

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**May 23, 1985**

**EVENING SITTING**

**COMMITTEE OF FINANCE**

**CONSOLIDATED FUND BUDGETARY EXPENDITURE**

**CULTURE AND RECREATION**

**Ordinary Expenditure – Vote 7**

**Item 1**

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

**HON. MR. FOLK:** — Thank you, Mr. Chairman. Sitting to my left is the deputy minister of culture and recreation, Mr. Bill Clarke; behind me and to my left is Mr. Keith Rogers, the assistant deputy minister in charge of programming; and directly behind me, Mr. Dave Babiuk, assistant deputy minister in charge of operations. And joining us later on will be Cy MacDonald, who is the executive director of Heritage '85.

Mr. Chairman, before we get into the questions, I'd appreciate a few moments to go over a few of the initiatives that have come up in Culture and Recreation for the past year and is coming up in the next year.

We're all well aware of the growing demand on government for leisure activities. Saskatchewan people are becoming more conscious of their mental, physical, and social health. Collectively, we are becoming more aware of our past and a need to preserve and interpret it. We appreciate and want to learn about our cultural differences. We know that sport and recreational activities keep our minds and bodies strong, and we want access to these things in our own communities. We're also willing to invest our time and money in leisure activities.

Between 1971 and 1984, Canadians increased total personal expenditures by 309 per cent. That compares to a 397 per cent increase in recreation, cultural services, education, and entertainment. In Saskatchewan we spend \$1 billion a year on recreation, the arts, and sports activities. Across Canada that figure exceeds \$21 billion. Participation in these activities has also increased tremendously. I know you'd be hard put to name someone who is not involved as a volunteer or participant in a sport, cultural or recreational activity.

This increase in participation shows that people also want to determine and provide for their own needs without only a helping hand from government. More and more volunteer boards and managers are being asked to respond to very complex, highly technical situations as well as demands for increased funding.

Mr. Chairman, 10 years ago municipalities spent roughly 5 cents of every tax dollar to provide leisure services. Today we spend 20 to 25 cents of every dollar. This increased commitment of financial and human resources has required more sophisticated management techniques as well as new knowledge and skills for volunteers.

With these factors in mind, our Department of Culture and Recreation based its future development on a number of concepts. First, sport, culture, and recreation are important to our social and economic way of life. Second, the individual has an important part of the process. The use of free time is the prerogative of the individual, who should be both the provider and recipient of recreational activities. We support the right of athletes to achieve their maximum potential, and we recognize the important role the creative individual plays in the role of arts and culture.

Third, it is the right of all people despite their age, ability, or sex, to have the opportunity to participate in the sport, cultural, or recreational activity of their choice. Fourth, although many essential services are provided by private, volunteer, and commercial organizations, agencies, and societies, municipal governments are the most effective agency for determining the recreational needs of the communities.

Essentially however, strong community support and volunteers are the basis of the successful programs in sport, culture, and recreation. We see the provincial government's role in this process as, in a neighbour, an advocate, and a consultant, facilitating but not interfering, supporting a healthy self-reliance at the community and regional level.

This was our basic philosophy as we undertook to work with our client groups and the people of Saskatchewan to develop new more responsive programs. The result has been several new programs that will influence and stimulate sport, culture, and recreation development in this province, and take us into a brand-new era. Volunteer boards and community organizations lead the way. In Saskatchewan today more than 90 per cent of our urban and rural municipalities lead the way. In Saskatchewan today more than 90 per cent of our urban and rural municipalities and 95 per cent of our Indian band councils have a well organized and established network of programs, facilities, and volunteers. This network consists of 23 regional recreation councils, 125 sport, cultural, recreational, and heritage groups, and eight zone sport councils. They combine the skills of volunteers and professional staff who have made it the envy of Canada.

The department's programs division, through its 19 regional offices and consultants in sport, recreation, heritage, the arts, and culture, is the front line of communication with that network. Regional consultants work closely with community groups, municipal boards, and volunteers to deliver sport, culture, and recreational services. They help to build strong infrastructures and increase awareness in the value of leisure activities.

Through government support and community initiative, an impressive inventory of facilities and services has been established. But it takes more than that. Here are some of the issues communities are faced with. Over the past 10 years municipal boards have become the accepted agency responsible for providing skating rinks, swimming pools, sports and cultural centres and other activities. They are also responsible for programming and operating them. These expectations have to be reconciled with tight budgets and rising costs. We knew that by working with community groups, municipal governments, and volunteer boards, we would find fresh approaches. The Organizational Development Plan is one.

The plan involves four components, including a community profile and assessment guide, workshops, and action plans. The workshop series includes: recruiting and training board members, recreation's importance to the community and the individual, establishing goals and objectives, and others. Grants of \$500 are available to all communities involved in the program and the workshops.

Mr. Chairman, to date 529 municipalities are involved in the Organizational Development Plan. In each case we provided the materials and the support, but they are the ones who took on the challenge of meeting changing expectations and needs in their communities.

Another fresh approach to community development has been the municipal innovative project grants. Mr. Chairman, these cost-share grants of up to \$20,000 encourage cities to undertake innovative projects that could serve as an experiment and example for other communities in our province.

I'll illustrate the initiative and talent we knew was there all along. For example, Lloydminster is doing a study on increasing tourism by promoting local cultural and historical programs and facilities. Moose Jaw is looking at ways to achieve co-operative recreation development between urban and rural municipalities. Prince Albert is experimenting with diversified use of ice

services so that rinks can accommodate more than one group at a time.

Other projects include the use of historic buildings for recreational and cultural uses, ways to cut energy costs, providing leisure facilities, and innovative play concepts. All totalled, eight of our 12 cities have responded to this program. Their initiative will benefit all Saskatchewan communities.

Mr. Chairman, the success of these programs is obvious. I believe it is because we took the time to listen to their concerns and we responded to the real needs of local governments and volunteer boards.

Another area that required attention was in leisure facility development. Issues such as repair and replacement of old facility, high energy and operating costs, and demands for a wider variety of facilities such as museums, recreational centres, and sports complexes, cause serious difficulties for municipal governments.

The provincial cultural, recreational, and facility grant program will provide \$32 million between 1983 and 1988 to encourage communities to develop or upgrade facilities for sport, cultural, or recreational uses. It has become one of our best success stories.

Since 1983 when the program began, 680 applications have been received requesting \$11.3 million. That injection of government grants will generate economic activity at a ratio of 4.2:1. That is about \$47.4 million worth of construction. Translated, these statistics will result in approximately 211 new and 490 renovated facilities for sport, culture, and recreation. There will be 164 multi-use facilities, 196 curling and skating rinks, 148 community halls, 38 cultural centres, 135 sport fields, and 20 swimming pools.

While these statistics are impressive, we are not satisfied with the response from northern communities. We found that many northern communities were unable to participate fully in the program because they could not fulfil the 50 per cent matching formula. We changed the program so northern communities can combine grants from various government agencies to up to 90 per cent of their eligible costs. To date 115 of 190 reserves and northern communities have participated in the program, and their enthusiasm is growing.

As mentioned earlier, the high cost of energy and facility operation was a concern. To throw out immediate relief, the 5 per cent sales tax was removed from utility bills for public skating, curling rinks, and swimming pools. To complement this tax savings, the department is again entering into an agreement with Saskatchewan Energy and Mines and the Government of Canada to do research and provide information on how to save energy in recreation facilities. In the past year, nine energy seminars were held throughout the province. More than 250 facility operators attended. We will continue to provide this valuable information to all communities.

The grant program also lets communities claim the cost of professional, technical, and engineering services in the construction of facilities. This assistance is in addition to the consolidated services available from our department. The facilities program, grants for innovative projects, and the organizational development plan are all important contributions to sport, culture, and recreation. However, the base of these programs is the support and contribution made by volunteers.

Volunteers compose 27 per cent of our adult population. They are the people who want to enrich their lives and the lives of others through public service. Without them we would have no sport, cultural, or recreational programs. That's a simple fact.

Last year the department introduced a program to recognize the contribution volunteers make. The Volunteer Recognition Program gives outstanding volunteers in sport, culture, and recreation the honour they deserve. This spring 72 men and women were the guests of honour

at 10 ceremonies held for them across the province. The warmth and gratitude felt for these people is there for everyone to see. The recognition they got was a reward for a lifetime of commitment.

It is because of the work these people do across our province that many organizations have become highly adept. We recognize their ability and expertise and we are working with them as equal partners. This approach is reflected in our funding and in the development of new resources and public awareness, sport and recreation, the arts and multiculturalism and heritage resources. The department's public awareness program is an excellent example of this new approach. In October of last year "Take Part Take Pride" was launched. TV, radio, and newspapers encouraged people to get involved in sport, culture, and recreation, and to reinforce the value of getting involved. We set the stage with this participation message. Now we hope the people of Saskatchewan will live the message and become more active.

More than 200 sport, recreation, cultural, and heritage organizations are using the "Take Part Take Pride" materials at their meetings and conferences. Groups are using the posters across the province to promote some of Saskatchewan's leading sport and cultural events, and they are using the jingle to create excitement for their programs over the airways.

Sport has been another area of change. Innovative sport programs have put Saskatchewan in a new league. In the past we lost many of our excellent athletes because they were forced to seek training elsewhere. Today high quality services and facilities are beginning to entice more Saskatchewan athletes to train at home, and we are attracting national attention as a place for others to train.

Regina boasts the headquarters of the national women's volley-ball team. The national track and field multiple events training centre is in Saskatoon. Our athletes are beginning to excel at international levels. At the Los Angeles Olympics, Saskatchewan athletes won a bronze medal in track and field, and a silver in wrestling. We sent 21 athletes to the Olympics, including the women's volley-ball team, as well as numerous coaches and officials.

(1915)

This winter Saskatchewan teams took the senior men's and women's, and the junior women's Canadian curling championships. Over the past year our athletes have taken individual or team honours in virtually every sport, including track and field, gymnastics, cross-country skiing, archery, basketball, football, softball, hockey, wrestling, and the list goes on. And evidence was that here just a few days ago, Mr. Chairman, in the legislature when they were introduced . . . (inaudible interjection) . . . the member from Regina Centre might be interested in the fact that the Saskatchewan "Best Ever" Program will help our athletes go even further.

The 1988 summer and winter Olympics is the target. Over the next three years we will, along with SaskSport and the private sector, put \$630,000 into this program, which is another first for our province. In addition, we want to send the best team ever to the summer games in Saint John, New Brunswick this August. Therefore, participating sports will get a total of \$100,000 in grants to set up special training camps.

At the community level we excel at hosting major provincial, national, and international events, thus ensuring that our system of grass roots involvement in sport remains healthy and vibrant. The 1984 summer games in North Battleford were very successful, with more than 1,320 athletes from eight sport zones competing in 17 sports. In addition, 32 disabled athletes participated in the track and field events. It was the first attempt, Mr. Chairman, in Canada to integrate the special Olympics into a games program.

Plans are well under way for the 1986 winter games in Yorkton. Last year we increased funding to zone sport councils by 50 per cent so as many athletes as possible get to those games. And we

are looking forward to hosting the 1989 Canada Summer Games in either Saskatoon or Regina.

Recreation boards, universities, high schools, governments, individuals, sport governing bodies, and the private sector all have contributed to the team effort that has allowed sport to grow and mature. This year we will maintain this strong network while also giving greater support to elite coaches and athletes.

Four elite coach programs will be maintained over the next year. This program encourages provincial sport governing bodies, educational institutions, and high-performance clubs or teams to employ top coaches. The Elite Athlete Assistance program, developed in co-operation with SaskSport and the sport governing bodies, gives our top quality athletes help for training and competition expenses.

In 1984-85, \$150,000 in government grants went to more than 360 athletes. This amount was matched by SaskSport. In 1985-86, \$300,000 will again be allotted by the two agencies in grants of up to \$1,000 to post-secondary students and \$500 for secondary school students and non-students.

In addition to these programs, we are encouraging a better information exchange with other countries through an international sport exchange program. Earlier this year, you may recall, two Saskatchewan hockey coaches spent five weeks in Jilin, China, coaching the elite junior team and promoting hockey.

Recently it was my pleasure to welcome two of China's top table tennis coaches to our province. Our provincial table tennis team is on the verge of becoming a highly competitive force on the national scene. This exchange gives the team a chance to train with the world's best. These programs represent positive change, and are consistent with our commitment to provide programs and resources to improve sports at all levels.

In the area of heritage, 1984 will be a year of special significance. It's Saskatchewan's 80th year in confederation; it is the 100th anniversary of the Northwest Rebellion; and it is International Youth Year. To help community groups and young people celebrate this year, a number of programs have been established: a \$1 million grant program to help commemorate the 100th anniversary of the Northwest Rebellion. The grants will help communities, associations, and individuals publicize this event, and leave permanent reminders of the positive contribution native people make to this province. So far, 48 groups have applied for these grants, and 626,000 has been approved for projects such as plays, feature articles, and historic events.

Second is a \$1.4 million heritage activity grant program, to help communities and provincial associations to recognize Saskatchewan's heritage, and its people. Mr. Chairman, the response to this program has been almost overwhelming. To date, about 800 communities have organized heritage committees, and \$551,000 has been approved to help them organize and sponsor jamborees, homecoming, local histories, and pioneer events.

The third is a commemorative grant program, which will provide \$1.4 million to communities for permanent heritage attractions. In addition, \$800,000 in youth year grants are available for youth projects and special events, such as a national youth conference in Yorkton, and arts and cultural workshops.

Heritage '85 serves to emphasize the important role history and heritage conservation plays in our lives. But it also makes good economic sense. For example, visiting heritage and cultural sites have been identified as the key activity of almost one-third of Canadian tourists. Saskatchewan studies also bear this trend out. Nearly 500,000 people visit our historic sites and museums each year. Every \$100 they spend goes to between 150 and \$250 in related sales, wages, and taxes.

That is not all. The municipal and provincial heritage grants also generate social and economic

benefits. Every grant dollar we spend generates another \$6 to local economies through the purchase of building supplies, jobs, and spin-offs.

Last year, municipalities designed another 50 heritage properties for a total of 275 in the province. In addition, the Saskatoon Land Titles Building joined 17 other provincially designated heritage properties. Often these buildings are being sought for use as private dwellings, commercial, or public buildings because the cost of renovating a building is often less than building a new one.

Some examples of this trend can be found in Star City, where the old Bank of Commerce is now the town hall; Blaine Lake CN station is a museum library; Khedive's 1920 brick school is now a community centre; and Waldheim's railway station is now a library.

This new attitude, along with the continued consultative and technical assistance from the department, will mean that many treasures of our past will remain intact. While we are working hard to save historic buildings, we also recognize that many archaeological resources are lost each year through natural or man-made causes and indiscriminate collection.

The Volunteer Regional Archaeological Program will help. This new program gives amateur archaeologists a lead role in identifying potential threats to archaeological sites and artefacts, in reporting new sites, and in creating awareness of provincial programs, and legislation that protects these resources.

Saskatchewan's natural history also is not being neglected. Anyone who has visited the Museum of Natural History in Regina needs little introduction to the exhibits of Saskatchewan wildlife in its natural habitat. During the past year, a number of new displays were introduced, both at the museum and at Regina's new airport terminal building. In addition, a new caribou-wolf diorama is in process. When finished, in one to two years, there will be a show-piece of that museum.

The museum's popularity continues. Nearly 11,000 students took part in the museum's expanded education programs in 1984-85, which is an increase of 46 per cent over the previous year. A variety of related teaching materials have also been developed for us in Saskatchewan schools. Also a community volunteer program was established this past fall. To date a core of 15 volunteers has been recruited and trained. They are making a major contribution to museum educational programs for students.

To help ease crowded working conditions at the museum, renovations are being made to the adjacent building at 2340 Albert Street. Office, laboratory, and storage space should be ready for occupancy this summer.

The highlight of the year has been the relocation of the Lieutenant's Governor's office to the Government House. His presence and the increased publicity has resulted in a 57 per cent increase in visitors over the previous year.

Mr. Chairman, I have talked about the exciting inroads we've made in recreation, sport, and heritage conservation. I'm not going to turn my attention to the development of our arts, culture, and multiculturalism . . . (inaudible interjection) . . . I know the member for Regina Centre is very interested in this.

In the past few weeks there has been a lot of controversy about funding for the arts. This administration has continued, and in some cases increased its overall support for the arts and cultural development. Our commitment is ongoing. Professional artists will continue to enjoy the arm's-length support of government through the Saskatchewan Arts Board. Since the fiscal year '81-82, arts board funding has increased by more than 44 per cent. New resources have been developed to help arts and cultural groups to more effectively meet new challenges. Many of these resources are being developed by the groups themselves, requiring only support and

consultation from the department.

For example, Saskatoon FolkFest is developing a resource kit to help community and ethnic cultural groups plan and conduct festivals and arts and craft fairs. A heritage language curriculum guide, a first in Canada, along with the teacher handbook, give teachers a comprehensive resource for quality language instruction.

A language promotional kit developed in co-operation with the Ukrainian Canadian Committee promotes heritage language schools.

Additional resources and programs were also developed for the arts. The visual and performing arts handbooks have just recently been completed.

During the year a major tourism, travel, and cultural conference was sponsored in conjunction with Saskatchewan Tourism and Small Business. It is the first conference to bring together people from the tourism and cultural sector so they could meld their artistic and promotional skills for mutual benefit.

A first-ever resident artist program has resulted in four professional artists living and working in Saskatchewan communities. In 1985-86 six performing visual and literary artists will be supported through this program, which is carried out in co-operation with the provincial cultural groups and communities.

Another first is our participation in Expo 86. As I announced earlier this spring, a special \$1 million grant from the lotteries will be used to search out and feature Saskatchewan talent at our Saskatchewan pavilion at Expo. This is probably the biggest employment opportunity ever for our professional and amateur performing artists.

Earlier I mentioned our sport exchange program with Jilin, China. In culture this exchange involves 200 pieces of children's art, a commissioned craft exhibit, and, as part of Saskatchewan Youth year, an exchange of two students.

These initiatives, along with those in sport, heritage, facilities development, and other areas, complement ongoing programs.

Some of these are the Saskatchewan talent search, language programs, innovative recreation programs for disabled persons, the national coaching certification program, museum assistance, and consultative services.

Another ongoing initiative is our close working relationship with SaskSport, the Saskatchewan Council of Cultural Organizations, and the Saskatchewan Parks and Recreation Association in the allocation of lottery dollars through Sask Trust.

This approach to having a volunteer group administer the lottery programs is unique in Canada. It has had a positive effect on the development of sport, culture, and recreation in our province while also providing a source of funding for special projects such as our showcase of talent for Expo '86, and for emergency storage space for the Western Development Museums, which was so sadly neglected in the past. The Provincial Services Centre, which was opened last fall, is one of the most impressive and modern storage areas in the country.

Mr. Chairman, our close involvement with our client groups means we can respond to the needs of Saskatchewan people. We intend to make sure open communication continues.

Last month a planning workshop called Synetics '85 was held with the three provincial umbrella organizations that helped us identify major issues, resolve them where possible, and develop action plans. Our objective is to develop an integrated plan for the development of sport,

culture, and recreation next year and the years after.

Mr. Chairman, in the area of providing sport, culture, heritage, and recreation opportunities to the people of Saskatchewan, to stand still is to fall behind. I believe our record of achievement shows that we are, and will continue to be, out in front.

(1930)

Mr. Chairman, I realize that was very all-encompassing, and there might not be many questions, but I'm certainly open to those right now. Thank you.

**MR. SHILLINGTON:** — I think the first thing we should do is ring the bells to wake everybody up, Mr. Chairman.

Mr. Minister, I wonder if you would begin by giving me the names, positions, and salaries of your personal staff. If you want to provide that in writing, as has been done in the past, that would be satisfactory.

**HON. MR. FOLK:** — I'll be glad to send that over to you right now.

**MR. SHILLINGTON:** — Mr. Minister, are any of these positions specifically designated as press officers or media relations officers?

**HON. MR. FOLK:** — Mr. Chairman, no, they're not.

**MR. SHILLINGTON:** — Is it common, Mr. Minister, in your administration to have four executive assistants, which is what you have? That strikes me as a fair number for a minister with one department.

**HON. MR. FOLK:** — Mr. Chairman, they're all classed as ministerial assistants. In effect, two of them are actually secretaries in my office.

**MR. SHILLINGTON:** — Erna Pearson, I gather, and Sandra Vanstone are, in fact, secretaries. How did they come to be . . . I'm curious about the classification. How did they come to be classified as ministerial assistants?

**HON. MR. FOLK:** — Mr. Chairman, for the information of the hon. member, all staff in all offices are classified as ministerial assistants.

**MR. SHILLINGTON:** — Mr. Minister, I want to start your estimates on a cordial note. It probably won't last long, but I would want to start on that basis.

Your travel expenses, Mr. Minister, are by no means the worst in government. Indeed I quickly went through it and you are the eighth lowest which is not bad considering the fact that you have a portfolio which normally requires a fair amount of travelling around the province.

Unlike some of your colleagues you seem to have either learned to drive, or retained a driver's licence and still use your vehicle. The only explanation I have is — for some of your colleagues — is that they cannot drive a vehicle. Yours however seem to be fairly good, Mr. Minister.

I would ask you though if you could give me with respect to your travel expenses something that the Minister of Education was courteous enough to undertake to give me, a breakdown of the travel expenses: the amount spent on in-province travel, the amount spent on out-of-province travel — broke down into per diems, air fare and other expenses. If you would give me that undertaking I would appreciate it.



**HON. MR. FOLK:** — Mr. Chairman, we do not have the in-province travel broken out, and we can get to the minister very shortly a breakdown of the out-of-province travel on behalf of myself.

**MR. SHILLINGTON:** — I don't particularly want or need a breakdown of the in-province travel. I can't imagine anyone travelling around the province for the sheer sake of picking up per diems.

Mr. Minister, with respect to out-of-province travel, can you tell me offhand how many out-of-province trips you made during the year?

**HON. MR. FOLK:** — Mr. Chairman, last year I went out of province on trips on nine occasions.

**MR. SHILLINGTON:** — Would you, Mr. Minister, undertake nine out-of-province trips . . . would you, Mr. Minister, undertake to give me the purpose of such trips, and the people who accompanied you, and their positions? I don't, Mr. Minister, particularly need it now. You can provide it in writing if you want. I don't expect you to have the . . . You may be able to list off the purposes and the places, you may not be able to give me all the people that accompanied you. So if you would undertake to give me, with respect to the nine trips, the places where they took place, the purposes of the trip, and those who accompanied you.

**HON. MR. FOLK:** — Mr. Chairman, I'll endeavour to do that. I will indicate that they would be for the purposes of lottery ministers meeting, sport ministers meeting, cultural ministers meeting, fitness ministers — along those lines. But I'll be glad to break that all out and who accompanied me.

**MR. SHILLINGTON:** — Mr. Minister, an issue arose . . . Before I get to that, I want to deal with a different issue, and it has to do with the general structure of the budget, and it arose out of a comment in *Saskatchewan Business* by the now director of the . . . it was not. It was by Mr. Sauvé, actually. His comment was, and I thought it a very apt one, that the budget now has four pillars. If you are one of those pillars, you are assured of some growth in funding. I'm not sure I buy that argument, but the corollary to that is, if you're not one of the pillars, you're almost assured of continual cuts over the next five years unless you assume this budget is going to run away with itself in terms of growth.

I wonder, Mr. Minister, do you accept Mr. Sauvé's comment that you're supposed to accept the four pillars at face value? Do you accept that they're going to continue growing?

If you do, then aren't you driven to the conclusion that if you're not part of the four program areas, that you're inevitably going to face continual cuts and freeze in spending over the next year? I wonder, Mr. Minister, where that leaves the leisure time activities, culture, sport, and rec. It seems to me it leaves you out in the cold, and as I'm going to point out in a few minutes as we go through the budget, that seems to be borne out this year.

I wonder, Mr. Minister, if you won't face over the next five years continual freeze or cut in budgets unless something is done to rearrange this, quote, unquote, "most intelligent of all budgets"?

**HON. MR. FOLK:** — Well, Mr. Deputy Chairman, in response to that, I do not recollect seeing that article. But if he wishes me to comment on the four pillar stones, and I wholeheartedly agree with the emphasis on any provincial government budget going towards health, education, job creation, and education.

Mr. Chairman, the member opposite tries to look towards the negative, that if there is going to be positive attributes going towards a budget, that everything else should be negative. I think if he looks over our budget, and if indeed he was listening for the last few minutes when I went over many initiatives that have been brought in the last year and are going to be in this past year,

we'll definitely stand behind the merits that are in our budget, and I will be pleased to answer any specific questions he has.

**MR. SHILLINGTON:** — But is Mr. Sauvé's comment borne out by this year's budget? The budget in your department, Mr. Minister, is frozen. You're either part of four program areas: education, health, agriculture or jobs; or four corner-stones, if you want to use it — you're either part of the four programs, or as far as this government's concerned, you're out of the picture.

I suggest, Mr. Minister, that the truth of those comments is born out in this year's budget. Your budget is frozen. I suggest, Mr. Minister, you're out of the picture as far as the important areas that this government's going to emphasize. Doesn't, Mr. Minister, your budget bear out the truth of Mr. Sauvé's comment in the publication *Saskatchewan Business*?

**HON. MR. FOLK:** — Well, Mr. Chairman, as the member has obviously noticed that there are no new dollars, but that again are no new dollars less either. And when you look at a program, to use the term frozen is hardly indicative. I believe that if a department is forward-looking and innovative and keeping up with the times, then frozen is definitely a bad word to use. And I have every confidence that our department will respond to the times. And the member seems to allude that next year is also going to be frozen or cut-backs, and I would tend to disagree with him on that.

**MR. SHILLINGTON:** — Well I don't wish to carry it on, Mr. Minister, but I invite members opposite to have a look at this budget. I did so. I read Mr. Sauvé's comments this morning. I then had a look at the budget, and it is indeed borne out.

All of the areas not included within the four program areas are either frozen or cut back. The difficulty, Mr. Minister, with this most intelligent of all budgets, is that by emphasizing four areas, you are not in effect . . . You are in actuality saying the rest don't matter.

I suggest, Mr. Minister, that is what the Minister of Finance has said about your department. It isn't really all that important. I suggest to members opposite, including Mr. Minister, you have a look at this budget. Look at the areas which are not included within program areas, the four program areas. They're all either frozen or cut back.

I think in that respect, Mr. Minister, the budget fell something short of being the province's most intelligent budget, because you told everybody else but those four that they really don't matter.

Mr. Minister, I want to get to an issue which came up in my colleague from Shaunavon. He was referring to the Banbury House in Wolseley, and he had correctly pointed out to your colleague from Indian Head-Wolseley that that is an important house, important, I think, not to just the community, but to the province. You had quite rightly recommended in a memo to the minister that that house be preserved. And you seem to have been ignored by the Minister of Health.

I guess my question, Mr. Minister, is: why didn't you stick to your guns? You were clearly right, and the Minister of Health was clearly pork barrelling. I say that with him sitting in the House. He was clearly pork barrelling. You quite clearly had the best interests of the people of that community and the province at heart. I wonder, Mr. Minister, why you didn't stick to your guns. You were right.

**HON. MR. FOLK:** — Well Mr. Chairman, I'm indeed happy to hear the member say that, because just a few days ago the Premier did respond to a letter from the member from Shaunavon and indeed in that it was made quite clear that there was a letter from me on February 28th. I sent a memorandum to the Minister of Supply and Services which authorized him to proceed with construction of the new nursing home.

So, Mr. Chairman, in effect I guess the member opposite agrees in the course of action that was

taken and in the consultative approach that was taken between three ministries.

(1945)

**MR. SHILLINGTON:** — Do I take it that the Minister of Health was shamed into accepting your point of view? Is that what I understand your comment to mean?

**HON. MR. FOLK:** — I think if the member opposite was fully aware of the situation and went through the chronology, such as the member from Shaunavon did, that there were letters exchanged and memorandums, numerous meetings held between department officials and between ministers, and it was resolved satisfactorily.

**MR. SHILLINGTON:** — Well I gather, Mr. Minister, that the Minister of Health has now acceded to your point of view. Did I understand that correctly? If so, are you prepared to table his memo back to you, or do we wait to get it in a brown envelope in the mail?

**HON. MR. FOLK:** — Mr. Chairman, to make it easier for the member opposite, the proposed nursing home at Wolseley will continue, proceed.

**MR. SHILLINGTON:** — Will you . . .

**AN HON. MEMBER:** — Come on out.

**MR. SHILLINGTON:** — Well, we haven't been invited out to the opening of this home.

Mr. Minister, I would like to know on what terms the nursing home is proceeding and precisely what is going to happen to Banbury House. Again, you may be able to answer this better in writing than orally, but if you can answer it orally, please do so.

**HON. MR. FOLK:** — Mr. Chairman, in effect, Banbury House will be removed. But just in case some of the members get the opposite impression, Banbury House was never designated either provincial or municipal heritage property.

**MR. SHILLINGTON:** — Well I take it, then, Mr. Minister, that you have not managed to preserve Banbury House, that the house is going to be torn down. Is that what I understand? . . . (inaudible interjection) . . . Well then I go back to my original comment, Mr. Minister. I wish you had stuck to your guns.

Your memo of March 12th to Rick Folk set out the . . . I'm sorry, that was your deputy's. Your memo of January 17th clearly set out the situation properly. Your recommendation was apt and I just wish, Mr. Minister, you had the courage of your convictions. I wish you had stuck to your guns, because your memorandum and your approach was clearly the correct one. You had the interest of the people at heart and the Minister of Health was pork barrelling. And I lament, Mr. Minister, your failure to stick to your guns.

Mr. Minister, the regional services, I want to deal with . . . There's a couple more items on heritage buildings that I might deal with first. They have to do with the buildings on university campuses. Dealing first, Mr. Minister, with the Administration Building. I gather it has severe structural problems which require the closure of the building if not rectified in the near future. I wonder, Mr. Minister, what you understand to be the situation with respect to the Administration Building.

**HON. MR. FOLK:** — Mr. Chairman, in regard to the Administration Building at the University of Saskatchewan, it is designated as provincial heritage significance, and it has undergone various studies, and everything else by architects. Our position on the matter is that we are waiting plans from the university and the Department of Advanced Education and Manpower as to the

disposition of that building and future plans for it.

**MR. SHILLINGTON:** — Well, Mr. Minister, the building doesn't need a whole lot of study; it needs some money. It really does not require a study, any more studies and an interdepartmental committee to kill time. What it needs is some money. The question, Mr. Minister, is: what kind of money is going into this?

**HON. MR. FOLK:** — Mr. Chairman, I'm sure that we will be appraised, because it is heritage property, of any plans for the Administration Building.

**MR. SHILLINGTON:** — Well I'm pleased to know that. My question, Mr. Minister, is: what sort of money is being put up to rectify the problems with this heritage building? I grant you it's an important building. It has been designated. How much money are you putting into it?

**HON. MR. FOLK:** — Mr. Chairman, it is impossible to comment at this time as we do not have the results of a detailed study as of yet. So therefore it would be very premature to comment on our involvement in it at this point.

**MR. SHILLINGTON:** — Mr. Minister, with respect to the Darke Hall, Norman McKenzie Art Gallery, the multicultural centre, etc., I ask again, Mr. Minister: what is being done to preserve these historical buildings in the city of Regina? They may be the direct responsibility of the city, and to some extent I suppose the university, and perhaps the member from . . . your colleague rather, the Minister of Advanced Education. But, Mr. Minister, heritage buildings are your direct responsibility. I ask you what is being done to preserve these buildings.

**HON. MR. FOLK:** — Mr. Chairman, in fact none of the buildings or structures that the member has mentioned are indeed heritage buildings.

**MR. SHILLINGTON:** — Do I take it then that your ministry has no interest in these buildings? Do I take it that your ministry has no interest in these buildings?

**HON. MR. FOLK:** — In effect, Mr. Chairman, we have really no interest in the building itself, but rather our department gets involved to some extent with the activities that go on within the buildings.

**MR. SHILLINGTON:** — Mr. Minister, the program, "Take Part Take Pride": can you tell me how much this program has cost your department to develop, in total?

**HON. MR. FOLK:** — The developmental costs were approximately \$120,000.

**MR. SHILLINGTON:** — How many community organizations have made use of the material?

**HON. MR. FOLK:** — Mr. Chairman, as I pointed out to the member, I mentioned this in my remarks to start up today's activities. But to reiterate, more than 200 sport, recreational, cultural, and heritage groups have used the material.

**MR. SHILLINGTON:** — Mr. Minister, I would like to ask some questions with respect to the Heritage '85, I guess the program is called. I don't see in the *Estimates*, the specific item which is the grant to Heritage '85. And I'm wondering what you have budgeted as an expenditure for this program.

**HON. MR. FOLK:** — The grant part of that program is in effect in the Employment Development Agency estimates.

**MR. SHILLINGTON:** — With respect to regional services, Mr. Minister, the branch, this branch seems to operate like an accordion. The amount of funding was decreased last year, and indeed

the amount of staff went down. Now the amount of staff is being increased rapidly from 29 to 42 people. Funding has increased by about the same percentage.

I'm wondering what is happening, Mr. Minister. Are you decentralizing after having centralized last year, or is there some other explanation for this?

**HON. MR. FOLK:** — In effect, Mr. Chairman, I'd first of all like to correct the latter statement the member made. In fact, we did not centralize or decentralize last year. There was no changes made. Now the only confusion, in fact, is on the eight benches over there.

Those numbers there, they're 7.2 person-years allocated of the Saskatchewan heritage '85 staff component, and in the services, 5.7 person-years are as a result of the reorganization to regional office structure.

**MR. SHILLINGTON:** — Would you explain what you mean by the reorganization of regional office structure? I'm not sure I know what you mean by that.

**HON. MR. FOLK:** — Mr. Chairman, in effect there is no change over last year. The only change is in the blue book in that 5.7 years, and when there was some consolidation contemplated, that was in effect not carried out. In effect, the staff remained last year at 5.7, and that is reflected into this year at that 5.7. In effect, the staff complement is the same as it was last year. At one time, it was proposed that there would be 5.7 less.

**MR. SHILLINGTON:** — Mr. Minister, I want to ask you some questions with respect to the multitude of five-year plans which this government is spitting out . . . (inaudible interjection) . . . Yes, it is commonly used east of the iron curtain, I may say. Saskatchewan has to be the only community outside of the iron curtain with as many five-year plans as what we have.

Mr. Minister, on March 30th, 1983, your predecessor, the now Minister of Energy, announced a new culture and recreation facilities program. And I'm quoting directly from the release which said:

The program effective April 1st, 1983 to March 31st, 1988 will provide \$32 million to assist with the construction, acquisition or renovation of culture and recreation facilities in communities across Saskatchewan. Facility projects started between January 1 1982 and April 1983 inclusive, are also eligible for funding.

Mr. Minister, I've reviewed the *Estimates* for the past three years and note that for each of the past three years the program has been in operation, you set aside 5 million for a total of 15 million. And that leaves 17 million to be spent out of the 32 million over the next two years.

Can you tell me, Mr. Minister, is the government still committed to the \$32 million program, your version of a five-year plan for community culture and recreation facilities? Or has this five-year plan been revised?

**HON. MR. FOLK:** — Mr. Chairman, in fact we still are committed to that five-year \$32 million program. And maybe it leads back to some of the earlier comments from the member when he's talking about freezes in budgets, etc., that in effect there are chances that it will have to be increased to meet that fulfilment.

And in effect, if my information is correct, the predecessor to our five-year culture and recreational facility grant program was in effect a five-year program under the previous government and at one time the member for Regina Centre was indeed minister of culture and youth.

**MR. SHILLINGTON:** — Mr. Minister, from 1983-84 can you tell me, of the \$5 million budgeted,

what was actually spent?

(2000)

**HON. MR. FOLK:** — Mr. Chairman, that was for 1983-84? Actual expenditure was \$3,101,506.96.

**MR. SHILLINGTON:** — That's very good. I read the *Public Accounts* myself, and that indeed is the figure, Mr. Minister . . . (inaudible interjection) . . . Well, because I want to point out that you are even further behind the eight-ball than I might have suggested.

If you took your estimates at face value and assume you people spent what you said you were going to spend, Mr. Minister, you would still have an abnormally large part of this fund left. When you consider what has actually been spent, just 3 million, in the balance of the four years you have \$20 million. And that suggests that you've got to spend \$7 million, \$7.5 million a year.

But you haven't budgeted that, Mr. Minister. You haven't even budgeted \$7.5 million. You budgeted 5 million.

What I'm suggesting to you, Mr. Minister, is that the last five-year plan was a sham. You never intended to spend \$32 million. You're not going to. You spent only 3 million in the first year. You haven't budgeted enough in the next years to spend it. I suggest to you, Mr. Minister, you're not going to spend the \$32 million. What's more, you never intended to. This program, as is the case with so many of the programs you people cook up, of pure cosmetics, Mr. Minister.

**HON. MR. FOLK:** — Mr. Chairman, indeed the member opposite says he went through the expenditures quite closely. Then he would have noticed that in 1984-85 the expenditures were \$5.807 million, which is in effect over the \$5 million budgeted. And there's other aspects to the program, such as the cities are not allowed to draw down in any one year more than one-fifth. So in effect, as we go along in the process, the draw-down from the cities will be coming in years 3 and 4 and potentially 5.

**MR. SHILLINGTON:** — Well I don't have those figures, Mr. Minister. I dearly wish you people had the *Public Accounts* out for the '84-85 year, but of course you don't, and we won't get them until next year.

Mr. Minister, you haven't spent the money under the last program, and I suggest to you that the public have every right to be sceptical about the five-year program that's been announced this year for job creation. Your last program for job creation, Mr. Minister, by all appearances is not going to result in expenditure of the money, Mr. Minister, and I suggest that that's the case with this year's program.

Mr. Minister, my colleague from Assiniboia-Gravelbourg, in an earlier comment on a Bill, suggested that the agricultural loan program was designed to fail. It almost certainly is.

Mr. Minister, if you read the *Saskatchewan Business* publication which I referred to earlier, that is also almost certainly the case with the loan program for small business: it is designed to fail. It simply cannot work, given the guide-lines that you've put up.

Mr. Minister . . . (inaudible interjection) . . . Well my authority for the adverse comments on your business loan program is none other than the director, the Saskatchewan director of the Saskatchewan Federation of Independent Businesses, Dale Botting. You people are getting this bad press. I tell you, you're far . . . Even the *Saskatchewan Business* is panning you.

Mr. Minister, I suggest to you that these employment programs fall into the same category as the agricultural loan program and as the business loan program. They're designed not to work because you don't want to spend the money.

I suggest to you, Mr. Minister, just as the last five-year program is underspent and will be, so will the next one. And I further suggest to you, Mr. Minister, that the public have every right to judge you not by what you say but by what you've done. They have in agriculture. They're in the process of doing that now in business. My suggestion, Mr. Minister, you are meeting the same scepticism with respect to employment. You're not simply not believed, with every good reason because people judge you by what you've done, not by what you say you're going to do.

**HON. MR. FOLK:** — Mr. Chairman, indeed it sounds like the member is dealing from past experience, maybe. More than three years ago anyway — past experience.

In effect, and I'll try and make this very clear, if you'll listen, that there has not been one eligible project declined in the past two years, or is it anticipated that any eligible project will be declined in the future. So if the member is trying to indicate, or at all allude to the fact that there has been any eligible project under this program that has not been given the go ahead, then he is soundly mistaken.

**MR. SHILLINGTON:** — Mr. Minister, a major issue in, particularly with smaller communities, is the energy cost of recreation facilities. The Minister of Finance recognized that by introducing, I gather, a study, going to look at the problem. Mr. Minister, I think the communities out there had hoped for something a little more than that. I think they had hoped for some financial assistance. And I think, Mr. Minister, it becomes even more urgent in the light of today's federal budget, where we have what I believe amounts to a higher tax on the energy which they use. I'm not sure of that, but that is my understanding.

Mr. Minister, I ask you: do you not believe that the budget would have been better received if it had, in fact, included some assistance for these communities, instead of undertaking to study a problem which they know full well is a problem to them? They don't need a study to tell them they got a problem which they know full well is a problem to them? They don't need a study to tell them they got a problem. And the solution is obvious. They need more assistance. Do you not think that is what the minister should have done instead of promising another study of this problem?

**HON. MR. FOLK:** — Mr. Chairman, once again, if the member would have been listening in my introductory remarks that went on for a few minutes, that in effect our government, since our government . . . I'll just wait till you're listening. In effect, since our government has come in, we've eliminated the 5 per cent tax on energy consumption for recreational facilities. In effect that works out to, I believe, a 5.5 per cent reduction in their costs. As well, I indicated that many energy seminars have been taken on over the province, and there's numerous pamphlets here.

Numerous seminars are held on how management can best deal with energy efficiency in their recreational facilities, and I believe that this is a very good way of indeed reducing those energy costs and managing more efficiently, managing those facilities even more efficiently.

**MR. SHILLINGTON:** — Mr. Minister, the arts community has gone to some length to illustrate their frustration with the level of federal and provincial spending. They have . . . Their energies were directed at the federal government for what they believed were going to be a cut in their budgets, and cuts that, in fact, had occurred. The chopping of the CBC budget was, in fact, the chopping of the arts budget, as anyone who is familiar with the operation of the CBC knows. More so than any other institution, they encourage local indigent writers and artists.

Mr. Minister, you haven't done much to solve the problem, and I think a number of the comments were directed at the provincial government as well as the federal government. Mr. Minister, you haven't done much to solve that. The budget for the arts has been frozen at \$300,000. That, Mr. Minister, is not a solution to the problem. It only aggravates it. Their costs have gone up, but their funding has not.

It is, Mr. Minister, the Centre of the Arts. The grant to the Centre of the Arts has been frozen as

has the — that is an indirect subsidy to the arts — but the grant to the arts board is also frozen at \$2,153,200. Mr. Minister, that, in fact, is the third year of a three-year freeze. That figure hasn't changed by very much in three years.

Mr. Minister, I wonder how, in all conscience, you can contribute to the dilemma that the arts community finds itself in by freezing their funding. More so, Mr. Minister, than any other groups, the arts community needs the money. As they point out in any number of well-written briefs — and I could supply you with a number and I'm sure you could supply me with a number — sums invested in the arts community return themselves many fold in terms of economic activity within the community. It is not just the cultural life of the province that you're enriching by those expenditures, you're also creating economic activity.

In all conscience, Mr. Minister, I wonder how you could freeze the funding as you have and thus contribute to the woes of a group which are already pretty badly beleaguered.

**HON. MR. FOLK:** — Mr. Chairman, once again, if the member had been listening to my remarks to open this up: in effect, since this government has taken over, there's been a 44 per cent increase in funding to the arts board. And, Mr. Chairman, also he would realize that such items as the \$1 million put in this year to Saskatchewan amateur and professional talent towards Expo '86 and numerous other cultural initiatives that maybe don't show up in that book that he's looking at, but on the lottery side and in our relationship with the Saskatchewan Council of Cultural Organizations, then in effect there are many more dollars being spent on culture in this province than ever, every before.

**MR. SHILLINGTON:** — Mr. Minister, I must say it's not apparent looking at the estimates that that's what you're doing.

If I turn to another section, Mr. Minister, you've got less money budgeted for the Western Development Museum. I note by these notes that you have 150,000 . . . they have been running a deficit for the last few years, and have not been able to overcome that; yet, in spite of that, you reduce their funding.

And I wonder what you think, what magic you think they have access to that they can make up for your improvidence. As I've said on other occasions, Mr. Minister, you rifled the budget by giving away huge sums in tax breaks to people like the multinational oil companies. then you seek to recover it back from the arts community.

What you believe, what this government seem to believe in, Mr. Minister, is socialism for the rich and free enterprise for the poor. And that, Mr. Minister, is what we have here when you are cutting back on funding to cultural activities such as the Western Development Museum and the arts community.

So I want to congratulate you, Mr. Minister, on having made one accurate statement. It is certainly not apparent, looking at the estimates, that you have done anything to improve and assist the lots of those engaged in cultural activities, because it very much appears by your estimates that you in fact have cut back on the funding.

**HON. MR. FOLK:** — Mr. Chairman, I would like to just clear that up a little bit, too. In effect, the Western Development Museum does not operate at a deficit, and, in effect, the amount allocated to them this year is actually their request for the operations going to come up this year. And also I'll allude back to the remarks I made earlier.

The Western Development Museum, when we came into office, denoted one thing that was of a major concern for many years: storage facilities that always got a cold shoulder from the NDP government. In effect, \$7.2 million were put into that facility which, if he was listening, just opened last fall in Saskatoon.



So, Mr. Speaker, indeed when we're talking about the WDM and the arts and culture in the province, the member should maybe watch what he is saying, and not try to mislead the House.

**MR. SHILLINGTON:** — Mr. Minister, I want to refer you to an individual whom I think you have heard from — Cecil Tannahill. I got an inquiry from Mr. Tannahill with respect to a collection. He addresses a letter to you, dated March 27, '84, and sent a carbon copy to the Leader of the Opposition. He outlines a great deal of frustration in negotiating with the department with a view to having the Western Development Museum take the collection.

I'd ask you, Mr. Minister, whether or not anything can be done, whether or not the collection . . . whether or not in your view the collection is worth preserving, and if it is, why the individual has so much difficulty in working with your department and with the Western Development Museum.

**HON. MR. FOLK:** — Mr. Chairman, in effect, there was a lot of correspondence going on with Mr. Tannahill, and in regard to the Tannahill collection.

(2015)

In response to the member's question: yes, it is a collection worth keeping and displaying. In effect, some of the delay was in effect finding an appropriate spot to display a collection of that magnitude. And right now, I can inform the member that it is at the Western Development Museum, and the final display is just being readied.

**MR. SHILLINGTON:** — Mr. Minister, in an article dated July 12th, 1984, *Leader-Post*, Denise Ball, who is the arts reporter for the *Leader-Post*, chronicled the frustration being felt by Saskatchewan film makers when the province uses out-of-province film makers.

Mr. Minister, I appreciate that at least some of these contracts would not have been let by your department; perhaps all of them would not have. Mr. Minister, you are, in government, supposed to be the spokesman for Saskatchewan's artistic community. I ask you, Mr. Minister, why the government uses out-of-province film makers to the frustration of local talent. Why is the grass always greener in Vancouver than it is in Saskatchewan? Why won't you give the Saskatchewan film makers a chance, and why won't you give them the work? And why don't you try to develop this local artistic community instead of bypassing them?

**HON. MR. FOLK:** — Mr. Chairman, in response to the question, as far as our department is concerned, whenever we have used or had the need to use to use any film makers, we have always gone to Saskatchewan film makers wherever they could competently, and with their own judgement, handle the job. So we have always done that within our Department of Culture and Recreation.

**MR. SHILLINGTON:** — Mr. Minister, you're doing a poor job of representing the artistic community around the cabinet table then, because your colleagues are not.

In many cases, these people clearly do have the talent and your colleagues aren't using them. If you want, Mr. Minister, I will quote what is said by Sean Quinlan about the local artistic community. He suggests, Mr. Minister, that if all things be equal they'll use them, but the clear suggestion is that the Saskatchewan film community isn't up to the job.

I suggest, Mr. Minister, you need to do a better job of representing the artistic community in the councils of this government. Mr. Minister, I have a question with respect to subvote number 1: the person-years are up by one, but the amount of spending under personal services is down, and I wonder, Mr. Minister, how you achieved that sleight of hand.

**HON. MR. FOLK:** — In effect, Mr. Chairman, what happened there last year, a person — he was making a pretty good salary within the department in executive administration — in fact resigned. And in effect another person was brought in, so therefore the one more person was brought in at a much less salary. Therefore the discrepancy in the actual drop down, or lesser amount that coming year.

Item 1 agreed to.

Items 2 and 3 agreed to.

**Item 4**

**MR. SHILLINGTON:** — Mr. Chairman, I have a question. In some of these subvotes there are reductions in personnel. Were there in fact any lay-offs in your department of any personnel?

**HON. MR. FOLK:** — No, there were no lay-offs in our department.

Item 4 agreed to.

**Item 5**

**MR. SHILLINGTON:** — Mr. Minister, we also have a reduction in funding for the Museum of Natural History. Do I presume that they also came forward and asked for less money?

**HON. MR. FOLK:** — In effect, Mr. Chairman, if the member would notice that there's one less staff allocated to the Museum of Natural History, which would account for some of the less money. And other items would be just miscellaneous expenses due to good, very good management.

**MR. SHILLINGTON:** — I don't wish to spend an overly long period on it, Mr. Minister, but both the personnel and other expenses are down, the total funding is down. Mr. Minister, it really surprises me that in the year of Saskatchewan Heritage '85 you would decrease the funding to the Museum of Natural History. I would have assumed that in Heritage '85 this would have been one of the centre-pieces of the year. I'm really surprised, Mr. Minister, that this cultural institution has received the same short shrift as everybody else has.

I would have thought that you might have made an exception for the Museum of Natural History, in the year entitled Heritage '85.

**HON. MR. FOLK:** — Mr. Chairman, in effect as I explained earlier in my earlier response, there's one less person working there. And once again, if the member had been listening to my short remarks when I opened up, that indeed we have moved some of our offices over. And taken by the general gist of his comments, the member for Regina Centre should be absolutely thrilled that we are spending in the neighbourhood of \$7 million for Heritage '85 activities.

Item 5 agreed to.

Item 6 agreed to.

**Item 7**

**MR. SHILLINGTON:** — I suppose the artistic community will be somewhat mollified that the sports community weren't spared the knife. Their funding has also been reduced.

And I wonder, Mr. Minister. You've obviously cut one staff member. What position was cut?

**HON. MR. FOLK:** — In effect, Mr. Chairman, a little bit of a misnomer there. There was no positions cuts. In effect there's one person less working in the sport and recreation services, but indeed that position was allocated into regional services. So in effect nobody was cut, just a reallocation.

Item 7 agreed to.

Items 8 and 9 agreed to.

**Item 10**

**MR. SHILLINGTON:** — Mr. Minister, the Centre of the Arts and the city of Saskatoon are both getting \$300,000 as they did last year. Clearly, Mr. Minister, the costs are going up. Where are they going to get the money from? Are they going to start selling popcorn at the opera to make it up? Where are they going to get the money from, Mr. Minister, that you aren't giving them, because in costs of dollars they've received a decrease in funding. And I wonder, Mr. Minister, where it's coming from.

**HON. MR. FOLK:** — Mr. Chairman, what happened there at the Centre of the Arts was, in effect, last year was one of their better years, operating-wise. Indeed they had increased revenues and that's anticipated again for this year. What happens, as the member should know, is that the government is responsible for the deficit incurred by the Centre of the Arts. So in effect in 1984-85 there was an increased allocation from '83-84 to '84-85 of 216,000 to 300,000. In effect the supplementary funding in '83-84 was in the neighbourhood of \$400,000, and last year there was only \$197,000. So indeed there are operating efficiencies over there.

**MR. SHILLINGTON:** — I take it, Mr. Chairman, that this was yet another group who came forward and asked for less money. I take it that's the minister's answer.

Item 10 agreed to.

Items 11 to 13 inclusive agreed to.

**Item 14**

**MR. SHILLINGTON:** — Mr. Minister, there is a significant reduction in the grants in support of community and regional recreation development. Can I spare the minister the trouble of getting to his feet and can we agree that this was yet another group that came forward asking for less money? Is that the minister's response?

**HON. MR. FOLK:** — Mr. Chairman, in effect that figure there as it's reflected for this year of \$883,000 is in effect a reflection of the draw-down in the past year, so therefore budgeted accordingly.

Item 14 agreed to.

Item 15 agreed to.

Vote 7 agreed to.

**SUPPLEMENTARY ESTIMATES 1985**

**CONSOLIDATED FUND BUDGETARY EXPENDITURE**

**CULTURE AND RECREATION**

**Ordinary Expenditure – Vote 7**

**Item 1**

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, I note that \$1.01 million . Is that the amount paid to Mr. MacDonald?

**HON. MR. FOLK:** — If the Leader of the Opposition is asking if that's how much is going to Mr. MacDonald himself, the answer is no.

(2030)

Item 1 agreed to.

Item 2 agreed to.

Vote 7 agreed to.

**MR. CHAIRMAN:** — I'd like to thank the minister and his officials, the Minister of Culture and Recreation.

**HON. MR. FOLK:** — Thank you very much, Mr. Chairman. I also would like to thank my officials for the information they provided me here, and also the member for Regina Centre for his questions and his very attentiveness as I opened up my remarks this evening.

**MR. SHILLINGTON:** — I want to thank the minister as well for those remarks. I enjoyed them immensely, and I made careful notes. And I will next year, when you come back with the estimates, I can assure you, I'll have a detailed outline of what you should have done, and I'll be able to compare your promise with the performance.

I also want to thank the officials — in a serious vein — I want to thank the officials who are with you for their assistance.

**CONSOLIDATED FUND BUDGETARY EXPENDITURE**

**REVENUE AND FINANCIAL SERVICES**

**Ordinary Expenditure – Vote 18**

**Item 1**

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

**HON. MR. ROUSSEAU:** — Yes. Thank you, Mr. Chairman. I'd be very happy to. My deputy minister to my right, Mr. Keith Laxdal; the assistant deputy minister, Barry Halbwachs, kitty-corner behind me; and the executive director of administration service division, Mr. Bill Vansickle, right behind me; and the executive director of Public Employees Benefits Agency, Mr. Palmer, on my right.

Mr. Chairman, members of the committee, I am pleased to present for your review and approval my ministry's estimates for the fiscal year ending March 31, 1986. In the interest of saving time this evening, may I very briefly outline some of the major initiatives and policy directions undertaken by the Department of Revenue and Financial Services.

Four principles guide my ministry on program development and service delivery: (1) improving attitudes and processes for service to the public; and (2) delivering services more productively;

(3) providing leadership in our areas of expertise; and (4) maintaining a high level of employee morale.

Let me first turn to the area of tax collection. Our government is committed to establishing a competitive tax environment for businesses, and to protecting the income of individuals. At the same time, we will take whatever steps deemed necessary to ensure a fairer tax system for Saskatchewan families. Of the taxing provinces, the people of Saskatchewan enjoy the lowest sales tax rate in Canada. Our government will continue to review its tax structure, and tax reductions will be targeted as we can afford them and where they will generate jobs and economic activity. And we think this is the sensible and responsible approach to taxation.

Unlike the previous administration, our Progressive Conservative government accepts its financial responsibilities very seriously. In fact, Mr. Chairman, if the previous administration had not depleted the Heritage Fund, we would be in a better position today to introduce more tax reductions. The amount of investment income transferred from the Heritage Fund to the Consolidated Fund in Alberta in 1984-85 was equal to the revenue that would have been generated by 7-8 per cent sales tax in Alberta.

A program that my ministry is especially proud to be associated with, Mr. Chairman, is the mortgage interest reduction plan. Last June, the Premier announced that the plan will be extended until June 30, 1988. And since the start of the program on July 1, 1982 almost 44,000 Saskatchewan home owners have received over \$58 million in direction cash benefits.

One of my ministry's highest priorities is to develop a customer service orientation and a professional businesslike image. Our government is a servant of the people, and this is reflected in our programs and initiatives. Our efforts to improve customer service have been paying off. A recent customer attitude survey in the revenue division revealed that the global perception of our tax collection personnel is very positive. Respondents both inside and outside the province regard the Department of Revenue and Financial services as efficient, timely, effective in the practice of its mandate. I think that we can all recognize that the role of a tax collector is not always an easy one, and I would like to sincerely thank the staff for a job well done.

We are equally proud of the efforts in the comptroller's division. The highlights of the comptrollers' program is a financial management systems project. Suppliers who deal with the government will benefit from the new financial systems in a number of ways. Better information on the purpose of payment will accompany their cheques. Processing times will be reduced. They will on average receive their cheques faster. And when feasible, several transactions involving a particular supplier will be combined in one cheque without adversely affecting either the time limits of the payment or the information on the purpose of the payment. This should ease the paper burden for suppliers.

One last point should be made about the financial management systems project. I'm pleased to say that there'll be no loss of employment for the permanent employees of my department as a result of the new systems.

The Public Employees Benefit Agency delivers the province's major public sector pension and benefit plans. The Public Employees Benefit Agency, or PEBA for short, manage four major pension plans. In total, almost 22,000 public sector employees, judges, and MLAs are contributing to these pension plans, and 4,000 superannuates are receiving pensions from them.

PEBA also administers several benefit programs. I'm pleased to announce some improvements of the employees' group life insurance plan. Effective May 1 of 1985, group life insurance premiums were reduced from 26 cents to 20 cents per \$1,000 of coverage per month. While this represents a savings of 23 per cent, it's made possible by the plan's particularly favourable experience over the past several years. The impact of this premium reduction will be reflected on the June payroll cheques.

The death benefit for dependants of permanent employees has been increased from \$2,500 to \$3,000. The paid-up certificate on retirement for permanent employees has also been increased from \$2,500 to \$3,000. And for the first time, spouses and dependants of non-permanent employees will be covered under the plan. The death benefit for spouses will be \$3,000, while the death benefit for dependants will be \$1,000.

Our department was the first in the Saskatchewan public service to honour its employees as employee of the month. The objective of the program is to acknowledge the contributions of individual employees and to show that creativity, positive attitudes, dedication, and hard work do not go unrewarded. This program provides an opportunity for my wife, Janine, and I to meet many of the department's employees in a relaxed, informal setting.

I'd like to close my introductory remarks by taking the opportunity to recognize the effort and the dedication of all the employees in the Department of Revenue and Financial Services. They are very much appreciated.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, there are a number of points that I want to raise and I think that I can raise a good number of them under item 1 as easily as I can under the individual subvotes.

I want to talk first about your personal staff, and ask you whether you can provide me with a list of your personal staff and their salaries, and can you tell me what changes have been made in the personal staff in the last 12 months.

**HON. MR. ROUSSEAU:** — Mr. Chairman, my personal staff, paid for by the Department of Revenue and Financial Services, consists of . . . Or do you want me to send it over to you? Send it over? I can supply it.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, can you indicate what plans you have for out-of-province trips which would be paid for out of the particular subvote that we have before us, or out of Executive Council?

**HON. MR. ROUSSEAU:** — May I ask the member: were you asking for the '84-85 or '85-86?

**HON. MR. BLAKENEY:** — I was asking for '85-86, what you had planned. I wasn't asking about what you had done.

**HON. MR. ROUSSEAU:** — The amount set aside in the budget is \$12,000.

**HON. MR. BLAKENEY:** — Mr. Chairman, Mr. Minister, do you have any particular proposals to study revenue collection in Upper Volta, or the methods by which gasoline tax is collected in January in Honolulu, or important trips in the public service such as that?

**HON. MR. ROUSSEAU:** — Mr. Chairman, the Leader of the Opposition first of all asked me out-of-province, not out-of-country, but the total amount budgeted was \$12,000.

Last year, the '84-85 budget, I spent in total \$3,080. I suspect that the same thing will happen in 1985-86.

However, I might inform the member that I had very productive meeting, for example, with the Hon. Perrin Beatty, the Minister of Revenue, and his officials in Ottawa, as an example of some of the travels that will be undertaken.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, I would certainly encourage you to keep discussing things with Mr. Beatty and his officials, because judging from today's budget,

they're going to get a great deal of experience in collecting taxes — taxes that we hadn't even thought of. And I think that they must necessarily gain a wealth of experience as they find new, different, innovative, and unique ways to extract money from Canadian taxpayers.

And knowing that you will wish to do the same with respect to Saskatchewan taxpayers when you, too, address your deficit, then it may well be that you would wish to gain some experience by dealing with Mr. Perrin Beatty and his staff.

I want to ask about your ministerial assistant 4, Mr. Bob Valcov, and ask you what his background and experience is. I have his, see his salary here — or rather I have his date of appointment here — at May 1, 1984, and I'm asking you what his background and experience is.

(2045)

**HON. MR. ROUSSEAU:** — Mr. Chairman, I provided the Leader of the Opposition that information last year. I gave him Mr. Valcov's CV at the time, and if he doesn't have his files, I can again get and make it available. But since I had provided it to him last year I didn't think it necessary to bring it this year.

**HON. MR. BLAKENEY:** — Thank you, Mr. Minister.

I do not appear to have it in my file, and if you did provide it last year, it has become misfiled — I will phrase it thusly. And I would appreciate it if, in due course, you would send it to me again, so that the misfiling, if I will phrase it as such, can be corrected.

**HON. MR. ROUSSEAU:** — I'd like to respond to that, Mr. Chairman. Might inform the Leader of the Opposition that Mr. Valcov is leaving as of tomorrow night, so I'm not sure that you still want it.

**HON. MR. BLAKENEY:** — I have a question which has to do with remission of money owed in respect of a manufacturing prototype. And I'm not quarrelling with this.

I just would like the minister to expand a little on the order in council of a year ago, of April of '84, wherein \$16,600 was remitted to Ram Industries, and I think I know what was done, why it was done, and I think I will approve of it. But I would ask the minister to elaborate a little more fully since on the face of it it appears a little strange to remit an E&H tax of \$16,000 with respect to a piece of equipment.

**HON. MR. ROUSSEAU:** — Mr. Chairman, I'd like to ask the Leader of the Opposition — he obviously has the OC in front of him — what is the date of the OC?

**HON. MR. BLAKENEY:** — It is April 25th, and the number is 543 of '84. It amounts to a remission of \$16,603.52 to Ram Industries Ltd. being the amount owed by this company in respect to tax on their manufacturing costs of a prototype.

I believe that this has now been covered by a change in the Act, as I recall it, but I may be directing my attention to the wrong thing. This may well be a piece of equipment manufactured by Ram which cost them a good deal of money because it incorporated into it a good deal of research and development, and you have remitted what amounted to the tax on the research and development component as opposed to the fair value of the equipment if you manufactured a second or third copy, if I may put it that way.

**HON. MR. ROUSSEAU:** — Mr. Chairman, the Leader of the Opposition is right. I'll give you a little information on it. It was a machine called a steer skid loader which is the equivalent to a bob cat, and it was for research and development costs. The rationale for that had been that we announced an exemption, so we therefore made the remission.

**HON. MR. BLAKENEY:** — I assumed that to be the case, but as I say, the company who received the benefit has had some close associations with the party to which you are a member, it was, I think, reasonable to ask.

With respect to the number of people who are under the public service superannuation plan, the public employees' benefit plan, and the teachers' superannuation plan, a year ago, Mr. Minister, you gave me the numbers, and if you would just care to give me the numbers of people who are under the public service superannuation plan, and the total number, not necessarily broken down, in the public employees' superannuation plan, and the number of people who are under the teachers' money benefit plan, that would give me the information that I would want now, and then I would ask you to send me the statistics in due course.

So I'm asking for the number of people who are now covered by the public service superannuation plan, the public employees' superannuation plan, and the teachers' superannuation, the money benefit, or money purchase, I should call it. I'm sorry.

**HON. MR. ROUSSEAU:** — Mr. Chairman, under the public service superannuation plan, there are 7,000 — that's estimated — 7,000 contributors, that's as of February '85. There are 3,750 pensioners, and under the matching contributions plan, that is the public employees' superannuation plan — in other words the money purchase plan — there are 14,726 contributors. And the total as again of February of '85, a total of 89 pensioners. And under the teachers' superannuation, or the teachers' pension plan there are 13,171 contributors, and that is as of June of 1984, plus 2,850, and I believe that would be under the new plan, the money purchase plan. And the number of pensioners under the old plan, the formula plan, would be 4,780 pensioners as of June '84 and two pensioners under the new plan.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, I wonder if you would send me a list of the numbers, as up to date as you have them, similar in form to the letter which you sent me on May 16, 1984, which lists all of the numbers.

And may I say in comment that I'm a little surprised at the number of teachers under the money purchase plan — is the 2,850 figure — since that is down from March 31st, 1984, and you give it as June; it's possible. And I would ask you . . .

Yes, let me say this: I express some surprise that the figure of March 31st, 1984, for the teachers' money purchase plan was 3,074, and the estimate for June of 1984, three months later, was 2,850, which is down 250. It is possible, but I express surprise since for the most part the numbers keep going up, although it may well be for a three-month period, they wouldn't. But there are always some new entrants into the teaching profession, but they may not come between March and June; I acknowledge that.

**HON. MR. ROUSSEAU:** — Mr. Chairman, the figures that we have do come from the teachers, and we're just passing on what they provide to us. But however, since you have pointed out this discrepancy, we will check it out and send you the information that would be accurate.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, a couple of points arising out of the auditor's report for the period ending March 31st, 1984, and reporting on your department and some other agencies of government.

I refer to the auditor's report on page 7, which indicates that the Department of Advanced Education and Manpower paid out some money from the student aid fund which should have been paid out of the horned cattle trust fund, and I ask you whether or not your department is in any way involved with that sort of a pay-out. Is it the responsibility of your department to see that that spending comes out of the right pool of funds whether voted by the legislature or some other fund? Or is it the responsibility of some other government agency? . . . (inaudible)



interjection) . . . What?

But somebody . . . The Minister of Agriculture says that he doesn't trust him with the horned cattle trust fund. I well understand that, but here the arrangement is the other way. The horned cattle trust fund should have paid, and by some sleight of hand, it was taken out of the student aid fund. And I can understand why the Minister of Agriculture would welcome that, but it's not aid fund. And I can understand why the Minister of Agriculture would welcome that, but it's not immediately obvious why the student aid funds should be paying expenses of the horned cattle trust fund. And I don't know whether the Department of Revenue has the job, the comptroller's department has the job of seeing that this doesn't happen, but that's what I'm asking.

**HON. MR. ROUSSEAU:** — Mr. Chairman, to answer the hon. member's question on that point, yes, it was an administrative error on our part. What happened is that the cheque was drawn on the wrong bank account. This has already, incidentally, been discussed in public accounts. And I might want to inform the hon. member that we have taken corrective measures so that won't happen again.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, I raise another matter which may or may not be of more importance, and this has to do with the Department of Agriculture and their waiving a preference, and again it may be perfectly in order. The auditor raises the fact that, on page 8 and 9 of the report, that the Department of Agriculture was entitled to be a preferred creditor in a bankruptcy and to have collected \$325,000, and elected not to be a preferred creditor, and therefore collected \$216,000 approximately, amounting to a loss of 109 to \$110,000 to the public purse.

Now it may be perfectly in order, because it may well have been unfair, although legal, for the Crown to assert that preference, but I wonder whether you would outline the circumstances under which, presumably, your people made a judgement that we should not — that the Crown should not collect this 109 or \$110,000 to which it was apparently legally entitled.

(2100)

**HON. MR. ROUSSEAU:** — Well Mr. Chairman, hon. member, we had nothing to do with that. It's not our department. It was the Department of Agriculture, and they'll be coming up. You can question them. As well, I might want to tell you though that it was discussed in public accounts.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, I turn now to the Department of Finance matters covered by the auditor, and more particularly pages 9 and 10 and 11, but I really am dealing with 9 and 10 now and this whole structure of SaskPen Properties. And you will know, Mr. Minister, that the auditor in effect says that the — and I will choose one of them — that the pension funds administered by a number of agencies, and I will pick the teachers' superannuation fund because that's one for which there is no doubt that you are responsible, and the auditor says that investments are being made which, to paraphrase him, are not authorized by law.

And I ask you whether or not the Department of Revenue and Financial Services is responsible for investing the money of the teachers' superannuation fund, whether you have invested any in SaskPen Properties Limited, and whether you take the position that it is lawful or not lawful.

**HON. MR. ROUSSEAU:** — Mr. Chairman, I guess the short answer to your question is, no, we're not responsible for the investment of the teachers' pension fund or any other pension fund. That's handled by the Department of Finance. And I might add again that the Department of Finance officials did, in public accounts, discuss the propriety of the investment of those funds.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, fair enough. The Department of Finance has not yet come up for discussion. And I have to say that the auditor's case is . . . He makes a strong case for saying that either procedures should be

different, or the law should be different. But I will make the case to the Minister of Finance and his officials, and I will not take the time of the committee at this time to do that.

Item 1 agreed to.

**Item 2**

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, with respect to the comptroller's office, I would like you to tell us what you're doing there and what you have been doing for the last several years with respect to staff and with respect to getting the job done.

The number of staff in this branch has been steadily declining: '81-82, which year I will call '82 if I may, 154.8; '83, 152; '84, 140; '85, 139; now '86, 136 — a steady reduction in staff and at the same time a fairly dramatic increase in other expenses. Again using '81-82 and calling it '82, it was 747,000; '83, 914,000; '84, 881,000; and they are more or less on track; and then '85, 1,480 million; and '86, 2.525 million.

So in the last five years we have seen a drop in staff of 18 and an increase in other expenses of \$1.8 million — a dramatic increase. And what I must ask you is: are you farming this out? Are you hiring outside firms or others to do the job which once was done by the staff of your department? If not, how are you doing the same work with fewer people, and why are you spending almost \$2 million more in other expenses?

**HON. MR. ROUSSEAU:** — Mr. Chairman, hon. member, again the short answer to your question, are we farming some of this out to other sectors: the answer is no. In fact the opposite is the case where we are taking on a bigger load than what we had, and he's comparing to 1982. The reason, I might add, is because of better efficiency within the department and the installation, of course, of the financial management systems project.

Now if you like, Mr. Chairman, or Mr. Hon. Member, I can detail and outline for you what that is and what the measures are that we have taken to improve the efficiency. I'd also like to point out that, and as I indicated in my opening remarks, that we will not, and I have assured the employees of the Department of Revenue, we will not be laying off any permanent employees from that department.

**HON. MR. BLAKENEY:** — Mr. Minister, I didn't mean to imply anything by going back five years. I simply selected five years as a trend-line, but I'll pick four years, because then I'll start with '82-83 which is a year with which you are more familiar than the previous year.

And at that time, the other expenses was 900,000, and now there are 2.5 million. So they're up 1.6 million in three years. That's a sharp increase. Is this all computer equipment, or why are you having this sharp increase in other expenses?

**HON. MR. ROUSSEAU:** — Yes. As I indicated in my earlier remarks, Mr. Chairman, what this reflects is added costs in the system that we have instituted in the department, the financial management systems project. And when you go into the one-time cost of computer programming, example: the payroll system and the payable system — all of these are the reason for the added costs.

**HON. MR. BLAKENEY:** — Mr. Chairman, Mr. Minister, could you give us a rough breakdown of what you think the spending will be under this figure of 2.5 million which you have in this year's budget?

**HON. MR. ROUSSEAU:** — I'm not sure whether the Leader of the Opposition wants a total detail. I can certainly provide that, but to give you the cost of the \$2,025,590 I think that you're talking about is SaskCOMP for \$1.435 million; Systems Centre, 120,000; Systemhouse, 240,000;

and others, which consultants and other costs, of \$230,590.

Now in that subvote there are also other, and I can give you that, if you so desire.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, would you elaborate a little more on Systemhouse? Is that an outside firm, and who are they?

**HON. MR. ROUSSEAU:** — Yes, Mr. Chairman. It is a computer software company, operates in Regina. It isn't a Regina company per se, but all of the people involved in the program are Regina, and it is all being done here in the city of Regina. That's it.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, do you . . . Are you proposing to acquire from them substantial software systems, computer programs?

**HON. MR. ROUSSEAU:** — What this represents, Mr. Chairman, is that they are helping us to modify the software package that we bought.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, from whom did you buy the package? This seems to be quite a bit of money for modifications — a quarter of a million dollars for fine tuning a software package, which is not an insignificant sum of money for that.

**HON. MR. ROUSSEAU:** — Mr. Chairman, the package, or the software package was bought from Integrated Systems Incorporated. For example, they are helping us to integrate the personnel and payroll system into the system, or into the software system that we bought. I think the Leader of the Opposition, the hon. member knows that you can never buy a software system that is exactly what you need or what you want. There are always modifications that have to be made. And this is the case with the package that we bought from Integrated Systems Incorporated, and Systemhouse are helping us to include or integrate, as an example, payroll and personnel.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, briefly would you tell who Integrated Systems Incorporated are? Are they a Canadian firm or a Regina firm?

(2115)

**HON. MR. ROUSSEAU:** — Mr. Chairman, they are an American firm.

Item 2 agreed to.

### Item 3

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, is this the division which will be given the responsibility of collecting education and health tax? And if so, could you give me a reason why the number of people would be cut back from 131 to 126?

**HON. MR. ROUSSEAU:** — Mr. Chairman, yes. To answer the original question, yes, it is the division responsible for collecting taxes. And the reason for the deletion: there are five positions deleted due to retirement and some productivity and efficiency measures, and one position was transferred.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, you will know that auditors and others have expressed the view that probably the Government of Saskatchewan has too few, rather than too many, people who are doing tax inspections, and that on occasions in the past fairly substantial sums have been lost because the rotation for inspections has been two to three years.

And I think of . . . I could name you some — particularly automobile dealers, if I may say so — where significant losses have been sustained. Can you tell me what the inspection rotation is now for automobile dealers? The rotation used to be around three years, and that was found to be far too long.

**HON. MR. ROUSSEAU:** — Mr. Chairman, I sort of expected that question tonight because we go back to the years of the previous . . . the members opposite, when they were in government, the auditors had certainly brought the matter to their attention.

In our case, first of all, let me say that none of the five positions deleted were auditors. So therefore, we haven't reduced that in any sense, in any way. And secondly, and again I think we indicated this last year, that we did have six or five, I believe it was, gas tax auditors, inspectors that we kept and added to the sales tax auditing field or team. So therefore we have, in fact, more auditors in the sales tax collection than what the previous government had. And I think, based on the better efficiency and productivity that we are experiencing, that the team and the inspectors are doing an excellent job.

And to answer the member's question about the automobile dealers, I know that most automobile dealers should never be audited. I think they're fairly honest merchants; but they are on a three-year rotation.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, have you given any . . . have you had any second thoughts about this idea of taxing used vehicles, the second hand vehicle taxes?

I don't want anyone to say, how could he have a second thought when he hasn't had a first, because I didn't say that.

I am simply asking you again because the minister will know that taxes on second hand vehicles, wherever they operate — and they operate in many other provinces — have been the subject of a good deal of collusion, of skirting . . .

The collusion aimed at skirting provincial sales tax is an inevitable offshoot of taxing used vehicles, according to provinces which already apply the measure. "It's part of the price of doing business," says Andrew Allen, a tax specialist with the Ontario government. Used car buyers and sellers often falsify their bills of sale to decrease payments under Ontario's 7 per cent retail surcharge.

And on and on. I could give you the Nova Scotia quotes, the Ontario quotes.

And I hope it's not denied, and I hope . . . If the minister feels that this will not happen in Saskatchewan, although it happens in other provinces, I would admire him for his loyalty, but not for his insight, because I suspect the same sorts of things will happen here.

And I ask the minister: have you any second thoughts about the advisability of applying this tax on used vehicles, particularly low-priced, used vehicles? And why did you pick cars when you don't do it for television sets which are frequently turned in on new sets? Cars are not the only thing which are frequently turned in, if I may use the term, on a new one. They're traded in, to use the . . . and yet so far as I'm aware you haven't thought of applying the sales tax to sales of used televisions or other things which are not infrequently traded in.

Now first, have you any second thoughts? And secondly, why did you pick cars when the current system has worked well? And why did you leave out televisions and other things which are not infrequently traded in?

**HON. MR. ROUSSEAU:** — Mr. Chairman, there is a Bill before the House, at which time we'll cover in depth all of the reasons and all of the discussions that I think will be warranted at that

time. Let me just say this, however — I have not given it any second thought. I've given it, certainly, a first thought and deliberated long on this — not only myself but the other ministers.

To answer your question on why only cars, the simple answer of course is: it's the only area where we can easily inspect or monitor because they are registered vehicles. Television sets, you don't need a licence to buy a television set. You don't register a used television set. So the simple answer to that is very simply that the vehicles are registered and licensed; so therefore, it's much easier to do.

On the point that you brought up, I'd like to reply to on the collusion — I think you used the word "collusion". Frankly, the opposite should be true because . . . (inaudible interjection) . . . And if the member from Regina Centre wants to get in on the discussion, I'd be very happy to answer some of his questions, but I doubt very much that he would want to.

If you look at what can happen with new vehicles with a trade-in, you're only taxing the full price. Then adjustments can be made on the invoice. And I think the Leader of the Opposition knows this very well. You could discount a new car and discount the trade-in, and then all of a sudden you're paying tax on a totally different and wrong figure.

But when you're dealing on difference, how can you do that? When you're dealing on difference, there can't possibly be any collusion, simply because you're paying cash money — or however you're paying it, financing whatever way — and that's the amount of money we're taxing, the difference, and I don't know that the members opposite have understood this. So therefore, can you explain to me how can there be collusion when it's the tax on the financial settlement made for that particular vehicle?

Well I've said, as other members on this side have said, that this is a far more equitable and fairer system of taxation. I would like to know if the member from Regina Centre or the member from Regina Elphinstone, the Leader of the Opposition, would go out and buy a \$40,000 used Mercedes Benz or BMW or something of that nature, that it would be fair that he shouldn't have to pay tax on that transaction, whereas the person, low-income earner, who buys a 7 or \$8,000 new vehicle has to carry the load that the \$40,000 used car buyer doesn't pay anything on. Now do you consider that to be fair?

And you're saying to me that I should give it some second thought. I heard the statement that you made at your nomination, and I suggest to you that you should give it second thought before jumping into something that you have promised, because this is fair. It's more equitable. People in low income levels buy new vehicles, and people in very high income brackets buy used vehicles, and vice versa. Of course they do; of course they do. I can name you many people who have bought 30, \$40,000 used vehicles. Now you're saying that they shouldn't pay tax.

And I think really what you're saying is, it's all right to tax, but don't tax me; tax the other guy. You know, that's not right. Pay your fair share of taxes and costs, and I think that's fair. And you pay it on the difference, not on the full amount.

Reconsider your position on this, and I think you'll find that what I'm saying makes sense. It was indicated by the member from Regina Centre yesterday that this would be administratively impossible. Well, what sheer absolute nonsense because nine other provinces in Canada — I'm sorry, eight of them because Alberta doesn't have a sales tax — but eight other provinces in Canada administer it effectively, very well, without any difficulty, and they use that system. And I can assure the members opposite that my officials and my people, the employees of the revenue, have no difficulty in administering this program on taxing on the difference.

So as I said earlier, there will be an opportunity to fully get into the debate on the taxing of used and new vehicles on the difference, which is far more fair to everyone concerned. And I would be very happy to do so at that time.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, it's interesting that the minister immediately wants to direct his attention to what happens when a new car is purchased rather than what happens when a used car is sold a second time.

The argument for fairness is that the Crown, on a \$15,000 car, ought to collect 5 per cent of \$15,000 or \$750, and that it ought to collect that, whether the car is sold once and in the hands of one owner, or that much if the car is sold six times in the hands of six different owners before it is taken out of service. And that seems to me to be reasonable. But you want to collect — if the car is sold once, used by one owner, you want to collect one set of tax. But if it happens to change hands four or five times, you want to collect a good deal more money on the same vehicle.

(2130)

And it seems to me that that point has to be justified. What is the case for saying that simply because two vehicles are sold on the same day, and one is retained by the original owner until the car is taken out of service, and the other is traded five or six times, the one car should be subject to one level of tax, and the other car should be subject to twice or three times as much tax? Now what is the logic of that? How is that fair?

**HON. MR. ROUSSEAU:** — Again, again the member from Elphinstone, the Leader of the Opposition is not . . . I'm not sure that you really understand what's happening. It's all in the difference. We are taxing on the difference. So if you trade in a car, you pay on the difference. Now you're saying, as I understand, as I'm hearing you, you're saying, well, charge the guy that's buying that new car for \$20,000 or \$15,000 — he might be a low-income earner; he might be somebody who's earning his living; he might be a farmer. I'm admitting that farmers buy new trucks, half-tons, grain trucks. And what you're saying is, tax the, but don't tax me. And I don't think that's right. That's exactly what you're saying, because if he trades in the vehicle, he pays on the difference.

Now you talk about taxing over and over again. Why taxing on the difference? When you were the government, I'll tell you where you taxed over and over and over again. On leasing. It's the same thing. You lease a car, you pay tax on the lease. You know, every time that car went out for a lease or a rental, you taxed. It's the same thing. Really, where are you suggesting . . . I can't understand why you're suggesting that only certain people of our society who are business people, are farmers, low-income earners, individuals of any kind, they should carry the load. And you know, that's not right. Did you want to be fair? And person buys a used vehicle and he pays \$2,000 difference, it's going to cost him \$100. If he buys a new vehicle and he's going to pay \$10,000 difference, it's going to cost him \$500 because that's on the difference. But the amounts are much less in those transactions than what they were under your administration.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, I think I understand the system, and it's obviously going to collect more money, otherwise you wouldn't be putting more money in the budget on the grounds that this is going to collect more money. It's pretty hard to say, oh, oh, nobody's going to pay any more money, but somehow the Crown's going to get an extra 7 or 8 or 10 million a year. It's not going to come out of thin air. It's going to come out of the fact that this tax is yielding more money than the other. Now he says it's not fair to make the original owner pay for cars. But it is for televisions, it is for trailers evidently, but not for cars. Perhaps you would tell me whether or not this system which you say is much fairer is going to operate with respect to trailers. Trailers, boat trailers for example.

**HON. MR. ROUSSEAU:** — Again, if — in some provinces, you're right. In some provinces they tax used goods, period. Whether they be television sets, or whether they be used equipment, or it doesn't matter, they tax used goods. In Saskatchewan we have not done that. Now the reason, as I indicated earlier, is, we are going with registered items, items that can be licensed.

Now boats can not be licensed, or are not licensed, right? Okay. We tax boats when they are new; we don't when they are used. Boats and trailers, and motors are usually bought in a package, or to avoid any difficulties within those kinds of transactions, we elected not to tax boat trailers because they are sold, normally sold, as a package with the boat and the motor.

**HON. MR. BLAKENEY:** — Well, Mr. Chairman, and Mr. Minister, we find that apparently that's not unfair, but I won't pursue this. I'll have another opportunity to pursue it. Are there any other changes proposed in revenue collection procedures in the coming year, other than the changes in the Education and Health Tax, which need to be covered by legislation? Are you proposing any other changes in your revenue collection services?

**HON. MR. ROUSSEAU:** — No, Mr. Chairman.

Item 2 agreed to.

Items 3 and 4 agreed to.

**Item 5**

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, this payment to Wascana Centre Authority for maintenance of grounds: can you tell me why this shows up in this vote this year, as opposed to the vote of your colleague from Meadow Lake, or wherever else it's been around, from time to time? I wondered whether you perhaps were going to put it in Advanced Education — but can you give any rational reason why it's here in Revenue and Financial Services other than that you are the Member for Regina South?

**HON. MR. ROUSSEAU:** — Mr. Chairman, the funding given to Wascana Centre for the services it provides is a simply payment for services rendered. In recent years, the government has been consolidating within the department payments like this which are not directly linked with specific programming.

Other examples which I could use would include pensions, the Mortgage Interest Reduction Program, and the disaster assistance program which is coming into this department.

Item 5 agreed to.

Item 6 agreed to.

**Item 7**

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, with respect to this public service superannuation plan — and there's an increase of \$7 million. And is there any special reason for that increase? Is it associated with any early retirements or the like? Or is that about the normal annual increase we may expect as the number of superannuates grows under the old plan?

And I'll ask you that question, and then one follow-up on it.

**HON. MR. ROUSSEAU:** — Yes, Mr. Chairman, I think you're interested really in the bulk of it. I can provide you with others. The difference of \$7.5 million that the member refers to is made up of — I'll give you an example — \$5,790 million for the early retirement program.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, would you mind providing them by sending them over? Not now. I simply want them for the record.

As you are planning, can you guess what that figure will be for next year? Basically I'm asking you to give us an idea of how fast that particular expenditure is going to increase. Is it going to escalate rapidly as the teachers' has, for example, over a period of a number of years now, or is it going to level out?

**HON. MR. ROUSSEAU:** — Mr. Chairman, the answer is no. It will, in fact, decrease slowly over time.

**HON. MR. BLAKENEY:** — Thank you, Mr. Chairman, and Mr. Minister, I was wondering when we were going to meet that . . . when it was going to start to flatten out, and it must be close to now. That's good news for anybody who is planning a government spending because the sums are large. Thank you, Mr. Minister. I'll sit down.

Item 7 agreed to.

Items 8 to 11 inclusive agreed to.

### **Item 12**

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, I'll ask you this question with a similar question on the next couple here.

With respect to the Disability Income Plan, is this coverage provided by an insurance company? If so, which insurance company? Is it still Excelsior, or is it some other insurance company?

**HON. MR. ROUSSEAU:** — Two parts of that question, Mr. Chairman, the hon. member. It's a self-insured plan, and it's only been administered by, first of all, it was Excelsior. It is now Mutual.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, when you say it's self insured, it means that the Crown takes the risks, whatever risks there are, but the actual administration is run by, now, Mutual Life, you tell me.

Mr. Minister, I've been hearing a few rumblings. I won't put it higher than that — that employees are being denied coverage when they file the claim. Who makes the decision with respect to the validity of the claim? Is it the Crown, or is it, in this case, Mutual Life?

**HON. MR. ROUSSEAU:** — Mr. Chairman, the adjudication of the . . . let me put it this way — Mutual adjudicate the claims, and the appeals go to the board, and the board has representation from the unions and the employers. So there is representation from both sides to appeal, to review any appeal.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, has there been any significant change in coverage in the last couple of years under this plan?

(2145)

**HON. MR. ROUSSEAU:** — No, Mr. Chairman.

Item 12 agreed to.

### **Item 13**

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, with respect to item 13 and the group life insurance, would the minister advise how this operates? I take it that the risk is still assumed by the Crown, but a company administers it. Would you confirm that, and would you tell me what company?



**HON. MR. ROUSSEAU:** — No, this one is different, Mr. Chairman. The group life, the risk is taken by Mutual, and they are the insurance company.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, has that always been the case that the group life, the risk has been assumed by the insurer, and if not, can you tell me when that change was made?

**HON. MR. ROUSSEAU:** — The answer is yes, and the reason being that if we self-insure, the benefits become taxable to the insurer.

Item 13 agreed to.

#### **Item 14**

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, this is the employees' dental plan, and you will note that the cost for this is going up, is doubled from 330,000 to \$660,000. Can you tell me why this cost has gone up? Can you tell me how this plan is structured? Is it an arrangement with the College of Dental Surgeons, or is it one through an insurance company? How is it structured; who takes the risk; and how is it administered?

**HON. MR. ROUSSEAU:** — To answer the first question, the reason for the cost difference is that the government experienced a premium holiday during part of 1984-85. The second part of the question was, it's integrated with the Saskatchewan Dental Plan, in that it does not cover children eligible for coverage under the Saskatchewan Dental Plan. And thirdly, the third part of the question was who and how. And it's Canada Life, and it performs the claims administration and the adjudication.

**HON. MR. BLAKENEY:** — One last question: is the risk borne by Canada Life, or is it borne by the Crown?

**HON. MR. ROUSSEAU:** — By the Crown.

Item 14 agreed to.

Items 15 to 18 inclusive agreed to.

#### **Item 19**

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, I note that this figure has gone down, which surprised me a bit. And I wondered whether you could give me any explanation as to why this figure has gone down. I'm going to ask you, on number 20, the same thing: why the teachers' group life insurance one has gone down.

**HON. MR. ROUSSEAU:** — Mr. Chairman, the answer on number 19 was down by \$4 million as a result of the revised downward estimate of requirement for teachers' pensions, due to higher than predicted revenue earnings in the teachers' superannuation fund. And on 20 — was it 20 — on 20 the premiums were reduced from \$2.40 per 1,000 per year to \$1.74 per 1,000 per year.

Item 19 agreed to.

Item 20 agreed to.

Vote 18 agreed to.

### **SUPPLEMENTARY ESTIMATES 1986**

**CONSOLIDATED FUND BUDGETARY EXPENDITURE**

**REVENUE AND FINANCIAL SERVICES**

**ORDINARY EXPENDITURE — 18**

**Item 1**

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, I don't think I understand these. With respect to any sum that is included here, was it not included in the money we just voted?

**AN HON. MEMBER:** — Yes.

**HON. MR. BLAKENEY:** — Okay.

Item 1 agreed to.

Items 2 to 7 inclusive agreed to.

Vote 18 agreed to.

**MR. CHAIRMAN:** — I'd like to thank the minister and his officials.

**HON. MR. ROUSSEAU:** — Thank you very much, Mr. Chairman, and I too would like to thank my officials for their help and assistance, and at the same time I would like to extend my sincere thanks to the Leader of the Opposition for his co-operation and excellent questions. It's been a pleasant evening for debates.

**HON. MR. BLAKENEY:** — Mr. Chairman, I join in with the minister in thanking the officials, and I view with some scepticism his remarks. They're designed to put me in ill-odour with my political colleagues.

**CONSOLIDATED FUND BUDGETARY EXPENDITURE**

**CO-OPERATION AND CO-OPERATIVE DEVELOPMENT**

**Ordinary Expenditure – Vote 6**

**Item 1**

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

**HON. MR. SANDBERG:** — Thank you, Mr. Chairman, to my far right is Carmen Dybwad, who is the director of administrative services for the department; and to my immediate right, Mr. Bill Reader, deputy minister.

I do have many fine things I wanted to say about co-operatives, in general, in the province tonight, Mr. Chairman, but due to the late hour I will make my remarks as brief as possible. And I'm pleased to have the opportunity to speak to this committee about the programs and policies of this department.

Saskatchewan residents, of course, have been organizing and supporting co-operatives in rural and urban areas since the turn of the century, and these member-owned and -controlled organizations are an integral part of prairie life.

Co-operatives are an important part of Saskatchewan's economic base. They have a significant effect on the provincial economy during periods of both prosperity and economic down turn. These organizations are providing jobs, and goods, and services, and many other things to the provinces.

We find co-ops throughout the province, from bustling cities to small towns, and indeed the rural countryside. They range from small businesses serving a local market to multi-million dollar enterprises.

What role do they play in the economy? Well just look at the statistics: 10 of the top 25 Saskatchewan-based businesses are co-operatives. Saskatchewan Wheat Pool, holding first place, employs 3,000 people and reports a net worth of \$949 million and sales volume of more than 2 billion in 1983. Federated Co-operatives holds second place with more than 700 Saskatchewan employees, a net worth of 188 million and sales volume of \$1.3 billion. And interprovincial co-operatives, CSP foods, Dairy Producers, Credit Union Central, the Co-operators insurance company, Co-op Trust, Saskatoon Co-operative Association, and Pioneer co-operative of Swift Current also rank in the top 25.

But we must look at more than these large co-operative businesses in order to get a total and accurate view of their role in Saskatchewan. More than 1,200 co-operatives are currently operating here, and they're active in more than 50 diverse areas, including grain handling, dairy production, retail trade, and oil refining, and so on.

Approximately 200 retailers are located in the province. They handle about 15 per cent of the total market. They employ more than 4,300 people; an estimated 35 per cent of our population are members of retailers.

We have 220 credit unions in rural and urban Saskatchewan, and they employ some 2,600 people and do about 50 per cent of the financial transactions.

The co-op sector, as a whole, employs more than 14,000 people, Mr. Chairman, and has a combined payroll of 218 million, and annual sales and loans of more than 4 billion.

More than 60 per cent of our residents belong to co-operatives of one kind or another. That's 600,000 people, and the numbers are growing.

Our province and country are currently in a period of tough economic times, and neither federal nor provincial governments can afford to provide the total financial assistance necessary to stimulate all segments of the economy. Saskatchewan people must develop and invest in local industries and businesses in order to assist in bringing about economic recovery.

Co-ops, therefore, offer a vehicle for this investment in the provincial economy. They have the resources and expertise to undertake multi-million dollar ventures, such as the oil up-grader.

And our small co-ops have the business structure and membership participation that enable them to develop new businesses and services in rural and urban communities. They have the ability to provide jobs and goods and services, as I mentioned.

My Department's priority, therefore — top priority — is to encourage and facilitate development of co-op enterprises, to increase employment, and provide investment opportunities. And I'm proud of this department's progress.

Our province is currently facing two particular challenge. They're the need to provide increased security for family farms, and the need to create jobs. My department is working closely with the co-op sector to develop viable and innovative ways to meet these needs.

As we all know, co-ops are very strong in the agricultural sector. We have many agricultural co-operatives, including grazing, seed cleaning, fodder feeder, and wild rice, just to name a few. The versatility of the co-op business structure makes it well-suited to agricultural activities, and we're witnessing a development of new types of agriculture co-ops in response to changing needs.

One of the key thrusts of the department in the agricultural sector is the development of farm machinery agency co-ops, co-op businesses owned and operated by farmers to reduce their costs of operating farms. These farms, co-op farms, offer substantial savings in their capital cost for new machinery, and in their total annual operating cost.

For example, members of a machinery co-operative near Kindersley recently told me that they each save about \$100,000 on the cost of machinery. One farmer said he has about \$20 to 30,000 tied up in equipment now, compared to \$150,000 if he wasn't in the co-operative.

Another priority of the department is the development of feeder co-operatives to buy feeder cattle and place them on members' farms or in custom feedlots. Many of the merging in feeder co-operatives will enrol in the provincial government's feeder association loan guarantee program.

In the area of job creation, Mr. Chairman, the innovation of the co-op sector is reflected in the development of employment co-operatives. Employment co-ops create jobs for their members. They provide employment in a variety of business areas and stimulate the local and provincial economy. And I see a broad spectrum of applications in terms of size, occupation, geographical location, and potential markets. We recognize that employment co-ops can provide more than temporary employment. They can create permanent jobs in viable, lasting businesses. My department is placing priority on developing employment co-operatives at this time.

In February of this year the department co-sponsored a national employment conference in Saskatoon. Representatives from the co-operative, private and public sectors across the country took part. It was extremely successful and generated new ideas for employment opportunities.

(2200)

In discussing employment needs, I have been addressing a basic human need. I would now like to turn to another basic need, the need for comfortable and affordable housing. Saskatchewan faces a challenge of an ageing population and the emergence of a new generation of young families following the baby boom. My department is working closely with the Co-operative Housing Association of Saskatchewan and SHC to ensure that practical and viable housing is available for these sectors. We're helping people develop continuing housing co-operatives which provide comfortable and affordable housing.

The co-operative buys or builds a housing complex comprised of a number of individual units. The members each live in a private unit and share the responsibilities and the costs. Saskatchewan currently has 12 continuing housing co-ops. Several of these projects have been developed by senior citizens, such as the 50-unit Oxford Manor Co-op in Regina and the 43-unit Crestview complex in Moose Jaw.

And I'm just going to take a moment here to read a letter that was sent to me just recently from people involved in co-operative housing in Saskatchewan. And it says:

We're happy to announce, Mr. Minister, that Saskatchewan will now have three new housing co-operative projects, or 121 units, built in 1985-86. This is a dramatic increase from the project — 28 units allocated on April 30th — and the wheels are still in motion to obtain additional allocation for the 50-unit project in Regina.

Your interest, Mr. Minister, in continuing support of co-operative housing in this province will result in quality affordable housing for 121 Saskatchewan families.

And I thank my colleague, the Minister of Sask Housing, for his participation in that.

I'd now like to draw your attention just briefly to another ongoing priority, the development of co-operatives in northern Saskatchewan. They work in northern Saskatchewan. They increase employment and so on, thereby stimulating the economy, increasing self-sufficiency of northern people.

Local interest is strong, and my ministry is helping Northerners develop new co-ops to provide jobs, and produce goods, and market goods. The department is helping northern co-ops obtain provincial and federal funding. Consequently, \$1.2 million have been allotted for northern co-ops in 1985, creating 14 permanent jobs and 302 temporary positions.

We're working with other government departments, such as Tourism and Small Business, and so on, to ensure orderly development of the wild rice industry. We have a vital role in northern development because of the economic growth and self-sufficiency offered by co-ops. So I've touched on several areas of development that are contributing to our province's economic development, and I have outlined some of my department's key initiatives in these areas.

However, we must recognize that any one of the government departments can only do so much alone. I believe that many significant achievements in economic development result from consultation and collaboration between the various organizations and agencies.

Based on this principle, my ministry is holding ongoing meetings with the chief officials of Saskatchewan's major co-ops in an effort to identify new and innovative ways that the co-operative sector can stimulate economic growth in our province. The major co-ops recognize that they not only have a great deal of influence over our province's economic development, but they also have a responsibility to contribute to further economic growth.

So with that, Mr. Chairman, those are just some of the excellent things that we're doing in my department to keep incorporation strong and growing. And of course, one of the major involvements we have in this session is the creation of a new credit union Act, and we've seen first and second reading, and we'll be going into committee of the whole on that one pretty soon. And of course, it has the full support of the credit union movement of the province of Saskatchewan, and I know it is going to be much appreciated by the people of Saskatchewan.

With that, Mr. Chairman, I'll be ready to answer questions from the opposition.

**MR. SHILLINGTON:** — Mr. Minister, I want to begin by asking you, if I might, for the names, positions, and salaries of the members of your personal staff.

**HON. MR. SANDBERG:** — Yes, I'd be happy to provide that in written form, if that's the way you'll accept it.

**MR. SHILLINGTON:** — Mr. Minister, how do you justify a change in salary retroactive to January 1, 1985? The note which you gave me says that both your personal staff received a retroactive change in salary. In light of the fact that you've frozen public service salaries, how on earth do you justify a retroactive increase in your personal staff?

**HON. MR. SANDBERG:** — The one position, the secretarial position of Mrs. Bobbee, was changed from secretarial to ministerial assistant. So that would explain any retroactively in that position. I'm not aware of any in the other ministerial assistant position.

**MR. SHILLINGTON:** — Well, let me give you some assistance. I don't know whether you gave

me the only copy of this — if you did I'll be glad to xerox it. But I'll tell you, you've increased the salary of Elaine Peterson by \$1,200 a year . . . (inaudible interjection) . . . No it's not quite actually, it's four and a half per cent.

But, Mr. Minister, I just learned something today, the last, this is the third estimates I've done . . . I see the House Leader scolding you for giving the information out . . . Mr. Minister, . . . (inaudible interjection) . . . Oh it's the same. Yes, indeed, it's the same. And he just finished telling me that the person who does the stenographic work had her salary increased by a simple change in the name of the title. Elaine Peterson had her salary increased retroactively, and she didn't even change her position. I gather this woman was always a ministerial assistant. How, Mr. Minister, do you justify increasing the salary of your personal staff?

**HON. MR. SANDBERG:** — Well, let me explain. First of all, I have two staff, if that's what you're getting all excited about, I have one secretary or one ministerial assistant who makes some \$24,000 a year. I don't think that's excessive. Not at all excessive.

I have one ministerial assistant who make some \$28,000 a year. I don't think that is at all excessive, and from what I'm given to understand by my officials, there has been no retroactive increases to these people. They did receive an increase that I'm aware of, but it isn't retroactive.

**MR. SHILLINGTON:** — Well, Mr. Minister, I go by what you gave me, not by what you say. Note, at the bottom, note: change in salary retro to January 1 1985, Elaine Peterson, \$2,455. And that Mr. Minister, amounts to an increase to \$102 per month. And how in the name of blazes do you justify increasing the salaries of your personal staff when you've denied the public service any increase?

I have learned something today. I found out some time ago that there are no longer any secretaries working in minister's offices. All there are is ministerial assistants. Now, I think, I know why, you changed the titles to give them all increases.

How on earth do you justify that? You haven't increased welfare rates in three years. You haven't increased minimum wage since you came into office, but you're giving your own personal staff an increase in salary. I think, Mr. Minister, that's despicable. Your honesty in giving me this is appreciated. None of your colleagues were quite so forthcoming, I want to say. But the policy which lays behind it is one which you ought to be deeply ashamed of.

**HON. MR. SANDBERG:** — The secretarial position was changed to a position whereby it went to a ministerial assistant position. That position took on new responsibility, and I think an increase of some \$500 a year was not excessive for the new responsibilities that that one position took on.

**MR. SHILLINGTON:** — Mr. Minister, you're not going to convince a soul, who works for the provincial government, with this argument. If you had any idea how many legitimate requests for reclassification are backed up at the level of public service . . .

**AN HON. MEMBER:** — How many are those?

**MR. SHILLINGTON:** — I don't know the numbers. I know that there are a great number of them and that they are waiting months for those reclassifications, some of which are legitimate. Some of which are legitimate.

What you have done here is, by a simple reclassification, by simply giving the person a new title and no new responsibility, you've increased her salary. I say, Mr. Minister, I appreciate your candidness. None of your colleagues were quite so forthcoming, but the policy which lays behind this is one that you ought to be ashamed of.

Nothing for the people on welfare. I have said to some of your colleagues, and I'm going to get a chance to say to the Minister of Social Services — I'm going to get a chance to describe the plight of people in my riding who live on social assistance. Nothing for those on welfare, but you got 100, you got 1,200 bucks a year for your executive assistant, and if you want, it won't take me a moment, you have a \$1,000 a year for your secretary.

Now Mr. Minister, to put it mildly, that smacks of inconsistency. I mean, it's just a trace, a trace of hypocrisy when you talk about restraint and bounce the salaries of your personal staff. That, Mr. Minister, is hypocritical; it is crass. And I tell you, the government, you, and other ministers are going to hear more about it . . . (inaudible interjection) . . . I don't care if he does it himself, sitting on a milk stool. I don't care if he does half his typing himself.

The point is: I say to the government House Leader, that you've increased those salaries retroactive when you've been denying the public service, and I'll bet you that other ministers have done the same. You boys have snuck through a pay increase for your personal staff when nothing has been forthcoming for the public service as a whole.

**HON. MR. SANDBERG:** — There was a need to reclassify this one particular employee and some 500 or \$1,000 a year, I'm not exactly sure what it is.

But let's talk about restraint, and let's talk about what you people did as a government, and what we're doing as a government . . . (inaudible interjection) . . . Okay. You don't want to hear this. You don't want to hear this, do you?

When I took over as Minister of Co-operation and Co-operative Development, there were many, many redundant, over-paid positions in that department. One, Grant Mitchell, the deputy minister, in 1981-82, making \$74.5 thousand a year — \$74.5 thousand a year, and this deputy minister doesn't make anywhere near that. He also had an assistant deputy minister which was unnecessary, which we no longer have, to whom was paid \$51,000 a year. Now tell the welfare recipients in your constituency if they could use an extra \$51,000.

Now that deputy minister also had an executive assistant who was paid \$35,000 a year. Add it up — \$51,000, \$35,000 — a deputy minister who was making some 6, 7, \$8,000 more a year than this present one. That adds up to approximately \$95,000 a year. You're standing there quibbling about a measly \$1,000 a year.

Now get your priorities straight. You're trying to make hash with the media; there's nobody here. I don't know what you're trying to accomplish. Everytime you get up and spew that crap out of your mouth, you're insulting the co-operative people of the province of Saskatchewan. They laugh at you consistently, just like they did in the budget speech when you talked about my travel expenses.

I went to visit people in Bjorkdale — all over the province of Saskatchewan. You asked Ted Turner, and Vern Leland, and Ed Gebert, and those people who are the leaders of the co-operative movement here, and ask them if my time was well spent out there. Ask them if my two staff people are being wasteful as far as the co-operative people of this province are concerned.

**MR. SHILLINGTON:** — Well, we're going to get to your travel expenses in a moment, Mr. Minister, but just for the moment, I want to say, with respect to this issue, that I think it is absolutely despicable that you would give your secretary a \$1,000-a-year increase in salary, give your executive assistant a \$1,200-a-year increase, and at the same time, freeze the wages of the public servants. That, Mr. Minister, is hypocritical; it is hypocritical, and it borders on the dishonest. It borders on the dishonest for your government to announce a pay freeze and then pay your personal staff an increased amount.

(2215)

And I know now why there are no secretarial staffs in ministers' offices — why no secretary works in a minister's office — because you snuck through a pay increase for your personal staff in the guise of giving them a new title, while other public servants who have a legitimate claim, while other public servants who have a legitimate claim to a reclassification because their duties have actually changed. You, Mr. Minister, have the gall to give your staff an increase in pay at a time when you are preaching restraint to the public service.

If the public service of Saskatchewan aren't as mad — and I won't say how mad they should be because it might be unparliamentary — but if they aren't as mad as heck — pardon me pulling the punch on that word — if they aren't furious, then it's only because they don't know about it, because they have every right to be absolutely indignant about this.

If you haven't got any increase for career public servants, how could you pretend to give pay increases to your personal staff who are in many cases, in most cases, political assistants? This is so typical of this government, so hypocritical. Money for your friends, but nothing for the general public.

**SOME HON. MEMBERS:** Hear, hear!

**MR. SHILLINGTON:** — Money for big oil, but nothing for the people on welfare or those on minimum wage.

**SOME HON. MEMBERS:** Hear, hear!

**MR. SHILLINGTON:** — Money for CP trucking, but not a nickel for the farmers in Assiniboia-Gravelbourg who lost their crop last year. You've got money for your personal staff, pay increase for your personal staff; nothing for those on minimum wage, nothing for those in the public service, nothing for those on welfare. The hypocrisy of this government has never been clearer than it is right now, Mr. Minister, and if you had a shred of decency, you'd resign. You really would.

**HON. MR. SANDBERG:** — I'll repeat, I'll repeat my answer to the hon. member from Regina Centre, in that I asked my secretarial ministerial assistant to assume some additional new duties that she didn't have before. And for a measly \$1,000 a year, I'm not sure what it was, she's doing those extra duties. I might say that she was hired by an application. She was not known to me before she was hired. She worked at IPSCO. She sent an application into this government. I interviewed her and hired her. She was no personal friend of mine before, but I might say she is now, and she is a mighty good personal secretary.

You talk about waste, and let's just go over the waste again — go over the waste again. An assistant deputy minister in the department under the NDP government, an additional \$51,000 that isn't there now. Executive assistant to that deputy minister, an additional \$35,000. A deputy minister that was making several thousand dollars more a year in 1982 than this deputy is now.

I might add, just for the information of the Assembly, that the former deputy minister is now working in Manitoba, and so is the assistant deputy minister. So don't talk about hiring your friends. They talk about hiring their friends. Yes.

So I have no more comment on that except to say that this particular person is earning the salary she makes.

**MR. SHILLINGTON:** — Since you invited me to, let me deal with your travel expenses. Mr. Minister, your travel expenses came to . . . (inaudible interjection) . . . Yes, I sincerely hope they are. I sincerely hope the co-op leaders are.



Your travel expenses, Mr. Minister, came to \$25,000 — \$25,836.50. I want, Mr. Minister, to read, for your benefit, the travel expenses of your predecessor in office, Mr. Robbins, who's the last minister in our government. Try telling that to the co-op people that Wes Robbins didn't do anything. Nobody worked harder on behalf of the co-op movement when he worked for them for 30 years, and afterwards, than Wes Robbins.

Wes Robbins's travel expenses in the last year he was in office — they weren't \$25,000, they weren't \$25,000, they weren't half of that, they weren't a quarter of that. Wes Robbins's expenses were \$2,560. Almost exactly one-tenth of yours.

Mr. Minister, your travel expenses are twice the Minister of Culture and Youth. Mr. Minister, your travel expenses exceed that of many of your colleagues who have more than one portfolio, Mr. Minister. Your travel expenses are excessive by any . . . (inaudible) . . . They are ten times that of your predecessor. Yours are about the fifth or sixth highest in government; and that, Mr. Minister, is an abuse. Just — it is an illustration of the same trait as we see with respect to your secretaries. You've got all kinds of money for yourself and your friends, and nothing for anybody else.

At a time when there is no money for small business . . . (inaudible interjection) . . . Well, you've got a program. If you want me to describe your program on small business, I'm sure the chairman would be delighted to hear about it.

You've got a program of small business, which they say is designed not to work; you've got a program for farmers which won't work; it's designed not to spend any money, but you've got all kinds of money for yourself for travelling — \$25,000. That is an outright abuse of your office, Mr. Minister, to spend \$25,000 on travel.

It is ten times what your predecessor spent, and nobody, Mr. Minister, in this government or the last, worked harder on behalf of co-ops, both when he worked for them, and when he was in office, than Wes Robbins.

You cannot, Mr. Minister, justify to me, or to the co-op people, or to the public of Saskatchewan, spending \$25,000 on travel expenses . . . (inaudible interjection) . . . Well, I invite you, Mr. Minister, to try. He didn't run again, and if he had've, he'd have been sitting right here.

**HON. MR. SANDBERG:** — Well, there goes the member for Regina Centre again, insulting all the co-operative members in the province of Saskatchewan.

You've just succeeded in insulting all 600,000 of them once again, as you did a couple weeks ago. You haven't learned anything in the last three or four weeks. You haven't learned a thing. You're a lawyer, but you must have got your certificate at Sears or Eaton's, or somewhere, because you never make any sense.

I'll tell you where I've been in the last year. I'll tell you where that \$25,000 and expenses came in. I've been to the co-operatives at Duck Lake; I've been to the co-operatives at Melfort, Tisdale, and Bjorkdale. You tell the people at Bjorkdale that I shouldn't have gone out there and opened their brand new credit union, which they're very, very proud of. You tell the. Tell the co-op members out there, the members of that credit union, that I shouldn't have gone out there.

Tell the people at Pierceland, who were very proud of their new facility; tell them that I shouldn't have gone out there and helped them cut the ribbon and talked with them about the situations and problems that they face out there.

Tell the people at Lloydminster — tell the people in Lloydminster — tell Leo Doucette at the Lloydminster co-operative that I shouldn't have visited the Lloydminster Co-operative

Association.

Tell the people in Spiritwood. Tell the people in Edam. Tell the people in Turtleford, North Battleford, and Battleford. Tell the people at Cut Knife that I shouldn't have visited their seed-cleaning co-operative. Tell the credit union at Kindersley, and the co-operative association at Kindersley, that I shouldn't have gone out there.

Tell the people at Saskatoon and Prud'homme. At Prud'homme, the birthplace of our present Governor General, we had a very nice time out there, thank you. And I don't know how much it cost me to go out there and back, but I had a very nice time out there helping them opening their new facility.

And at Watrous, at Young, and Strasbourg . . . At Young, I was out there twice in the last couple of years helping them celebrate their 70th anniversary of their co-operative association. And they're ashamed of people like you. They're ashamed of you, because they say the member from Regina Centre is standing up there and criticizing you for coming out and visiting us. When is he going to learn?

Ask the people at Swift Current where I just went out and helped them open their new financial services group. They said they're ashamed of the Leader of the Opposition because he criticizes you for travelling in the province of Saskatchewan. He has no more credibility with the credit union people and the co-operative people in this province.

Tell the people in Yorkton; tell the people in Pinehouse and Cumberland House. And indeed, tell Ted Turner, and tell Vern Leland, and tell Ed Gebert of Co-op Trust, who accompanied me to Washington, D.C. last summer to have a good, hard look at their national consumers' co-operative bank to see if we could do something on the same line. I dare you. Go tell Ted Turner and Vern Leland that this minister is wasting his time and the taxpayers' money travelling with these people.

Now you're the one that's acting in a hypocritical fashion. You talk about some former minister who never go this butt off the chair in some office up here in the marble palace, and that's why the people trumped him out of office in 1982.

**SOME HON. MEMBERS:** Hear, hear!

**MR. SHILLINGTON:** — All I can say, Mr. Minister, is the trained sheep, who are clapping, have no idea what is involved in that portfolio.

Mr. Minister, Wes Robbins was in two or three communities a minimum of a week. There is no way he could get, on one side of an eight and a half by 11, a list of all the co-ops he visited in any one year. The fact that you could, the fact that you could get on one side of an eight and a half by 11 what you've done in the last year is illustrative of the fact that you haven't been very busy . . . (inaudible interjection) . . . Yes, but you had them on a sheet of paper, and there was only one sheet of paper.

Mr. Minister, I was minister of co-ops. Mr. Minister, I really would like to know how in the devil you ran up travel expenses of \$25,000? Don't you have a driver's licence? Can't you drive? Lots of ministers drive.

**MR. CHAIRMAN:** — Order, order! Order! Order! Order! I would ask members of the House to allow the member from Regina Centre to make his comments.

**MR. SHILLINGTON:** — Thank you, Mr. Chairman. Mr. Minister, if you spend as long in this legislature as Wes Robbins, I would be genuinely surprised. I wouldn't expect you ever to work as hard as he did. He was into two to three co-ops a week. I know that, because I was Minister of Co-ops for three weeks — or, for three years — that was my schedule, and I'll tell you, Mr.

Minister, that Wes Robbins worked as hard as I did. But I used my car. I didn't insist upon being driven everywhere.

Mr. Minister, I'm going to ask you to give me a breakdown of those travel expenses . . .

**AN HON. MEMBER:** — Oh, take a trip.

**MR. SHILLINGTON:** — Oh, take a trip! Your colleagues, who have less to apologize for, have done it. Both the Minister of Education and the Minister of Culture and Youth have done it.

Mr. Minister, I ask you for the following undertaking. Provide me, with respect to in-province travel, a breakdown of the per diems and miscellaneous. With respect to out-of-province travel, a breakdown of per diems, air travel, and other expenses.

Will you give me an undertaking to provide me with that? The Minister of Education can confirm that she agreed to do that, and agreed in writing.

**HON. MR. SANDBERG:** — Well, did you ever notice when you've got a hog cornered, that's when he squeals the loudest. Right? That's when he squeals the loudest. When he's fallen behind, that's when he squeals the loudest.

(2230)

He's insisted in insulting all the members of co-operatives in the province of Saskatchewan on more than one occasion. I congratulate you; you've done it, again tonight. You've insulted the integrity of the leadership of the Saskatchewan Wheat Pool. Federated Co-operatives, Co-op Trust. You've insulted their integrity. They won't forgive you for that, I can guarantee that.

You know you're losing out there; you know you're losing out there with the co-operative members in the province of Saskatchewan, but despite all of that, I will provide you that information. I don't have it here with me tonight. We'll provide it in due course.

**MR. SHILLINGTON:** — Mr. Minister, I invite you to forward to all co-op members a copy of *Hansard* for this evening. I invite you to forward to all 600,000 — if that's the number — and I take your word for it — a copy of this *Hansard*. Mr. Minister, I'll tell you what. You are lucky that these estimates are being conducted at the time of night they are.

Mr. Minister, I want to deal for a moment . . . I want to deal for a moment with the actual amount expended in the estimates. My actual copy of the *Estimates* has escaped me just at the moment.

Mr. Minister, I want to refresh your memory for a moment, since you seem to have trouble with the facts. In co-ops your estimates are down by \$200,000 — 6, 7 per cent. The staff levels are down by 8 per cent, as the House Leader insists on knowing. Each and every single subvote is less. That, Mr. Minister, was also the case last year.

Mr. Minister, the amount expended on co-ops, the staff levels have decreased in each year. Mr. Minister, I ask you, how can you possibly pretend to be supporting the development of co-ops when you continue to downgrade this department in money and people?

Contrary to what you may have believed yourself, you cannot do more work and more development with less money and less staff. You may claim that, but nobody believes you, just as nobody believes you need to spend \$25,000 to visit a dozen co-ops that you read off.

Mr. Minister, I ask you to justify the decreased expenditures — and they have been very marked over the last couple of years. The number of employers when this government took office was 72; it's now 60. That is a decrease of some 20 per cent. The amount actually expended, as I

believe — I don't have that figure with me — but I believe that the total expenditures have also decreased by 20 per cent.

Mr. Minister, how can you pretend to be developing co-ops when you are continually downgrading this department?

**HON. MR. SANDBERG:** — Well, several comments first to the hon. member from Regina Centre. When we came into government in 1982, we promised the people of Saskatchewan that big government wasn't our priority. We promised them that efficient government was, and I won't apologize for that at any time — at any time, will I not apologize for that.

Yes, in 1981-82, there were 79 employees, I believe, in the department of co-operatives, and now according to the blue book, there's 62.3. Those figures are there for everyone to see.

The fact of the matter is that we had a record number of incorporations this year, better than any time in the past. We had 55 incorporations this year, which is 57 per cent above the previous year. Fifty-five new incorporations, and if you're trying to tell me that the people of the Department of Co-operatives are not producing and are not efficient, I say otherwise. We've got an efficient department. We have as many field-workers out there as we've ever had.

We've cut down on the numbers of people in the head office because we found they weren't necessary. We found in 1982 that an assistant to the deputy minister wasn't necessary. We found that an executive assistant to the deputy minister wasn't necessary. They're gone. They just weren't necessary. As I said before, \$95,000 will pay a lot of welfare and feed a lot of mouths in your constituency, if that's where they are.

Under the direction of this very capable deputy minister, we have realigned the department, restructured it, in the last two years to make it more efficient, because more monies are going out for schools, for nursing homes, and hospitals in the province of Saskatchewan.

You mentioned that we were 200,000 fewer dollars this year than last year. Evidently your calculator isn't working very well, because my subtraction says \$128,000 — \$128,000 not 200,000. We're more efficient. We have the same number of co-op management advisers in the field as we've before, and in fact, we have one more office now than we had in the past year. We've opened up a brand new office in Moose Jaw, where there was none before.

When I came into the office in 1982, there was only one worker in La Ronge. Now there are two, doing a terrific job up in the North, incorporating co-operatives and helping those people managing their fishing co-operatives, and their feeder co-operatives, their grazing co-operatives, and so on, in northern Saskatchewan.

So I make no apologize whatsoever for having fewer employees in the department of co-operatives than there were in 1982.

**MR. SHILLINGTON:** — Well, Mr. Minister, this downgrading of the department comes at a time when, in many ways, the co-op movement needs help. In many ways, some of the co-op movement are going through some difficult times. We hear reports, Mr. Minister, of retail co-ops who are having difficulty, a retail co-op closing here or there. I ask you, Mr. Minister, couldn't you have used some of the money which you have apparently willingly given away? That is not my idea of a strong minister.

Mr. Minister, could you not have used some of the money and staff you've given away to assist some of the retail and other co-ops who have had genuine difficulty? I gather at least one of which has closed, if not more.

**HON. MR. SANDBERG:** — Well, I'm not aware of the Department of Co-operatives ever, even

in your history, providing grants to retail co-operatives for their operating losses or to operate. If they have, maybe you can tell me that you did in the past. But if you did it, we don't. We don't do it. That's Federated Co-operatives' mandate to help the retails out there, and they're doing quite well, thank you.

They made \$29 million last year in profits and savings, as co-operatives call them, in one of the most difficult years that we've known in a long time since the early '70s. There are a few co-operatives that are experiencing difficulties out there, some operating difficulties. I'm not going to name them here because that's not my position. That is Federated's prerogative, and the prerogative of the autonomous co-operative associations out there.

But from what I understand and my consultations with the leadership of Federated Co-op and the management of Federated Co-op, they are being provided with the help they need to survive, if, indeed, their members do want them to survive. In some cases the co-operatives are not providing the services that the members want any longer. So they make the choice to dissolve them.

That is the choice of the members, and that's the great thing about the co-operative model. The members make the choices whether they want to operate or not. They make the choices, and they decide the future of their own co-operatives.

**MR. SHILLINGTON:** — Mr. Minister, I want to make a suggestion to you that — I want to make a suggestion — I want to pass on a suggestion to you that I made to the Minister of Culture and Youth.

I read it this morning in a publication which if you could get press anywhere you do. I've discovered that you don't get uniform bad press. There's one magazine in the province that has some decent things to say about you. It's called *Saskatchewan Viewpoint*. It is of course — now that's an appropriate place for it — it is, of course, published by the Conservative Party, but apart from that, you guys are striking out everywhere.

In a publication, the *Business Express*, published in Regina — I gather now the only business publication in Regina — one Roger Sauvé, who is president of *Sask-Trends Monitor*, states that the government . . . and I want to read a sentence to you because I think it has great implications for co-op's, as it does for artistic community.

The government has chosen to put all its eggs in four baskets. These baskets are selected areas of health, education, agriculture, and job creation. This new spending prioritization relates not only to current year, but to a five-year period. That means that in order to divert more resources to these selected funds, cut-backs will have to continue in other areas over the entire five-year period.

I don't know the man, but when I read that, that struck me as being a fairly perceptive comment.

Mr. Minister, I would like your comments on this. Do you believe that the four prioritization, as he calls them, are real natural, or do you agree with us, that's cosmetics? Nobody should take that seriously.

If you do, the second two questions don't apply. But if you take it seriously, and I assume you are obliged to say you do, do you think seriously the Minister of Finance's comments that he is going to exercise restraint? And we don't, and neither do the writers in this journal, but some people do.

But, Mr. Minister, if you take both those comments seriously, then you are driven to the conclusion that in areas other than those prioritizations, there's going to be continuing cut-backs over the next five years. Mr. Minister, that is bad news for co-ops as it is bad news for the artistic

community. It means you are shut out of what's important in this government. The very act of creating four areas of importance, in effect, means that everything else isn't important.

(2245)

So I ask you, Mr. Minister, where do you stand? Do you believe the Minister of Finance when he sets out these prioritizations? Do you believe, Mr. Minister, that restraint will be the key? And if you do, then, Mr. Minister, you're driven the conclusion that co-ops is going to receive cut-backs over the next five years.

**HON. MR. SANDBERG:** — Well as I indicated earlier, restraint is sometimes necessary, but I believe efficiency is just as important. That's what we have strived to achieve in the Department of Co-operatives. When you ask me what is my position on the long-range plans for health, education, agriculture, and employment development in this province, I say they are going to benefit all the people of Saskatchewan. And in all those people, you count the 600,000 memberships that we have in co-operatives.

Co-operatives now employ some 14,000 plus people. They will benefit, just as everyone will in this province, from the long-range plans of the budget of the Minister of Finance of this Progressive Conservative government. I have no doubt about that at all.

If you want to talk about restraint, let's talk about what one of the leaders of one of the central co-operatives in the province of Saskatchewan said about your program, particularly in pensions. He said, for example, pension plans for Saskatchewan teachers and government employees have an unfunded liability of \$1.6 billion and need \$2.8 billion to become actuarially sound. That was the comment of one of the leaders of the central co-operatives in the province of Saskatchewan.

I suggest, and we all know, why they're not actuarially sound. It's because of the planning that was put forward by the previous government of this province of Saskatchewan. You guys had no planning. You didn't know where you were going. In 1982 it was made quite obvious to the people of Saskatchewan that you no longer belonged here.

We have a five-year plan that's going to work. For example, in the city of Saskatoon, there are, according to the mayor, some \$1 billion worth of projects lined up for the next six years, including a new multi-purpose sports facility that I'm very proud that the people of Saskatchewan are taking part of, a new city hospital, additions to University Hospital, and additions to St. Paul's Hospital.

**MR. CHAIRMAN:** — Does the member have a point of order?

**MR. SHILLINGTON:** — Yes. He's well off his own estimates when he's talking about the arena, the hospital, and everything else.

**MR. CHAIRMAN:** — The point of order is well taken.

**MR. SHILLINGTON:** — Thank you very much. Mr. Minister, I have a couple of perfunctory questions. I put them at no higher level than that. It relates to loans guaranteed. I'd like, Mr. Minister, to know what loans were guaranteed by the co-op guarantee board. And I have a second question when you answer that. If your deputy has a tear-out sheet which he can send over, that would be, of course, better than getting it orally.

**HON. MR. SANDBERG:** — Well, the biggest guarantee I can think of that's still on the books is 2.45 million to Co-operative implements, and there are a few others. I am not sure what they add up to at this point, but I will see that that information is provided to you as soon as possible.

**MR. SHILLINGTON:** — Okay. I would also like to know the amount and the number of loans

which would have gone into default this year? I don't need the whole kettle of fish because it's in your last annual report. I just want the information for this year.

**HON. MR. SANDBERG:** — None went in default.

Item 1 agreed to.

Item 2 agreed to.

**Item 3**

**MR. SHILLINGTON:** — Mr. Minister, you had a loss of two permanent positions. Where there any lay-offs in your department as a result of the loss of these positions?

**HON. MR. SANDBERG:** — No, there were no lay-offs.

Item 3 agreed to.

Item 4 agreed to.

Vote 6 agreed to.

**MR. CHAIRMAN:** — I'd like to thank the minister and his officials.

**HON. MR. SANDBERG:** — Yes, I'd like to thank my officials for coming out late this evening to answer the questions for the member from Regina Centre. We always have an enjoyable time in our verbal jousts here, and we again thank the officials. Thank you.

**MR. SHILLINGTON:** — Yes, I want to thank the minister and his staff. We run for office, and we voluntarily accept this in the same light. But you people, I think, bargain for something more civilized, and they keep you here till 10 to 11 at night. I appreciate your doing that.

The committee reported progress.

The Assembly adjourned at 10:50 p.m.