come to this crossroads in my career, with some very serious consideration, and I would like to ask you, Mr. Speaker, to make arrangements to have my seat in the legislature moved into the opposition benches.

I will be joining the Saskatchewan Liberal Party, and the Liberal Party of Canada; and I think, of major importance is the leadership of Mr. Ralph Goodale. My decision is final, and I will hold a press conference tomorrow morning at 10 o'clock for anyone else who would like to participate. Thank you very much.

SOME HON. MEMBERS: Hear, hear!

TABLING OF REPORTS

MR. SPEAKER: — Order, please. I lay on the Table the report of the Saskatchewan Legislative Library.

STATEMENT BY MR. SPEAKER

Reply to a Point of Order Raised

MR. SPEAKER: — As well I would like to give a reply to yesterday's Point of Order that was raised. Order please.

Yesterday the Leader of the Opposition raised a point of order to the effect that the Attorney General was responding to a question in an irrelevant manner, that the question had been addressed to the Minister of Saskatchewan Telecommunications, and not to the Attorney General.

I've had an opportunity to review yesterday's *Hansard* and the *Hansard* for April 2, 1984, when the question was originally asked. I find the point of order was not well taken.

The question was addressed originally to the Premier about the government's policy on advertising for escort services. The Premier referred the question to the Attorney General. In the Attorney General's response yesterday he replied to the question about advertising in the yellow pages and outlined his department's review of the legality of escort services.

However, I want to take this opportunity to emphasize to all hon. members that the long argumentative questions and answers contend to lead to debate, as it did yesterday. I urge all members to adhere to the guide-lines of having brief questions and answers.

MOTIONS

Referral of *Estimates* to the Standing Committee on Estimates

HON. MR. McLEOD: — Mr. Speaker, just prior to orders of the day, and by leave of the Assembly, I would move:

That the *Estimates* and *Supplementary Estimates* for the Legislative Assembly, being subvotes 1 to 3 and 6 to 7, 17, and 20 to 23 inclusive, of vote 21, be withdrawn from the Committee of Finance, and referred to the Standing Committee on Estimates.

I so move, seconded by my colleague, the Minister of Justice.

MR. LINGENFELTER: — Mr. Speaker, we would like an opportunity to have a look at that list and to check it. And, therefore, I would beg leave to adjourn it for today and we will deal with it tomorrow, if that meets with the approval.

Motion adjourned.

MR. SPEAKER: — I'm informed that the Lieutenant Governor is here to give Royal Assent to the interim supply bill. The members will take their places.

ROYAL ASSENT TO BILLS

At 2:39 p.m. His Honour the Lieutenant Governor entered the Chamber, took his seat upon the throne, and gave Royal Assent to the following bill:

Bill No. 40 – An Act for granting to Her Majesty certain sums of Money for the Public Service for the Fiscal Year ending on March 31, 1985

His Honour retired from the Chamber at 2:40 p.m.

ORDERS OF THE DAY

GOVERNMENT ORDERS

SECOND READINGS

Bill No. 30 – An Act to amend The Industrial Development Act

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HON. MR. KLEIN: — Thank you, Mr. Speaker. I wish to move second reading of the bill to amend The Industrial Development Act.

The amendments, Mr. Speaker, are largely of a housekeeping nature, updating obsolete provisions in the act applying to the Saskatchewan Economic Development Corporation, for which I am responsible.

Let me give the members of the Assembly a summary of what these amendments are all about. First of all, the amendments provide a definition of what is meant by financial assistance. Secondly, the amendments give legal standing to the corporation's abbreviated title of Sedco. The business community and the general public has always used the abbreviated form of Sedco as an alternative title. It was felt this abbreviated title, which is used so frequently, should be given a degree of legal protection.

There are companies in various parts of this continent which are known as Sedco, and it was felt that Saskatchewan's Sedco, because the title is used so often, should have legal protection.

Another amendment makes it possible for Sedco appointees to client boards, if they happen to be Sedco board members as well, to vote at Sedco board meetings respecting those client companies. This is providing, of course, that the board members have no financial or beneficial interests in that company.

We feel this amendment is desirable because a Sedco board member, who is appointed to the board of directors of a client company, is expected to look after Sedco's interests and, because of his knowledge of that company, should be able to make a major contribution to any discussion concerning the affairs of that company at any Sedco board meeting. Previously, he was not allowed to vote on any matter concerning that company.

Other amendments clarify Sedco's powers to dispose of assets considered surplus to its needs or to its objectives; increase the corporate limits in providing financial assistance to any one company without prior cabinet approval. Previously, it was 1.5 million; now it will be 2.5 million. The last increase was in the 1960s. Inflation alone justifies an increase in this limit.

Another amendment, Mr. Speaker, increases the limit on Sedco borrowings from \$300 million to \$500 million. The borrowing limit was last increased in 1974, and since that time Sedco's size has more than doubled. It is considered timely to increase the statutory limit to allow for the expected demand in future years from our growing economy.

Mr. Speaker, with these comments I move second reading of Bill No. 39, an Act to amend The Industrial Developments Act.

SOME HON. MEMBERS: Hear, hear!

MR. ENGEL: — Mr. Speaker, we would like some time to review the information that the minister has given us. Therefore I beg leave to adjourn debate.

Debate adjourned.

COMMITTEE OF FINANCE

CONSOLIDATED FUND BUDGETARY EXPENDITURE

RURAL DEVELOPMENT

Ordinary Expenditure – Vote 43

Item 1

MR. CHAIRMAN: — Would the minister introduce his officials.

HON. MR. DOMOTOR: — Thank you, Mr. Chairman. To my right is my deputy minister, Dan Gilewich; behind me, Larry Chaykowski, director of administrative services branch; Gerry Parrott, municipal management and finance branch; and Terry Crowe, senior planner.

MR. CHAIRMAN: — Order! I'm very hard of hearing in the Assembly when everybody is chattering. Item 1 agreed? The member from Pelly.

MR. LUSNEY: — Thank you, Mr. Chairman. Mr. Minister, I noticed in your increases in the revenue sharing has gone up by some 6.4 per cent on average. What is this going to mean to some R.M.s? Are they going to . . . Some are definitely going to get less, and some are going to get more. Could you just say what effect this is going to have on the different R.M.s?

HON. MR. DOMOTOR: — The effect . . . That's right. There'll be some that'll get more, and some will get less, but it's regular policy that has been in effect since your government had taken place and you have revenue sharing. Now there's some that may gain because of less revenue or less assessment. There are some that may gain more because of the assessment, and depending on the amount of grants in lieu of that the municipality gets, and also depends on the amount of grid road that the municipality has. There's some that have been taken into highways. That means they may get a little less. Others that haven't, they would get more. It's on the formula.

MR. LUSNEY: — Mr. Minister, do you have a copy of the formula and a complete copy of the R.M.s, what they received in grants this year, of all the R.M.s in the province, that you can send over?

HON. MR. DOMOTOR: — Yes, I have. I could send that over, if you like.

MR. KOSKIE: — The copy you sent over, we can keep, or is that from your briefing book? . . . (inaudible interjection) . . . You have an extra copy, eh? I see. You're starting to wise up, the outfit over there.

I just want to ask a question in respect . . . You indicated that, and you've sent over a copy in respect to the funding of each. Can you outline to us the ingredients of the formula? And I ask you whether there has been any changes in the formula — that is, as it was under our government, and since you've taken over.

HON. MR. DOMOTOR: — it's the same formula as you had when you were in government.

MR. KOSKIE: — I want you to go through it, and tell us exactly the ingredients of it, and explain how you arrive at the different sums for the various municipalities.

HON. MR. DOMOTOR: — If you'd like the details, I have a copy, or I could send it over to you.

I'm sorry. We have a detailed, six-page one. We can send it over to you after. Just don't have it here right now. So you can get that.

MR. LUSNEY: — Mr. Minister, in the budget there's been an announcement of the home quarter, a rebate in the home quarter tax — school tax on the home quarter. Are you going to administer that through your department, or how is that going to be operated?

HON. MR. DOMOTOR: — The Department of Agriculture is looking after that.

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MR. LUSNEY: — Mr. Minister, you talked about a new grant program that apparently you announced at SARM (Saskatchewan Association of Rural Municipalities) when you were at the convention; a \$5,000 grant to all R.M.s for maintenance, and I believe it was for maintenance and upgrading roads. Could you tell me if that program is in place, and what the conditions of it are?

HON. MR. DOMOTOR: — The amount that we have given for the roads for maintenance on main farm access is \$60 per kilometre. Those under 150 vehicles is \$60 to \$90, depending on the traffic; under 250 is \$130, and over 250 is \$180 per kilometre.

MR. LUSNEY: — Is that program in place at this time, Mr. Minister? Is that program in place right now; are the R.M.s going to receive that this year?

HON. MR. DOMOTOR: — Yes, it is.

MR. LUSNEY: — Are there any other — I suppose you could say — regulations regarding this program? What are they going to have to comply to? Are they going to have to cut the grass from shoulder to fence line, or are there other conditions around this program that you've introduced?

HON. MR. DOMOTOR: — It's going to be up to the municipalities to use their judgement. The main farm access, we have them designated, and grid roads designated as before, and all we'll do is give them that X number of dollars for the amount of kilometres that they have.

But as far as the right-of-way that you're talking about, there's some municipalities who feel that it should be kept to what it was before. There's some that feel that maybe we're holding them too tight to their cutting with . . . (inaudible) . . . and we're going to be monitoring it. We're going to let them use the honour system, because we have also informed the municipalities that if they don't cut it completely, the brush starts cutting up, and it will cost them more money in the long run, because then they have to go ahead and reconstruct that road.

Furthermore, if you have a snowstorm in the winter-time and you leave the brush there and you have the grass on the side, it ends up blocking the road. So then it takes them automatically extra costs to maintain and clear that road. So we're hoping that they will maintain their cutting as previously. But if there are some difficulties that they can't get it over and that, we aren't going to hold them down to it, and we'll still try to match the conditional grant and shares on it.

MR. LUSNEY: — Well, this grant, when you talked about maintenance so much per mile or kilometre, what kind of work can they do in maintaining that road? Is it just for grading, or are you going to allow some towards regravelling, or anything of that nature?

HON. MR. DOMOTOR: — They don't have to submit any accounts. They could be gravelling or just cutting whatever. It's up to the municipality. We just have to designate roads, and that's what we go by.

MR. LUSNEY: — So they're going to be free then to choose what they do on that road. You'll provide them with the grants, and they can maintain it any way they think that it requires the maintenance.

Do you have a 1983 list of the grants — conditional and non-conditional — Mr. Minister, with you at this point? These are the '84 grant figures that you have. Do you have a list of the 1983 grant figures?

HON. MR. DOMOTOR: — We don't have them here, but we can get them for you if you like.

MR. ENGEL: — I'm interested in this tax rebate on the home quarter. You said that will be entirely, or it'd be administered by the Department of Agriculture. What kind of an agreement

have you with that department to determine how much each R.M. will get? Or how will that money be allocated to the R.M.?

HON. MR. DOMOTOR: — The Department of Agriculture is looking at that, and I understand, talking to the Minister of Agriculture, he has already talked to the executive of the association of rural municipalities, and they are going to be working it out between the two of them.

MR. ENGEL: — Will the R.M.s suffer in any way as far as funds? Will this be a draw on the local municipalities first because their taxes aren't going to be paid on the home quarter?

HON. MR. DOMOTOR: — No, we'll be still cost sharing the same amount as we were before, plus that 5 per cent or 6 per cent increase that we had given them. So it won't affect our amount of money here at all. That'll be coming out of Agriculture, separately.

MR. ENGEL: — But what you're really doing, though, is you're telling . . . Take my own R.M., Wood River, for example. There could be as many as 700 home quarters in that R.M., and that's a sizeable chunk of tax money. Are they going to have to wait for their money? Are you going to pay it as a farmer will pay his taxes? Are you not concerned with the loss of revenue that these R.M.s are going to have — the financing they're going to have to do?

How come you're running that program through the Department of Agriculture instead of in there where you could look after them and stay on top of it? I just was wondering what kind of an impact this will have on the R.M.s. I feel quite concerned here.

HON. MR. DOMOTOR: — The amount goes to the education tax on the home quarter. We are not going to be administering it, so the agriculture department is going to be administering it. As you know, the property improvement grant wasn't administered by Urban Affairs. This particular part is a specially geared amount of money to reduce the input costs for the farmers, and therefore it falls under the Department of Agriculture, came up with that amount of money, and they'll be handling it through there.

MR. ENGEL: — So, as you envision it, the farmer will be paying his taxes as normal, and then he'll have to apply similar to what he does on the other one.

HON. MR. DOMOTOR: — We haven't worked out the details yet. That's, as I've said before, between Agriculture and the association of rural municipalities, and they'll be coming out at exactly how that's going to be implemented.

MR. ENGEL: — If I could make a suggestion to you, Mr. Minister, I'd suggest you fix up the form that's there and put an amount in at that, instead of getting \$375 back, will get \$775 or \$875, or get that much taken off our taxes when they were originally paid. I don't think the farmers are looking for more bookkeeping and more forms to apply for. I think you can simplify and streamline government more like you promised you would do, and you'd use your good office and your department that are willing to co-operate with the farmers and come up with a cheque that will . . . \$750 would make a sizeable cheque, and it would be worth applying.

So, I think, if you want to make a lot of farmers happy, work out some details. I don't care who announces it. The farmers are the ones that are looking for some money.

AN HON. MEMBER: — Why did you do it while you were in there?

MR. ENGEL: — The member asks you why we didn't do it when we were there. We went from a \$50 homeowner grant to \$375. If you go from 375 to 775, that's great. I think you're striking where the iron is hot, and this is the point I've been trying to make.

So if that program isn't completely finalized or worked out yet, I'd suggest you sit down in your rural members' groups with your Minister of Agriculture and yourself, and whoever represents

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rural areas, or a cabinet committee, and come up with a formula that's going to work. Don't give the farmers a thousand forms to fill out. That's the basic point I'm trying to make.

HON. MR. DOMOTOR: — Well, any kind of form that we would anticipate or work on, we would want to discuss this with the executive of the rural municipalities because they are the ones that are concerned about this. It's just like any other program or anything else that we plan to do in our department. We have a good discussion and good relationship with the executive of the rural municipalities, and we always pass it by them and see what their thoughts are. In this way you can work out a program that will benefit both parties.

MR. ENGEL: — A final point I'd make, Mr. Chairman. Really that should have been your program. I think that comes out of there, and I think your department should have been able to handle that one and run with it, because that is a municipal tax base type program. If it doesn't belong there, maybe in education, because in agriculture we're worried — we're worried that it's just going to be used as a little political football and gain some political kudos saying we're spending so much money in agriculture. I think the farmer that is directly involved needs that shot in the arm.

If you come up with a fixed amount, it's even still better. If you can come up with a fixed amount and say that it's a flat rate per farmer, it would make a world of difference, rather than be scaled according to just the tax on the home quarter. I think you can get the money to the person that needs it the worst, by using a flat rate.

The people in my constituency that need the money the worst are those that are trying to eke out an existence out of a quarter of land that's assessed at \$1,000 or less. Those that are on high-priced land will get the bigger advantage, and I think your program in the past has been implemented fairly. You give the same amount of money to everybody, and you've got it set up in such a way that only one person can get the cheque. I think that's great that system is in place. The security is there. There's been no complaints about it. All you have to do is increase the amount by how much ever money you've got in agriculture. And I think that's a point I try to urge on you to say that take it back to your . . . do a little more digging. Use your muscle you've got in your department. You represent all the farmers, and they're looking for some good, honest support — not a few little political kudos.

HON. MR. DOMOTOR: — Well I think agriculture also looks after a lot of the farmers out there, and therefore it's the area that they were looking at and, as I said before, it's trying to cut the cost or the input cost for the farmer, and that's why the program was brought in through them.

MR. LUSNEY: — Mr. Minister, in community planning within your department, is it going to remain much the same, or are you going to be working with Urban Affairs to plan some of the changes that may be taking place in the villages and the hamlets of the R.M.s?

HON. MR. DOMOTOR: — At the present time, we are doing as we were before. We have our community planners, and urban has their community planners. Certainly they consult with each other when it has to do with a village and the R.M., and if there's some annexation or whatever is required, but the two work together in harmony.

MR. LUSNEY: — In the revenue sharing, Mr. Minister, it's a small amount of an increase to the R.M.s. How do you see this affecting the R.M.s and the tax rate, the mill rate that they're going to have to charge in order to keep the R.M.s going?

HON. MR. DOMOTOR: — The municipalities out there, they are working within their own means and they control the mill rate, so they'll work their programs accordingly, I would suspect.

MR. LUSNEY: — With the increase that you have provided to them, Mr. Minister, they would almost have to cease all kinds of construction within the R.M. if they are going to be able to

maintain the mill rate they now have, because the costs have increased on just about everything they do. So in order to maintain the mill rate at the present level, they would have to then stop any kind of construction. Otherwise, they won't have the money to do it with.

So are you saying that with the small increase that you have given them, that what you're really suggesting is that if they want to maintain the mill rate, they're going to have to stop doing any work? So it wouldn't matter what kind of grants you give them, they're conditional grants then, because they wouldn't be able to use any of that.

HON. MR. DOMOTOR: — Well, we enhanced the maintenance. And previously they did not get any grant or any money for their main farm access maintenance. And we've gone ahead and initiated that discussion with SARM (province of Saskatchewan Association of Rural Municipalities), and they felt that was a good idea.

And when we discussed the different rates and how it would affect the municipalities, in our discussions with them – and my officials had the discussion with the executive – they said that they were quite in agreement with the funds the way that they were set up, and with that increase that that should tide them over.

They feel that in times of restraint, such as we have now, that everyone has to tighten their belt a little bit, and that they would be accommodating in the same fashion.

MR. LUSNEY: — Mr. Minister, you're almost starting to sound like we're back in the Thatcher years where we have to start tightening our belts.

Mr. Minister, after you informed the R.M.s as to the new program that you have, did you send letters out to the R.M.s telling them what kind of grant they are going to get under the new program? I believe it was \$5,000 per R.M. or something to that amount. Have you contacted every R.M. so they'd know how they can plan their work for the year?

HON. MR. DOMOTOR: — It's in the mail right now. And there's an interim amount that's given to them in advance, so that they can plan their construction costs.

MR. LUSNEY: — Thank you, Mr. Minister. I talked to some of the R.M.s, and they weren't aware of what that program was all about yet. And this is why I wondered if you had been in contact with them.

I've looked at some of the R.M.s, and looking at the increases that they are going to be faced with in mill rates. And some of them are looking at anywhere from six to eight mills just to continue their operation, without increasing to any extent in construction or anything else.

They're saying that the increase that you have given through revenue sharing is hardly going to cover the increase in their expenses – operating expenses. So therefore, if they are going to be able to do any work at all, although you have increased their conditional grants, they say they won't be able to use any of those grants, because unless they increase their mill rate substantially, they won't be able to raise the necessary revenue locally to do it.

HON. MR. DOMOTOR: — We anticipate the same kind of program as last year, and they were able to handle it last year underneath the increase that was given there at that time, and there isn't that much variation this year. So I don't anticipate any major shifts as you mention.

MR. LUSNEY: — Mr. Minister, it's quite simple that when you cut 'em back one year, they're going to have to tighten their belts as you suggested, but when you do it the second year, and then the third year, they are going to have some difficulties out there because that belt starts running out of holes, and that's what's happening to the R.M.s now. You've got them tightening the belt to the point where they're either going to have to increase taxes, or virtually stop any

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kind of construction within the R.M.s. This is the situation they're in, and some of them are taking that route as to halt all construction within the R.M. and just hope that they can continue good, reasonable maintenance program within the R.M. with the funding they have, unless they go to increasing the taxes. And this is what they are trying to stay away from.

So couldn't you, Mr. Minister, try to look at a program that would prevent the R.M.s from going to the taxpayers to raise the funds and provide a few more dollars for them so they can continue the kind of road construction that they have tried to put together in the past, and to complete some of the roads that they have planned on.

HON. MR. DOMOTOR: — Well as far as the costs and that – in my discussions with the different ruling municipalities, they were concerned about the extra-heavy traffic that was going over their roads, and they were looking for extra maintenance dollars. And since we've had a policy with respect to 5 per cent increase, and this has hit the various departments – Urban Affairs is 5 per cent – we didn't want to vary any more from that, so we did the same with the rural municipalities. We had discussions with the executive and they agreed that this was well and good because they felt that this is a time when we should be watching our dollars, and therefore, we have done that; we've accommodated. And as I said, we've discussed it with them. They seemed to be satisfied at the time.

During our discussions at the executive, or when they had their convention, we had different rural municipalities coming in to see us, visiting myself and the deputy minister. They also visited the Minister of Highways and Transportation at that time. And they felt quite comfortable with the fact that we had increased this maintenance grant at the present time. And all I can say is this is . . . (inaudible) . . .

MR. LUSNEY: — Well, there's no question, Mr. Minister, that they would welcome any kind of increase in maintenance grant, or any other form, because if you hadn't done that, then they really would have been in trouble. The mill rates would have had to go up a lot more than 6 or 8 per cent, or 6 or 8 mills. So that program that you introduced was just a bit of a fill in of revenues for the R.M.s, and it's going to keep them operating for another year without any huge mill rate increases.

But it's only a temporary solution, and won't increase the amount of roads built, or won't in some R.M.s provide any money for road construction. It will merely be a maintenance of the road that they now have. So what you have virtually done is halted the majority of the construction within the R.M.s.

Now maybe this is what you're trying to do. And from what you're saying, it appears that you're saying that the R.M.s have accepted that, because that's what you're suggesting here – that the R.M.s say that they're not interested in building any more roads, that all they will be satisfied with is a few dollars for maintenance. If that is what you're saying, Mr. Minister, I can see that that is exactly what you're accomplishing with this budget.

HON. MR. DOMOTOR: — I didn't say that there would be no construction. They were constructed last year, and the same will apply this year. Everyone will still get \$50,000 minimum road construction, so if they want to go ahead and build some roads, they can still do that. It's just that with the increased amount of funding that we did, we channelled some of that back into some extra maintenance. So the construction will still be going on, and they'll be getting extra dollars for maintenance. A good program.

MR. LUSNEY: — Mr. Minister, have you got any programs, or are you considering any programs for completing the grid road and the farm access roads that have been started within the R.M.s? Some haven't completed all their main farm access yet. What have you got for the R.M.s in that respect?

HON. MR. DOMOTOR: — There's a reconstruction program which was already enhanced last year also, so it's going to be continued. They bring in their road construction that they want to work on; they bring it to our officials; they take a look at it, just like before, and then we go out there and see where the priorities are, and which ones need the heavy traffic, and we can accommodate it.

MR. KOSKIE: — Mr. Chairman, I was just wondering if the minister could indicate, since there's in the early part of May going to be a fire sale of a huge amount of equipment that has been collected by the Department of Highways — going to be auctioned off without any reserve — then perhaps that will give the R.M.s an opportunity to purchase some of this. And I am wondering whether you, as Minister of Rural Affairs, have communicated with all of the R.M.s, whether you solicited on their behalf, with the Minister of Highways, an indication that if there are some of that equipment which indeed would be useful, that an appraisal be done of it — a reasonable appraisal — and that they be allowed to purchase some of that prior to the sale?

In other words, give . . . If we have this here already purchased equipment, and if some of it could indeed be used by the municipalities, why not . . . Have you made communications with them? Have they, in fact, been given the opportunity to go through that equipment? Have they been able to purchase some of it prior to the sale?

HON. MR. DOMOTOR: — Well, this is interesting. The thing is that the R.M.s are a local autonomous body. We do not tell them whether they should buy this type of equipment, or what they do. Seventy per cent of the road building is done by private contractors in the R.M.s, and therefore we would not, in any way, expect them to go ahead and purchase any other kind of equipment. That is entirely up to them. They are a local autonomous body. They want to keep their local autonomy. We would not therefore in any way interfere with what they feel is the best way to operate their R.M.s.

MR. KOSKIE: — I'm not asking you to interfere. I'm asking you, before you give to outside bidders from the United States (which you're going to) an opportunity to the R.M.s and the people of the province to continue to use some of this equipment. I'm not asking you to interfere with them. I'm asking you to discuss with them the possibilities of utilizing some of this equipment. And I ask you: have you made a communication? Have you sent out to them a schedule of this fire sale that you're going to be having for your American friends, apparently? Have you had any communications with them?

HON. MR. DOMOTOR: — Well first of all, the R.M.s have the opportunity, like anyone else, to go to the sale and bid on them, just like anyone else. And as far as the sale is concerned, I think that was well discussed during the Department of Highways. The Minister of Highways and Transportation, I think, covered that quite well.

As far as the R.M.s are concerned, if they want to bid on it, if they have some equipment that they would like to get, they would go. But I'll tell you one thing: that a lot of R.M.s will have their equipment that they utilize in place now, and the others, as I said before, hire private contractors. And that's the best way to go. That's the cheapest route that they find, and that's why there probably will not be very many of them going ahead and bidding on it.

MR. KOSKIE: — Obviously, you haven't been in contact with the groups. And what you're saying to them: here is a large amount of equipment which the people of this province have, in fact, purchased. I indicate to you that there are many municipalities which do, in fact, have some road equipment. Don't tell me that all of the roads in the municipalities are being built by privates. They aren't.

AN HON. MEMBER: — Who grades them?

MR. KOSKIE: — Who grades them? And is there any grading equipment? Here is equipment

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which is purchased by taxpayers' money, and what you're saying is the outsiders from Alberta and Manitoba and the United States can come in and compete for this equipment, rather than giving the opportunity, at a reasonable price, to the municipalities. Is that your policy?

HON. MR. DOMOTOR: — I think the policy is up to the R.M. as to what they want to do. And first of all, a lot of them, once they've used their equipment — their graders or whatever they have, and have it worn out — they aren't going to go ahead and buy another grader that's worn out. They are going to go ahead and purchase a new one. And that's how they do. They go ahead and trade them off or buy new ones, and then they sell theirs also.

MR. KOSKIE: — Mr. Minister, you haven't even been in contact with the R.M.s in respect to this assembly of a large amount of equipment. Because if you had been in touch with them, if you had taken to them the whole list of the equipment that has been assembled, that's going to be sold off to the Americans and Albertans and Manitobans, or wherever, you would get up in this Assembly and say that your first priority should be to protect the people of Saskatchewan. And I think that what you should have been doing is making that available.

I see in the press release that you're saying that municipalities should be flocking into this here huge sale. I'm asking you, why haven't you adopted the other approach of doing an appraisal on this equipment and having the municipalities, if they want (that's not interfering with them), giving them first opportunity. And it's of benefit to all of the people of Saskatchewan. I think that was only a reasonable procedure. I think you have been derelict in your duties, and I think you should get on with the job of representing the department that you do, the R.M.s.

I would like to ask the minister whether he's prepared to have discussions with them and do an appraisal of it and see whether or not they want some of this equipment before the outsiders from the United States come and purchase it.

HON. MR. DOMOTOR: — Well, that's an interesting comment, what you've mentioned there. As I said before, the R.M.s are independent. If they want to go and bid on that equipment and purchase it, it's entirely up to them.

It's just like . . . We could go along a little further here and say then that the Minister of Agriculture should go ahead and send out to each farmer and tell them there's a sale of equipment over here in White City, or if there's an auction sale up in Melfort. That would be the same thing. It wouldn't make any sense.

And the same thing applies here. They can read the paper. They know whether they want to purchase this equipment. They know where the auction sales are. And a lot of those R.M. reeves and councillors are very shrewd and smart businessmen. They know where the sale is and where the equipment is, and whether they are interested in that particular parcel, or trucks, or tractors, or whatever they have.

MR. LINGENFELTER: — Mr. Chairman, I'd like to ask the minister if he's saying that the scenario that my colleague from Quill Lakes has put to him doesn't make sense. For example, an R.M. down in the south-west corner of the province who would be interested in buying a used grader, would it not make sense rather than ship that grader from Shaunavon to Saskatoon then tell all the R.M.s to come in and bid on it, against each other, and against Americans. If they're successful, then to load it on a truck and haul it back. Can you explain to me how that's rational and sensible?

HON. MR. DOMOTOR: — . . . (inaudible) . . . that R.M. move his grader all the way up to Saskatoon and bid on it and move it back.

MR. LINGENFELTER: — Well I'll go back another step because you've missed a cog, my friend. This grader was owned by the Department of Highways, by your government, by the people of

the province. Got that? It's their grader. They have it in Shaunavon. The Minister of Highways says, "Look, I want to sell this grader because I've got a debt problem I'm trying to get out of." Wouldn't it make sense to assess that grader and give the R.M.s in the area the first chance to buy it, rather than put it on a truck, drive it to Saskatoon, tell the R.M. reeves to drive to Saskatoon, waste money, and bid on it against Americans, and then haul it back if they're successful?

HON. MR. DOMOTOR: — I think this is part of the philosophy that we have in this government is that we don't believe in going ahead and making any particular preference to anyone. We have an open tender system. Everyone's equal. Everyone can go ahead and bid on that tender, and if they want to purchase it that's the cheapest way they can probably get it.

MR. LINGENFELTER: — But, Mr. Minister, wouldn't it make some sense, if you have a grader that's worth \$10,000, it's going to cost you \$1,000 to transfer up to Saskatoon and \$1,000 to haul back — that's \$2,000. Wouldn't it make more sense for the government to offer that to the R.M.s in the area — if you had done an appraisal and found it was worth \$10,000, to offer it to the R.M.s at \$8,000 and not go the dog-eat-dog auction sale with the Americans to try to force the R.M.s to pay more for it?

HON. MR. DOMOTOR: — Would it be fair then to go ahead and give this special place to this R.M.? What about the R.M. over by Hudson Bay? Maybe they want to bid on it. What about the R.M. maybe over by North Battleford? Maybe they want to bid on it. So therefore you put it up in Saskatoon, or wherever it is, and you have a complete tender sale and have everybody bid on it.

MR. LINGENFELTER: — You're finally waking up to this proposal. Yes, you did take graders out of North Battleford, and you did take graders out of Hudson Bay, and why wouldn't it make sense for the R.M.s in those areas to have first option — to have first option on that piece of equipment? Whether it was loaders for loading gravel, or whether it was graders, or whether it was mowers for mowing the edges of the ditches, why wouldn't it make sense for the Government of Saskatchewan to give that break to the R.M.s — Saskatchewan people — as opposed to hauling all of that equipment to Saskatoon and then forcing the R.M.s to drive in, bid on it and, if they are successful, then hauling it back out again?

HON. MR. DOMOTOR: — What you would, in effect, be doing there is having us set a price on that equipment, and the best way to set that price on equipment is an open, fair, tender basis, and that's the way it is, and I don't see where that has much to do with our estimates over here, as far as our department is concerned. That falls in the Department of Highways and Transportation which was taken here a few nights ago.

MR. LINGENFELTER: — I think the minister, if he's from a farming background, will realize that many farmers, when they have an auction sale, have what is called a reserve bid, where they establish a floor price that they will accept for a piece of equipment . . . (inaudible interjection) . . . And the members say no. but if they have been around, they will know that in many cases, farmers will, on one or two — in fact, it's perfectly logical and legitimate to have two major pieces of equipment on each sale bill, to have a reserve bid.

That's all you'd be doing. That's all you'd be doing, Mr. Minister, is setting a level and giving the advantage to Saskatchewan people, giving the advantage to Saskatchewan people because there's no contractors going to be bidding from Saskatchewan, because there's less roads to build than there was last year. What do they need more equipment for when there's going to be less roads built?

HON. MR. DOMOTOR: — Well, first of all, I don't know what auction sales you've been going to, but the auction sales that I've been at, it's totally open tender and there's no reserve bids. They've been doing that up in that country for a long time, and as far as what you're talking about, as I said before, the rural municipalities are an autonomous body. They rule their

municipality the best way they see fit. We have no intentions of suggesting to them as to what they should or should not do. That is entirely up to them.

MR. LINGENFELTER: — Mr. Chairman, I will finish my remarks by saying that I had thought when this minister got to his feet that he was going to make some sense, but he makes less sense than the Minister of Highways, if that's possible, because very simply, the Minister of Highways has lowered the esteem of the cabinet by about 20 notches since he started here. And you're following very closely in his footsteps because you simply don't realize that the Minister of Highways didn't free up his employees to the private sector, any more than you're freeing up the R.M.s to drive to Saskatoon to bid on equipment that came from their area, and then giving them the freedom to haul it back again.

HON. MR. DOMOTOR: — Well, I don't know who's making . . . You were talking about common sense, or about sense here. I would suggest that the member has been having a good heyday maybe in his little community out by Shaunavon. But maybe he should travel around the province a little bit, and see how the other R.M.s work. They prefer to have control over their affairs, whether they have their own equipment, or whether they purchase it, or whether they have contractors that come in. And the large majority of them have contractors that come in and do the roads, and hire them accordingly, and the contractors do the work. They find that the most efficient and cheapest way.

MR. ENGEL: — Mr. Minister, can you tell me about what percentage of the R.M. roads are maintained by private contractors — the grading? Not earth moving and building a road. I'm talking about maintaining the surface.

HON. MR. DOMOTOR: — 10 per cent get contractors to maintain the road.

MR. ENGEL: — So that 10 per cent makes . . . (inaudible interjection) . . . You have a valid argument that they should go and bid on equipment. But do you not accept the base line that that equipment that is being put on for sale up at Saskatoon is owned by the people of Saskatchewan, and not just the highway department? Do you accept that as a fact of life? The equipment that's going on the auction sale is our equipment, not necessarily just the equipment of . . . the Department of Highways are the stewards of that equipment. That equipment belongs to the people of Saskatchewan. Right? Yes or no?

HON. MR. DOMOTOR: — Yes. It's owned by the Saskatchewan people, but we haven't been approached by one R.M. as far as purchasing any of that equipment at all. So as a result we never really . . . there's no point in going ahead and telling them, look, they can go ahead. As I said before, if they want to bid on some of this equipment, and they feel they can get a good deal, they can probably get a better deal if they go on the tender basis and buy it, probably than if you go ahead and try to set a price. And if the price is there and it happens to go this way, you know, it can work that way to either way, depending on the kind of equipment . . . (inaudible interjection) . . . No, I didn't say it's going to be sold at a fire price sale.

MR. ENGEL: — I'm surprised the minister would make that kind of statement. I'll relate to the price later on. If you are farming in a partnership with your brothers — if you were farming in a partnership with your brothers, and your brothers decided to go out and sell their third of the equipment, would you feel hurt or just nipped a little bit if they wouldn't have consulted you or talked to you about it? Wouldn't you feel that that was infringing a little bit on your rights as an individual and as a family member of that family partnership? And that's exactly what you're doing with this highway equipment.

The same people that are buying equipment to maintain their roads already own that equipment. They are just another level of administration and another level of government, and you could have created a beautiful atmosphere here in Saskatchewan saying, "Look, right now we've decided to give all this work to the private sector, and we have all this surplus equipment

here; how much of that can you use?" You've known for a long time. You've hauled it back and forth between P.A. and Saskatoon, and all over the country, and now you're making this big sale. Wouldn't it have been a smart move to say to the R.M.s: look, we've got some equipment, we've got 50 graders, we've got so many Eucs, and we've got so many of this, and so many of that. We've got so many mowers to cut grass. What are your needs for the coming year? – and look at this stuff.

Wouldn't have that been the place to dispose of that equipment, if you're going to give it away at a fire-sale price at an auction sale –when you know that the contractors in Saskatchewan have a third more equipment than they need, because you're grading a third less miles of road than we did in 1981. The Minister of Highways give us those numbers.

The road construction is way down, and now your putting up this equipment for sale. I know people that are coming in from some great distances to look at that equipment, to see if they can steal some equipment, and take it home very, very cheaply, and we know that's happening. And we're saying: why didn't you, in the districts that this was, leave it there? Give these people a chance to use it, because I think you made a foolish mistake here.

HON. MR. DOMOTOR: — No, not at all. As a matter of fact, my colleague from Maple Creek just mentioned that she's going to have about three R.M.s from that area going up to put a bid on that equipment up there. Now there are other R.M.s that are from Hudson Bay or Nipawin or northern Prince Albert that may want to go and bid on it, and I'm sure that I know that there are some around my area that will be going to bid on it. And they are glad that they have all this equipment together so they can take a look at it, and see what kind of equipment it is, and see what condition it is and, therefore, they can make a good evaluation on it. And it is entirely up to the R.M.s. Now if they want to go ahead and bid on it, that's fine.

What you're saying here is that . . . Taking in an auction sale, is to me, is the best way to sell this equipment. You have, for example, farmers who have auctions on their farms every year, and people come around and they bid on it. And I don't see where it has reduced any ill feeling in any of those areas, and the same should apply here. And the people that I talk to are happy, happy that the Department of Highways and Transportation has taken the initiative, and taken that equipment, and put it up for sale.

MR. ENGEL: — You maybe have that group of happy contractors around that are thinking they're going to get a real bargain, and are laughing in the pubs. You maybe have that group, but the one point that made at the very start – and you said that that was our equipment. That's quite a little bit different when I have to go to an auction sale and buy my own equipment. That's what you're doing.

You're saying to the fellow that had somebody come in, and slap a mortgage on his farm, because there wasn't any legislation in place to protect until he got his finances together. Then when he got his finances together, he could go back and publicly bid and buy his own stuff back. That's the same kind of example as you're using. That's the kind of example you're using. Because that's our equipment. That equipment already belongs to the people that are in the R.M.s, and they should have had a chance, like the member for Quill Lakes and the member for Shaunavon have already pointed out.

I'm reading . . . (inaudible interjection) . . . because it doesn't look like you're going to change your mind on it, and it's already moved up there. But I think it was a terrible mistake, and the people aren't going to forgive you for it.

HON. MR. DOMOTOR: — You're making a relationship here between a family. Well I know families, brothers, who end up, one quitting the farming. He doesn't just sell it over to his other brother. They go ahead and have an auction sale because this is the fairest way to have distribution of their equipment rather than having a haggling and fighting over who should

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get/pay what.

And therefore you'd have the same problem with R.M.s. One R.M. might say, "Hey, I got it for this price. How come you got that special deal?" This way, they go out there, have a tender, they've got the opportunity to do it, and everybody walks away happy.

MR. LUSNEY: — Thank you, Mr. Chairman. Mr. Minister, getting on some of that equipment, as my colleague has mentioned, it's a little late to think about it now because the decision has been made to sell it, and the equipment is in Saskatoon.

But don't you think that it would have been reasonable, on behalf of the department of Rural Development and the Department of Highways, to have approached the R.M.s before they announced this sale and said, "Look, we have decided to auction this equipment off. We've decided to get out of road construction and we're going to sell all this equipment. If you require a grader, we have 1, 2, or 10 or 20 fairly new graders out there. We've got some fairly new graders out there. Are you interested in them? If you are, we'll give you a reasonable deal since the taxpayers have paid for them, and since we might have them at an auction sale and sell them for half what they're worth. Would you be interested to come in and give us an offer on them? And then we'll take your machine and we'll sell it at that auction sale, and you can have this new one to provide the people that have already paid for it with a service that they should be getting out there." And it would be a saving to those R.M.s.

But you didn't once approach the R.M.s and tell them that this was going to be happening and that they could have this opportunity to get some of this equipment without having to go and bid on it — but they would have had an opportunity to buy this equipment and sell theirs at that auction sale and dispose of it in that sense. That would have saved the R.M.s a lot of money. And if you're going to sell it for maybe half at the auction sale, to maybe a bidder from the States, you could have sold it for half to the R.M.s.

Why didn't you give them that opportunity? Why didn't you contact them and tell them what you had, or what the Department of Highways had on their list? Then you would have been doing a service to the R.M.s. But you made the announcement to dispose of it and said, "Fellows, if you want it, go and bid for it. Go and compete against everybody else. And your equipment, we don't care what happens to it. You try and sell your equipment somewhere else."

Well you know the R.M.s can't do that. The R.M.s have to dispose of the grader they've got. So the only solution for them is to trade it off at a dealer — a heavy-equipment dealer — which usually costs them a lot more money. But you could have used equipment that the taxpayers have already paid for, and given those R.M.s a half decent break on it, and they would have bought a lot of that equipment. Why didn't the minister think of doing that?

HON. MR. DOMOTOR: — The R.M.s are represented by very shrewd businessmen, by very shrewd farmers, and they have local autonomy. The advertising of this equipment is in the paper, and they can see what kind of equipment it is. And if they are interested, fine. If they aren't, then they want to go ahead and do what . . . The used equipment they have, or buy, whatever equipment they have, that's their business. So, therefore, I do not see where that has anything to do with what you're attempting with respect to the Department of Highways and Transportation. That's got nothing to do with us. As I said, they are local autonomous bodies. If you feel that they should be doing something as far as bidding, we don't intend to interfere. That's entirely up to the R.M.s.

MR. LUSNEY: — Well, Mr. Minister, they are a local autonomous body. But you, as the Minister of Rural Development, could have assisted this local autonomous body, and you could have helped them to acquire some of that equipment, acquire some of that equipment out of saving, because you knew that within your government you were going to dispose of some of that equipment. And that is why I'm saying, why didn't you as the minister responsible for rural

development provide these R.M.s with the information, contact them and say to them, "This is what's going to be happening within the government, and you may have an opportunity to purchase some of this equipment."

I know it makes very little sense in arguing the point now because you just refused to deal reasonably with people. You wouldn't deal with them in a manner that would have saved them money, would have saved the taxpayers some money, and would have been an overall benefit to all concerned. So it really doesn't make much sense in arguing that right now.

All I am saying is that the minister and the government as a whole really had no consideration for the people, or to pay for that equipment, or for the R.M.s that could have used some of that equipment. You went in your own direction. You wanted everything to go private sector. Well the private sector is fine, and we agree that the private sector will always be out there, but you had an opportunity to use some of that equipment that was paid by the taxpayers to help that taxpayer that paid for that equipment in the first place, and you didn't do that, Mr. Minister.

HON. MR. DOMOTOR: — We'd be accused if we were going to — we'd be accused of forcing this type of thing on him and I don't think that we are in that business. I told you before, we believe I co-operating with the rural municipalities. It's advertised in the papers — the equipment there. They are able to read. They know what kind of equipment is there. If they want to bid on it, it's entirely up to them. We have no intentions of going ahead and telling them what they should or should not be doing.

MR. LUSNEY: — Well Mr. Minister, it seems quite easy for this government to just push the blame off on somebody else and push the responsibility off to somebody else, and nobody sees any results of it. Mr. Minister, in your planning and research department, what kind of work has the department carried out, or what kind of work do you plan to carry out in this coming year? What have you done last year? And are you going to do any research on the rural local government, or aren't you?

HON. MR. DOMOTOR: — I have a whole list of functions here. If you want me to send you a copy of what they've done in that, I can freely do that, if you like.

MR. LUSNEY: — Mr. Minister, are you aware of any R.M.s that may be in financial difficulties at this time? And if there are any, have you taken any kind of action to try and assist them? Or are there any problems out there?

HON. MR. DOMOTOR: — There aren't any in any difficulty at the present time, and the reason for that is because they're under very capable administration of the municipal councils and reeves out there and they're doing an excellent job.

MR. LUSNEY: — Mr. Minister, did you . . . You say you weren't aware of any R.M.s that had financial difficulties. Fine.

On another question, Mr. Minister, on the LSDs that have been converted to R.M.s — have any been converted in the North, that have been LSDs? Are they now R.M.s?

HON. MR. DOMOTOR: — They're all R.M.s now.

MR. LUSNEY: — What state of affairs are those LSDs in, that are R.M.s now? Are they having any problems, or have they seen any benefit from being converted to the R.M.s? What do you see the situation with them?

HON. MR. DOMOTOR: — They're not any different than any other northern municipality. The road cost may be a little higher, that's all.

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MR. LUSNEY: — They would therefore be receiving, I would imagine, a little more in their grants, to accommodate the higher costs that are associated with the northern R.M.s.

HON. MR. DOMOTOR: — All those extra costs are reflected in their grant structure.

MR. KOSKIE: — Since you have split up the departments considerably, I'm not sure that it's in here, but I would think it would be with your department, and that is in respect to the super-grid program that was undertaken by our government.

And I would like to ask you the number of miles of super-grid that was built last year, and the number of miles of super-grid that is anticipated to be built this year. If it has been transferred to another department, you can so advise, but I would have thought that it was still here.

HON. MR. DOMOTOR: — I can give you this information in sheets, if you like. Or do you want me to read? . . . (inaudible interjection) . . . Okay.

MR. LUSNEY: — Mr. Minister, do you have a list of the average mill rate throughout the R.M.s? You'd have that, I assume, on your revenue sharing. What is the average mill rate for the R.M.s?

HON. MR. DOMOTOR: — The average mill rate is 82.6.

MR. LUSNEY: — Can you give me a figure on the '81 and '82 mill rates, the average mill rates?

HON. MR. DOMOTOR: — We'd have to get that for you. We haven't got that here.

MR. LUSNEY: — Mr. Minister, what do you see as an average population within the R.M.s in the province? Have you see it decreasing, or is it getting higher?

HON. MR. DOMOTOR: — I have the figures here. The provincial average is 803. The provincial high is 6,357; the provincial low is 174.

MR. LUSNEY: — Mr. Minister, can you give me a breakdown on how many of those R.M.s are, say — I'll give you about three categories — for, say, 100, 200, 500, or 1,000 people. How many of those do you have?

HON. MR. DOMOTOR: — We don't have that here, but we can get that to you, if you like.

MR. LUSNEY: — Have any of the R.M.s been indicating to you that they might have some difficulty because of the declining population in the rural areas, and the fact that the farmers are getting bigger because of the programs of this government, as we've seen quite vividly in the past couple of years that everything is being centralized and a lot of the small farmers are going bankrupt because they are not given the kind of assistance that they would need?

And you see a lot of farmers going bankrupt out there, therefore, putting the pressure on the R.M.s and putting additional pressure on the farmers that are left, because then the tax burden is placed on fewer people. Are some of the R.M.s voicing their concerns as to the larger farmers and possibly the fact that they have large taxes to pay and some difficulty in doing so, if they happen to get a bad year?

HON. MR. DOMOTOR: — Well, as far as the taxes are concerned, all the personnel, whether they're smaller farmers or larger farmers, all pay a tax on their property. So there would be no decrease as far as their revenue is concerned, because they all pay taxes.

And as far as the increase or decrease in the rural population, I would submit that the rural population is increasing, particularly since the Department of Agriculture has the 8 per cent mortgage write down. There are more farmers coming out there, 18,000 and some, or 2,000 now.

And it's a good program, and we see an increase in the rural population.

MR. LUSNEY: — Mr. Minister, you talk about the increase in the rural population. When you look at the number of farmers that went bankrupt in this past year, I don't see how that indicates an increase in the rural population.

I might add, I think, some of the R.M.s, especially in the Hudson Bay area, are going to find some difficulties in collecting their taxes because many of the farmers there have had problems in the past three years. And a lot of those farmers are going to go bankrupt. And that, Mr. Minister, has not been addressed by this government. That's going to affect those R.M.s, because if the farmers does not have the money to pay his bills and if he's facing bankruptcy he is not going to be paying his taxes. So you're going to wind up with tax arrears. And when you wind up with tax arrears, little by little the R.M.s have to cut back, either on their road building or on their maintenance. They're going to have to try and save those dollars somewhere. So we have to say that that's not something that can be just looked at very lightly. That problem is out there; it does exist. And many of the R.M.s are concerned.

That's why you see R.M.s that are today not looking at construction programs for 1984 because the money isn't there. There's going to be a little bit of pressure on their taxes, so they aren't going to be building that many roads.

So that problem is there, Mr. Minister, and have you looked at it? If you see some of the R.M.s that are going to be getting into trouble, have you talked to them, and have you looked at how you can improve the situation and what might be done to see that they collect their taxes?

HON. MR. DOMOTOR: — Well, we haven't had any indication to our office as far as from any R.M.s with respect to not getting enough money from the taxes; that they've been getting the taxes and collecting it so far. They haven't give us any indication. We've increased the amount of money that they can get for their maintenance and that. They've been satisfied with that.

Furthermore, to the point that you mentioned that there are some R.M.s that won't be constructing, let me remind the member that that is not only as of '84 or '83, there are some R.M.s that didn't construct roads in 1980, in '79, in '78, in '76, in '75, in '74, and back then there are some R.M.s that didn't construct. So don't tell me that now they can't construct just because there's been a change in government. That's been existing all over the years prior to, the decade before.

MR. LUSNEY: — Mr. Minister, you know very well that some of the most construction that was done within the R.M.s was done in the '70s. And I might also add that the difficulties that some of the R.M.s might have in collecting taxes are not difficulties because of the problem with the R.M.s – or the R.M.s might be to blame for it, but just the economic conditions that are out there and the plight of some of the farmers – the situation that the farmers face where they are having some difficulty in paying their taxes. That is why some of the R.M.s will be under pressure.

I am not saying that you are going to be able to go in there and pay all those taxes, but I'm saying have you . . . I did ask you the question, if you are aware of some of the problems and if you have looked at any R.M. that might have that kind of problem, and whether there was any way that you could assist them?

HON. MR. DOMOTOR: — Well first of all, 1966 was the highest year of construction for R.M.s. And if there are some R.M.s that may have some problems or have some concerns, as I mentioned to them at the address at the SARM convention, our door is always open, and if they have a problem, all they have to do is give us a call and we're willing to meet with them at any time.

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MR. LUSNEY: — Mr. Minister, have you had any requests from any R.M.s wanting to amalgamate the R.M.s?

HON. MR. DOMOTOR: — Not lately.

MR. LUSNEY: — When you say, “not lately,” Mr. Minister, what does that mean? – in the past year, the last couple of years, or the last few months.

HON. MR. DOMOTOR: — Not in the last two years. If there was any amalgamation, it was done during your administration.

MR. LUSNEY: — I wasn’t suggesting there was any amalgamation done. I was asking if you have had any requests from any of the R.M.s for amalgamation.

HON. MR. DOMOTOR: — No requests whatsoever.

MR. LUSNEY: — Mr. Minister, in community planning branch, I suppose that would come under the abandoned railway right of way. What has been done within that department to look at the abandoned right of way? Well was it turned over to the R.M.s? What has been done in the past two years regarding abandoned railway right of ways?

HON. MR. DOMOTOR: — Over the next two years we plan to have the right of way dispositions disbursed. Over the next two years we’ll be having some of these abandoned railway right of ways disbursed. There are some concerns that the community . . . First of all the government has some first priority, municipalities, and then if they have no concerns, then it’ll be turned over to the landowner. The locals may purchase it.

MR. ENGEL: — On this issue of rail line abandonment, has your department looked at the additional costs they are going to be facing because of upgrading some road network? Have you got some numbers in place that you’ve been working with there?

HON. MR. DOMOTOR: — Yes, we have. We have some numbers in place, but we have not gone ahead and issued them as such, because we have tried to set up a meeting with the Minister of Transport so that we could negotiate and discuss with him to try to get some funds for transferring to our department, or to the Saskatchewan government rather, so that we can transfer some of monies to help the R.M.s that may be running into some problems. But we wouldn’t want to give the figures out right now because we want to be able to do some discussions and negotiations with the federal government.

MR. ENGEL: — Do you expect that the monies that you’re going to be making available that you’re going to be using for this will be on a cost-share basis where the federal government will be involved in? some kind of a matching program, is this what you’re working on?

HON. MR. DOMOTOR: — I would hope we could come to some kind of conclusion like that.

MR. ENGEL: — In light of that, what has your department been doing as far as just completely accepting the opposite point of view, and saying that we don’t believe certain rail lines should be abandoned. What are you doing as far as putting up a fight to save these rail lines?

HON. MR. DOMOTOR: — As you well know, the chairman of the agriculture caucus committee, who is also the chairman of the rural development committee, has been working on this very thing. Last year – I’d like to commend him for the work that he did up in that Kelvington-Wadena areas saving those branch lines, down in the Rockglen areas saving the branch line there, made presentation on Beaver, I believe, branch line there, and has been doing a real good job on that.

We're trying to convince the federal government to maintain these lines because we know what the implications are when they are taken away and the extra costs. It will be placing a burden on the R.M.s and also on the farmers that they have to haul further distances.

MR. ENGEL: — I have in the past, and I have publicly in this House, commended the member for Kelvington-Wadena for the presentations he's made down in my riding. That is no secret. I felt that the presentation he made was a strong presentation.

My question to you as a minister is: why on a topic as important as rail line abandonment you would delegate to a second stringer and not give it cabinet priority? Why wouldn't a cabinet minister stand up and say that "we in this government do not believe in rail line abandonment". I haven't heard that from one cabinet minister. I've heard some of the back-benchers that haven't got any money to spend. I've heard some of the people that are from other areas getting involved in the battle. But why wouldn't a cabinet minister lay the wood to him?

You know I've got copies and I can dig them out. I can dig out copies of documents that were issued by the federal cabinet — secret cabinet documents that we got — that indicated that on this issue the NDP and the government of the day was against it. Since the change of government we haven't heard that message — that official message that should come from the cabinet and from the Premier, indicating that you believe in should have come through. It didn't. that message didn't come through.

You relegated it to the position we are going to get as much money as we can. We're negotiating with him to get some upgrading. That's not bad. That's not bad. You're doing that. But that is accepting it as a fact of life. You're negotiating on the premise that the rail lines, the branch lines are going. You're negotiating on the premise that they're going. You're delegating it to somebody that has no treasury authority. You delegate it to the second row, and I think that's the indication the farmers are getting.

Big Beaver was concerned about their rail line. It's not even in my constituency. But Big Beaver was fighting hard to save the rail line. What did your two people come down and do? They waved a letter from the Minister of Highways, and when we found out what was in the letter, it was the same statement as you had ready. "We're asking for some money. We want some money to upgrade the roads, and we want some money for the trucking industry." But not one word saying that you'll leave that line in place. If you don't leave it there, we'll run and we'll keep it. I didn't hear anything like that from you. No threats at all. No threats at all.

You don't believe that we're going to save those branch lines. You've accepted it as a fact of life. You don't care about the little farmers going broke around there. You accept that as a fact of life. You've got some money for the big guys in your agriculture programs, but you won't put a bill in place saying to the banks, "Leave them there until they can put their funds together." You're not in it. You're not with it. You're with the big operator and the semi-trailer truck driver, but you're not there for the little farmer.

HON. MR. DOMOTOR: — Well first of all, I object to the fact that we have some MLAs, as you referred to them, as being stringers-on . . . second stringers. That I object to entirely, because I look at all our MLAs as being first class, first class, Mr. Member for Assiniboia-Gravelbourg, and they all represent the people of Saskatchewan. And they represent their area and their constituents out there. They have been doing a fine and an excellent job representing this government in trying to withhold or stop the federal government from abandoning those rail lines. And they're first class members, and therefore as far as I'm concerned, they've done an excellent job.

SOME HON. MEMBERS: Hear, hear!

HON. MR. DOMOTOR: — Now as far as your saying that we've relegated ourselves to a

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position that we are abdicating our responsibility that way, let me assure you that the Minister of Highways and Transportation and ourselves in our department have made representations to the federal government on several occasions to try to change their minds. But you know full well that their plan is to go ahead and do away with that. And you know why they're doing it? Because the fellows such as yourselves and your colleagues and members voted with the federal Liberals to get rid of a Conservative government headed by Joe Clark which would have changed the direction of this country and made western Canada one of the most important economical regions in the country.

SOME HON. MEMBERS: Hear, hear!

MR. ENGEL: — Sounds good, Mr. Minister. Sounds good, but I got a little . . . There's another side to that story, Mr. Minister. When we were in government, and when my colleagues were sitting in the treasury branch, how come they weren't abandoning the rail lines? How come the farmers weren't losing their battles? How come we're losing the lines now? How come the lines are going now that you're in power.

You aren't doing anything concrete to save the lines. You're talking. You're sending out a big mouth. You're sending out a big mouth to talk for you. But the government with the money isn't talking. The Minister of Highways isn't talking. He's asking for money to fix the roads when the rail lines go.

I'm saying to you: you've abdicated your responsibility. You've accepted it as a fact of life. You didn't win on the Crow rate; they changed it when you were in office; they changed the Crow rate when you were in office. And if you stay in office long enough, we won't have any branch lines, and the farmers know it. We won't even have a wheat board because you're selling off the farmer and the things he fought for because you're not standing up and fighting. You're not standing up. You talk. Talk is cheap. Talk is cheap.

HON. MR. DOMOTOR: — Well, Mr. Member from Assiniboia-Gravelbourg, let me say something to you right now on that particular point that you just raised. When Joe Clark was the premier of this province, the member from Humboldt-Lake Centre, George Richardson . . . At that time they were going to close the branch line from Meacham, they were going to close the branch line in Leroy, and he was out there to assist them to prevent that branch line from being closed down. And that was under the administration of a conservative government — Joe Clark. And it's your buddies that ended up voting against the Clark administration and let the Liberals take over and do what they are doing today.

MR. ENGEL: — Mr. Deputy Chairman, the member from Melville is going to find this very interesting when he reads it in *Hansard*. I can't remember when Joe Clark was the premier of this province. I can't remember that. Now I know, maybe you meant prime minister. But when Joe Clark was prime minister he had an organization that was in place in Saskatchewan that was fighting to save the rail lines. That organization was head up by Gordon MacMurchy and by Mr. Blakeney as premier and not by some guys that you have to send out the member for Kelvington-Wadena as their champion to defend the rail lines, when the railways and the CPR and the federal government knows that when you send out your people that aren't on treasury board you're sending out a little flag bearer and waving a little flag but you're not out there with some force and with some muscle. You're not out there with some force and some muscle.

And I'd like to ask you: what is your department doing? What is your department doing to save the branch line at Big Beaver? Did you write to the transportation commission and ask them for an extension? Did you endorse the request for an extension and at least say, "Give them five more years." No, you wrote and said, "We want some money to fix the roads."

You didn't ask for an extension. I asked you guys to join in this and give it and request an extension. Not a word came from your government. Not a word came from your department.

Not a word came from the minister that represents the area. Not a word came from the minister that represents the area. We had no help. The farmers signed a petition, every one of their producers and sent it in. and we sent a letter, and it would have been nice to have a joint effort from the government endorsing it. But no, they waved a letter saying we want more money. That's what you did. That's the help the farmers . . . You abandoned them.

HON. MR. DOMOTOR: — Let me remind the member again that the member from Kelvington-Wadena worked very hard to try to save that branch line down in Beaver . . . (inaudible) . . .

SOME HON. MEMBERS: Hear, hear!

HON. MR. DOMOTOR: — And it was the Minister of Transport that chopped it. So don't say that this government is not out there trying to save the farmer, or trying to save those branch lines. It's working all the time. We've been making representations to the minister and the Minister of Highways and Transportation has made representations to them. And what have you done? When you fellows were in government, how come some of the branch lines were gone then?

MR. ENGEL: — Mr. Deputy Chairman, at least I appreciate that the minister is honest. They gave it a little token flag. They send out a back-bencher to do an important job. He didn't have the ammunition. He didn't have an army behind him. If we'd have sent out the general, we would have saved the rail line. That was my point.

HON. MR. DOMOTOR: — Let's just set the facts straight here now. The lines that we are dispersing – or those branch lines that we are dispersing, and our department's going to be co-ordinating, are the branch lines that were taken over while your administration was in government.

SOME HON. MEMBERS: Hear, hear!

MR. KOSKIE: — Just to add a little more facts to the situation in the retention of rail lines that the hon. minister indicates that was the great effort of James – is it James Richardson? – the old fellow that's running on the east side here, and can't run in the area that he represented before, because he came back and he was trounced for his ineffectiveness.

But I want to say that in Leroy, the national leader of the New Democratic Party came and supported the people of Leroy and the community surrounding. He made a personal appearance to an entire gymnasium that the Leroy High School filled. And that effort, by bringing in the leader of the New Democratic Party and the work of the local members of the New Democratic Party, and the member, and the agricultural minister, we saved that road. It wasn't any Richardson.

But I want to get on to one other area, and this is . . . I want to ask the minister: has any of the municipalities made a request to you for, in fact, having some of the designated super-grid road to be incorporated in the highway system? If any of them have, I would ask you to indicate which of the municipalities have indeed made such a request to you.

HON. MR. DOMOTOR: — Well, first of all, with respect to the Leroy division that was saved, it was Don Mazankowski that saved that particular one, because he was in charge at the time, and let's get the facts straight on that one. If it wasn't for him, and if he'd be still in there, we'd have a pipeline moving out of this country with grain like you wouldn't believe, instead of just sitting around with a six-bushel quota.

Now, as far as the designated super-grid road, the request for into the highway system, they approached the Minister of Highways. He has the authority as far as taking those roads over.

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MR. KOSKIE: — As Minister of Rural Affairs, are you aware of the municipalities which have, in fact . . .

AN HON. MEMBER: — Rural development.

MR. KOSKIE: — Rural development, then. Are you aware of the municipalities who have, in fact, made such requests? I would have thought that that would have been the procedure that they would follow, contact the minister that they deal directly with, and then from there, I would suspect the Minister of Rural Development would, indeed, send him over to see his colleague, the minister of potholes, and see what he could do about it.

HON. MR. DOMOTOR: — Yes, we have had quite a few . . . we are aware of many of them that have requested some of these roads to be into the highway system. We do not have the authority to put it in the highway system. The Minister of Highways had the authority whether to incorporate it or not. That's the thing that I want to get straight here.

MR. KOSKIE: — I'm not asking you whether you have the authority. I'm asking you if you have the requests from the rural municipalities. Have you that in your possession? Have they come to you and indicated that certain roads designated to be super-grids, and have they made it known to you, the particular municipalities, and accordingly, I would like that information?

HON. MR. DOMOTOR: — Yes, the majority of the municipalities have done that. However, the executive of the rural municipalities feel that they do not want to have all the grid road systems taken into the highway system because of local autonomy. As a matter of fact, the president of the association mentioned that the other day.

MR. KOSKIE: — I never suggested . . . I'm saying that there are a number of municipalities who have roads which have been designated as super-grid, and don't try to evade it. That's what you're trying to do. Because you're going to start springing this around the countryside with promises during the election, and I'm asking a simple question to you. Are you, in fact, aware from the respective municipalities, what particular super, designated super-grid roads they are requesting to put into the highway system? Simple question. Would you provide me with the information?

HON. MR. DOMOTOR: — We don't have that information here, so which ones we did have, we'd have to get the copies made and then send it over to you if you want to know which ones. Would you require that kind of information?

MR. KOSKIE: — I would appreciate that. Are you going to do that for all the R.M.s? I'll ask for one to . . .

HON. MR. DOMOTOR: — For the ones that asked . . .

MR. KOSKIE: — Oh, yes. For the ones that asked. Right. That's fair enough.

Just a couple other questions here. I'm carrying on a little bit of an inquiry into the expensiveness of government relating to the personal staff of each of the ministers, and the Department of Highways in political appointees came to over \$15,000 a month for his personal staff. I guess the people of Saskatchewan would also be interested in knowing the names of your personal staff, and the amount that is being, in fact, paid to them. So would you provide us with that information?

HON. MR. DOMOTOR: — Do you want me to read this off? . . . (inaudible interjection) . . . Okay, in my personal staff, I have one individual by the name of Ken Ramsay. That's it . . . (inaudible interjection) . . . How much? \$2,810 a month.

AN HON. MEMBER: — How much?

HON. MR. DOMOTOR: — \$2,810 a month.

MR. KOSKIE: — Is that the end of it? Have you got a Margaret Folk in your employ? Listed under the OCs as a M.A.D.

AN HON. MEMBER: — Ministerial assistant.

MR. KOSKIE: — Well, send over the sheet and let me have a look at it, because I have the information from the OCs, which has a little bit more of the list, and I want to compare it with yours.

HON. MR. DOMOTOR: — Yes, you inquired about Margaret Folk. I have that secretary in the office, and that's at \$2,018 a month, and Heath Crawford at \$1,514 a month.

MR. KOSKIE: — What happened to Dawn Kerr or Curran?

HON. MR. DOMOTOR: — She resigned.

MR. KOSKIE: — Do you have a Legislative Secretary?

HON. MR. DOMOTOR: — Yes, Lloyd Sauder.

MR. KOSKIE: — How many secretaries in this here portfolio? How many secretaries do you have?

HON. MR. DOMOTOR: — Just the two secretaries that I have in my office.

MR. BIRKBECK: — I wonder if I might have a little clarification on the hon. member for Quill Lakes' question as it respects the portfolio. He wanted to know how many employees were in the portfolio. I wonder which portfolio he's referring to – the portfolio of the minister, or the portfolio of the Legislative Secretary, who really doesn't have a portfolio?

AN HON. MEMBER: — Can you give an indication of what you mean?

AN HON. MEMBER: — We don't answer questions.

MR. CHAIRMAN: — Order, order. Is the member from Moosomin asking a question of the minister, or a question of . . .

AN HON. MEMBER: — . . . (inaudible) . . . asked a question of Mr. Chairman.

MR. CHAIRMAN: — You're entitled to ask whatever questions you wish of the minister, but not of the members of the opposition. So are you asking a question of the minister?

MR. BIRKBECK: — No, Mr. Chairman. I have a right to ask you, as chairman, if you could provide for re-clarification of the questioning, the line of questioning, as to what it refers to, because the hon. member, the minister rather, is answering the question, and I don't know what he's really answering to. And I'd like some clarification, as a member of the committee.

MR. CHAIRMAN: — I advise the member from Moosomin that, unless he has a question of the minister, his question is out of order. Now, do you have a question of the minister?

MR. BIRKBECK: — Mr. Chairman, then could I ask the minister, when he replied, was he

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referring to his ministerial portfolio or to that of the Legislative Secretary?

HON. MR. DOMOTOR: — My ministerial portfolio. That's who that's referred to.

MR. KOSKIE: — So I take a note of the particular personal staff that you have and, in adding that up, it comes, I believe, to \$12,842 a month — that is including the Legislative Secretary. I just want to say, Mr. Minister, this is indeed a very considerable concern to the opposition and I think to the people of Saskatchewan, just exactly what this party is in fact doing.

We have the Minister of Highways at over \$15,000 a month in personal staff. We'll get to the Minister of Education. It was over \$12,000 to \$13,000. And here we have yet another minister with just the personal . . . appointed by ministerial assistant regulations plus the Legislative Secretary, coming to a total of \$12,842, or a cost to the taxpayers of \$154,104. So every individual minister that we have — portfolio — that we have discussed, the range of cost to the taxpayers of this province for political staff is in the range of \$150,000 to \$200,000 a year for each individual minister.

I think that what the Tory party and what you're doing here is setting up 25 ministers, the largest cabinet that this province has ever had, the largest number of legislative secretaries this province has ever had, and still they can't run their department.

What is happening here is a political machine being set up at the taxpayers' expense, and I think that this is the area that . . . The government opposite keeps talking about efficiencies, and there's the largest number of unemployment in the history of this province. There's more people on welfare than ever before. And for themselves there's a completely different standard — \$154,000 to run his political machine. I think that this represents a major concern, and I leave that to the public of Saskatchewan to evaluate it.

I want to ask the minister in the fiscal year 1983-84, how much, if any, was paid to each of the following for services? That is Dome Advertising Ltd. — we'll start with that.

HON. MR. DOMOTOR: — First of all, I'd like to clarify something. You mentioned some kind of ridiculous figure of over \$12,000 per month. My figures add this up at: 2,810 plus 2,018 plus 1,514 is \$6,342 a month. That's all that amounts to. And the total comes to, for the full year, is \$76,104.

The previous minister, under your administration . . . (inaudible interjection) . . . The Legislative Secretary is not under our department. The Legislative Secretary is in Executive . . . he's paid as an MLA.

Now let me just clarify something else. What about the special assistant to the minister at \$40,220 that you had? What about the special assistant to the deputy minister that was making, as of May 16, '83, (that you had), \$47,500; the administrative officer 4, vacant, \$40,200; clerk-typist 3, which is now vacant, \$19,330. My figures come up with about \$147,300, minus \$76,000 — there's about a \$70,000 minimal saving, plus a couple of other EAs you guys had.

SOME HON. MEMBERS: Hear, hear!

MR. KOSKIE: — The annual amount of the personal staff comes to \$6,342 that we've added up. You have a Legislative Secretary which is \$6,500 more.

AN HON. MEMBER: — A year, not a month.

MR. KOSKIE: — Right. And the \$6,342 . . . (inaudible interjection) . . . And for a portfolio of this size, what you have is indeed the Legislative Secretary, which you haven't included. You haven't included the other expenses to the taxpayers, of the fringe benefits that are attached to the Legislative Secretary. We have the highest number of legislative secretaries in the province, plus

we have the highest number of cabinet ministers. And as a consequence, what is going on is a rip-off of the taxpayers of the province. And you can't deny it.

HON. MR. DOMOTOR: — You talk about rip-off first of all. You fellows, when you were in charge, and the minister of Rural Development, or Rural Affairs at that time, had two extra EAs. They had three EAs at that time. That's a lot of difference.

Secondly, the Legislative Secretary is not part paid out of our department. He gets only 6,000 additional for the whole year—not for a month. So let's get that straight.

And furthermore, I've got a list here of the personnel that were under your administration that were kind of related to you. Deanna Koskie was an administrative officer 3, \$2,912. What about Linda, clerk-steno appointment, Provincial Secretary, December 16, '75 – sister-in-law to the former cabinet minister? What about Morley, vice-president of SGI?

MR. CHAIRMAN: — Order, order! Now that we have order, I'd like the minister to continue. But I was having a difficult time hearing him, and if I can't hear him I can't tell if it's relevant or not. So if we could have some . . . Order, order! the Minister of Rural Development has the chair.

HON. MR. DOMOTOR: — What I was trying to get straight, there was some implication that we had more staff than they had. What I was trying to exemplify, Mr. Chairman, is the fact that underneath their administration they had more personnel hired in a department as executive assistants than we have in our department at the present time.

SOME HON. MEMBERS: Hear, hear!

MR. KOSKIE: — The question I asked you, Mr. Minister, is: during the fiscal year 1983-84, how much was paid, if any, to each of the following firms for services? And I start off with Dome Advertising Ltd.

HON. MR. DOMOTOR: — We don't have that information here, so we would have to check back on our records and if there's anything . . . As far as we know there isn't. It's in the question that you've submitted. We'll be sending that information over to you.

MR. KOSKIE: — Yes, provide the information, Mr. Minister, as I request it. How much was paid during the fiscal year 1983-84, the amount that was paid to each of the following. I was going to take it one at a time so it's easier to look up, but just take these down and provide that information. That would be satisfactory. Dome Advertising Ltd., and there's Dome Media Buying Services Ltd., and Roberts and Poole Advertising Corporation. And I would ask you to indicate the nature of the services that were provided, and whether any other advertising firms were, in fact, used.

HON. MR. DOMOTOR: — We're not aware of any, but we'll be checking our records and get that information. If there's anything, we'll be getting that information to you.

MR. LUSNEY: — Thank you, Mr. Deputy Chairman. Mr. Minister, I have a couple of questions on looking at the sheet you sent over on grid roads. I'm looking at it and I'm seeing that there's a good number of kilometres less constructed in 1983-84 than was in '82-83, and I suppose if we went further back there would probably have been more. But you see in all the areas where you see more or less roads, except in some of the primary grids where there's been a bit of an increase, that means the R.M.s are trying to catch up with their primary grids.

I notice, however, some of your comments here listed on the front, that there is a decrease of reconstruction. And I would imagine, with the funding that's been available today, we're going to see an even further decrease in reconstruction or construction, actual construction of many of the roads within the R.M.s.

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And I'm just looking at some of the increases that have been made in the mill rate within the R.M.s. If you start back at '79 to '80 where you had roughly about a two mill increase in most R.M.s, and the increases stayed relatively low, up to about '82, and from '82 on is where it seems that they started to go in larger increases than any other year before that.

And in 1984, Mr. Minister, most of the R.M.s are going to be faced with a low level of assistance being provided to them; they're going to be faced with having to charge the taxpayers probably about a 10 to 15 per cent increase in their mill rate, in order to maintain the roads that they have, and to provide minimal construction within the R.M.s.

That, Mr. Minister, I think, is shifting the responsibility from the government to the local taxpayers, to the local governments, and when you shift that responsibility to the local governments they are forced to then shift that burden onto the taxpayers within that R.M.

So, Mr. Minister, in view of what seems to be happening, do you foresee any program for next year which, from some of what your colleagues are saying, might be your election year? I don't know why you would hold one a year ahead of time, but if it would be, are you looking or contemplating some heavy grants coming to the R.M.s so they can get back onto the construction and make it feel as though they've really been given something, after you've squeezed them dry for the last two years?

HON. MR. DOMOTOR: — You mentioned about the constructions. Let me just take a look here. 1982-83, primary grid – 321.5 kilometres; '83-84, 406.5 kilometres – an increase. Primary grid, regional parks – 6.1 kilometres – increase; '83-84, 8.4 kilometres; primary grid, resort – 0 to 12.3; primary grid, industrial access – '82-83 was none; and '83-84 was 7.3. Sub-total 1,270.2 to 1,309. So it's not a decrease, it's an increase.

There's one other thing that you must consider. A lot of those roads were built since 1966. The construction of these roads, they usually last about 20-some-odd years. We'll probably be looking at some extra construction back in . . . probably later on in '86 or '87 as things go along. But it's up to the R.M.s to go ahead and decide and deliberate which roads that they want to construct on. So we are always looking at how we can help maintain. But the feedback we got from them, when we were talking, a lot of them had made a lot of their construction roads already, and what they were interested in was having more dollars pulled into maintenance, so that's our right.

MR. LUSNEY: — Mr. Minister, I noticed you said a lot of these roads might be up for reconstruction 1986-'87. Well that could be possible, but I would suggest that probably if an election comes up next year, that all of a sudden there might be a lot of roads that have to be reconstructed next year, and you'll find the funding for them.

I was just looking at your sheet, Mr. Minister, and it says here: 17 kilometre reduction in main farm access road construction, decrease in resort road construction, 60 kilometre decrease in reconstruction, 57 kilometre decrease in primary grid to regional parks – decrease in all areas, Mr. Minister. I know it's not an election year and I can understand why there'd be some decreases. And I'm sure you're going to come up with some money for the R.M.s next year, if there's an election.

HON. MR. DOMOTOR: — First of all, that 17 kilometre reduction changed because it was enhanced into reconstruction. And the other part with the Qu'Appelle Valley scenic route, that was a one-time job with the federal government, and that's why that was out. I mean that was a one-time position.

And furthermore, to set the record straight, there's been really an increase in the construction.

As far as your allegations, as far as '86-87 with respect to election year, that's got nothing to do with election. It's got to do with the rural municipalities; the reason councils get together, as you well know. Every month they have their meetings. They decide what their projects are going to be for that year. And if they decide to construct, they will; if they decide not to construct, they won't. Let me also tell you that there are some R.M.s that are built up ahead about two or three years ahead of things.

Item 2 agreed to.

Item 3 agreed to.

Item 4

MR. KOSKIE: — I note therein municipal financial management services that that has been cut down from 341,000 to 303,000 — got the same number of people, and there's an increase in personal services, but other expenses are down. I wonder if the minister could advise us as to what are the decreases in other expenses as it relates to that item.

HON. MR. DOMOTOR: — That was the administrator training program that was terminated. That's what that amounts to.

MR. KOSKIE: — What was the reason for terminating it?

HON. MR. DOMOTOR: — There were only about 12 a year that applied. There are only about 12 a year that applied for that so it didn't pay to keep it.

Item 4 agreed to.

Item 5 agreed to.

Item 6

MR. LUSNEY: — Mr. Minister, looking at road services, there's slight decrease in staff, but my main concern there is the decrease in the amount for other expenses. What's the reason for that huge decrease in public expenses?

HON. MR. DOMOTOR: — That was legal surveys transferred to revenue sharing.

Item 6 agreed to.

Items 7 to 9 inclusive agreed to.

Item 10

MR. YEW: — Thank you, Deputy Chairman. A question to the Minister for Rural Development. I wonder, Mr. Minister, if you could advise me if there's any implication or relationship . . . I wonder if the minister may be able to advise as to whether or not this portion of the budget has any implications or relationship to northern municipalities, or northern reserves — treaty areas in northern Saskatchewan?

HON. MR. DOMOTOR: — It has no implications to northern reserves.

MR. YEW: — What about northern municipalities?

HON. MR. DOMOTOR: — None to northern municipalities either.

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Item 10 agreed to.

Item 11 agreed to.

Item 12

MR. KOSKIE: — One question there. I just want to ask the minister: there is no increase in the grants to construction of roads to Indian reserves, and I wonder whether he could explain.

HON. MR. DOMOTOR: — They haven't been utilizing it to this date.

Item 12 agreed to.

Vote 43 agreed to.

MR. LUSNEY: — Thank you, Mr. Deputy Chairman. I'd like to take this opportunity to thank the minister and his staff for providing us with the information today. I have to say his staff did a good job. There might be a couple of items that we didn't receive yet, and I think that was the '83 grant figures. But as soon as you get them prepared you can send that along.

HON. MEMBERS: Hear, hear!

HON. MR. McLEOD: — Mr. Chairman, I notice it's near 5 o'clock.

The committee recessed until 7 p.m.