

The Assembly met at 2 p.m.

Prayers

## ROUTINE PROCEEDINGS

### INTRODUCTION OF GUESTS

**Mr. Van Mulligen:** — Thank you, Mr. Speaker. It's my pleasure to introduce to you, and through you to the members of this Assembly, a group of 22 students, grade 8 students from Glen Elm School. They are accompanied by their teacher, Larry Moleski, and their principal, L. Petschulat.

I look forward to meeting with these students after the question period, and hopefully to answer any questions that they may have. And I would ask you and the members to join with me in welcoming this group here today.

**Hon. Members:** — Hear, hear!

**Mr. Thompson:** — Thank you, Mr. Speaker. I'd like to introduce to you and through you, a group of park workers seated in the west gallery who are in Regina today to present a petition to the Minister of Parks, Culture and Recreation with 6,000 names of concerned citizens, concerned over the privatization of Saskatchewan provincial parks.

They represent, Mr. Speaker, the Moose Mountain Provincial Park, the Lac La Ronge Provincial Park, The Battlefords Provincial Park, Blackstrap Provincial Park, Danielson and Douglas provincial parks, Cypress provincial park, Meadow Lake Provincial Park, Duck Mountain Provincial Park.

I'd like to ask all members to welcome the park workers here today.

**Hon. Members:** — Hear, hear!

**Mr. Johnson:** — Thank you, Mr. Speaker. I'd like to introduce to you, and through you to the Assembly, 23 students, grades 5, 6, 7, and 8. They come from the Countryside School at Saltcoats, which is actually two miles south of the town of Saltcoats.

They're accompanied today by their teachers, Myron and Twila Wiebe and Tracey Bartel. Their drivers today are George and Mabel Penner, Ralph and Florence Warkentin, and Norman and Darleen Wohlgemuth.

I had the pleasure, Mr. Speaker, to visit with this group this afternoon, and I took the liberty of briefing them on what they could witness in the Assembly today. I just would like to wish them a safe trip back home to your homes this evening and ask the Assembly to help me welcome them in the usual manner, to these fine people from Saltcoats.

**Hon. Members:** — Hear, hear!

### ORAL QUESTIONS

### Summer Employment in Saskatoon

**Mr. Anguish:** — Mr. Speaker, my question is to the minister in charge of the Employment Development Agency, and it has to do with the very serious unemployment in Saskatchewan, particularly in the city of Saskatoon.

Saskatoon's unemployment rate was a little over 12 per cent last month, giving it the fourth-highest unemployment rate of 24 major cities across Canada, with the youth unemployment rate of some 16 per cent. This month thousands of students, as the minister will know, will be coming into the job market in search of summer employment, and yet in spite of these high unemployment totals your government has chose to cut the budgets for summer job creation in this particular year.

Can the minister tell the young people of Saskatoon why he chose to cut the summer employment program this year?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Johnson:** — Well, Mr. Speaker, the member opposite has a short and, I might say, inaccurate memory. Approximately one week ago that same question was asked, and I explained that Saskatoon is the fastest growing city in Canada and therefore people . . .

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Johnson:** — . . . and therefore people are moving into Saskatoon because that's where the jobs are being created, and therefore . . .

**Mr. Speaker:** — Order. Order. Order. We're having difficulty hearing the minister, and I would ask for the co-operation of the House.

**Hon. Mr. Johnson:** — Therefore, Mr. Speaker, people are moving into Saskatoon faster than the fastest-growing city in Canada can provide jobs for them because they heard it was good in Saskatoon.

Now that I've reminded him of the question and the answer that I gave a week ago, I also point out to the member opposite that there has been no cut in the student job program; that the same amount of money has been budgeted as last year; that last year there was record student employment in Saskatchewan; that students are now completing their exams, and once they've completed their exams they will be out in the job market, and there will be at least as many jobs as last year. So the member opposite should take note that the question was asked and answered a week ago, and that his premise is false.

**Some Hon. Members:** Hear, hear!

**Mr. Anguish:** — Mr. Speaker, the same minister. I imagine Saskatoon must be growing quite fast because of people being driven off their farms in the province because that's the only place where the population

increase would come from.

And what the minister says is contrary to the facts. The Opportunities '86 program contained in it \$8.5 million; \$2 million was added because it was election year in the province of Saskatchewan, for a total of \$10.5 million. The same program this year contains \$4 million, and it doesn't take a pocket calculator or computer to . . .

**Mr. Speaker:** — Order. I believe the hon. member is kind of getting into debate. I'm not sure whether it's a new question or a supplementary. He hasn't indicated that to me, and therefore I have to assume it's a supplementary and ask him to put his question.

**Mr. Anguish:** — It's a new question, Mr. Speaker.

**Mr. Speaker:** — Supplementary. It's a supplementary and I ask that you treat it as such.

**Mr. Anguish:** — Mr. Speaker, in the program this year there's \$6.5 million less than there was in 1986. Now since it's election year again in the city of Saskatoon, I would ask the minister: will you bring in a supplementary budget for the Opportunities '88 program, and will you allow non-profits and municipal governments to qualify again under the program criteria so students in Saskatoon and other places in the province can find adequate summer employment?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Schmidt:** — Well, Mr. Speaker, that was rather a broad question. First of all, the member opposite referred to people being forced off farms, and I have to answer that. That process started with land bank. That process continued in 1980 when the interest rates went up to over 22 per cent. Farmers who were sitting on loans at eight and a half per cent — I know them personally — had their interest rates go up to over 22 per cent. And the Leader of the Opposition was then the deputy premier of Saskatchewan, and he said, well, we can't do much — just shrugged his shoulders. Now they shrug their shoulders and ask, how did it happen? Well they were in government; they saw it happen; they let it happen. I had farmers in my constituency . . .

**Mr. Speaker:** — Order. Order. Order. I believe the minister has more than made his point on that particular issue, and I would ask him to get to the latter part of the question.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Schmidt:** — Mr. Speaker, the member opposite has twice said there's been a cut from last year. There were \$4 million — one, two, three, four — last year. There are \$4 million — one, two, three, four.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Schmidt:** — Mr. Speaker, the four on my right hand equal the four on my left hand. That is the same as last year.

**Mr. Anguish:** — Mr. Speaker, two years ago there was

one, two, three, four, five, six, seven, eight, nine, ten, and I don't know which finger to use for the other half.

**Some Hon. Members:** Hear, hear!

**Mr. Anguish:** — So to me that's a reduction of \$6.5 million in the summer employment program, Opportunities '88.

**Mr. Speaker:** — Order.

**Mr. Anguish:** — Now do I have to count that out again for the minister? That's a reduction, and you don't need a pocket calculator. You can use your fingers again if you want, but you'll come up with \$6.5 million less, when we've got an unemployment rate that's at least 3 per cent higher with young people.

If the minister isn't involved in the long waiting list on the hearing aid program, would you answer the question as to whether or not you'll bring in a supplementary budget for Opportunities '88; and will you reduce the criteria so that municipal governments and non-profits can apply and qualify for the program?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Schmidt:** — Well, Mr. Speaker, if the member opposite continues his exaggeration, he'll have to remove his shoes to continue.

Let us get down to the problem at hand here. Two years ago we had a different economic situation. There was more money in the program, yes, but the Saskatchewan home program has created jobs for students in other ways than directly buying these student . . . these jobs.

In addition, our policies towards business and agriculture mean that those people are hiring students, and that's where we are going to put the emphasis on student jobs, is business and agriculture, the job creation part of our economy.

**Some Hon. Members:** Hear, hear!

**Mr. Anguish:** — New question, Mr. Speaker. The members opposite can increase the salaries for their political staffs, they can rent \$34,000 a day on empty office space across the province of Saskatchewan, but you can't adequately fund the increase in at least 4,000 jobs lost to students in the province of Saskatchewan.

My question to the minister is whether or not you will bring in a supplementary budget so that students who are going into the work-force can be assured that they'll have jobs for the summer and they won't go back with empty pockets to university and back to school in the fall.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Schmidt:** — Mr. Speaker, I was joking when I said the member opposite should remove his shoes, but I think he's going to have to do it because here he comes up with \$34,000 a day for empty space when that is seven times the actual figure. And I don't know how he's going to do multiplication and division on his hands, but he's

going to have to improve on it because that is a seven-fold exaggeration.

The space he refers to, a large portion of that, a large portion of that is being held for a youth drug and alcohol.

**Mr. Speaker:** — Order. Order. Order. Order. Order. I believe the minister has made his point regarding that remark, and it wasn't the major aspect of the question. I would like to give him the opportunity to get to answer the major portion of the question.

**Hon. Mr. Schmidt:** — Mr. Speaker, I'm sorry. I'm having a hard time sorting the exaggeration from the question. If the members opposite could stick to a question without getting into exaggeration, we could try to answer it.

### Privatization of Provincial Parks

**Mr. Lautermilch:** — Thank you, Mr. Speaker. My question is to the Minister of Parks. Mr. Minister, today workers from Saskatchewan's provincial parks presented you with petitions signed by more than 6,000 people urging you to stop the privatization of our parks system. Privatization of the parks has meant jobs lost, poorer services, and huge increases in fees charged to park users.

Mr. Minister, my question is: can you tell the people why they should support privatization of our parks when it has resulted in an increase of 30 per cent in park entry fees, an increase in 80 per cent in camping fees, and 30 per cent increase in swimming pool rates in the last year alone?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Maxwell:** — Mr. Speaker, private investment in the parks has meant \$17.2 million of new money invested in the park system, and that compares to only 1.5 million that we had to put up as a government; that is, the taxpayers of Saskatchewan, these people sitting around here, put up 1.5 million and the private sector put up 17.2 million.

When he talks about increases in park fees and other things, yes, there were increases, and it was nothing to do with privatization, Mr. Speaker. We were spending in excess of \$5 million on park operations and taking in something under 2, and we've tried to close that gap. As it is we spent over all, some \$12 million a year, and we recoup 9 from one source or another. And when we're talking about privatization, do your homework and read what it is all about. It's nothing to do with selling park land, Mr. Speaker, because under The Parks Act, land in a park cannot be sold.

**Some Hon. Members:** Hear, hear!

**Mr. Lautermilch:** — Supplementary, Mr. Speaker. Mr. Minister, you know full well that you're giving away to your Tory hack friends the lucrative portions of the park system, and that means that you've got to increase fees to the users of those parks. I ask you if you're willing to sit back and have another look at your privatization scheme so that the people of this province can enjoy those parks at a reasonable rate.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Maxwell:** — Mr. Speaker, if it's so lucrative, how come the system was losing money? And he's talking about our friends . . .

**Mr. Speaker:** — Order, Order. Surely we can't hear the minister attempting to answer the question, and I ask the members to allow him to answer the question.

**Hon. Mr. Maxwell:** — He talks about leasing to our friends; we'll gladly lease to your friends if you can find any friends with enough business knowledge to get into the business in the parks.

**Some Hon. Members:** Hear, hear!

**Mr. Thompson:** — Thank you, Mr. Speaker, and I direct my question . . . a new question to the Minister of Parks, Culture and Recreation. Mr. Minister, last year you turned over the operations of cabins and condominiums at Duck Mountain Provincial Park to a private company. The rental rate for a condominium immediately increased from \$60 to \$75 per day.

When the Mount Blackstrap ski operation was leased, untendered, to a private operator, he doubled the price of a season ticket for a family of five from 200 to \$400 — by way of information, Mr. Speaker. These are direct results of privatization in our public parks.

Mr. Minister, my question is: is it your strategy to turn Saskatchewan provincial parks into playgrounds for the rich, rather than keep them affordable to all Saskatchewan families? Is that where your privatization plans are leading this province?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Maxwell:** — Mr. Speaker, you talk about Blackstrap — there was an organization that was being run by the government that was losing over 100,000 . . . about 150 or \$160,000 a year.

We allowed someone to run it for us; we contracted him to run it for one year. He took his lumps, he took his losses, he worked it out, and he came back with proposal, an unsolicited proposal, and said, look, let me lease this, let me run it; I think I can turn it around. He did, and that's the savings to the taxpayers of Saskatchewan.

And it goes on with every park, Mr. Speaker. There are losing enterprises in every park. I don't think it's fair to expect the taxpayers of Saskatchewan to subsidize absolutely every little thing that goes on in a park, including restaurants which are competing with the private sector who have to try and break even at least, or make money. Why should we, the taxpayers, be subsidizing hamburgers in a park? I don't think that's fair.

**Some Hon. Members:** Hear, hear!

**Mr. Thompson:** — New question, Mr. Speaker. What an analogy — using hamburgers as an example.

A new question to the Minister of Parks, Culture and Recreation. Mr. Minister, what this privatization means as well is a loss of jobs and employment in income to the small communities surrounding many of our provincial parks, because the privatization of the parks means employees . . . that means lost jobs, and that means families moving away.

Did the government study the long-term impact privatization of provincial parks will have on the communities before you decided that this change was cost-effective, or did you just jump into privatization of parks, as you have with everything else, with your eyes closed and your fingers crossed?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Maxwell:** — Here we go again, Mr. Speaker, an example of the opposition uninhibited by fact, unencumbered by knowledge. The fact is, during the construction phase of 66 projects that went on in the parks, 135 jobs were created. During the operating, 112 jobs were created. The jobs that were affected, 96.

Now, Mr. Speaker, listen carefully and I ask all of the people of Saskatchewan to listen to this one. Because of privatization initiatives and efficiencies, which go hand in hand, 96 jobs were abolished. Now I'm saying abolished. The positions were abolished, but we took the people who were affected, Mr. Speaker, and they were offered alternatives.

Sixty of them took alternative employment; eight of them are on a re-employment list and got transferred elsewhere; 19 retired and eight . . . 19 resigned, eight retired. So there were no massive job losses at all connected with this. So it's completely false and completely unfair for the NDP to run around spreading scare tactics about privatization of parks.

What privatization does for us, Mr. Speaker, is it allows us to put capital into parks, put new facilities into parks at little or no cost whatsoever to the taxpayers of Saskatchewan. And it allows us to operate them in a more efficient and effective manner.

**Some Hon. Members:** Hear, hear!

### Inventory Appraisal of SIAST

**Mr. Kowalsky:** — Mr. Minister, can you explain why the Saskatchewan Institute of Applied Science and Technology now has a team of 15 appraisers travelling across the province doing a complete inventory and asset evaluation on everything owned by Saskatchewan's technical institutes and community colleges. And could you tell me what the cost of this massive appraisal is?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Hepworth:** — Mr. Speaker, I'm not familiar with the team as the hon. member has described it. I will take notice of his question and report back to the House.

**Mr. Kowalsky:** — Well, Mr. Minister, I'm shocked that such a major expensive project, which had been

launched by your department, would not be under your jurisdiction or under your authorization.

So if you're taking notice, Mr. Minister, I would ask that you answer these questions with respect to the project: What is the total cost? Was it tendered? And why is such an inventory and evaluation necessary to be done by an outside company, an Ontario company, when a new institute is simply an amalgamation of the old institutes? Surely they have this information on file, Mr. Minister.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Hepworth:** — As I said, Mr. Speaker, I'll take notice. And the hon. member chastises me for not having — at least in his mind — a more detailed understanding of what the Saskatchewan Institute of Applied Science and Technology is doing.

I would just remind him that it's about 8 or 10 or 11 months ago now that in this very House we passed a Bill giving autonomy to the newly formed Saskatchewan Institute of Applied Science and Technology. They are not run by the Department of Education any more, and that was as they wished as well, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

### Tabling of *Public Accounts*

**Mr. Van Mulligen:** — My question is to the Acting Minister of Finance, and it deals with the 1986-87 *Public Accounts*. You will know, Mr. Speaker, that these *Public Accounts* show how the government spent the taxpayers' money in that particular year.

Mr. Minister, last week the Provincial Comptroller told the Public Accounts Committee of this legislature that your colleague, the Minister of Finance, received the final printed version of the *Public Accounts* the week of April 4. In other words, your government has had the *Public Accounts* in its possession for two weeks, yet you have been hiding these accounts from the public. My question is, Mr. Minister: why hasn't your government tabled those *Public Accounts*, and what is it that you're trying to hide?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — Mr. Speaker, I understand that, and I think the tradition of this House has been that the *Public Accounts* are tabled along with the Provincial Auditor's report. The Provincial Auditor's report then is referred to the Public Accounts Committee along with the *Public Accounts*, and the Public Accounts Committee study the *Public Accounts* and study the Provincial Auditor. Now that's the tradition as I've always understood about the House.

Now I would assume that the Provincial Auditor would have his report ready very soon to be presented and on it goes into the Public Accounts Committee.

**Mr. Van Mulligen:** — Supplementary, Mr. Speaker. I'm surprised that the minister, who's been a member of this Assembly for some time, doesn't know the facts better than that. And, Mr. Minister, I would strongly urge you to

check the records in this matter before making any further statements in that vein before this Assembly because what you say is simply not true.

And I ask you again: Why haven't you tabled those *Public Accounts*? What is it that you are trying to hide?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — Well, Mr. Speaker, there is nothing that we are trying to hide. I assume that the hon. member sits on the Public Accounts Committee. I also suspect that he's probably anxious to get going with the Public Accounts Committee, and I'm sure that will happen in the very near future.

And as soon as the Provincial Auditor, who traditionally puts forward his report — that's not put forward by the government — the Provincial Auditor, as you know, Mr. Speaker, files his report with the Speaker; it's tabled in this House, and this House then refers it to the Public Accounts Committee. That's nothing to do with government; that's the independent office of the Provincial Auditor, and he will tender it to your office.

**Mr. Van Mulligen:** — Supplementary, Mr. Speaker. The minister is throwing up a smoke-screen, Mr. Minister, you will know that your government has been underfunding the Provincial Auditor, and it is for that reason that he will not be able to bring in his report until sometime in June.

The history of this Assembly suggests that you don't have to wait for the Provincial Auditor to table his report before tabling the *Public Accounts*? What prevents you from doing that?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — Well, Mr. Speaker, I would think that to somehow suggest that the Provincial Auditor doesn't have enough money to prepare his report is somewhat a false and improper innuendo to be left by the hon. member.

The Provincial Auditor has a proper amount of money; he will table his report. I'm surprised it's not tabled now. He will table his report at his own will and not at the direction of government. That's always the way it's been.

**Mr. Van Mulligen:** — Mr. Speaker, a new question to the minister. Mr. Minister, according to the recent budget documents, your government spent just over \$4 billion in the year in question, 1986-87. You still haven't given the taxpayers an accounting of how you spent their money, but you're asking them to pay higher taxes in this current year's budget without telling them that.

How can you be so arrogant as to claim that the public doesn't have a right to know how you spent their money before you sock it to them again?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — Mr. Speaker, nobody is suggesting that the public does not have the right to know. I simply

say this will be tabled in the normal course in the tradition of this particular House.

**Mr. Van Mulligen:** — Mr. Speaker, let me just ask the minister this: what prevents you, what prevents you from tabling those public accounts here today? We won't accept your excuses and your smoke screens, but what prevents you from tabling it here today? What prevents you?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — Mr. Speaker, I've answered that question three times.

#### Salary Increases to Ministerial Assistants

**Hon. Mr. Devine:** — Mr. Speaker, I took notice of a question and the Deputy Premier took notice of it on Monday, April 19, with respect to eligible increments and salary increases for staff. I want to report that ministerial staff are eligible to receive increments based on their performance just as the public service employees are.

Mr. Speaker, I'd ask the members of the opposition to please listen. They asked the question. I would like to provide the public with the opportunity to know the answer.

As the Deputy Premier said yesterday, this is no different from the process which is followed in the teaching profession, in the nursing profession, or other positions in the public sector.

Increments are provided for under the ministerial assistant regulations just as they are provided for under the contracts in effect for teachers, nurses, and all government employees.

It should be noted that other groups of employees have the ability to negotiate salary raises, cost of living increases, general economic adjustments and special benefits into their contracts, whereas ministerial assistants do not have that ability.

Secondly, Mr. Speaker, if people are promoted, that is, they take on new and added responsibilities, and if they perform a higher level of duties, that they should be compensated for a higher rate. I am aware, for example, that as teachers, Mr. Speaker, are reclassified to principals, their salary increases can vary substantially depending on their level of responsibility, and I will give a couple of examples. When nurses become head nurses they get increases; when associate professors become full professors they get increases.

Mr. Deputy Speaker, the former administration is a little sensitive to this because they got caught giving their staff 95 per cent increases, Mr. Speaker. People like Mr. Bill Knight, for example, received a 95 per cent increase, 46 per cent in one year.

I will point out to the Hon. Members, if you move from MA (ministerial assistant) 3 to an MA 4, it's a 27 per cent increase. If you move from an MA 3 to an MA 4, it can be a 22 per cent increase. If you look at a class IV teacher at the

maximum salary range of \$41,191 is promoted to principal, they will receive, in addition to the basic salary, an allowance of \$1,190 . . .

Mr. Speaker, the Hon. Members don't want to hear, they don't want to hear this, but I ask for their co-operation, Mr. Speaker. I certainly want the public and the students here to look at the conduct of the members of the opposition when we're trying to respond to a question. They speak from their seat. Mr. Speaker, I would just ask you to ask the Hon. Members to please listen to the answer.

**Mr. Speaker:** — Order. Order. I would like the Hon. Members to please allow the Premier to answer, and I would like the Premier also, if he could, to get to the end of his question because it is getting to be a lengthy answer.

**Hon. Mr. Devine:** — Thank you very much, Mr. Speaker. I wanted to point out that when you go from an associate professor . . . from an assistant professor to an associate professor, there is a 30.77 per cent increase; when you go from associate to full, it's a 29 per cent increase; from assistant to full professor it's a 69 per cent increase, Mr. Speaker.

And I would be glad to respond to any additional questions the Hon. Members have with respect to salary increase for ministerial assistants or political staff under the previous administration — it's as high as 95 per cent per year.

**Some Hon. Members:** Hear, hear!

## ORDERS OF THE DAY

### QUESTIONS PUT BY MEMBERS

**Hon. Mr. Berntson:** — I would ask that all Questions Put By Members, 8 and 9, be moved to Motions for Returns (Debatable).

**Mr. Speaker:** — Motions for Returns (Debatable).

## GOVERNMENT ORDERS

### COMMITTEE OF FINANCE

#### Consolidated Fund Budgetary Expenditure Rural Development Ordinary Expenditure — Vote 43

**Mr. Chairman:** — Would the minister introduce his officials.

**Hon. Mr. Hardy:** — Thank you, Mr. Chairman. On my left here I have Bill Reader, deputy minister of Rural Development; over farther to my left here I have Denis Webster, executive director, development services; directly behind me on the left here I have Ernie Anderson, executive director of transportation services; behind me I have Larry Chaykowski, senior director of management services; sitting at the back I have Lloyd Talbot, director of community planning and development services; and also Walter Antonio, director of transportation and planning.

### Item 1

**Mr. Anguish:** — Thank you, Mr. Chairman. I'd like to welcome the officials from the Department of Rural Development, and I look forward to at least this afternoon that we'll spend with the minister and the officials, going over the estimates, the budget for the 1988-89 fiscal year.

I'd like to ask the minister if he would have with him today the names and the salary of each ministerial assistant that you have working directly with you as of December 31, 1987.

**Hon. Mr. Hardy:** — I have it as of today. Would that be sufficient? Do you want me just to send it over to you, or do you want me to read it into the records?

**Mr. Anguish:** — I'd prefer you read it into the record. But what I'm asking for, Mr. Minister, there's been some controversy, especially in question period over the past days in the Assembly, and what I want is I want the names and salary of each ministerial assistant as of December 31, 1987; and I would like the names and salaries for each of those as at March 31, or as of today, I suppose, would be adequate. We would like to be able to do a comparison for the increases with your own ministerial staff.

**Hon. Mr. Hardy:** — Well I have one new one added to December 31, so that may help you somewhat then. I'll just read it in, if you want, if that will help you any. And I'd prefer not to read the amounts in, but I'll read them if you'd like. I have . . .

**Mr. Anguish:** — It's not necessary that you read the amounts aloud. If you could provide me with the information I'm asking, we would do an analysis; but if you could provide the rest of the information to the record.

Mr. Minister, I'm wondering if you could tell me, in addition to the ministerial assistants that you have on staff, if in fact you have any people seconded from your department or other departments or agencies within government?

**Hon. Mr. Hardy:** — No, I don't.

**Mr. Anguish:** — I imagine there are people within your department, Mr. Minister, that are in charge of personnel, and I would like also the name and the salary of each person currently working in your personnel branch. I notice in the expenditures put out in the estimates, there's nothing specifically labelled as "personnel," but I imagine it would apply to staffing services. I would like to know who those people are and what their salaries are as of March 31, 1988, Mr. Minister.

**Hon. Mr. Hardy:** — I was just checking. We don't have any, I'd say, personnel department. We have three people partly responsible for the personnel . . . or the operation of the personnel within the department. We could get you their names. They work part time. They fill in on the job doing other jobs as well, if you'd like that.

**Mr. Anguish:** — Yes, I'd appreciate it if you could provide those during the course of estimates. And I would like to know, of those three people, when they were hired, and whether or not there's anyone left in personnel that was there prior to 1982.

**Hon. Mr. Hardy:** — We'll send it over to you. But just to answer your question, two of them were with Rural Development prior to '82; the other one transferred from Urban Affairs, and he was with the government before '82 as well.

**Mr. Anguish:** — In terms of revenue-sharing grants to rural municipalities, that went down in the '87-88 estimates by almost half a million dollars, and this year there was no increase even to cover inflation. So the picture, I guess, that we're looking at, is in 1986-87 estimates it was \$48,547,000 plus odd dollars; in 1987-88 the estimates reflected \$48,062,000, and the estimates for '88-89 reflect exactly the same amount as '87-88, \$48,062,000.

In the 1985-86 rural revenue sharing it stayed the same as it had been in 1984-85, but otherwise the revenue sharing grants to R.M.'s were going up year after year. And why the drop two years ago, and why the freeze this year? It seems to me that there is an increased demand in terms of some emphasis on rural development in the province, and at the same time as there is an increased demand, as it would appear to us, you're either freezing or reducing budgets, and we'd like to know the rationale, what the minister's explanation of that is.

**Hon. Mr. Hardy:** — Well, Mr. Chairman, as you all know, the economy stayed fairly flat over the last two or three years; in fact, in rural Saskatchewan farm prices have dropped dramatically. I would . . . the only answer I can give to the member is that we have held the line all the way through with revenue sharing grants because we know that certainly rural R.M.'s didn't want, and couldn't take a loss in the amount of revenue they would have.

I think we've done a pretty fair job of working with SARM (Saskatchewan Association of Rural Municipalities) as well as all the R.M.'s around, in regards to keeping a level line and doing other things. We've taken the same amount of money and did other things, such as the re-gravel program, which allowed R.M.'s to maintain the roads as they were, and I think it's a pretty responsible program.

So we've taken a lot of the different . . . the same moneys and refocused it within the revenue sharing and on conditional grants . . . and the conditional grant sharing. I believe that it's been well received by most R.M.'s, if not all R.M.'s out there, and we've worked all the time with SARM, that's the executive of all rural municipalities, putting together this type of a hold-the-line budget. And I believe just to be fair to the R.M.'s, I think all but about 12 R.M.'s last year held the line on taxes, and them only . . . I believe one went up three mills was about the maximum. So I think that says it all in itself, that they've worked with us to hold the line in a fairly flat economy, and that even with farm prices down, we've managed to work with them. There has been no increases, but there's certainly been no decreases, and I believe that's the most important

part.

**Mr. Anguish:** — Well I would disagree with you, Minister, in terms of the actual numbers over the past few years. There have been decreases, although I acknowledge that between last year and this year you're holding exactly the same. You can't tell us today that there have been no decreases because in fact there have been decreases.

But what I'm trying to get at is: what is the department's rationale; what's your priority in terms of rural Saskatchewan? Certainly many people would agree, and I think you would as well, someone who's in touch with rural Saskatchewan, that the face of rural Saskatchewan is changing quite dramatically. And during these times of dramatic change and problems in terms of the agricultural economy, what's the emphasis of your department?

(1445)

Do you have any futuristic thinking; do you have any kind of a vision or a dream of your own for rural Saskatchewan? And does that dream include some increase in financing for new directions, new programs, some revitalization of rural Saskatchewan? Or is it a policy of the department to allow a transition period and let rural Saskatchewan die and have people move into the urban centres across the province?

I want to know what your priorities are and what we can look towards in future years.

**Hon. Mr. Hardy:** — Well, Mr. Chairman, I'm sure he doesn't want a real long answer, although I could certainly spend a lot of time in talking about where we would like to see rural Saskatchewan going and what we've done so far to at least facilitate the initial start-up of some of them.

Without going into great details, I would just like to mention that a focus that I believe has to be on rural Saskatchewan is the development and especially the diversification from our shipping of raw products to manufacturing, to processing, and that maybe to the growing of different products and also to the manufacture processing of the articles that we use here in Saskatchewan. And if you put that in and work with it in the parameters that were set out there, I believe that you can not only maintain and stabilize the farm income, but you can also create jobs and opportunities for rural Saskatchewan.

To give you an idea of one, just one that we've been working with, and we've been working with about 70 R.M.'s (rural municipalities) and about 120 urban municipalities . . . We have formed what we call the rural development corporation. You can form . . . It's a group of municipalities, either urban or rural, getting together to look at their area and what they can do to develop, diversify, to bring in services to their area.

A good example would be the Wood Mountain area south of here, and the member from Assiniboia-Gravelbourg was down at the official opening

of it. Since then they have come a real long ways. They have in their area established a cement plant. When I say a cement plant, I mean where . . . the Redi-Mix cement. They have a gravel contractor. They have brought in, I believe, two or three businesses. They have now decided in their area how they should plan.

They planned their area — where they'd like to see a nursing home, where they'd like to see their schools built, what they need for hospital care. They've also . . . At the same time there was a kaolin deposit there that's been in the process of being developed. And if you listened on the news today, I believe that the group that's looking at developing it have . . . are doing their final initial testing just out of here, outside of Regina. And it has real prospects.

Those people have went out to put these kinds of things together. And what that does is not only give you the opportunity to diversify in your farming, to supply services to your people in the rural Saskatchewan, but to provide jobs for the young people, to keep them there.

And I could go on. There's one at Balcarres, there's one at the radar base, there's one up at Meath Park. We have four in operation, and I believe we've got six more just about ready to sign up.

Those are the kind of things we can do together, and I say "together." The people in that area working together to do some . . . to do diversification, especially development, and to look at our farming industry and say it's more than the growing and shipping of raw products. Putting it all together and devising the services that are needed, I believe, is a real important step working towards maintaining rural Saskatchewan.

**Mr. Anguish:** — Mr. Minister, there's a fund, the economic diversification investment fund, and I see on . . . I think it's page 27 of the *Estimates* book, that there's some \$400,000 is coming from that source. Can you tell me what R.M.'s, what rural municipalities have taken advantage of that fund? And what can you really expect the several R.M.'s around the province to do with \$400,000 in terms of economic diversification investment?

**Hon. Mr. Hardy:** — Just to give you an idea of some of the ones that we've been working with, and I was just talking about that a moment, that's what I was talking about — the RDC's, (rural development corporation) the one at Wood Mountain.

The other ones that we have in place and the R.M.'s and the villages, or towns that's involved, that's already been organized, and already been funded by the Government of Saskatchewan, NORDCO (New Opportunities Rural Development Corporation) is the name of the one, that's the one up at Garden River, Meath Park. There is the R.M., Garden River; there's the village of Albertville, Meath Park, and Weirdale involved in that one. The Poplar Hills one, the one I was mentioning to the south of us here, is the R.M. of Poplar Valley, the R.M. of Old Post, and the R.M. of Waverley. Also, the town of Rockglen, Wood Mountain and Glentworth are involved. That's two of the ones. I could send you over a list if you'd like.

There's a good number of them.

You might want to know how we fund them and why they would want . . . and what's the role of it. How they're funded is basically, there's a \$132,000 available over a five-year period. The first year, it's based on a percentage, in other words, the communities put up 25 per cent on the first year, and we put up 75 per cent to a maximum of \$25,000. The second year, it's based on the same criteria, and it's at \$40,000 . . . 50,000. I'm wrong, and the third year at \$40,000. The idea of the money is so they can go out and bring in people who will help them, or use it themselves to look at what they can do for the area. In some cases, like the one I mentioned down at Wood Mountain, the one of RDC of Poplar Hills, they went out and worked with this kaolin to develop it and bring it in.

The one at Meath Park has been looking at tourism up in the north end of Saskatchewan. They're looking at tourism; how they can develop tourism in the area, which would create jobs for the young people.

The one at Sage Hill out here where the Dana Radar Bas is, as you know they've got a training program; they've been trying to get on stream; they got an R.M. training program. They have also been looking at — just in that base area alone — they've been looking at certainly, I guess you'd call it a hog industry in that area.

So they've all been very active, and the one out here at Balcarres has been interested in two major developments of which they've been working very intensively on.

I believe that that's the way that we will get diversification out there in rural Saskatchewan, but I'll send you this list over just for your own reference.

**Mr. Anguish:** — Mr. Minister, am I to understand then, the total funding for rural development corporations does not actually come from your department but comes from the economic diversification investment fund? Is that correct?

**Hon. Mr. Hardy:** — That's how it's funded, the way it's funded through the budget. But we're in charge of it; we allocate it out. And this year, I believe, out of the budget already we've sent out something like \$150,000 has already been . . . or in the process of being allocated out.

So I just wonder, if you would like, we have a couple of the annual reports done up, both by . . . one by Sage Hills and one by Poplar Hills, in regards to what they're doing, their planning. And if you are interested, I'd send you a copy of each. They're public documents; they're done up. So if you'd like, I'd send a copy of each over to you.

**Mr. Anguish:** — Mr. Minister, for clarification: your department does not then actually fund the rural development corporations, the ones that you sent over, the list; there's one, two, three, four, five rural development corporations. You do not do the funding; it's the economic diversification investment fund that funds those rural development corporations?

**Hon. Mr. Hardy:** — Well, it comes indirectly from there, but we do the total administration of it through the Rural



Development department. So yes, we're in charge of it; we have total control of it, but it comes from a fund that's set aside.

**Mr. Anguish:** — Well I was . . . I would think that it should appear in your estimates. I don't understand the rationale. I'm not going . . . I don't want to get into that, but I don't know why that wouldn't appear in your estimates.

I think that there is a special need in rural Saskatchewan, that the Department of Rural Development can play a very special role, and I would like to see your department enhance, not to be the administrators for, programs under other government departments and agencies.

Am I to understand also, Mr. Minister, that the \$132,000 you mentioned, that's the cap, that's the maximum amount that a rural development corporation can get in funding through the Department of Rural Development?

**Hon. Mr. Hardy:** — Just to answer your question, the \$132,000 is for the administration, it's the idea for that municipality or those RDC's to go out and look at what they can do within their municipality. It costs money to do it. If you want to bring a consultant in, you have to bring in somebody, a resource counsellor such as they did down at Poplar Hills, or out here at Balcarres where they're bringing in people to look at a hog industry . . . one of the industries they were looking at out there. It costs money to bring them in, to get that kind of consultation.

It also helps them set up an administration, so they're all working together, because it takes time to bring all those people together. Those people . . . the one thing I want to make note of is that . . . anybody that's working for or elected to an RDC, that's rural development corporation, the administrative part, other than the administrator nobody is paid. They donate their time and their effort to their community. So it's sort of a . . . It's a sharing. They donate their time. We help fund the actual costing because there's telephones and there's stamps and there's consultants and the other stuff that really costs money. We help fund that with the moneys. And the moneys . . . as I was saying, there's 132,000 total, most of it paid out in the first three years.

**Mr. Anguish:** — \$132,000 in total, per project? Or are you saying \$132,000 for the five rural development corporations that started already?

**Hon. Mr. Hardy:** — Just to answer your question, it's for each RDCs in the province. If there was 50 of them, each could get a maximum of 132,000 over a five-year period. Right now we have four; we have about six more in the process of being organized.

**Mr. Anguish:** — The list you sent over, Mr. Minister, has five on it. There's NORDCO, Poplar Hill, Sage Hill, Pheasant Creek, Missouri Coteau.

**Hon. Mr. Hardy:** — But the fifth one is not officially incorporated, although they're working together and they will be in about a few weeks, so it's on your list. We're sort of giving you a little bit in advance.

**Mr. Anguish:** — So now if each of these are eligible, the first four on the list are eligible for \$132,000 each for developmental money. That's what you're saying, and I see the minister nodding his head in the affirmative. Well if all of this money, Mr. Minister, comes from Vote 66, item 5 on page 27 of the *Estimates*, that comes to \$400,000. And in the *Estimates* last year, in '87-88, there was nothing — no amount, no balance put forward. How do you — how are you going to fund these rural development corporations?

**Hon. Mr. Hardy:** — Well just so you — if you look back and you'll see there was \$250,000 that we had in the budget for rural development corporations in '87-88. We —just so you understand how it works, an RDC is formed with, as you know, with large numbers or any numbers of municipalities; at least there must be four. The first year they can receive 75 per cent of the funding up to the provincial share of \$25,000. The second year they can receive 75 per cent of funding up to \$50,000 — now they can spend more, but their maximum we'll pay is \$50,000. And then on the third year we'll pay 50 per cent to a maximum of 33,500; and on the fourth year, 25 per cent to a maximum of 16,700; and on the last year, we paid only 10 per cent to a maximum of \$7,000.

So it's a sort of phase-in, phase-out to get you working, to get you working together, to give you administration money. It's not developmental money. It's to look at what you can do within your area, so it's administration money, costing money, to look at your whole area so you can do some development.

**Mr. Anguish:** — Once the administrative money is in place, feasibility studies, research work and everything, once that's all done, where does the money come from for the rural development corporations then to do their development work, to bring these projects onto stream? I think you mentioned the first year, the cap, the maximum was \$75,000 that a RDC was eligible for. Where does that money come from? I don't see that reflected anywhere here in the budget.

And you may say that the RDCs are doing a good job, and I don't doubt that some of them are. And if they are doing a good job, many more municipalities throughout the province of Saskatchewan are going to want to form RDCs. And I just don't see adequate funding in the budget to make provision for other municipal governments to form RDCs. Where is it reflected in the budget? Could you point it out to me very specifically, Mr. Minister?

(1500)

**Hon. Mr. Hardy:** — Well where it's reflected in the budget would be such things as the venture capital program that you can access to do a development. Certainly that has some real possibilities out there in rural Saskatchewan because 49 per cent of the capital cost part of the project can be raised through venture capital.

There's two different types of venture capital projects. There's the one where its 40 per or — 30? — 30 per cent is returnable, and the other one, certainly under the labour venture capital, both federally and provincially. And also there's private sector money, there could be R.M.'s

involved, there could be your towns or villages involved. Those are the areas that they would access money from.

And there's different examples that you can give, but I look at the one at Wood Mountain where they're working with the private sector developer to develop, not only a Redi-Mix plant, a gravel source, also they brought in, I believe, three or four businesses into the area. Those are all private sector business, and now they're working with, as you know, a major developer in the way of kaolin deposit.

That is what we'll help them do. We'll help them source the funds. The government does not directly fund it, although through venture capital, as you know, 30 per cent would be provincial funds.

So there's many ways of doing it. But, I guess, what we're saying is the money we put up is to look at what you can do in your area, and then we have folks that'll help walk through to help source the money, or at least show you where . . . what provincial or federal programs are available to do that.

**Mr. Anguish:** — Well either I'm not asking the right question, or you're not interpreting it accurately.

There's currently four RDCs in the province. They're each eligible for up to \$132,000 for administrative funding. That comes to a total of \$528,000. There's another one coming on to stream, the one that you mentioned — it's on the list, but is not yet there. I would assume they would also be eligible for \$132,000. That totals \$660,000. I'm asking you: where in the *Estimates* would I find at least \$660,000 to cover the commitment that you've made for expenditures to rural development corporations?

**Hon. Mr. Hardy:** — Well, Mr. Chairman, I thought I made it clear that this funding for RDCs is over a five-year period. I read it off one at a time, how much they can . . . are allocated to the first year, the second year, the third year and the fourth year, and so on.

What that means is that if an RDC is formed this year, the maximum that we will pay to that RDC for 1988 would be \$25,000. If they stay in the program, continue to work next year, they can apply to us for up to a \$50,000 one. And the third year, they could be eligible for a \$33,500 one.

Now maybe by next year, 400,000 or even 5 or 600 . . . or maybe even it would take \$1 million — I don't know what it would take. I hope we'd be so fortunate that we'd have that many folks working in rural Saskatchewan, working together to look at development and diversification. I don't know.

We've been working — like I said, we've got about 70 R.M.'s right now and over 100 small urban communities that are working with us to look at this RDC program and how it could help them.

But just so you have it clear: the first year, the first year that you're in the program, the maximum the Government of Saskatchewan will supply is \$25,000 for each RDC in this province.

**Mr. Anguish:** — Well I was understanding you earlier, Mr. Minister — and I may have misunderstood because I am certainly not as knowledgeable about the program as you and your officials are — but what I was hearing you say to me was that the administrative funding to get going would be 132,000. But that's not accurate. They'd be eligible for a maximum of \$132,000 over the course of five years. And I see you're nodding your head in the affirmative, so I'm glad we have that cleared up.

Mr. Minister, I would like to say that the concept of rural development corporations is one of the most progressive things I've seen your government do since 1982, and I think it's a very good program in concept. I like to see provincial governments give some sort of general direction as to what priorities are and what's acceptable to them. And it's important that local groups, whether they be entrepreneurs or rural municipal councils, identify specifics of what they can do and get guidance from your department, from the provincial government. And so I'm very supportive of rural development corporations.

The one thing I would want to do, though, is encourage you to lobby support from your colleagues and go back to the Minister of Finance and get some adequate funding for rural development corporations. I just don't think that, in the light of what's happening in rural Saskatchewan today, that you have anywhere near enough funding to do the job that should be done to promote and develop and assist and direct, at the request of rural development corporations, to give them the resources that they need. I just don't think it's there.

I congratulate the four that have already come into existence and the one that's about to give birth to a rural development corporation. But I find it strange that sometimes an emphasis of a government, that you can have some people come in from outside the province where they can be given millions of dollars — it seems like it's almost an endless pot; but yet when you and whoever came up with the rural development corporations — I think it's excellent, whether it's you, Mr. Minister, or someone in your department or a consensus of minds that came to this point.

But I think that the funding is sadly lacking when you have local people — and local, I mean in terms of the province — doing progressive types of things to help assist in their rural communities, and they get little funding. Yet others can come in from outside the province and literally get millions of dollars, with very little, and in some cases no input from themselves. So I do encourage you to go back and argue with your cabinet colleagues and the Minister of Finance to get increased funding.

I suppose my question to you at this point is: what is the projection that you have in your department that if all municipalities in the province participated — some larger, some smaller, in terms of the numbers of participating rural municipalities — what is the figure that would be required to have rural development corporations spread throughout the province of Saskatchewan?

**Hon. Mr. Hardy:** — Well it's certainly a debatable area of how much you would need to fund RDCs if everybody in the province was to go under or become part of an RDC. It depends . . . as you notice, the sheet I sent over to you, one only has four . . . one R.M. and three urban municipalities on it. The other one has — that's coming in in a short while here in a few weeks — has six urban and six rural municipalities. And it can be any number. The one up at Sage Hill, I believe, started out with something like about 17 that we were talking with, and some didn't come in because of one reason or the other; now some are wanting to come in.

I guess there's some uncertainty there. That's why there's X number of dollars put into the budgets available. I feel very confident that if we needed more money, if more were coming in, I feel very confident that we could get whatever dollars was necessary to bring those extra ones in. If it's more needed, I feel very certain that we could go back to the Department of Finance, and I think it's a very, very valid case where extra money should be put in, or could be put in.

But what we'd say is that we estimate to be somewhere between 12 and 20 by the year end. Now we don't know if it's going to be 12 or it's going to be 14, and those are estimates. We do know there will be certainly more than four, probably 10 by at least towards fall, so —

How many more will get organized? It takes some time. We have about seven people out there working with R.M.s and you have to show them the benefits, what they could do with it. We have pretty near all our development and planning branch out there working. The folks were there before; they took on a new role; they're just doing a great job of it. I think they're excited about it as some of the R.M.'s have gotten.

I guess it'll take an education process, but as time goes on, as they see their neighbours doing something like that, it may become more and more required. And if it does, if it's more needed, I certainly will be looking to try and get more into the budget for another year.

**Mr. Anguish:** — At this point in time, Mr. Minister, I'm wondering: out of the four rural development corporations that are in existence today, what is the ratio of cost, government commitment of funds, to jobs? What's the cost-job ratio?

**Hon. Mr. Hardy:** — Are you talking staff, or are you talking outside of the area of staff?

**Mr. Anguish:** — I'm talking more in terms, Mr. Minister, of job creation. Suppose that your department has spent, on rural development corporations through your own department allocations and through the development fund, the economic diversification investment fund — from those sources, government sources, in terms of dollars that have been spent to jobs that have actually been created by the rural development corporations, what is the ratio there, what is the cost per job?

**Hon. Mr. Hardy:** — There is only one that we have some breakdown of the estimate of jobs that should be created because of the initial steps of the RDC. As you know, the

one out here at Balcarres, Pheasant Creek, was just organized here a month or so ago — the one at Sage Hill last fall, and the one at Poplar Hill just a little before that, Meath Park later in the fall.

Most of them are in the planning and development stages, and I guess that's what it's all about, to take a look at what they can do in the area. The dollar breakdown of a per job per cost, I'm not sure what the benefits would be, the job ratio to dollars. I guess it depends on the community — how aggressive they are, what they can bring into their community. Those kinds of things would relate more directly to the dollar and job ratios than anything I can think of, because no matter what they do or what they look at, if this kaolin mine comes on, it may be just a great ratio because it may create a couple of hundred jobs, maybe not all directly in regards to the RDCs, but certainly — and certainly a lot of credit to them.

Some other areas, where they've planned for their hospitals or their recreation or their schools, the dollar savings — to maybe the people of Saskatchewan, because they have planned it. Instead of looking for maybe two schools in the area, or two nursing homes in the area, they decided that one in the right location would be ideal for their town and their communities, their area. It's certainly dollar savings on a long run to the people of Saskatchewan, and yet planned by the local people.

So I'm not quite sure how you put a dollar figure on it, but I imagine in a couple of years we could give you some job-dollar ratios, but it's certainly now too much in the infant stage to do that.

**Mr. Anguish:** — Have any of the rural development corporations created jobs at this point in time?

**Hon. Mr. Hardy:** — One, the one at Sage Hill, the Dana radar base there. This is their plans for 1988 — and I quote, only their plans — is that they plan to have 11 jobs created, including a full-time administrator, by the end of the year. And they're looking at a training program, and that's including advertising; they're going to hire some students in between. I'm not sure, but they're looking at 11 full-time jobs to be created in 1988; that's their goal for the Sage Hill RDC. And that's still a goal. I wouldn't want to say that's what would really happen, but that's what those folks are telling us that they'll be able to do this year.

**Mr. Anguish:** — Well how much does it cost the Government of Saskatchewan to get that in place? I'm sure that you feel their plan is fairly sound. You have people working with them from the department. How much money did you have to spend to get Sage Hill going and to keep it in operation over the years? And if you divide the 11 jobs into the amount of money you've spent, that's the figure that I'm looking for.

**Hon. Mr. Hardy:** — Like we gave them last fall, we gave them \$25,000. They'll be eligible for another \$50,000 this year. How they spend that \$50,000, or if it's part of what this overall plan is, I don't know. But they've got a much broader plan. So my best guess is that the \$25,000 that we gave to them for their development process, or their administration process in developing this was

probably where it went to. Now that's a guess.

Now if they spend all the other 50,000 by next year at this time and don't create any additional jobs, plus this 11, that will be \$75,000. But I don't know what the job-per-dollar ratio would be, because I'm not sure what other they will create. Because they haven't even only had . . . the \$25,000 hasn't even been a full year yet.

(1515)

**Mr. Anguish:** — To me that sounds excellent. You know, you've got to base it on what you've got right now and try and do some projection into the future. I would sure hope that somebody in your department is doing projections so that you've got meat when you go to cabinet to argue for money for rural development corporations.

Because if you're creating 11 jobs, and all you've given them so far is \$25,000 — and if you hadn't given them any money and hadn't started rural development corporations, those 11 jobs wouldn't be there — it seems to me that the ratio would be somewhere around \$2,500 per job.

Now I don't know of any other program that your government has touched, since coming into office in 1982, where you're creating jobs at \$2,500 a job for outlay of money from the government. I know of some incentives under the industrial incentive program — wasn't it \$7,500 a job you had to put out? And then there was additional funding beyond that.

The Shand-Rafferty project, I think it's in the . . . If you look at permanent jobs, Mr. Minister, created, you're looking at millions of dollars per job created, not 2,500 or less per job created. So I think you'd be well-advised to have your officials do some projections on the cost per job created.

And any time that you can swing a deal like that, and if this takes off and provides people with some respectable development in various areas across the province, I'd have to congratulate you again next year when we stand before estimates.

But I certainly couldn't congratulate many of the other programs that have been in development or creation of jobs in the province of Saskatchewan because they've been very, very costly to us. And that's part of the reason we're almost \$4 billion in debt after we're done debating the *Estimates* and having our little dialogue back and forth here today . . . (inaudible interjection) . . . Did the member from Swift Current want to participate? Did you have a question to ask the minister?

**An Hon. Member:** — It would be a lot better than what you're saying.

**Mr. Anguish:** — I beg your pardon? Yes, well the member from Swift Current knows that in Energy . . . what's the target for yours? Is it in the billions per job?

See, it's really hard to compliment you, Mr. Minister, as a government on doing anything, because there's always

some member over there chirping negative stuff coming out. Never seen a more negative bunch in my whole life . . . (inaudible interjection) . . . Oh, there's the member from Wascana, was it?

**An Hon. Member:** — Regina Wascana.

**Mr. Anguish:** — Regina Wascana. The cost per job for you is far too much. The taxpayers pay far too much to the member from Regina Wascana. They'd better re-evaluate their position come next election up there.

**Mr. Chairman:** — Order, please. The item under discussion is Rural Development, so perhaps we could stick with that.

**Mr. Anguish:** — If the Mr. Chairman, in all due respect, if you'd keep the members from entering into conversation with me, I'd be able to stay on the topic.

**Mr. Chairman:** — Order, please. I think the Chair is well capable of deciding whether or not members are out of order, and a little bit of talk back and forth is very, very common in this House. So I would just ask you to continue on with your discussion with the Minister of Rural Development, please.

**Mr. Anguish:** — Could you maybe turn on all the microphones so we can all participate in the debate here?

Mr. Minister, I'd like to turn to ferry services in the province. It used to be there was a continual increase, to a certain point, of funding ferry services in the province, and I believe that at one point in time there was as many as 44 employees. And when the cuts started coming in '84-85, the drop has been quite dramatic.

This year in the *Estimates* you're looking at a staffing component of twenty-six and a half person-years. That's down from 44.3, a reduction since 1982-83, your first year of office, a reduction of some 17.8 person-years. And I'm wondering if you could tell me how this change came about? Have you closed a number of ferries in the province? You no longer need these employees, or are your employees working longer hours to provide the same services?

How do you still provide the same level of service to people who rely on ferry crossings in the province by reducing, in your term of office as government, 17.8 person-years of employment in that particular branch of your department?

**Hon. Mr. Hardy:** — In regards to the number of ferries, as the member is aware, last year there was one closed, the one at Birch Hills. That is the only ferry this year. The same number operating as there was last year.

The number of positions. There was some folks on maintenance, and others . . . I don't know about maintenance, but on general supervision, both within the department here and out in the field, who took early retirement. They weren't replaced; we're working or looking after it from . . . there's still two people, I believe, left looking after ferry services. Is that correct, or one? No, I'm sorry; I take it back. There's none in the field. They're

working directly out of the department here and responsible for ferry services.

All the folks that's been running the ferries are still operating them, that didn't take early retirement, and I assume there's probably been some part-time replacement or whatever, but . . . just the number of people that's running it now. They're still running the same hours that they've always run, but the one ferry . . . well there's actually two ferries, one at Lloydminster where the bridge went in has been . . . it's certainly not needed any more, and the one at Birch Hills. So it's really been two ferries over the last three years that has been not in operation.

**Mr. Anguish:** — Well how many jobs were attached to those two locations, Mr. Minister, the Birch Hills and Lloydminster? How many people would be displaced by the closure of those two crossings?

**Hon. Mr. Hardy:** — The one at Lloydminster, as you know, the bridge was put in there, and those people were allocated into other positions that were empty, and other ferry services around, so they continue to work unless they took an early retirement sum, or took a retirement package.

I believe there was a total of about 4.5 positions — as you know that, 0.5 means there's two or three spare people that work on there, part-time folks that work there — but those would be the number of positions that would have been not working because of the one at Birch Hills not operating and the ferry at Lloydminster being replaced by a bridge. So, you know, that would be the number of people we'd be dealing with.

**Mr. Anguish:** — 4.5 in each of those locations, Mr. Minister?

**Hon. Mr. Hardy:** — That 4.5 was between the two ferries. To make up the rest of it, there was a couple supervisors who took that early retirement package and they weren't replaced.

**Mr. Anguish:** — 4.5 between the two? With the two closures, that's a total of 4.5 positions. Is that what you're saying?

**Hon. Mr. Hardy:** — Five person-years.

**Mr. Anguish:** — So you have approximately, since 1982, '82-83 fiscal year where you had 44.3 person-years of employment in that particular branch, until these estimates we're dealing with now in 1988-89, still to account for 13.3 person-years. Now I don't understand how the branch could operate as effectively when there's still 13.3 person-years that haven't been accounted for. You've accounted for 4.5 person-years with the closure of the two crossings, but there's still 13.3 person-years. And can you give me some kind of an accounting of that?

**Hon. Mr. Hardy:** — Just so the member understands where all the numbers come from, from 1982 till now, I think I told him 4.5 person-years was the operation of the ferries. Two of those person-years was early retirement in 1986, I believe it was, and one was an early retirement

just, I believe, in '82 or '83. It was a normal retirement for one of the supervisors in the department. There also was a maintenance crew. That's now done through the local folks in the area, the private sector, so they have been doing the maintenance out there for the last few years.

**Mr. Anguish:** — So then in terms of maintenance, the way I read it, there's a 10.3 person-years lost to the branch between '82-83 and '88-89, this current year, that were in maintenance previously. Is that correct? There'd be 10.3 person-years that have gone from the branch's maintenance section over to private contractors in the local areas?

**Hon. Mr. Hardy:** — We're not sure. We'd have to go back and look in '82 what was the number of folks on the maintenance crew, but they seem to think it was around about five people on there, person-years on there. You know, we could go back and check for it; we don't have it with us. But the total amount — just so we know what we're dealing with — the total amount, like I said, was three have taken early retirement, one in '82, a couple in '86. There has been 4.5 person-years in reduction because of the closure at Birch Hills and the closure in the bridge at Lloydminster.

**Mr. Anguish:** — The numbers still don't add up, but if you don't have those figures with you, we won't pursue that. I wonder if the minister can tell us the cost effectiveness of having done away with the maintenance within the branch to having it done by private contractors in the area where the ferry crossing are operating. What's the difference in terms of what you've had to allocate? What's the pay-out?

**Hon. Mr. Hardy:** — The difference is, the department staff tell me, the difference between what it was costing us before and what it cost through using the local people in the area to do the maintenance is about \$90,000 a year.

**Mr. Anguish:** — What does the \$90,000 a year represent — the cost savings to the branch?

**Hon. Mr. Hardy:** — A lot of that cost would be because there was a crew and they travelled around the province. There was the cost of not only moving the trailer, but the cost of travelling, the cost of rooms, the general costs of coming back to the city on the weekends, and those were all extra costs.

When it's done locally, it's almost totally done within the area. There's always somebody there that can fix it, and it's just . . . the local people are getting the work instead of somebody coming and travelling around the province.

**Mr. Anguish:** — I understand and appreciate that, and I don't disagree with the reasons that you're giving, anyway.

What I'm asking is: the \$90,000, what is the \$90,000 you mentioned to me? Is that the cost before when you had five people on maintenance travelling around doing the maintenance, or is 90,000 the savings, or is 90,000 what it costs you now? What I want to determine is: did it cost you more money before, or does it cost you more money now, or does it cost the same thing, between having

permanent people who are qualified to do it or contracting it out?

**Hon. Mr. Hardy:** — It's a saving of \$90,000 per year by doing it the way we're doing it now, letting the local people in the local area do the repair work on it.

(1530)

**Mr. Anguish:** — What happened to the five or so people within the maintenance branch?

**Hon. Mr. Hardy:** — A couple of them are working yet as operators on ferries within the province for the Government of Saskatchewan. I understand one or two went to Highways, and I'm not sure where the other person went, whether . . . in a department or not. They were all offered jobs within the department if they wanted, other departments if they wanted to take it, or on the ferries.

**Mr. Anguish:** — I'm assuming that a large part of your budget in that particular branch has to do with staffing. In light of the fact that you've almost cut the staffing in half, your budget is still two-thirds of what it was five years ago. What does this reflect? Is it higher wages that are being paid, or is it increased operating costs, or stabilized operating costs, and it's a true reflection of the wages that were one-third of the overall budget?

**Hon. Mr. Hardy:** — A lot of the costs would be fixed, like cables that have to be replaced on an almost biannual, or biannual basis. A lot of it would be the general operating costs, the upkeep of a ferry. It costs some anyway, regardless of how you look at it.

The number of employees . . . There has been some wage increases, as you know, through SGEU (Saskatchewan Government Employees' Union) — I believe it's SGEU union that's there. There has been some wage increases, and whatever they are they're certainly public knowledge.

Just the general . . . but mainly the general operating costs. Costs have went up somewhat, and no matter whether it's a can of paint or what, it still costs a little bit more than it used to. And the general operating costs — cables, replacement of motors, whatever has to be done — they're done regardless of how many folks are working there.

**Mr. Anguish:** — I imagine your major capital expenditure, if you were to make one, would be the purchase of a new ferry, or a fleet of ferries, if you want to call them that.

In this period of time from 1982 till the present fiscal year, have you made any major capital expenditures? And if not, when do you plan in the future to replace some of the fleet that you have out there?

**Hon. Mr. Hardy:** — What we've been doing is . . . I understand a ferry is made basically of steel and if it's looked after properly they do last a great length of time, except for such things as cables and motors.

We have been sand-blasting the inside of them, repainting them, so that we don't get no corrosion. Our belief is they will last a long time, as long as they're looked after properly, and because of the nature of them.

**Mr. Anguish:** — I'd like to move now to your road services branch.

The road services branch, I understand, provides engineering supervisory services to the district engineers and municipalities for all road programs. And the road services branch has been cut significantly in recent years. And again I would look at the staffing. The staffing has dropped from '83-84 fiscal year till the current fiscal year by some 16 person-years of employment, and the budget has been reduced, the overall budget, by some \$1.2 million since 1983.

And the provincial highway system is clearly not a priority and now it appears to us that neither are the grid roads or the farm access roads in the province of Saskatchewan. And could you explain to us this dramatic decrease you mentioned a while ago about the regravelling program and things like that? But certainly the road services branch has had some pretty dramatic cuts that I can't justify in my own mind as I could for the ferry services branch.

**Hon. Mr. Hardy:** — Well I was just asking the department staff here. They — two things I guess that I should make note of. One is that last year there was . . . three of these positions you're talking about were in head office over here, in the Walter Scott Building, and they weren't replaced, they were just — people were just reallocated to look after that.

Out in rural Saskatchewan, there were some retirements out there, as you're well aware. What we did with the engineers that were still with — stayed with the department, they were reallocated around the province to give the supervision service that's needed.

And what an engineer does out there is that he — his job is to go out, as you know, and to make sure that the road is at least built to the standard. He doesn't design that road. He doesn't — he's not there while it's being built, he just checks it afterwards to be sure it's built to the standards so when we pay the conditional funding it's paid for — we get a dollar's worth of work for a dollar, I guess.

Most R.M.'s, and I think just about totally every R.M., are really responsible. If you are a councillor or reeve in your area and you have a road being built, I don't care by what contractor in this province, and that's your road by your place, I'll tell you, that's better supervised than we'll ever, ever get it from anybody we sent out from Regina.

It's a double-check system, just to be sure that a low — because some of those councillors are not engineers and there may be something that's not right up to standard, we draw it to their attention, make sure it is before they make the final payments.

So it's more or less a final supervision of the road. It always has been. And I think it's working really well. I suppose it's always room — you could say that we could

use more often out there, but I think most R.M.'s were quite satisfied.

The only area that there's been any major changes is in the pavement supervision. The engineering work is now done by consulting engineers for anybody laying pavement within the R.M. There's very little of that being done, I'll tell you.

And there's a reason for it — two reasons: one is that they do have the qualifications to do it, maybe even better, or certainly do it right; and the second one is that it helps the small town where they need somebody to come in and be able to supervise paving in town.

There was really none of that expertise in the province that will help develop that over the years so there's . . . It can be a benefit to both urban and rural, especially small urban, maybe not large urban, but small urban communities.

**Mr. Chairman:** — Order. Why is the member from Canora on his feet?

**Mr. Kopelchuk:** — Mr. Deputy Chairman, I would beg leave to introduce some visitors.

Leave granted.

#### INTRODUCTION OF GUESTS

**Mr. Kopelchuk:** — Thank you very much., Mr. Deputy Chairman. It is my pleasure to introduce approximately 52 students, exchange students, I might add, from the Preeceville High School from Preeceville, Saskatchewan, as well as from Berthierville, Quebec.

If I remember correctly, I believe the Preeceville students have been to Quebec and now the Quebec students are repaying their visit to Preeceville. I think they arrived last week, and I know they were entertained at a banquet in Preeceville, Saturday.

They are accompanied by Marcel Lapolice and Wilfrid Lanoix, as well as . . . and that's from Berthierville; as well as Ivy Krauss and Sheila Ivanochko from Preeceville. And they are also accompanied by their bus drivers, Dale Goodman and Neil Fenske.

I understand that, as part of their tour of this legislature, half the students took their tour in French and the other half took it in English, and that is something different for a tour.

I would wish them a safe journey home. I hope they've had a pleasant visit to Regina. Your visit to the legislature I hope has been educational to you, to all the students. I would tell you that I will be joining you in a few minutes for pictures and drinks, and at that time we will . . . I will I hope have a chance to personally meet each and every one of you.

Would all the legislature please join with me in welcoming these students.

**Hon. Members:** — Hear, hear!

**Hon. Mr. Maxwell:** — Monsieur le Président, permettez-moi à dire quelque mots à nos visiteurs de la belle province, s'il vous plaît? C'est un plaisir pour moi de vous accueillir ici aujourd'hui. Au nom du gouvernement nous espérons que vous allez enjouir de votre visite à Regina et à la législature. Bienvenue et bonne chance.

**Hon. Members:** — Hear, hear!

**Mr. Anguish:** — I, too, would like to welcome the students from Canora and from Quebec. Je ne parle pas français, excuser. I'll continue in English.

What we're doing in the legislature this afternoon is a process called estimates. We're in Committee of Finance, and each year the government brings in a budget as to how they plan on spending taxpayers' dollars over the coming fiscal year, in the 1988-89 fiscal year. Today we're examining the Department of Rural Development. I'm the critic in the opposition for the Department of Rural Development, and the member opposite is the minister in charge of Rural Development. He has some officials with him today that assist in answering technical questions about the budgetary process within the department. We hope you enjoy what happens here, but especially to the students from Quebec, your visit to Saskatchewan, and we wish you well here.

**Hon. Members:** — Hear, hear!

#### COMMITTEE OF FINANCE

#### Consolidated Fund Budgetary Expenditure Rural Development Ordinary Expenditure — Vote 43

#### Item 1 (continued)

**Mr. Anguish:** — Mr. Minister, what I heard you saying was that basically the road services branch has a role of quality control. Is that the sole purpose of the road services branch? And in addition to whether or not the quality control is the sole role of the road services branch, I'd like to say that even though those people sitting in rural Saskatchewan watch that road being built past their property, have a great interest in making sure that it's constructed properly because it's their lifeline to the rest of the province. It's also their tax dollars that are going into the construction of the road. They certainly don't know, in fact in most cases, I don't think would go out and do compaction tests or anything to the design of the road to have that expertise. And I think that even if it is the sole role to be quality control of the road services branch, we need that quality control throughout the province because the interest may be there by those that observe the roads being built past their property, but I don't think in many cases would have the expertise to make sure the quality control was in place.

**Hon. Mr. Hardy:** — They do play a larger role than just going out and supervising to make sure the road is built to the standards required. They give technical advice, especially during the winter months, to R.M.'s in regard to how a road . . . or what's required in an area, and how a road should be or how it could be designed or how it

should be tendered. They also help them with the tendering process, and most of that's done during the winter months when they can't be out there, or very little they can do on the roads themselves.

They also do road alignments; in other words, they'll do the initial straight-lining or field-work or whatever you want to call it, in regards to the road-bed itself.

And they also help them with initial planning. In other words, when you're designing a road and where it's going, they'll sit down with the R.M.'s — mostly during the winter months when it's fairly slack for them, they'll go out there and they'll talk to all the R.M.'s in the area, talking about what roads you're going to build, where it's going to, how it interconnects with other municipalities, the type of roads needed, and the tendering process you should go through, and what to expect in a tender and what kind of prices. They'll even have a forecast of the, you know, the best guess of what price range should be in when you're doing your planning, because you've got to plan . . . You usually plan your roads in the winter-time, and then you do your budget in the spring so you have your money for the summer.

So those are the kind of things they do. So they do much more than just going out to check to see if the road is constructed.

(1545)

**Mr. Anguish:** — Could the minister tell us at what locations within the province there would be employees of the road services branch that give technical advice and the other list of responsibilities that you've listed?

**Hon. Mr. Hardy:** — They would be in Weyburn — of course in Regina here — Swift Current, North Battleford, Saskatoon, Prince Albert, and Yorkton.

**Mr. Anguish:** — Mr. Minister, something that I'd like to turn to that doesn't have, I suppose, a direct role of your department, but I'm sure you're interested in, is the closure of customs offices. There have been a number of customs offices announced for closure, and I'm wondering what consultation, if any, the federal Department of Revenue has had with you or your officials in terms of wanting to close border crossings or customs offices on the 49th parallel?

**Hon. Mr. Hardy:** — With the department, certainly, there hasn't been any I'm told. Most of that would be done through intergovernmental affairs, and I haven't been involved with discussions in regards to border closings. In fact, I haven't even had a letter or a request or a concern addressed to me in regards to it.

That don't mean to say that maybe there shouldn't be some more interest shown in it, but to be honest with you, I've had no consultation and no discussion in regards to border closing with either intergovernmental affairs, or with anybody from the area down there, or any resident of Saskatchewan.

**Mr. Anguish:** — Does your department have a role to play, if there was some consultations? You mentioned

intergovernmental affairs would deal with that because of the relationship between the provincial government and the federal government, but I would hope that at least there would be an interest in your department, as the Minister of Rural Development, that things like that that happen that have impact on rural Saskatchewan, there be consultation with you.

Certainly, if a border crossing closes, it's going to have a great effect on traffic flow in those areas, and therefore an effect on the rural communities along that route, as tourists or business people or truckers, or whoever, are coming across the border. And if there has been no consultation going to you, I would ask that: would you or your officials check with intergovernmental affairs so that you apprise them that you are concerned and would like to have some consultation with intergovernmental affairs and the federal government when such a forum presents itself.

**Hon. Mr. Hardy:** — Well certainly, if there's a closure of a border, which certainly would affect the rural residents, and especially the people of Saskatchewan, the tourism end of it, the access to our trade in the United States is certainly very, very important. I'm sure intergovernmental affairs and myself, too, would be . . . I would hope to be involved in the consultation, and certainly in discussion in regards to maintaining of our border openings.

I understand. I was asking one of my colleagues here and he said there has been some discussion about one of the borders, but I'm certainly not aware of it, but I will take a look into it to see what's being discussed. But like I said, I've had no requests from anybody in Saskatchewan in regards to . . . or any concerns addressed to me in regards to that, but I certainly will take a look at it.

**Mr. Anguish:** — I appreciate that, Mr. Minister. I'd like to turn to the subject of post offices. There's been great concern from the Canadian Postmasters and Assistants Association. There's been great concern from people in rural areas who have either had their post offices closed or their mail delivery altered in some way. There's been great concern from people who no longer receive the service that they had grown to expect from the post office. Many people, as I'm sure you're aware, coming from rural Saskatchewan, that when your elevators start to go and your post office goes, it's not very long before the community suffers drastic changes in the way of life that they have known over past years.

Many provincial governments, Mr. Minister, have — I shouldn't say many — I should say, actually, a few would be more accurate — have passed resolutions asking the federal government not to proceed with some of the rationalization over their five- or ten-year plan, there are very few post offices they don't look at in terms of the possible closure of that particular postal outlet. In fact, if you looked at all of the south-east corner of Saskatchewan, there'd only likely be the communities of Moosomin and Estevan and Weyburn that aren't up for some kind of review over the projected plan of Canada Post.



In the resolution, Mr. Minister, that was passed by the Alberta legislature, in the province of Alberta, was — and I'll read it to you:

Be it resolved that the Legislative Assembly is of the opinion that post offices provide valuable services to rural Albertans, and is therefore concerned about the negative social and economic effects caused by the negative social and economic effects caused by the closing of post offices in many rural communities across Alberta.

My question to you, Mr. Minister, is: would you join with all members of the House in putting forward a resolution such as this for transmittal to the federal government, and on to Canada Post, expressing our grave concern about the changes in postal delivery and postal services in rural Saskatchewan?

**Hon. Mr. Hardy:** — Well if the member would send me over a copy or we could get a copy of that resolution, I'd certainly — I certainly entertain, you know, talking with you, about it and seeing what it says, and I'd have no trouble. If it says exactly what you read, I certainly don't think there'd be any trouble with that.

I just want to make mention that in December our department met with the regional . . . the director of regional . . . the director responsible for rural post offices from Ottawa — and we haven't got his name with us — and also the regional director in Saskatchewan, and we were given the assurance at that time that there would be no closures, direct closures of post offices.

There may be some changes . . . I shouldn't say direct closures of post offices; there'd be no closures of post offices within a community, but there may be changes. So in other words, some may go to some retail outlet to handle the post office outlet.

That was the . . . They've given us the assurance there will always be, at least, accessible post office services to the community, of all the communities that's receiving it now. So they give us that assurance, and I would hope they would certainly live by it.

**Mr. Anguish:** — Mr. Minister, I'm not sure that Canada Post . . . I believe you're referring to the officials from Canada Post that you had met with in terms of closures. I have a list here done very recently. It's effective April 12 of 1988 of the current year, and there's a long list of post office closures.

And I don't want to consume the time of the House here today, but it looks to me that there's one, two, three, three and a half pages of post offices that are either closed or have been announced that they'll be closing in the province of Saskatchewan. And I would assume that there must be about 25 or so per page. So you're looking at somewhere between 75 and 100 post offices that have closed in the province of Saskatchewan as of . . . pardon me, closed or announced for closure as of April 12 of this year.

And I've mentioned earlier in the estimates that the face of rural Saskatchewan is changing quite dramatically, and many people feel that those changes are not for the better,

that they see the way of life that they have come to expect over a number of years, a number of generations in the province, changing to something that they are uncomfortable with that they don't necessarily like. And I think we're well-advised to preserve rural Saskatchewan; we're well-advised to make sure that there is a repopulation, in fact, and not a depopulation of our rural base in this great province.

So what the people from Canada Post are telling you are certainly contrary to the facts. And I don't know whether you have a list of these post offices or not, but I would be more than happy to provide you with a list of the post offices that have closed or have been announced for closure, and I would also provide you with a copy of the resolution I have from the province of Alberta, their legislature, which gives some protest to the closure of rural post offices.

So, Mr. Minister, when I put this information together with you, I would like you to give us your undertaking today that you in fact will support myself, or myself support you, in forwarding a resolution that would hopefully pass with unanimous consent of this legislature, protesting the closures in our fine province, and that that be transmitted to Canada Post and to your colleagues in the federal government. I ask you to please give us that undertaking here this afternoon.

**Hon. Mr. Hardy:** — Well I would appreciate very much if you would send over that resolution, as well as that list. I don't have that list, but when I was talking to my officials here — and I'm not sure if that's closures or a change of method of delivery of postal services to the community. My understanding was there would be changes of method of delivery in the community, such things as a store maybe having the post office service or something, but they weren't going to take any service away from rural Saskatchewan without certainly notifying us, and we haven't had any notification at all of any being taken away. There may be a change in method of delivery, and that may be true, and it may well be part of what you're talking about there, I'm not quite sure.

I would appreciate very much if you could send that list over and I would certainly look at it. And as far as the resolution goes, I would like to read it. I'm certainly prepared to sit down and talk to my House Leader about a resolution — if that's the same as the one we got there — and talk to yourself as well or your . . . the opposition, in regards to forming a resolution that would be adequate to send to the federal government in regards to maintaining a rural post office service out there. Because I, like you, believe that we do need a service out there.

It has, over the years, as you know . . . when I grew up back on my little . . . on the farm way up in the bush up there, where we had a post office every three or four miles, and now in my area the only post office is Hudson Bay. You drive at least 25 miles or 30 miles any direction before you can find any post office. And I'm sure you're familiar with it, coming from up in the North part there.

It has changed dramatically, but there are some limitations as to how far it should go. And, I like you — I'd like to look at it, and I'm certainly prepared to talk with

you and the opposition in regards to a resolution.

**Mr. Anguish:** — Just before we leave this topic, I would point out that in some cases I think Canada Post is misleading you in that they will close down the location, where they haven't leased it out to private sector, that there's no longer a postmaster or postmistress working in that particular community. But yet someone who writes a letter to someone in that community can send it to say, Aylesbury, use the Aylesbury postal code yet, but the mail never gets to Aylesbury. In this case, of that community, it would go to Chamberlain. So whoever is writing to you would feel that, well, there's still a post office there — a post office presence of some kind. There must be some way there for them to get that, but it's not true.

What you get there is a community where the people that live there, there is no presence of a post office, and although it's addressed to Aylesbury with that postal code — they would have to go into Chamberlain to pick up their mail. And there's a list of those as well, and I will provide those to you.

I want to turn over to my colleague from Regina Victoria for a few moments. He has a few questions to ask you. And I'd like to come back on; I have some other questions for you, Mr. Minister.

**Mr. Van Mulligen:** — Thank you, Mr. Chairman. Mr. Minister, for some months now your colleague, the Minister of Urban Affairs, has been making statements about doing away with the ward system in some of our cities. My question to you is: are you also planning to do away with the ward system in rural municipalities, or the division system, as he is now planning to do in our cities?

(1600)

**Hon. Mr. Hardy:** — The answer is no.

**Mr. Van Mulligen:** — I wonder, Mr. Minister, if you might enunciate for the House, in your opinion, what you view to be some of the positive characteristics of the ward system and explain your answer a little bit more fully.

**Hon. Mr. Hardy:** — Mr. Chairman, we don't have a ward system anyway. When I answered the member's question a moment ago, I said no to the ward system. We have what we call a division system, which I'm sure there's some similarity to it.

In rural Saskatchewan, where the division system is in, or the councillor is in, the reeve is over the whole municipality. Some municipalities like the R.M. of Hudson Bay has 115 townships. They would travel in the neighbourhood of 50 or 60 miles if you didn't have some area to look after. It would be a little different than . . . I'm sure if he's referring to the ward system — the two major cities, and Prince Albert as well — you know the distance around the city is much different than the distance in rural Saskatchewan. One township in rural Saskatchewan — and there's no municipalities, or very few, less than nine townships — is much larger than the city of Regina, so that distance is always a major factor out there.

Certainly the rural councils like that, they have a total of

some . . . most cases they have six councillors, and it can vary. I think the main reason they have it that way is for somebody . . . two reasons: one, there's somebody in the area that would be familiar with the roads and the bridges, wash-outs in the spring, and those kinds of things that they have to deal with; second, great distances to travel from one end of the municipality to the other. Like in the R.M. of Hudson Bay, it would be at least 130 miles from one end to the other — too far to ask somebody to be a supervisor or do any kind of work in that way. So that's probably one of the large R.M.s, but no R.M.s are very . . . that I'm aware of, is much less than 18 miles in any one direction, so it could be a long travelling distance there and back.

**Mr. Van Mulligen:** — I agree with you, Mr. Minister, that it's not a ward system; it is a division system. Although where you say that there are some similarities, I would say that there are great similarities and that the division system in R.M.s is identical to the ward system that we have in our large cities and serve the same purpose.

You talk about distances. Am I to assume from your remarks then that the ward system in rural municipalities is there because it's of greater convenience to the voters, or is it there as a convenience to the councillors?

**Hon. Mr. Hardy:** — Well it's a convenience to both, I'm sure. The division system in rural Saskatchewan is based on land mass. It's the size that you have to deal with. Most councillors in an R.M. would have anywhere from 18 miles, 16 . . . no, I guess about 12, 16 miles one way or the other, to deal with, and it could vary. So they would have a mass to deal with, an area to deal with. I don't know how that would compare to the urban centres because urbans are very concentrated and more by population than by acres or miles or whatever else.

**Mr. Van Mulligen:** — I might have some disagreements with you on that point, Mr. Minister. I've lived in a city for many years and I know that, contrary to the opinion that you hold, it does take more than five minutes to get from point A to point B sometimes in the city. If you're right next door, then it takes that amount of time. But you're not travelling at 100 kilometres an hour; you're travelling many times at much less speed than that, and it can take you some time to get around in a large urban area.

So that what you're suggesting in terms of cities, to say that if there's an at-large system here that there's no time involved for a member of a city council to get from one part of the city to another part of the city to check out a problem, yes, the problem may be somewhat more severe in rural municipalities, given the distance. But it is a consideration in a city as large as Regina and, I would submit, Saskatoon.

You mentioned earlier that knowledge of local conditions was an important consideration in maintaining the division system in rural municipalities, and I wonder if you might expand on that point, just what you mean by knowledge of local conditions and why that's an important ingredient in the division system.

**Hon. Mr. Hardy:** — Mr. Chairman, you know, it's always hard to define the benefits of a division, but one of the

areas that certainly a division councillor has to deal with — and I can speak more from the North where I come from where we have not limited . . . we have very unlimited access in a lot of cases. We have rivers, we have creeks, we have muskegs to deal with, we have . . . it isn't accessible. Sometimes we may well drive 20 miles to get one mile because it's just not accessible.

The R.M. of Torch River is certainly a good example in the North there where the river runs through, and if you have to . . . you may drive 30 miles to get across on a bridge, or 20 miles. I mean those are the kinds of things that councillors have to deal with. It may be just across the river or across the creek or over the hill, but they're not that accessible. Where you have an urban one — I'm trying to relate it to the urban one — where it is accessible, certainly, and like you say, it does take some time to go from one side of a town or a city to another. But in rural Saskatchewan all their work is related to the roads, basically to the roads, and to the bridges, and to the access for farmers to that. And that's what they deal with. They actually do.

A councillor actually does the observation, and in a lot of cases he's actually the person out there putting up the signs. Yes, he does that.

He also, when they're building a road, he's the one doing all the observation in regards to how it's being built. Many roads aren't built under capital funding and he'll be out there actually doing . . . actually he's the construction foreman; he's right out there all the time.

It's different than in a city; it's different than in a town. I think of a town where they . . . an alderman or a councillor in a smaller town does not do any of that kind of work. He's more just . . . goes by to see how it's going or what's needed, and they have crews to do it. Most councillors are the crews in themselves.

**Mr. Van Mulligen:** — But again you say that knowledge of local conditions, that is to say, to know where the bridges are, to know the conditions of those bridges, to know where the roads are, to know the conditions of those roads are important.

I'm wondering, Mr. Minister . . . I accept what you say that R.M. councillors may take on some immediate responsibilities if they see problems just give the nature of the resources that R.M.'s have.

But I'm wondering like, if knowledge of local conditions is that important, why you would not think that it's any less important for say, an alderman in a city — who may not have bridges to worry about, but may be concerned — receives calls to go check out complaints about sewers and sidewalks and roads and garbage pick-up. And also a knowledge of local conditions is very helpful in those cases because a city is not a homogeneous whole, and different conditions will prevail in different parts of a city so, therefore, a knowledge of local conditions is also important.

I'm wondering why you would take the position that, although this is an important thing in rural municipalities, it's not necessarily an important thing in some of our

larger cities?

**Hon. Mr. Hardy:** — I've taken the position that the division system within rural Saskatchewan has worked. It's all over the province, the same all over the province, there's no difference.

It don't matter if you go in the R.M. of Hudson Bay or the R.M. of Meota, or wherever you go it's the same, it's exactly the same system all across. It's worked since it's been brought into existence.

I suppose the reasons that I gave you that it's there is certainly based on land, the areas they have to travel. It is designed, and certainly where you have a farming industry, it's as much . . . I suppose to be fair about it, it's as much related to whether you have an urban or rural, the jobs are totally different, the responsibilities are probably totally different. The relationship to what an urban councillor or alderman would do compared to what a rural councillor would do, are not in any way comparable. They're totally, totally different, and you'd have to be a reeve or a councillor out there to know what the responsibilities are. And I know you've been an alderman in the city and you know what that is, but if you haven't been out in rural Saskatchewan, it's a different—

**An Hon. Member:** — It's a different world.

**Hon. Mr. Hardy:** — It's a different world altogether. That's exactly what I was looking for. Thank you.

**Mr. Van Mulligen:** — I agree with you that it's a different world, Mr. Minister, but I don't think that there is any differences that, when it comes to a knowledge of local conditions that . . . again, cities are not a homogeneous mass, that there are local conditions within a city, and that to serve people a knowledge of those local conditions is many times very important if you want to serve the people and if you want to give the people good service.

Can I just ask you, Mr. Minister, do you perceive there to be, or do you think there are any negative characteristics to the current division system in our rural municipalities?

**Hon. Mr. Hardy:** — Certainly, there's some down sides to the division system. I don't think anybody would say there wasn't any down sides to it. One that comes to mind, as a former reeve of an R.M., is that you always had one councillor who was maybe more vocal, more strong-willed than others, and they'll have the tendency to probably get more into their little district than maybe the other councillor would get. And if the reeve or somebody at the top doesn't say, hey wait a minute, that isn't the way it works, you've got to look at all the R.M. and see what's needed across the R.M. and work it out that way; you can find one division, and if you've been out in rural Saskatchewan you know that's true — there's some councils who over the years have had a very strong-willed councillor whose roads are just probably the best there is, and another councillor in another area doesn't have quite as good a roads.

So, I suppose there is some down sides. But, you now, the R.M. councils like it the way it is. There's lots of up

sides to it because of the mileage that you have to travel. So you take the good with the bad, I guess, and have a division system. But certainly one of the down sides to a division system is not representing the whole area, if you're just representing your division.

Now most councillors have broadened their thinking and are looking at the whole concept of what's within an R.M., but there's always a few that don't. And that has been and will always be a bit of a problem out there.

**Mr. Van Mulligen:** — Well this little bit of a problem, or the few that in your opinion don't have the broad interests of an R.M. at heart, those few to your mind is not sufficient reason then to change the system in our rural municipalities from a division system to an at-large system.

**Hon. Mr. Hardy:** — Well, first of all, I said there was, you know, it's been, it's an over-system . . . it's a system all across the province, first of all, and it's the same system for every R.M. in the province regardless of how it is. That system has worked and has been very successful over the years.

In regards to whether there should be a change to a division system or not, I don't believe there should be. I've said why — because of the miles that's travelled, of the accessibility of the councillor, for flooding in the North, whether it's bridges or whether it's maintenance of roads so that you can get back and forth from one field to another — accessibility. So that he can . . . he does a lot of the work himself. I never saw an alderman yet, and I shouldn't say there isn't any, but I don't know of any that actually go out and do any of the physical work in an R.M.

Many councillors do a lot of work for free. They put up signs. They maintain their own signs; they maintain the standards out there. They maintain safety for the farmers out there. They will . . . in fact, I can think of cases in the area where there's a narrow bridge where they maybe even go out and take the sides down so the guy can get through with his heavy equipment and put it back up. They don't have a bunch of maintenance people around.

(1615)

They are not only the division councillor for the area, they're sort of the maintenance man, the guiding counsellor for the area. He looks after almost totally and, if you might say, at most cases with no pay at all, or very, very little, except the odd meeting pay.

**Mr. Van Mulligen:** — Is it your perception, Mr. Minister, that because you have a division system in rural municipalities, that rural municipalities would spend more than if they had an at-large system?

**Hon. Mr. Hardy:** — Well that's a pretty . . . It's a hypothetical question — certainly one I can't answer. They've only had one system out there. It's been successful. The R.M.'s like it. SARM thinks it's what they'd like to see out there. I guess, to say the least, I couldn't make that judgement.

I don't know if it would be better one way or the other as

far as cost efficient go. I do know that there is some, certainly some up sides to the division, and I named them off to you. I named a couple of sides that . . . a couple of areas that are down sides to having it as a division system, but I couldn't make a judgement call because there's nothing to back it up. It would be just a best guess.

**Mr. Van Mulligen:** — Have you done any research, Mr. Minister, at least in comparison with other jurisdictions where they may have rural municipalities, to see whether or not the R.M.'s in Saskatchewan may be spending money at a greater rate because of the ward . . . or the division system than is the case in rural municipalities or counties in other jurisdictions that do not have a division system?

**Hon. Mr. Hardy:** — Well, you know, I suppose you could do research and all that, but to tell you the truth we're not going to spend any money doing it because we haven't had a request from SARM for any changes. We work very closely with SARM; we always have. I think it's been a policy of all governments to work with the association, Saskatchewan Association of Rural Municipalities; we have. So I'm not prepared to spend any money on it.

I believe that the system has a lot of good things about it. It has some down sides to it. It is designed for rural Saskatchewan. It has worked in rural Saskatchewan. It is a farmers' type of a system and it's serving the farming people, and that's where it will stay.

**Mr. Van Mulligen:** — What I want to just say, Mr. Minister: can I deduce then that when it comes to a question, on balance, of retaining the division system for rural municipalities, that money and that budgeting and the rates that rural municipalities may be spending money, that that is simply not a consideration?

**Hon. Mr. Hardy:** — Well, you know, in regards to urban and rural, they are certainly different. It suits, like I said earlier, it suits rural Saskatchewan. As you know, I guess, the rural councillors out there certainly pay their own administrator, if that's the case. Many places now they have one administrator for two or three R.M.'s. That can't happen when you have a town or a city because, you know, they're scattered many miles apart, where R.M.'s will sit, be in one town . . . I can think of the R.M. of Tisdale and Connaught who have their office in the town of Tisdale. There's other ones. Down in the south-east over here there's one that has three; one administrator looks after three R.M.'s, and so they have co-shared their costing.

In regards to the division, the councillors, as you know, they're not paid very much and I think the cost there is almost not noticeable in their overall features. And much of the work, as I said earlier, they do absolutely for free. I guess that's the way rural Saskatchewan is. It isn't always; I've got to be paid to do something, and those councillors exhibit exactly that type of a form.

**Mr. Van Mulligen:** — Mr. Minister, should you ever come to the conclusion that a division system was not feasible or desirable for rural municipalities, generally what would your policy be? Would it be to ask rural municipalities to hold a vote on the question to let the

people decide; or is this something that you would say to them, this is the way it's going to be? How would you handle it? What would your policy be?

**Hon. Mr. Hardy:** — When the time comes I guess I'll deal with it, but I don't believe the time will come.

**Mr. Anguish:** — Mr. Minister, during the time that the member from Regina Victoria was asking questions about the ward system, the representation for R.M.'s, I had the chance to photocopy the resolution from the Alberta legislature, as well as some of the closures in post offices in the province of Saskatchewan. And I'd like to send it over to you, and have you, or your officials, or both, examine it.

In the case of the motion that was put through the Alberta legislature, it was introduced by the opposition. I'd be quite happy to do that after some consultation with you, or to support a resolution that you may bring forward in protecting rural post offices and the rural way of life in the province of Saskatchewan. And however we do it, I'd like it to be as non-partisan as possible and to have it as a unanimous voice of this legislature going to Canada Post and to the federal government expressing our concern.

And I'd like to send this over to you, and I look forward to some dialogue, or some contact from you in the near future on the problem of the closure of rural postal services in the province.

Mr. Minister, if I heard you correctly, when SARM met in Regina a few months ago, I thought I heard you say that there'd be some changes to The Rural Municipal Act in the province in this session of the legislature. I didn't see anything in that regard in the throne speech, and I haven't heard anything about proposed legislative changes in that Act since that time. I'm wondering if you could tell us this afternoon whether or not there are some amendments planned for The Rural Municipal Act, or any other Acts that affect the Department of Rural Development.

**Hon. Mr. Hardy:** — As the member may well know, we had a rural law review committee travel around the province a couple of years ago, and they came back with a list of recommendations in regards to changes to the existing Rural Municipality Act.

We have in fact then put together a proposed list — I guess you'd call the white paper — on what those proposals were, and how they could be or how they might be implemented. We sent that out to every R.M. council around the province; we did that about a year ago.

Last year at the convention we discussed with, and brought up at the convention with all the R.M.'s — anybody that wanted to talk about any new or . . . concerns they had about the proposed Act. Since then, it's now been brought back, and we're in the start of the — we've started drafting and are putting together some draft features on drafting the new rural municipality Act, and I would think it should be ready to be introduced into this House this session.

I'll certainly, as soon as it's ready, I'll send you a copy

over. It's been no secret; it's been around through every R.M. council. They've asked for their input; we've sent out, where there might be any controversy at all, we've sent out and asked them for their views on it. We have talked extensively with SARM executive. They've reviewed it; they think it's right to do. They think everything in it is what they'd like to see.

It's not complicated. It's just updating a lot of things that were brought in, in 1905, that sort of have been left behind, and bringing in some new features. One would be, like, if there's a tie vote — instead of pulling straws or flipping a coin, you'd have another division election. And those things, The Line Fence Act, where there's such things as a fence that's between two parties, and one's using it for cattle and one isn't, and who's responsible — things like that that should be addressed. They've been outdated; they were designed for 50 or 60 years ago.

Other things that we would deal with would be such things as some of the small holdings that we're looking at in regards to taxation base, how the assessment should be looked at. We've been looking at such things as trailers in the area. We looked at resort communities. There are some things there that we've tried to deal with. Fire, and there's been a concern with some of the municipalities about how they should be able to collect fire — not a tax, but a surcharge. We've been trying to deal with them. Those are the only contentious ones that we've really had to deal with.

The rest is all sort of basic, and I think most of it's put together — SARM, I believe, is satisfied that it's right. I think all the councils are satisfied that it's right. And when it's put together, as soon as it's together, I'll send you a copy and you can review it, give me your comments. If you have some comments that you feel it isn't just right, I'd look at that again; I have no problems.

**Mr. Anguish:** — Mr. Minister, the legislative changes that you're planning, will they all be coming under one Act or are there other Acts that you are planning some legislative changes in during this session?

**Hon. Mr. Hardy:** — Just to clarify that, The Line Fence Act and there's a Stray Animals Act that are . . . there are minor changes, and they'll be different in separate Acts that's brought in, because they're already under a separate Act now within the statutes. So they'll be brought in to make whatever change is necessary within that.

**Mr. Anguish:** — The changes that you would be proposing in terms of assessments for trailers and acreages and whatever, would that come under The Rural Municipality Act?

**Hon. Mr. Hardy:** — I maybe misled you a little bit when I said "assessment." It's to do with the mill rate structure and how they can be taxed. So the assessment is under the assessment authority, which is a separate agency that does that, and it's under the urban . . . I believe it comes under Urban Affairs, the assessment Act itself does.

**Mr. Anguish:** — Do you plan, the next time you release . . . you mentioned that you would give me a copy of the proposed changes as you would circulate, I would

imagine, to other people. I welcome the opportunity to get that early so that it can be reviewed and we can provide some constructive criticism, if there is some to provide there.

Will you be doing that in some kind of a discussion-paper form prior to the Act, or are you going to just do the changes without floating them by for broad-ranging discussions? Is it going to be quite specific, what you provide, or is it going to be a general paper for discussion purposes?

**Hon. Mr. Hardy:** — Well we've been out and we've had a lot of discussion papers out there with the folks in rural Saskatchewan, with all the R.M. councils, with SARM. It's been out there for a year and a half now; we've had the rural law review committee before that.

What I said to you was that when we have the Act drafted, I'll send you a copy. If you have any problems with it, we'll certainly . . . I'm prepared to deal with them. I believe it's done the way that the rural folks would like to see it done. But if you have an area of concern, I'd be prepared to discuss it with you. It may even be that we just can work it out and take it through non-controversial Bills, if you want, but I have no problems with sending you a copy so you have lots of time to look at it.

**Mr. Anguish:** — On another topic, one that concerns the drought situation in parts of Saskatchewan, I understand that the areas south of the Trans-Canada Highway and the areas on a line that would run from Regina to approximately the Rosetown area have a very serious problem in terms of water-supply drought. And as you'd be well aware, the water supply in those areas depends on spring run-off, in some cases heavy rains.

At this point, the run-off for water supply has not been good because of the lack of snow in those areas over the course of the winter. And the hydrometric stations across the province . . . some of them established as long as, I believe, 50 years ago — there's some 400 hydrometric stations across the province — that the water supply drought is the worst in recorded history in those areas that I mentioned, in many of the areas south of Trans-Canada and underneath the line running from Regina over to Rosetown.

Places like Limerick, which has been in the news lately . . . in the community of Limerick I'm sure you're aware that the dug-out that they had to supply the water to the community has gone dry. Last year they had a bad situation but they were able to pump water into their dug-out from another water source about six or so miles away. This year, because of the worsening drought situation for water supply, that water body is no longer available to them because it's dried up as well.

(1630)

So just as an example, that's one community that faces some very serious water-supply situations. There's other communities in very similar situations, and I'm wondering what contingency plans your department has or what initiatives your department is willing to take to help provide a remedy to the water-supply drought in

many communities in the area that I have described?

**Hon. Mr. Hardy:** — Well I was talking with the department officials here, and we certainly realize that the drought out there in south and south-western Saskatchewan is very severe. Without an abundance of rainfall — and it's certainly probably past the snowfall stage now — there could be especially a severe shortage of water for dug-outs and for some of our small towns and villages.

I understand that the Saskatchewan Water Corporation have got all the seismic information from the oil companies with regard to water locations where they could drill. They've also identified all the water sources that are available out there in rural Saskatchewan where the drought is already been . . . is prevalent.

There's very little, other than that, that a person can do. We can . . . The Department of Agriculture's been looking into it from the cattle side of it, looking to putting together a program if it doesn't rain and there's a need for such things as assistance or whatever. But unless it rains, there's not much we can do in regards to water flow except to identify what's available and, if it gets worse to worst, to see what we could do to assist them. The water corporation is looking into that and will be coming forward . . . I think the minister said the other day they have a contingency plan in place and are still working on all the relevants to it.

So I guess it's a matter of time and just too bad that the snowfall we get in the North and up where you are couldn't transmit itself down to the South, because where I'm in we're actually in flood conditions up there, have been for a week, and it just seems odd that in the South there's no rain at all. But I guess that's the way the nature is.

**Mr. Anguish:** — You know, I can appreciate the distribution of snowfall in the province. I hope, as a government, you're not promising to be able to control the weather as well.

I am sure the minister understands there's two types of drought in question here: there's agricultural drought, which I think the jury is still out on that, because if there's enough rain for the seed to germinate and have a good seeding in the province, that there may not be an agricultural drought, even though at this time there looks like there could be. So I'm talking specifically about the water-supply drought, and you've noted that you're as well aware of it as I am.

I think it's good that there's been some identification done of places where they can draw water from well supplies, but I think that many of the municipalities that are affected, that require a water source other than what they've traditionally used — which has been the run-off — don't have the funding to be able to go into any kind of an extensive drilling program to get water for their communities or for their municipalities.

I'm wondering if your department has a role to play, and if you do have a role to play, is there assistance that you're

going to provide to some of these communities and rural municipalities to do some well drilling over the course of this fiscal year?

**Hon. Mr. Hardy:** — Well we're certainly concerned with it and we would work, through our department, any way we could with the rural municipalities in regard to help them access whatever programs there is available to either look for water or to access available water. And underground water is about the only source you have left when such things as a lake, like the Old Wives Lake, has been totally dried up for three or four months now. And when you lose large volumes of water like that out of an area, that creates a great problem.

So when the minister responsible for Saskatchewan Water Corporation, his estimates come up, maybe you should raise it with him. They have put together a contingency plan, and that we would certainly look at, working with any R.M.'s out there from the department in regards to helping them source or get the information they need to look for either drilling for wells or for sourcing funding, what is available, either federally or provincially.

**Mr. Anguish:** — It's my understanding, Mr. Minister, that the minister in charge of the water corporation has in fact looked at some of the things that we've talked about. The drilling of wells has been rejected because of the high cost factor. And certainly the municipalities do not have the funding. If the provincial government doesn't have the funding to do that, I don't know where the people in those drought-stricken areas are going to turn to.

I suppose what I'm asking you, as Minister of Rural Development, is: do you not have some kind of a direct role in providing assistance in very serious times of the drought situation in those areas described?

**Hon. Mr. Hardy:** — Well I'm aware that there is some funding, both at a provincial and a federal level, through PFRA (Prairie Farm Rehabilitation Administration) and through the water corporation, Saskatchewan Water Corporation, provincially, for deep-well drilling.

I understand also the water corporation has identified areas through the oil companies, through seismographs, where there's water located. If it gets to the point where R.M.'s are looking to supply or to get that supply of water, our department will certainly be willing to work with them to access both the provincial and federal funding and to identify areas where you could drill for the wells.

So certainly our department will be available and certainly we'll work with them, because we have as much concern about the lack of water out there for the cattle and for the farm families as any other department there is. Any way we can help them, we will.

**Mr. Anguish:** — Mr. Minister, is your department involved at all in any discussions concerning water diversions in the province of Saskatchewan?

**Hon. Mr. Hardy:** — No we're not.

**Mr. Anguish:** — It would seem to me that it would be

important that the Department of Rural Development is consulted when major water diversions are explored because of the impact that that would have on, basically, the entire province of Saskatchewan. Where we have extensive bodies of water in northern Saskatchewan, extensive run-off as you've described, and I know as long as . . .

About three years ago I recall reading a series of three articles in *The Globe and Mail* done by one Michael Keating. And he was able to provide information right down to the detail of which waters could be diverted to alleviate drought-stricken areas in other parts of the province, western Canada, central United States, where the dams would go.

It looked to me, in the face of those articles, that there would be a very, very serious impact — I'm not saying positive or negative, but just a serious impact — on rural Saskatchewan. And if the Department of Rural Development does not have some role to play in that, I'm wondering who, in the provincial government? Is that removed to Executive Council or only to the exclusive right of the water corporation? Doesn't your department have a role to play?

If you don't have role, whose role is it to play to make sure that if there are major water diversions that it's in the best interests of everyone, and that the Department of Rural Development knows full well what's going on and would have some expertise, I would hope, in terms of what the impacts would be of such water diversions?

**Hon. Mr. Hardy:** — In regards to who's responsible for the looking into any diversions or the allocations towards diversions, the Saskatchewan Water Corporation would be the lead agency. If it was to . . . and that's in regards to the water.

If it was to cross through a farmer's land, certainly the farmer would be at least partly involved in it. If it's in a municipality, municipalities are always involved with anything happening in regards to drainage, water diversion of any kind. If it's highways or anything, well then Highways are involved. And if there's a local C&D, conservation and development authority there, they are always involved in it.

So there's a series of people that would be involved to the extent it's taken. If it's a local project, probably if there's a local C&D, conservation and development authority there, they will probably be the lead agency along with the water corporation. If it's a major one, if you're talking about such things as the North Saskatchewan diversion or some of those projects that's been proposed out there, you know, it would have to be a very, very major federal-provincial, whatever else is involved, so that would be PFRA (Prairie Farm Rehabilitation Administration), water corporation, and others. But those are the way it would be handled. So locally, it would be C&D and farmer and municipality. If it's beyond that, Saskatchewan Water Corporation would be the lead agency.

**Mr. Anguish:** — Would the Department of Rural Development at some point be involved if there were

major water diversions planned?

**Hon. Mr. Hardy:** — Well we would be involved directly and indirectly. First of all, indirectly through the R.M.'s because certainly anything that's approved from the R.M. goes through our development and planning branch. We'd also be involved where there would be a subdivision because that would be either splitting lands or something, so we'd have approval on that.

We're also directly involved if you were putting any kind of a major drainage where an EIA (environmental impact assessment) would be involved, we have direct input into that. And if there's any interagency such as South Saskatchewan River Basin Authority or others, we would be involved in that committee. So directly and indirectly, we'd be involved if it's any kind of a major type of a water diversion.

**Mr. Anguish:** — Have you been involved as minister or your officials, any of your officials been involved to date concerning any water diversions in the province of Saskatchewan?

**Hon. Mr. Hardy:** — I just asked them that; they said no.

**Mr. Anguish:** — Well to your knowledge then, as Minister of Rural Development, even informally, have you not had some consultation, some interaction with either cabinet colleagues or some of your department officials, with other departmental officials, concerning water diversion in the province of Saskatchewan?

(1645)

**Hon. Mr. Hardy:** — We don't have any directly going on now. We were involved with the Souris River Basin study and water diversion and also the Shand project, but those are pretty well at . . . from our point, they've been pretty well reviewed and at a completion point, so we have nothing new going right now.

**Mr. Anguish:** — What is the expertise that you have in the Department of Rural Development in regard to those projects where there is the possibility at least of major water diversion — Shand, Rafferty, Alameda?

**Hon. Mr. Hardy:** — We would be involved through, in that particular case, two or three different areas. One would be environmental management where we were involved in the environmental process; two, land management where R.M.'s would be involved, where roads would be involved, where there may have to be new roads built or whatever else; three, we'd be involved where the R.M.'s be involved with such things as losing a tax base or what effect it would have on them through our reassessment, or through assessment, so those areas we'd be involved as an adviser to them; and certainly, in regards to environmental management, we have engineering staff who are pretty qualified to make some pretty decent decisions in regards to the overall picture of roads and the effect it would have on the R.M.'s around.

**Mr. Anguish:** — So it would be consequential effects of such a project coming into place, not the direct concerns about water flow or people who would be involved as

hydrologists and that type of thing? You do not have those people? It's the consequential effects that you actually look at?

**Hon. Mr. Hardy:** — Primarily, yes it would be . . . there'd be some of the other, but primarily, yes, it'd be the consequential effects afterwards about how the R.M.'s would be affected. But how the . . . you know, like I said, the roads and the bridges, and whatever else would be required and how we'd . . . you know, everything would be put into place.

**Mr. Anguish:** — Turning to another topic, it has to do with the depopulation, I suppose you could call it, of rural Saskatchewan, in that many people are moving out of the rural areas. You find farms getting bigger and bigger, and farmers getting fewer and fewer; and as elevators go, and branch lines go, and post offices go, people find rural Saskatchewan a whole lot less appealing to them than they did over the past generations. And I'm wondering if your department has done any studies? If you have, within those studies, do you have any projections as to where we can expect the depopulation of rural Saskatchewan to level out?

**Hon. Mr. Hardy:** — The last one study that we had done was Jake Brown from the University of Saskatchewan. He headed up a task force on rural development, and that was in 1985. And that's the last one that we've done. We haven't done any since.

**Mr. Anguish:** — I've had an opportunity to look at that report by Mr. Brown, and there are some things in there that I find very appealing, and generally it was a good report.

But what I'm asking is more: has the government, your department, taken any direction in terms of that task force report? You see, I don't think that the department has any plans —or at least if you do, they're not plans that I'm aware of — to put into place services and some things that are attractive to keep a base in rural Saskatchewan so that we don't have an urban society in Saskatchewan, that we have a mixture of urban and rural.

So I'd like the minister to tell me: what directions are you taking? What plans have you got for making sure that people who want to stay in rural Saskatchewan can stay there, that there's some economic livelihood to them, either in agriculture or a spin-off from agriculture? And what services are you looking at that can be put in place to stop the changing face of rural Saskatchewan?

**Hon. Mr. Hardy:** — I guess his report was called The Strategy for Development of Rural Saskatchewan. Just to give you an idea of some of the things that were recommended then that has been followed through with . . . And I believe there was 92 recommendations, and many of them have already been . . . either in the process or already been implemented.

To give you an idea —individual line service, telephone line service, natural gas, and one of the things he really highlighted on as well was the formation of rural development corporations, and that is the technical name we actually give to them.



So we have come a long ways in using his . . . the task force report n regards to focusing on rural Saskatchewan.

**Mr. Anguish:** — Going back to the initial question that I asked about the depopulation of rural Saskatchewan, is there a projection that your department has done in terms of, if things keep going as they are now, what the population of rural Saskatchewan will be five years from now, 10 years from now, and the split between what we would consider urban Saskatchewan and rural Saskatchewan?

**Hon. Mr. Hardy:** — We haven't done it on a province-wide basis, but as we establish these RDCs, they are doing exactly that — looking at what their population is, how can they stabilize it, how can they make it grow. So we're doing it more on an individual basis, but we haven't done anything since the task force in 1985.

**Mr. Anguish:** — I have some other items I want to discuss with you tomorrow, if we can come back tomorrow. It will be very brief, I promise you that.

I'm wondering though . . . if I'm accurate, I understand you have two legislative secretaries —you have the member from Morse and the member from Saltcoats. I can't understand, for the life of me, why you need two legislative secretaries. You're an important department, but you're a small department. And in the past, governments in Saskatchewan have not had large numbers of legislative secretaries. In fact, I believe that I'm accurate in saying some governments in the past have had no more than two legislative secretaries in the whole of Executive Council, and you have within your department two legislative secretaries. Can you tell me just the rationalization of that before we close off here this afternoon?

**Hon. Mr. Hardy:** — There's a . . . I'd be pleased to. Two reasons, and that's why there's two legislative secretaries.

One is called crop insurance. Crop insurance — the largest insurance company in Saskatchewan, and one of the larger ones in Western Canada, with an insurance coverage of \$1.4 billion. They have something like 600 employees with 32 offices around the province.

We have rural development which represents 299 R.M.'s, 68,000 farmers out there plus many small holdings and hamlets. They are important to us as a government, and I believe it is important that we have that grass roots touch out there, that we can go out and talk to them and bring back into this legislature what the people are saying out there, and bring forth, I believe, reasonable and firm, not only legislation, but also such things as our funding for rural Saskatchewan, both crop insurance and rural.

**Mr. Goodale:** — Thank you very much, Mr. Chairman. I just have one question I'd like to address to the minister this afternoon — a short one that I think he would appreciate the opportunity to answer.

It has to do with the progress being made on the development of a potential kaolin operation in the Wood Mountain area, and I know that through the local rural

development corporation there is a great deal of interest in that particular project.

I wonder if the minister could take the opportunity of the few moments that remain today to provide us with an update on where that situation stands with respect to the kaolin development at Wood Mountain, and what progress is being made by the government to draw together all of the support services that the area of Saskatchewan would require should this development go forward, as we all hope it will do.

**Hon. Mr. Hardy:** — as the member from Assiniboia-Gravelbourg knows, that it's in a pilot project out here, just out of the city. I understand before the year end that they will have made their decision on whether it is a viable operation. We're hoping and feel very confident it could well be.

The RDCs down there have assured them that they will put into place the services or work to put the services in that is needed to establish the plant and the necessary people in the area. We're going to continue to work with that RDC. It's just an excellent one, as you said. They've showed more initiative than most folks, I believe, ever thought anybody could, and they should be congratulated — very much so.

I'm sure that the member from Assiniboia-Gravelbourg knows them all personally, and they're good folks; they've done an excellent job. And we'll work with them to work it through, and if it becomes a viable project in the go-ahead, we'll certainly be there to help them all we can.

The committee reported progress.

The Assembly adjourned at 5 p.m.