

STANDING COMMITTEE ON PUBLIC ACCOUNTS
May 1, 1985

Public Hearing: Western Development Museum

MR. CHAIRMAN: — . . . (inaudible) . . . This is the sixth meeting, I guess. We are going to begin with a discussion of the affairs of the Western Development Museum and then the department of culture and youth. There is no nice distinction, either administratively nor on our timetable, so I think members may raise either . . . questions with respect to the affairs of either.

I want to welcome to our committee the deputy minister of culture and youth, Bill Clarke. Bill, I will ask you to introduce your officials, if you would.

MR. CLARKE: — Thank you, Mr. Chairman. On my immediate left is Gary Carlson, who's director of administration for the Western Development Museum; Dave Babiuk, who's the assistant deputy minister of operations for the Department of Culture and Recreation; and Glen Crook who's the director of administration for the Department of Culture and Recreation.

MR. CHAIRMAN: — Very good. Thank you very much. I believe that this department has been here before.

We precede every one of these sessions with a comment about the nature of our proceedings. What is said before the committee is privileged in the sense that one doesn't need to worry about it being the subject of a libel or slander action. To that extent it's privileged. However, it's also taken down verbatim and to that extent is readily available for use outside.

Now with respect to the Western . . . I should say as well that there are really two purposes in our . . . a number of purposes in our meeting, one of which is to raise with you a couple of comments made by the Provincial Auditor in his annual report, and ask for your comments on those.

However, the mandate of the committee is larger than the mandate of the Provincial Auditor. The mandate of the committee extends to analysing and investigating the efficiency, effectiveness, and economy with which the government, in general, in the department depicted, discharges his duties.

The year we are dealing with is the '83-84 fiscal year. Members will sometimes stray beyond the strict boundaries of that year, and witnesses are excused from answering if you don't have the information. And, indeed, sometimes members of the committee will object to the questions. But, strictly speaking, we're asking you to deal with the fiscal year '83-84. It's the year under review.

Now the Provincial Auditor made a comment in his annual report on page 35. I think there are really two comments. The first one, it says:

During the audit of the Museum my representatives observed that there was no system to ensure that all donations and Government of Canada grants were recorded.

Then it goes on:

In my opinion, the rules and procedures applied were not sufficient to effectively check the assessment and collection of this public money. This matter was also recorded in my '83 annual report to the Legislative Assembly.

In part because we felt it to be a fair amount of money, and in part because it's not a new problem, we wanted to ask you to come to the committee and perhaps comment on this matter.

MR. CARLSON: — Yes. I think the auditor is referring to Government of Canada employment

grants which are given to the museum at each location, and it will be a make-work project for summer students, maybe for four or five or six students. And the project has to take place where the people are, and the accounting has to take place there. And the Government of Canada requires that each project be handled separately. And those are reported to me by the managers but I think what he's referring to is, if it wasn't reported to me, then I wouldn't know anything about it. And that is a possibility.

MR. CHAIRMAN: — I'm not sure I know what you mean by projects. Can you describe this in relation to employers?

MR. CARLSON: — Well these are summer student grants that Employment Canada give to various people. They're given all across the country. And the managers apply individually for them. Because Employment Canada want to reduce the unemployment rate in Moose Jaw, they want the grant to go to Moose Jaw, and it has to be administered there. And most of these grants are quite small, down as low as \$3,000 on up to \$20,000. We get them every summer, and this year we got them in the winter as well.

MR. CHAIRMAN: — All right. And why are you unable to put in place a method of ensuring — checking the assessment and collection of those funds?

MR. CARLSON: — Well, we do have. We have the managers report to us with these grants. I think the problem arises when the Provincial Auditor asked Employment Canada to confirm them. They're either unable or unwilling to tell all the grants we received unless the auditor has the specific project number. If they have the number, Employment Canada will say, yes, they got the grant, and this is the amount. But if you go to them and say, would you tell us all the grants the you gave to the Western Development Museum, they don't seem to be able to do that, or they're unwilling to do it, I'm not sure which.

MR. WEIMAN: — These make-work projects, well basically then what you're telling me is the student, or whoever, that are hired for these projects are, in a sense, federal government employees for a short duration?

MR. CARLSON: — Well employees of that project, yes.

MR. WEIMAN: — That's right. For that short duration?

MR. CARLSON: — Yes.

MR. WEIMAN: — You classify them as federal government employees?

MR. CARLSON: — No.

MR. WEIMAN: — You're saying that grant was to make work?

MR. CARLSON: — Yes. It's to provide work for summer students, most of them.

MR. WEIMAN: — Yes. But it is totally funded by the feds. Is there any shared funding by the provincial government or shared funding from museums budget.

MR. CARLSON: — Generally they're totally funded by the federal government, but sometimes we will be required to put in some supplies or something like that to give them something to do.

MR. WEIMAN: — And that, then, is indicated though, when you do that?

MR. CARLSON: — Oh yes. I've been recording them on our books. They're recorded in here.

MR. CHAIRMAN: — But do you not feel there's a problem that you may be missing, that you may not have a system that you may . . . Do you not feel it's possible that you may not collect all of the moneys available to you?

MR. CARLSON: — We ask all the managers to report when they get them, and they report at the end of the year all the grants they receive during the year. If they omitted one, and it was something . . . It would have to be a small one for me not to know about it. If it was one person, I might miss it. If they had eight or 10 people, there's no way that I wouldn't know that they were at the museum.

MR. MORIN: — If these are all Canada Works programs or that type of thing, Canada Summer Employment, wouldn't they also be audited by the federal government to make sure that there was proper use of that fund?

MR. CARLSON: — Yes, they're audited, yes.

MR. MORIN: — So the problem then, as I understand it, is that the federal government won't talk to our auditor. One group of auditors won't talk to the other group of auditors?

MR. CARLSON: — That could be the problem, yes.

MR. CHAIRMAN: — Interests aren't necessarily identical either.

MR. YOUNG: — The report here reads that the auditors observe there was no system to ensure that all donations and Government of Canada grants were recorded. On my reading of that, he may be referring to donations apart from donations from the federal government.

MR. CHAIRMAN: — Is that accurate? Was this strictly a government . . . (inaudible) . . . In your view, does Mr. Carlson describe the problem completely, to do with these summer projects?

MR. WENDEL: — Mr. Chairman, if I could, and Mr. Young. There are two problems: the donations, and the Government of Canada grants. However, the donations one, I don't believe there's anything you could ever do from an auditing standpoint and internal control standpoint to make sure all donations were recorded. So that would be a standard disclaimer every auditor would make on donations.

However, on the Government of Canada grants, we do perceive a problem, and Mr. Carlson has identified the problem.

MR. CHAIRMAN: — Let me ask you another question then, perhaps outside the realm of your responsibility, but what kind of additional safeguards might be put in place?

MR. WENDEL: — Mr. Chairman, if I could, I guess our problem is the decentralization of these grants. A branch manager can apply for a grant, receive the money, hire the employees, make the payments to the employees, and those transactions may not be recorded in the books of the museum — the books proper, if you would, that are maintained in Saskatoon. So it leaves that the financial statements that are produced at the end may not contain all of the revenues and expenditures of the museum if the branch manager hasn't informed Mr. Kraus of that grant or those expenses.

MR. CHAIRMAN: — Would it be a solution to this to centralize the . . .

MR. WENDEL: — That could be a solution.

MR. CHAIRMAN: — Mr. Carlson may want to comment on it. That may or may not be workable.

MR. CARLSON: — I'll just read part of a contract that we have. This is a standard contract with Employment Canada.

Unless otherwise authorized by Canada, all moneys received from Canada under this agreement shall be kept in a separate account with an institution providing banking facilities, and all withdrawals therefrom shall be recorded in the books and records of the project, and used only for the purposes for which the moneys were received.

MR. CHAIRMAN: — And you believe that precludes the grants being applied for, recorded, and administered in a central way.

MR. CARLSON: — They send the money out directly to the project. They don't send the money to the Western Development Museum.

MR. CHAIRMAN: — But if the . . . Well, okay, go ahead, the member for The Battlefords.

MR. MORIN: — Well I was wondering if the auditor's comment wouldn't be looked after. I'm sure that the Western Development Museum central must put together their financial statements based on a consolidation of what comes in from the branches. Wouldn't this be handled from that — when you pick it up through that method?

MR. WENDEL: — Yes, however there's no assurance that it is complete, Mr. Morin.

MR. MORIN: — Okay, then another question. Would you have . . . Do you have a solution, you know, based on what the federal government regulations are and knowing that in order to follow — you have to follow their regulations in order to get the grant. What kind of solution can you recommend? Because it seems to me that we're just at cross purposes here.

MR. CHAIRMAN: — Maybe. I'm not sure I understand. While they're discussing, let me ask you again: I'm not sure I understand why you couldn't apply for these moneys through your central office. You then have a record of all the applications and a means of checking whether or not all the moneys have been received.

I didn't mean to interrupt you, but the problem, it seems, is that your system is so decentralized there's no way of checking it. It wouldn't matter a great deal whether or not the moneys came to you or to the museums. It strikes me that if the applications were all handled in a central fashion, then you could check by contacting the branches as to whether or not the moneys have been received.

MR. CARLSON: — The managers mail in their applications to us, and they mail in their final reports to us. But the auditor . . . Employment Canada want to audit these right on site. In other words, if the grant's in Yorkton or in Moose Jaw, it's somebody from the Yorkton or Moose Jaw office go out and actually visually see that the people are working and check the payroll.

MR. CHAIRMAN: — So you have knowledge of all the applications that are made?

MR. CARLSON: — Yes.

MR. CHAIRMAN: — And whether or not they are approved?

MR. CARLSON: — Yes.

MR. CHAIRMAN: — I don't see why you can't check to see whether or not all the money's received.

MR. CARLSON: — I'm convinced that it is.

MR. CHAIRMAN: — Well, but the Provincial Auditor isn't though. If you disagree with the Provincial Auditor, if you think you have an effective system in place to check it, that's fine. Just say so. The Provincial Auditor doesn't walk on water. He's a human like you and I. He can make mistakes. Some members of the government caucus may walk on water, but if you disagree with his comments, that's a legitimate point of view. But he states that there's no system of checking to see if all the money has been received. You seem to say, but I thought I heard you saying — and if I misunderstood you, please correct me — but I can't check it because the money doesn't come to me, the money goes to the four museums. My response to you is: what's to prevent you from checking with the four museums to see if they got it?

MR. CARLSON: — They do report to me. That's what I'm saying. They report when they apply for them, and they report as the thing is progressing. And I get their final report, and when their final report comes in, it's simply a credit to revenue and a debit to expense to show on our records. I have them reporting. I don't know what more I can do.

MR. KRAUSE: — What the auditor is suggesting, Mr. Chairman, or is saying, that there's always this possibility that, notwithstanding that, the applications are sent to head office, and that head office of course can then, from the financial statements, financial records it gets from the individual museums, determine that all the moneys that were supposed to be received were received. There can never be complete assurance the way it works right now that a museum wouldn't apply for something and not tell head office, run this project on the side, and nobody would be the wiser. I think that's the concern that the auditor had. But I'm not sure that . . . we've just been thinking about it here again, and I'm not just sure that we would know what the solution would be.

MR. WENDEL: — I'm not aware of any reason in the regulations that you cannot apply for these grants centrally. You can apply for them centrally and receive them centrally.

MR. CLARKE: — We're under the impression, Mr. Chairman, that the problem here is that the Provincial Auditor can't confirm the grants with the federal government. It's not the fact that the grants have been made, and that they can't confirm them with the federal government because the federal government won't talk back to the provincial government without a project number or something.

MR. WEIMAN: — Well he can confirm them with you. One question, first of all. It seems to me, by reading this, that this has been an ongoing little thorn. How long has it been ongoing?

MR. CARLSON: — The eight years I've been at the museum, I think it's been . . .

MR. WEIMAN: — Every year?

MR. CARLSON: — I think so.

MR. WEIMAN: — And it's the same argument. You, as you stated, you will confirm them with the auditor, but the federal government doesn't confirm them with our auditor.

MR. CARLSON: — I confirm them with our managers.

MR. KRAUS: — Well again the problem is, Mr. Chairman, that the federal government, I suppose, is big enough that they would never want to put in a signed piece of paper that says, the list of grants that you have given us is the absolute correct number of grants that we have paid the Western Development Museum. I imagine they're concerned that there may be some other agency that funded them, and they're not aware — another federal agency. And I think that, as the deputy minister said, that contributes to the problem. The auditor can't assure

himself from any source that they're all there.

MR. WEIMAN: — Well there's three mentions in the auditor's report regarding the effect of the adjustments. What adjustment would the auditor prefer to see?

MR. WENDEL: — Mr. Chairman, Mr. Weiman, if one of these grants was not recorded — in other words, a grant was received at a museum and not recorded in the central books — those financial statements you're looking at wouldn't be complete.

MR. WEIMAN: — We're working on the hypothetical situation in the future?

MR. WENDEL: — If that happened.

MR. WEIMAN: — Now I guess my question has to be asked because I read that very clearly at the very bottom. It says:

I was unable to form an opinion as to the completeness of the donations (etc., etc.) . . . and that the financial statements would require adjustment if the amounts recorded are not complete.

Now it seems that we're talking about the future. Have there been any instances in the past where the reports were not complete?

So, you're saying if . . .

MR. WENDEL: — There's no way of knowing, Mr. Weiman. That's what we're saying.

MR. WEIMAN: — Yeah. Okay now, but we've got the records of the past performance of the museum. Has there been any indication with a check, or anything like that, where the records were not complete?

MR. WENDEL: — I would not know, Mr. Weiman. I'm saying the records . . .

MR. WEIMAN: — So we're dealing in a hypothetical situation of the past and a hypothetical situation of the future?

MR. WENDEL: — No. I'm saying it's not possible to determine because the system is not there.

MR. WEIMAN: — But as I understand it, Mr. Clarke says that the grants that he receives from the federal government — that information is made available to the auditor, except there's no way of confirming it with the federal people?

MR. WENDEL: — The system is: they can apply for grants on a decentralized basis at the individual museums. There is no system in place to make sure that every one of those grants, in their entirety, is recorded at the central office in the museum, other than a reporting system from the branch managers, which we have found to be deficient.

MR. WEIMAN: — Do the individual branch managers report to the central committee?

A MEMBER: — Yes, they report to the . . .

MR. CLARKE: — There is one board that governs the Western Development Museum, and there's four local boards that operate each of the museums in co-operation. But the board is a main board, and it appoints an executive director and administrative staff. So it is essentially the board that is in charge of the Western Development Museum.

MR. WEIMAN: — But all that eventually gets reported back to the board? And that information is available to the auditor?

MR. CARLSON: — Yes. I just wanted to comment that these grants are all done on a constituency basis. That's why they can't be centralized. When we apply, we have to apply from a constituency at the federal level.

MR. GLAUSER: — What seems to be happening here is that you're auditing books in one place for something that has happened somewhere else. But on the other hand, you get every application, regardless of which unit it went to or originated from. You get a copy of that.

Is it not possible to match up those applications with the actual happening?

MR. CARLSON: — Yes, I'm sure we have done that, but I think that the auditor's point is that I wasn't informed.

MR. GLAUSER: — But you say all applications have to go through you, though.

MR. CARLSON: — To the best of my knowledge, they're all mailed to me, yes.

MR. GLAUSER: — Is it not a requisite that those applications go through you?

MR. CARLSON: — Yes. The managers have been instructed that all of that information comes to me.

MR. BENSON: — If I might make a suggestion to help resolve the problem is that we perhaps could have a look at it with the Western Development Museum to see if Mr. Wendel's suggestion has merit because unless there is, as he suggests, some sort of central control over it, we don't see a solution.

MR. CHAIRMAN: — That strikes me as being a sensible suggestion actually. I don't think we're going to resolve it here.

I had a couple of other questions on an area other than that raised in the Provincial Auditor's report.

MR. ENGEL: — Before we leave this, can we not make a little motion or a recommendation that clarifies this now? I'd like to understand. From what Mr. Clarke read, he indicated that the applications had to be made by the local museum. Moose Jaw has to decide that they're going to do a little works project and hire so many people. You're saying that that application could be made centrally, are you, according to the regulation?

MR. WENDEL: — That's my understanding.

MR. ENGEL: — To solve this whole problem, if centrally you'd get your managers to tell you that we can use so many people in Moose Jaw, we can use so many in P.A., and so many in Yorkton — you make an application; that application comes back; they turn their wages in; you know they actually spent it, and that job was done. That would clarify this problem, wouldn't it? Is that impossible to do?

MR. CHAIRMAN: — Well, that's what seems to be the subject of dispute here.

MR. ENGEL: — Yes, I was just wondering why can't that run like that? Rather than have Moose Jaw make their application directly to Ottawa, they just send a list in and say, this is what we need; this is what we can do; this is how many students we can hire. You make one big blanket application, and you get that money. Then it's distributed like your other work.

MR. CARLSON: — No. The money is doled out on a constituency basis, though. Each federal constituency actually gets involved in who gets that money.

MR. ENGEL: — I thought that was a former administration . . . (inaudible) . . . That didn't change?

MR. CARLSON: — Pardon?

MR. ENGEL: — I thought that was the former administration that was doing it like that, that would keep a record of how much money was spent in each constituency on the works project.

I thought they changed that with the big hullabaloo they had down there about how much money the cabinet ministers got and how much money so-and-so did. I thought that changed and went to a central accountant . . .

MR. CARLSON: — As far as I know, the last year the applications all had constituency on them. We had to put what constituency it was going to.

MR. MORIN: — Well, Mr. Chairman, that was going to be my comment, that I'm not sure that they can be done centrally, or even if they can, it may be to the detriment of getting projects done at the museums because you may not simply get as many approved as you would get approved by having them submitted by the branches. So I think that the issue that we're going to have to resolve is to find out, one, whether or not they can be remitted . . . (inaudible) . . . and if they can and meet the auditor's concerns, then I don't think anyone would have a problem with it.

But I see the auditor's point that he can't get right back to the originating documents and follow the audit trail through.

MR. CHAIRMAN: — Why don't we accept the offer of the comptroller's office to review this matter with the Western Development Museum and report back to us before we adjourn in the spring? We may then know that there is or is not a solution, and it may be necessary to have other discussion with Mr. Carlson on the matter, depending on how the thing shakes down.

MR. ENGEL: — An excellent idea, Mr. Chairman.

MR. CHAIRMAN: — I thought it was an excellent idea.

MR. KRAUS: — Mr. Chairman, we will make sure that any suggestions or solutions don't jeopardize the program. I mean, if that is a problem, then we would not proceed.

MR. CHAIRMAN: — I will move that:

Comptroller's office to review questions with the Western Development Museum. A method (I'm going to leave just general) for resolving the concerns raised by the Provincial Auditor.

All those in favour? All right. Before we call the question, the member from Saskatoon Fairview.

MR. WEIMAN: — This is not a question of the left hand not knowing what the right hand is doing?

MR. CHAIRMAN: — I don't think these hands are on the same body.

MR. WEIMAN: — Okay. For instance, Moose Jaw applies for a grant; the concern is that perhaps the board is not aware of the grant because Moose Jaw, in a sense, acts autonomously?

MR. CLARKE: — Moose Jaw manages . . .

MR. WEIMAN — Or Saskatoon, or North Battleford . . .

MR. CLARKE: — They act autonomously in applying for the grants, but they have put the grants on record with the central board, and there are representatives on each of those boards reporting to the central board.

MR. WEIMAN: — Yes. So it's not a matter of the left hand not knowing what the right hand is doing?

MR. CLARKE: — No.

MR. WEIMAN: — And there's follow-ups to see that, yes, indeed, you did get that grant, and you did spend it, etc., etc.?

MR. CLARKE: — Yes. That's correct.

MR. CHAIRMAN: — Okay. All in favour of the motion? Opposed, if any? Don't care or otherwise occupied ?

MR. WEIMAN: — Are they the two that were reported in the verbatim as t-o-o?

MR. CHAIRMAN: — I had another question. I'm sorry, that was an in joke. I had a couple of other questions with respect to the Western Development Museum, one of which concerns the collection and how well we are doing in the preserving and taking care of the collection.

I know some years ago there was a problem with that collection not being properly cared for. A good deal of it was sitting outside rusting. At least in one area that I was in after a rainstorm, it might have been better outside than it was in. The roof leaked in some of the storage facilities. I'm wondering, are we now able to preserve that public trust?

MR. CARLSON: — Yes. In December of '82, the minister, and the board, and the deputy minister arranged funding for us through SaskSport trust, and we purchased the old Shelly Western warehouse in Saskatoon, 130,000 square feet. And that has since been insulated and environmentally controlled, and a large part of the collection is now inside that building. And we're still moving. We'll be another couple of years moving everything in.

MR. CHAIRMAN: — But it's going in?

MR. CARLSON: — It's going in, yes.

MR. CHAIRMAN: — What about the building at Battleford? North Battleford was the one, I think, that was not in the best of repair.

MR. CARLSON: — Yes. We had three World War II hangar buildings full of artifacts, one at Saskatoon, and one at North Battleford, and one at Yorkton. And we have those mostly empty now, and by the end of this summer they will be empty.

MR. CHAIRMAN: — And everything will be in Saskatoon?

MR. CARLSON: — Yes. Everything that we can keep.

MR. CHAIRMAN: — I see.

MR. MORIN: — This is not related to the year under review, so technically you don't have to

answer me, but I understand that Battleford — in fact, I know that Battleford has been moving rapidly along towards a new building. Can you tell me where that's at?

MR. CARLSON: — We will be presenting estimates to the board at the June 8th meeting.

MR. MORIN: — . . . (inaudible interjection) . . . No, I'm kept well informed of those meetings. I wonder if you have any inclination to suggest when a new building might be done.

MR. CARLSON: — We're hoping to get the foundation in this fall and have a winter project to put the walls up and . . .

MR. MORIN: — You do good work.

MR. CARLSON: — Thank you very much.

MR. CHAIRMAN: — What we have here is two lobbyists each urging the other on. I'm not sure that the treasury board isn't hardly with these two.

With respect to the attendance at the four branches, I note on page 15 of the annual report that you have listed your attendance for '83-84. Over the years, has that figure been rising, or falling, or what has been the graph?

MR. CARLSON: — It has been slowly falling, I think, because people are travelling less, but it's been going down slightly every year.

MR. CHAIRMAN: — I wonder if there is room for promotion of your — for more promotional work. I'm going to make a couple of comments which are unlearned and may be entirely based on ignorance. But I note that Yorkton, which has the — the cities — by far the smallest of the traffic, does have a very high figure in comparison for special events. It strikes me that Yorkton is doing something to promote their museum to special events.

I may be right or wrong, but that's just my guess. And Moose Jaw shows not a soul having been brought to the museum through a special event. I wonder if there's room for more of that. I know many people — the one I happen to be familiar with is the Moose Jaw area because I grew up in the area. I'm the only person I know who grew up in that area who's ever been inside the museum. It does not seem to be promoted well in the local community.

Every time I mention something about something inside the museum, I get a chorus of, "You know, I must go and see that thing some day." And I wonder if we're doing all we can to promote these museums. It would help ensure public support for the importance of the work you're doing, and would also assist with the funding, since everybody who walks through presumably pays a fee to do so.

And I wonder, Mr. — you're the executive director, are you?

MR. CARLSON: — No, no, no; director of administration.

MR. CHAIRMAN: — You're director of administration. I wonder, Mr. Carlson, if there's room for more promotional work, both on the local level by the committees, and perhaps through the media advertising. I don't know.

MR. CLARKE: — Well, Mr. Chairman, there has been some promotion done out of the central committee, and friends of the WDM. There is a new executive director in charge of the Western Development Museum who's been there less than a year, just about a year now, and they are attempting to promote the museums. The local committees also work very hard at promoting the museums. And I think that they're trying very diligently to promote and make the museums a

more attractive place and a tourist attraction. I think that's going on now.

MR. CHAIRMAN: — Without in any sense being critical of anyone, it doesn't appear however, by way of example, that the people of Moose Jaw have had any special events. If they have, they've been a complete failure, then.

MR. CLARKE: — That, I can't tell you.

MR. CARLSON: — Yes. Moose Jaw has been a problem for us to come up with something to do for a special event. Yorkton has a threshermen's show; and North Battleford has the same thing, it's a threshermen's show; and Saskatoon, in conjunction with the exhibition. But Moose Jaw has been sort of . . . They're all by themselves out there, and no one has come up yet with an idea to have a special event.

MR. CHAIRMAN: — The attendance at Yorkton — is there any merit, has anyone considered promoting them through the media, advertising?

MR. CARLSON: — Well, the board do approve a budget . . .

MR. CHAIRMAN: — Or is there some of that done? Perhaps there is.

MR. CARLSON: — Yes, there is some done. There's a budget each year of approximately between 60 and \$70,000 for promotion.

MR. GLAUSER: — Mr. Chairman, if you take a look at the financial statement there, you'll see there's in excess of \$100,000 that has been spent on promotion and publicity. So that is not exactly a small amount when talking about the four museums. So there must be something going on now.

MR. CHAIRMAN: — How does that break out? That's 5 percent. How does that actually break out in promotion and publicity?

MR. CARLSON: — Well, the actual promotion and public relations in '83, that department spent 66,000; and in '84 that department spent 82,000. The additional would be the advertising that each branch does for its own opening hours and that sort of thing.

MR. CHAIRMAN: — I probably missed it, but have you attempted to sell the museum as a public attraction through the media? As I say, I may have missed it. Come and see your museum! Is that done? Perhaps other members of the committee could help me.

MR. MORIN: — Mr. Chairman, I think what we've been trying to do in North Battleford is to erect a series of signs. It's my impression that, for example, in the United States, if you had the type of attraction that we have in the WDMs, that you would be seeing it in signs on the road for 100 miles before you got there. And in North Battleford, at least, which is the one I'm familiar with, you have a little brown sign about two feet long as you're going by on the highway. And if you're not aware that the building is there, you would never pull any traffic off the highway.

So what we have done is, through the museum (or in fact, I guess, what they have done with a little prodding) is to get some large signs constructed. And we're in the process of putting them up in the communities along the Yellowhead Route for about 40 miles. Now, with the Act that was passed the other day in the legislature to allow the erection of highway signs, I think more and more of that can be done to simply make people aware.

And again, in North Battleford we have a tremendous committee working for the WDM who do just a crackerjack job of putting on our "Those were the Days" function, and we pull thousands of people through there every summer when we put that attraction on. So there's quite a bit that

can be done.

MR. WEIMAN: — Well I have to give credit to . . . I'm not aware of the operations in Moose Jaw and North Battleford or whatever, but in the city of Saskatoon, in terms of promotion (the things I've been involved with as a teacher), one of the higher promotions that they do in the city of Saskatoon as an educational component, and that is make sure that children are coming there with their classes. We have demonstrations of threshing, harvesting, etc.

As well, it's utilizing Boomtown for community events, whether it's dances, weddings, etc. I think that you do promote it. I sometimes suspect the reason we don't get too excited about it at times here in Saskatchewan is because we're still so darn close to our history. Our history's still alive. You can go talk to your grandfather; you can talk to your grandmother.

And maybe this is one of our problems with museums . . . I shouldn't say a problem, but one of the conditions of our museums here in Saskatchewan. They're old hack to us because it's almost like our parents are still living there, or our grandfather is still living there. We haven't been divorced by 2, 300 years of history where we really promote the past. I think they're doing an excellent job.

MR. CHAIRMAN: — Saskatoon is doing an excellent job in all respects. Without in any sense of being critical of any of the other volunteers who I know are working so hard, an issue I simply raise is whether or not there's more room for promotion of some of these museums.

MR. WEIMAN: — Let me . . . Can I interject on one?

MR. CHAIRMAN: — Yes.

MR. WEIMAN: — We have forgotten already — just my point about us not dwelling on our history very clearly — the biggest promotion that was ever done in this province and probably out throughout the whole country was the promotion of two years past.

That was the Colony Trek. I mean, you want to talk about promotion. You have promotion right across Canada. It was on the national news network. We heard it on the American networks. I think they're doing a gangbuster's job.

MR. YOUNG: — What are your weekend hours in Saskatoon?

MR. CARLSON: — In the summer it's 9 to 9, both Saturday and Sunday. We actually close only two days a year, and that's at Christmas and New Year's.

MR. CHAIRMAN: — Any other questions? I was going to move to the Department of Culture and Youth, unless there's some other questions on this . . . inaudible interjection) . . . I think so, unless there's something other to do with the Western Development Museum. We can assume that's completed.

You may stay with the Department of Culture and Youth or go, Mr. Carlson, as you people may feel appropriate.

Public Hearing: Culture and Recreation

MR. CHAIRMAN: — We are, I think, going to start the estimates . . . Not the estimates . . . the year under review for the Department of Culture and Youth, the year under review being the fiscal year ending March 31, 1984.

On page 9 of the Provincial Auditor's report, they raise an issue with respect to whether or not all of the grants were appropriately authorized. You've no doubt had an opportunity to familiarize

yourself with this comment, and without taking any more time in elaborating I'll let you respond to it.

MR. CLARKE: — Well it refers to 17 instances where grant payments totalling \$267,000 . . .

MR. CHAIRMAN: — You're confessing to one we didn't know about. We were told it was 16.

MR. CLARKE: — Well 16 of them were on provincial coaches' grants. It was a misunderstanding in the department's administration. It was caught by the department and has since been corrected. It's been corrected for over a year. When we award a provincial coach's grant to a provincial association, we enter a contract with that provincial association for a grant in the neighbourhood of \$16,000. It was being forwarded in two payments of \$8,000 at the six-month mark, and \$8,000 when the grant was first awarded.

The department inadvertently was referring to grant payments instead of grants as a total grant and never asked for order in councils for these grants, and processed some 16 grants at 8,000 and 8,000. It was caught by our administration last May and has since been corrected.

The 17th instant is a facilities grant which, and I'm not exactly sure, but it was something like a \$9,000 awarded grant which was upgraded by a community by \$2,100 which took it over the \$10,000 mark. And without picking up the upgrade and writing an order in council as we would normally do, the grant was approved, both sections were approved, and the grant payment was made in two separate . . . without the covering order in council.

That was a mechanical error, and it's one that we try very diligently to prevent. But it was something that happened accidentally. The 16 program grants for provincial coaches, that has since been corrected, and we have it, we think, under control.

MR. CHAIRMAN: — Any other questions on this particular item?

MR. WEIMAN: — Just the one. You mentioned that that was for 16 coaches' grants.

MR. CLARKE: — Provincial coaches' grants.

MR. WEIMAN: — Provincial coaches' grants of 8,000 for six months and 8,000 for the next six months.

MR. CLARKE: — It was 16 grant names. That's correct.

MR. WEIMAN: — In total — 16,000 per coach's grant?

MR. CLARKE: — Yes.

MR. WEIMAN: — I was under the impression there was a maximum. I think that's the crux of the matter.

MR. CLARKE: — The grant is \$16,000. When you award a provincial coach's, the grant maximum that we can approve without an order in council is \$10,000. So we were making an award of two \$8,000 grants without passing an order in council. It was an error within the department referring to grant payment, rather than total grant, and was caught by our own administration and corrected. So it was something that we were doing without realizing we were doing it. And it was no intent to get around the rules.

MR. WEIMAN: — Is that a maximum, the 10,000? Is the 10,000 a maximum per grant, or per grant per annum? I think maybe that's what the problem is, because two eights succeeded the 10.

MR. CLARKE: — Well it's an annual grant. The annual grant for a coach's grant was \$16,000. So it was an annual grant.

MR. WEIMAN: — Your annual is 16?

MR. CLARKE: — Yes. So it's a contract entered into for \$16,000.

MR. WEIMAN: — What's the problem then? You just happened to give it two different allotments.

MR. CLARKE: — That's correct. We did not write an order in council. The department was in error and the department has corrected it.

MR. WEIMAN: — Okay.

MR. CHAIRMAN: — I had another question I raised with you, I think, when you were here last year. It has to do with the follow-up on grants. You give a very large number of grants. I was going to sit down last night in the Legislative Assembly and read the names of all of the people who got grants and see if there are any funny names in there, just to ask you. I did not in any sense complete the list. It ran over page after page after page of this thing.

It's also a large sum of money — it's \$16 million. What effort is made to ensure that the grants you give out are used for the purposes for which they're given and they're not being supplied for and used for something else? What steps do you take to ensure that you're not the subject of abuse by groups?

MR. CLARKE: — All our program grants, annually, we require an audited statement or a statement from the organization submitting the grant application and having it approved. So they're required to provide us with an audited statement.

On community grants the same thing. On facility grants we have an audit function we try and perform ourselves within the department. We have a person on the road auditing facility grants and we ask for the communities to — and we deal only with communities — we ask them to provide us with an audited statement on facility grants and community grants. So we think that we've got it pretty well covered off.

MR. CHAIRMAN: — Are the statements . . . Do you require them to be done by a CGA or a CA, or something?

MR. CLARKE: — We require them to be . . . If it's a community grant, if it's to a legal community or a legal provincial association, they're governed either by The Non-profit Corporations Act or by the urban Act. And, therefore they're subject to certain rules under the other provincial Acts that are in effect.

MR. CHAIRMAN: — Well The Non-profit Corporations Act doesn't require a financial statement but to be in any sense audited by a CA . . .

MR. CLARKE: — Not by a CA. But they require to be audited or a financial statement signed by two officials of the organization.

MR. CHAIRMAN: — That's right. But it's not in any sense an audited statement, in the sense . . . At any rate, I suppose it might not be feasible to require everybody to get it done by a CA.

MR. CLARKE: — It would cost more sometimes than the grant is worth. And secondly, you talked about the number of grants that we're giving out. And it's 20 pages, I think, Mr. Chairman,

or 25 pages.

MR. CHAIRMAN: — It may well be.

MR. CLARKE: — And it would be a make-work project, I think. We have to put some of these organizations on their faith so that they . . . They are legal organizations. They're required under their by-laws to do certain things and we expect them to do those things.

MR. CHAIRMAN: — We'd certainly ingratiate ourselves with the accounting fraternity.

MR. CLARKE: — Yes.

MR. CHAIRMAN: — We'd at least have audited financial statements.

Of the grants and so on which began on page 95 . . .

MR. WEIMAN: — Which volume is that, Ned?

MR. CHAIRMAN: — Two. Up to 113 and still going here. There we go — 116, I think, is the end of it. No, 116, that's not fair, that's the schedule of payments — 114.

MR. CLARKE: — From page 85 to 114, I think it is.

MR. CHAIRMAN: — Now of these grants, how many would go to corporations other than non-profit corporations or municipalities? What of these grants, if any, go to individuals or commercial?

MR. CLARKE: — Well I would think there would be none to commercial programs. We require on all our grants to be a non-profit organization, or generally registered under The Non-profit Corporations Act or registered under another Act, like the Red Cross or something like that, or not under Non-profit Corporations Act, but under a national Act.

The others are communities, and even if within the community, if somebody gets a grant, they are funnelled through the community, so that the community is generally making application for them. Or they're a non-profit organization for themselves.

I would think you would find very few corporations, if any. I can't think of one, offhand.

MR. CHAIRMAN: — All right. So it is a regulation of the department that all the grants must go to non-profit corporations? It cannot go to individuals or commercial enterprises?

MR. CLARKE: — Well there's some individual awards, but they're awarded through associations, through provincial associations.

MR. CHAIRMAN: — All right. Okay. With respect to the schedule of payments, I noted in checking your travel expenses vis-a-vis the '82-83 year — I don't have it with me; I left it in the office — that in many cases your travel expenses are down. I didn't actually add them all up, but the ones I compared tended to be more down than up.

MR. CLARKE: — No apparent reason other than good management, I would suspect.

MR. CHAIRMAN: — It's not part of a conscious cut-back or anything? It's just a hope to tighten up?

MR. CLARKE: — No. Trying to do more things with less effort.

MR. CHAIRMAN: — I could make a comment about the minister's travel expenses being in sharp contrast to that, but I wouldn't make that comment.

MR. CLARKE: — I have no comment on that.

MR. CHAIRMAN: — I don't know that your minister is one of the offending parties.

In the schedule of other payments, a payment of \$17,000 to Charlton's Sportswear Manufacturing. What was that for? I'm on page 116.

MR. CLARKE: — That's not us, is it? We must be in a different book than you are.

MR. CHAIRMAN: — Ah, perhaps I am in the wrong book. I've done that before this morning. I'm sorry. I do have the . . . I'm sorry.

I'll have to get it. I've somehow or other picked up the 1983 volume. Sorry about that. That is a bit confusing. I've got one. Thanks.

I'm not suggesting there's anything very nefarious about this, because I saw it in both, actually. I believe the same expenditure appears in the . . . No, it does not. I'm sorry. All right, I'm sorry. The question had to do with the wrong year.

What was the payment of \$21,000 to Dompro, page 98? What was that?

MR. CLARKE: — We're not sure, Mr. Chairman. We would suspect it's to do with the Canada Games uniforms.

MR. CHAIRMAN: — You bought uniforms for Canada Games?

MR. CLARKE: — Canada Games teams.

MR. CHAIRMAN: — Okay. I have the same question with respect to Debroni's Distributors Ltd.

MR. CLARKE: — That's Canada Games uniforms for sure. \$39,000, I would think.

MR. CHAIRMAN: — The sum total of those two figures . . .

MR. CLARKE: — \$45,000.

MR. CHAIRMAN: — The sum total of, I was going to say, those two figures is higher than that. Are you sure of that, or are you . . .

MR. CLARKE: — I'm sure Debroni's is. I'm not sure of Dompro.

MR. CHAIRMAN: — Would you check?

MR. CLARKE: — Yes, we will.

MR. CHAIRMAN: — . . . and undertake to get back to the committee?

MR. CLARKE: — Yes, we would.

MR. CHAIRMAN: — You need to supply 20 copies, and send your reply to the Clerk and it will be distributed.

MR. JAMES: — What item was that?

MR. CHAIRMAN: — Page 98, Dompro.

I had a similar question with respect to Selkirk Construction. Do you remember what that was for?

MR. CLARKE: — The Museum of Natural History. Some remodelling that was being carried on at the Museum of Natural History. Probably, and I think for sure it was the lobby of the museum.

MR. CHAIRMAN: — With respect to summer games, and I'm not referring to the Saskatchewan Summer Games or the regional summer games, but events like the Canada Summer Games, often evoke some controversy. The higher the level of games, I suppose, the more the controversy is provoked. There are those who say that the expenditures are . . . that they cost more than the games are worth. The money could be better spent elsewhere on feeding the poor, filling in the pot-holes in the road, or whatever your hobby-horse happens to be. Others point to the benefits to athletes and to the communities in which they take place. Has the department ever attempted to analyse the cost and benefits of the national and western provincial games?

MR. CLARKE: — We've tried to analyse it from three different aspects. One is an economic aspect, and that is the building and construction of facilities . . .

MR. CHAIRMAN: — Can we have . . . I'm sorry, I can't hear. If you must chit-chat . . . Go ahead.

MR. YOUNG: — We're discussing these expenditures here.

MR. CHAIRMAN: — Okay.

MR. CLARKE: — In the matter of facilities there is the economic viability of building facilities and make-work projects and work projects, and things like that. There is the provision of facilities to the community that hosts the games. It's a long-term benefit for their own citizens. There is the process of athlete development and the development of athletic programs within the province, and an opportunity to show off your cultural heritage by associated programs.

There is a benefit to the volunteer corps that they have something to do and something to show for their work. I think it's very difficult to put it down in dollars and cents and a cost-benefit analysis, because so much of it is social. But I think that the department is convinced that the games are well worth every cent that's spent on it.

MR. CHAIRMAN: — Have you ever attempted to put it down on paper, put it in the form of a . . . (inaudible interjection) . . . Yes, a report of profit and loss statement. Have your research staff ever tried to do it? I know that the social and so on is important.

MR. CLARKE: — Well we could do a cost-benefit analysis, but we think it stops far short from what the benefits are of the games — the associated benefits for the games, the long-term viability of the usage of the facilities and the programs within the communities.

MR. GLAUSER: — I would like to comment on that.

MR. CHAIRMAN: — Yes, please do.

MR. GLAUSER: — I was very much involved in the winter games in Saskatoon. That goes back to 1971. I would say unequivocally that the way that a community develops through those events, outside of what you might see structurally, is far superior to anything you could ever put on paper.

And I would think that that would . . . As Mr. Clarke has said, it would . . . Anything that you would itemize would fall far short of what took place at that particular . . . those events that took place during those Canada winter games.

I had a son who was on the hockey team that was competing, and the way that that brought boys together from all over the city . . . They weren't a team when they started out; they developed into a team. How do you measure those kinds of things?

That's just one event. And even though he lived in the city, they had to move right into the village. So, you know, none of them stayed at home in any of those events. So that kind of rubbing shoulders and the development, the personal development that took place, you can't put a price on that.

MR. CHAIRMAN: — No. I readily concede that, Mr. Glauser. I was just wondering if there ever had been . . . I'm not particularly asking you to do this. I was just wondering if there ever had been any attempt to put some of your research staff on analysing the costs and the benefits of it.

MR. CLARKE: — Well there's been some attempts nationally and some attempts when we justify our budget to treasury board, some attempts to justify our programs. I don't think in any organized way we've ever come down with a report because there's so many . . .

MR. CHAIRMAN: — Intangibles.

MR. CLARKE: — . . . soft issues in it that it's hard to put it on paper.

MR. CHAIRMAN: — I noted on page 7 of your annual report, if I can find it — and I can, easily. I made a note here that the attendance was down in the Museum of Natural History. Was that an accurate observation? Do you know why?

MR. CLARKE: — It's been down, and it's down again. We are not sure. We think that it's been a very static display. It's not down with the young people. We have started a volunteer corps in the Museum of Natural History. We have people in the community now volunteering their time for educational projects. And the student groups are still up.

But the museum has had so very few changes over the years that it has been such a static display, I think that we're not attracting the same people over and over again.

We're trying to address that problem by doing some renovation in the museum. We are building a new major exhibit in the museum. We have an exhibit plan that we're discussing with Supply and Services. And yes, it's down a little bit, but we're aware of the problem and we're trying to address it to make it much more attractive and a better place to attend.

MR. CHAIRMAN: — It's not something one needs to be particularly embarrassed about. It is almost, on a per capita basis, it's almost exactly what the attendance at the Moose Jaw WDM is. If you take it on a per capita basis, it's almost exactly the same. So it's no great embarrassment. I was just wondering if there was some room there for additional promotion.

With respect to Government House, do you know what this costs us? Was this project completed in the year under review? Yes, it was. Of course, it was completed before '83. What did it cost? What did that facility cost us in the year under review?

MR. CLARKE: — I don't know if I can answer that question, Mr. Chairman. That comes under Supply and Services, the responsibility for building the facility. We just operate it. We own the building and operate it, or we are responsible for operating the building.

MR. CHAIRMAN: — But you must know what . . . You don't know what it costs you to operate it?

MR. CLARKE: — To operate from staff-wise, we have . . .

MR. CHAIRMAN: — Let me try and rephrase the question, Mr. Clarke. What are the operating costs for the year under review?

MR. CLARKE: — That's the Supply and Services problem, and we'd have to break it out for Supply and Services because it comes under their mandate to operate government buildings and repair and renovate. As a matter of fact, when Culture and Recreation was originally involved in rebuilding the building, the responsibility half-way through was transferred back to Supply and Services to finish the building of the building.

MR. CHAIRMAN: — Some memories of that.

MR. CLARKE: — Yes, I wondered.

MR. CHAIRMAN: — Some of the doorknobs seemed to me were said to be a bit expensive, as I recall it.

The second question, and I would appreciate it if you could respond to the committee, and that is the attendance at Government House. You may have that with you.

MR. CLARKE: — I can get it; I can dig it out. I think last year it was 15,000 though, if I'm not mistaken.

MR. CHAIRMAN: — You're thinking of '84-85?

MR. CLARKE: — Yes, which was up. Now I don't know how I'm going to find it.

MR. CHAIRMAN: — Well, 15,000 is significantly down. Maybe I should let you get the figure, rather than guess.

MR. CLARKE: — Dave's going to find it.

MR. ENGEL: — That doesn't include the play?

MR. CLARKE: — No. It doesn't include the Louis Riel play, no.

MR. ENGEL: — Because I would guess that would be higher than that, wouldn't it?

MR. CLARKE: — We don't think it's here. We'll have to supply the answer for sure.

MR. CHAIRMAN: — All right. Would you do that as well? Give me the attendance figures.

MR. CLARKE: — I do know, Mr. Chairman, that it was up over the previous year.

MR. CHAIRMAN: — Okay. In your '83-84 annual report, the attendance was stated to be 20,659.

MR. CLARKE: — It was above that. I know that for sure.

MR. CHAIRMAN: — All right. And again I guess I have the same question: whether or not there is any room for promotion of this facility. Although when you go through this facility, do you pay a fee at the door?

MR. CLARKE: — No.

MR. CHAIRMAN: — You don't?

MR. CLARKE: — No.

MR. CHAIRMAN: — Okay. I'll ask the same question with respect to this property, then: is there any room for additional promotion of this facility, encouraging the public to make more use of it?

MR. CLARKE: — We think that the public is making more use of it. The Lieutenant Governor, of course, has his permanent office in there now.

MR. CHAIRMAN: — That changes it a bit.

MR. CLARKE: — And it has changed it slightly, the operation, and we've been adjusting to that. But the people are becoming more aware of it. It hasn't been really a museum or a visitor's attraction for that long a time. And it's becoming more well-known, and more people are starting to attend it. We are promoting it to some small degree.

MR. CHAIRMAN: — I noted the talent hunt. If I've got these pages right, and I don't always — yes, I do, actually, this time — there was a significant decrease in the number of performers. Your '82-83 annual report reported 1,000 performers participating in the larger version of the talent hunt, the talent search, I guess it is. In '83-84, it was only 850. Do you have the figures for '84-85? Were they up or down again? Do you know?

MR. CLARKE: — No. We don't have them, Mr. Chairman.

MR. CHAIRMAN: — Any explanation as to why the participation was down?

MR. CLARKE: — There were some parts of the talent hunt, some functions associated with the talent hunt were given to the organization of the Saskatchewan arts councils who provided a provincial, global picture of it and did it themselves and took some of the responsibility away from the department. And then we co-operated in forming the Saskatchewan Express show at the exhibitions and put some performers on tour and concentrated more on that aspect of it than the aspect of the talent hunt. But I can get you the comparative figures, Mr. Chairman.

MR. CHAIRMAN: — All right. If you'd do that, I'd appreciate it.

Now I have another question, as well, with respect to archaeological sites. On page 14, I have noted that you had . . . You keep me hopping here because you keep changing the . . . Well, it must have been . . . You're going to have to give me a moment . . .

MR. CLARKE: — We have now found, Mr. Chairman, if you wanted me to answer the previous question, we have found some statistics on the number of visitors at Government House: 57 per cent increase, 13,334 to 21,007; and an increase from 54 to 70 in school tours. Okay?

MR. CHAIRMAN: — Good. Well, I have . . . unable to put this together the way I did last night. I'm unable to go on. Okay. Let me just find volume 1 here. If other members have questions, they may go ahead. I think I just have one more.

MR. ENGEL: — Is there any change in how you operate the house since we've made arrangements to move the offices for the Lieutenant Governor from the Hotel Saskatchewan over there? Have you just apportioned a certain part of Government House? I have to apologize. I haven't been there since.

MR. CLARKE: — Well, the north end of the building, upstairs and downstairs, has been sealed off for the Lieutenant Governor's security — sealed off. That was the original offices of the museum, and that was where the original entrance was. So we've switched the entrance from the north end to the main entrance on the east side. The museum itself, the house itself has not been interfered with. It's just the office space at the end, the north end.

MR. ENGEL: — How large an area are you talking about? Is it a couple of thousand square feet, or more or less or . . .

MR. CLARKE: — More or less.

MR. ENGEL: — I was just wondering if you know about how much space he occupies there.

MR. CLARKE: — I'm not sure. But it did not interfere with the operation of the house as a museum. There was a very definite place where the entrance was and the cloakrooms and our offices were before, and we've just moved our offices to another portion of the building. And the museum itself, the house itself, has not been interfered with, nor has the ballroom, nor has the conservatory.

MR. ENGEL: — Is there an added function to the public because of his office being there? Does that lend some prestige to the building itself, as far as the tours are concerned? You're saying that he comes in from a different entrance and uses a section of the office there that doesn't affect showmanship of the place.

MR. CLARKE: — It doesn't affect showmanship of the place, but I think in some respects it adds to the lustre of the house, because the Lieutenant Governor is in residence — not in residence, but in office residence.

MR. ENGEL: — It's just used as an office, rather than . . . When a lieutenant governor wasn't a resident of Regina, they actually had a suite in the Hotel Saskatchewan and stayed there.

MR. CLARKE: — Yes.

MR. ENGEL: — And then had their offices nearby. This isn't the case with Government House?

MR. CLARKE: — No, it is not.

MR. ENGEL: — It's just used as an office location, is it?

MR. CLARKE: — It's strictly the offices of the Lieutenant Governor.

MR. ENGEL: — And what was that space used prior to that? For your museum offices, or was it empty?

MR. CLARKE: — For the staff offices. Some of it was empty. Some of it was going to be developed into a different . . . for a different purpose, and we've just rearranged the purpose. It was going to be developed for displays, and the displays are being put on in other places in the house.

MR. ENGEL: — Do you think the day will come when we'll be developing a residence there, as well? Or can you foresee that happening? Is there still additional available for an apartment-type operation?

MR. CLARKE: — There's very little space now left for an apartment-type operation. If the house is to remain a museum, it would seem to me that it would be very difficult to make it a residence,

but that decision would have to be made down the road.

MR. CHAIRMAN: — It wouldn't be something I'd want to live in anyway.

MR. CLARKE: — It would be lonely out there.

MR. CHAIRMAN: — Sure would be. I have just one more series of questions with respect to if you have with you *Public Accounts*, volume 1, C19. And I may not understand the way in which this works. There are some underexpenditures. I was just going to ask you how that arose. The one that got my curiosity was to grant to the arts board, underexpended by some \$43,000. I would have just assumed that you just gave the arts board a cheque for \$2,153 million at the beginning of the year, and away they went and spent it. You didn't see them again. But somewhere the \$43,000 wasn't sent on. Is that not the system? Or how does this work?

MR. CLARKE: — We prepare an order in council at the start of the year for the total grant as voted in the books. We then gave money. Because they needed money early, of course, you divide the payments up, because you had one-twelfth or two-twelfths voted by the committee of supply. And so in talking to the arts board and in discussing it with them, we asked them if they could achieve any economic cut-backs, and they said yes, they could. And they achieved an economic cut-back on their own.

MR. CHAIRMAN: — In other words, they didn't . . .

MR. CLARKE: — Didn't require the money in the current year.

MR. GLAUSER: — What page was that on?

MR. CHAIRMAN: — C19. So this was an underexpenditure done at the request of the department, that the arts board found in their activities?

MR. CLARKE: — That's correct.

MR. CHAIRMAN: — All right. With respect to the grants in support of sport and recreational programs, there was a significant underexpenditure, at least in percentage terms. It's almost 20 per cent. Right at the very bottom of the page. How did that come about ?

MR. ENGEL: — There's a big virement there, as well.

MR. CHAIRMAN: — Well, no, the estimated . . . I'm sorry, there is. There was a large virement. And then there was another expenditure. What happened there?

MR. CLARKE: — Well, they required the virement for extra money for extra expenditures and then found out they didn't require as much as they had indicated they did. So once you've vired the money, it was gone and we couldn't get it back.

MR. ENGEL: — What happened to that 200,000?

MR. CLARKE: — Lost.

MR. ENGEL: — Your department lost it?

MR. CLARKE: — Yes.

MR. ENGEL: — To the treasury . . .

MR. CLARKE: — Well, not spent. It's not lost; it's not spent.

MR. ENGEL: — You've got it.

MR. CHAIRMAN: — On the next page . . . It's available for use by members of the Legislative Assembly. On the next page, the grants in support of community and regional recreation development, again there's a significant underexpenditure, even with the virement. There's a significant underexpenditure. What's the explanation for that?

MR. CLARKE: — Well I would suppose that the reasonable explanation is that those are grants to communities and that they were projecting a draw-down, and the draw-down didn't come.

MR. CHAIRMAN: — The next one was only 60 per cent of the money which was estimated actually spent.

MR. CLARKE: — That is the total draw-down. And that is . . . The facility grant was budgeted at \$5 million, and the total grants approved and claims submitted prior to the time were \$3.6 million or something like that — \$3.5 million.

MR. CHAIRMAN: — So these expenditures depend upon the communities applying for them, and you're saying they didn't apply for them.

MR. CLARKE: — That's correct.

MR. CHAIRMAN: — Okay. I have no further questions of this department. Other members may.

MR. GLAUSER: — I have one question. Does grants to, for instance, the Globe Theatre, does that come under?

MR. CLARKE: — No.

MR. GLAUSER: — Where does that . . .

MR. CLARKE: — It comes under the Saskatchewan Arts Board, which receives their funds from us. The Globe Theatre is called a professional arts group, and there are some 11 professional groups in the province, and they are funded through the Saskatchewan Arts Board.

MR. GLAUSER: — So does the Saskatchewan Arts Board, do they allocate those funds?

MR. CLARKE: — That's correct. The board allocates the funds.

MR. GLAUSER: — You only have control over the amount which is given to them.

MR. CLARKE: — We have control over the amount that's given to them for expenditure, and we have an arrangement that they fund totally and exclusively the professional arts community — that we don't deal with the professional arts community. We deal with the amateur arts community.

MR. GLAUSER: — Do they submit to you a budget?

MR. CLARKE: — A budget. At the start of the year, yes.

MR. GLAUSER: — And in that budget, do they show what they are allotting to . . .

MR. CLARKE: — By discipline, I believe.

MR. GLAUSER: — Oh, by discipline.

MR. CLARKE: — Like they may have grants for individual artists, grants for film development, grants for professional arts groups, grants for whatever, summer school of the arts. And they submit it. They don't necessarily break down the funding to professional arts groups. It would be lump sum. And in that professional arts groups are included the symphony orchestras, the Persephone, 25th Street, Globe Theatre. There's some 11 of them, I believe.

MR. GLAUSER: — I've been getting a bit of — which would have nothing to do with what you do, then — I've been getting a little bit of static on why does the Globe Theatre get more than the Persephone Theatre in Saskatoon.

MR. CLARKE: — You may think we don't get it, but we also get the same lecture.

MR. GLAUSER: — Well, I don't know. I haven't really looked for the amount yet, but I guess I wouldn't find it unless you had . . .

MR. CLARKE: — You wouldn't find it unless you had the Saskatchewan Arts Board annual report.

MR. CHAIRMAN: — I've got a copy here if you want it. I didn't raise any questions on that. I wasn't sure that was fair of these officials.

MR. GLAUSER: — Well, it's not. So I'll leave it alone.

MR. CHAIRMAN: — Okay. I have just one other question. With respect to lottery funds, what is the trend — up or down or static?

MR. CLARKE: — It seems to be up slightly, depending on what the negotiated settlement is with the federal government, whether there's more money in Saskatchewan or not, because the federal government is coming back for the third time to renegotiate their contract.

But the pull-out of British Columbia . . .

MR. CHAIRMAN: — How did that affect our operations?

MR. CLARKE: — It does not seem to affect it, if any, at all.

MR. CHAIRMAN: — Is that right? That's interesting. That would not have been my expectation.

MR. CLARKE: — No, it wasn't any of our expectation, but it seems that our bottom line is going to be up with B.C. gone. Maybe it was B.C. holding us back, maybe.

MR. CHAIRMAN: — All in? Any other questions? I want to thank the officials for coming, and we look forward to receiving the answers to the undertakings you gave us. We may or may not see you next year.

MR. CLARKE: — Thank you, Mr. Chairman.

MR. CHAIRMAN: — All right. Now we will call the officials from Parks and Renewable Resources in.

Public Hearing: Parks and Renewable Resources

MR. CHAIRMAN: — I want to welcome to the committee meeting the officials from the Department of Parks and Renewable Resources. I'm going to introduce the deputy minister, Paul

Robinson, and let you introduce your officials.

MR. ROBINSON: — Thank you very much, Mr. Chairman. I'd like to introduce Mae Boa, who is our director of administration; Lyle Lensen is assistant deputy minister in charge of support services; and Ross MacLennan is executive director of operations.

MR. CHAIRMAN: — I'll begin with a standard comment that I make with respect to everyone who is present, and that is that what you say before the committee is privileged in the sense it can't be the subject of libel or slander proceedings. On the other hand, it's taken down verbatim and is freely available for use elsewhere.

Now with that, I'll perhaps let Mr. Engel pick up.

MR. ENGEL: — Basically, I suppose one comment I'd make is that we called your department because of the auditor's remarks on page 17. Maybe before we even start questioning or getting into this, you'd have some comments you wish to make regarding the three points they raise in the report. Maybe we'll start with that way, Paul, and see what comes out of that.

MR. ROBINSON: — Okay. The first point that was raised by the auditor, we believe is well taken in that there were incompatible duties that were involved. I think a person was involved in signing cheques and reconciling the bank balances. And we believe the point was well taken, and we've instituted procedures such that it's been corrected.

The second one — and I believe the comptroller agrees with this — we have difficulty with the second point. We believe that in fact we haven't circumvented the legislature in that the legislature votes a certain amount of money each year on a cash basis for the grants to the regional park authorities, and that we attempt to live within that.

The procedure we use simply involves an audit of every four or five years of the capital grants, and we simply adjust the last year's payment on a cash basis. So I'm afraid we're not in agreement with that and we don't agree with the Provincial Auditor's remarks.

As far as the third point goes, again it was our understanding that we had correct authority to make this payment. It was a payment having to do with wrapping up the pheasant farm. We'd had, I believe, a contract signed for the first three years, or for how many years it ever operated.

And the Provincial Auditor has said that when we didn't, or when we wrapped up the affairs of the game farm, we didn't have a contract to do that. We believe that there is sufficient power in our Act to enable us to make those payments. However, it is a one-time kind of a thing, and if the committee feels that in fact we should change the procedure, we'd be perfectly willing to do so. I'd be interested in the comptroller's view of that as well.

MR. KRAUS: — I think on this third point my position is similar to the auditor's, in that whether or not there is authority and so on, I suspect that the department could very well find that what it did was technically correct. However, I happen to side with the auditor on this one, and I would prefer to see a situation like this documented in writing. Any time there's going to be an additional payment, I think there should be some type of contract, even if it's just a memorandum. Now, I'd like to hear the auditor's position on this as well, Mr. Chairman, but I believe that's what the auditor is suggesting here. And I happen to support him on this one.

MR. ENGEL: — I suppose, if we can start from the bottom up, I come from the heart of pheasant country down there, and my position is, from a political point of view, I'm sorry you wrapped up the game farm. I wish we could have signed another three-year contract and had these 1,500 young pheasant chicks distributed — or 2,000 or 3,000, however many there were per year. I think it was different numbers for different years. But it's really added to the population, and it's kind of justified me putting up a sign at my farm saying, no shooting of pheasants. You know,

we're trying to feed and raise them and propagate them, and I don't mind guys going down to the creek and the river and hunting pheasants, but around our area I've been a great promoter of advancing extra pheasants, so my reasons are quite different from either the auditor or the comptroller or yourselves.

I think you made a mistake wrapping that one up, and maybe this isn't the right place to say, have you taken some pheasant counts and think that there are enough around that we could get out of that agreement? But that isn't part of this one here, so we'll discuss that at a later date, in case you want to volunteer that information.

MR. ROBINSON: — Could you comment on that, Ross?

MR. MacLENNAN: — Well the real problem with the pheasant farm was that it was built 30 or 40 years ago, and had just run down to the point where all the incubators were so old we couldn't even find parts. The last parts we found, we had to scrounge from somewhere in the States. So the farm itself was just completely run down, and the costs to build a new one were really prohibitive, given the benefits. As you say, if you're using stock pheasants around your farm, yes, that'll work, but out in the wild they have a pretty hard job competing with the foxes and the coyotes.

MR. YOUNG: — I bought pheasants for my farm, and they come from Lethbridge.

MR. MacLENNAN: — Yes.

MR. YOUNG: — I'm positive of it.

MR. MacLENNAN: — The Alberta government has a large farm there. It's actually at Brooks.

MR. YOUNG: — But it sounds as if your old farm would be putting out pheasant chicks cheaper than you could have done it if you were run down as you say you were. I say, if it was any sort of operation at all in Lethbridge, it would be putting out chicks cheaper than what you could here because you just commented that yours was a run-down operation, old, and it wasn't up-to-date. So that would be the economical way to go, would be to buy from Alberta if the federation wanted chits.

MR. CHAIRMAN: — I don't want to interrupt your line of questioning. I'm told, Cal, that your car is illegally parked. I assume this is yours. It's a 1985 black Mercedes. I'm sorry, I thought that was yours. There is a 1985 black Mercedes which is illegally parked, and there's some suspicion that the owner is in this room. Would he or she, who is so overpaid, please stick up their hand?

Okay, sorry, go ahead.

MR. ENGEL: — Getting back to the problems here, the question that was raised in the first point didn't relate to the operations by the field people, I understand. It was an internal matter that you were able to settle, and it isn't going to affect the licences and . . .

The second question, I suppose, presents a unique problem. Do you have a solution that you could suggest, or come up with, that would satisfy the auditors and comptrollers without adversely affecting the operation between yourselves and the regional park program? I think if there's a program around that's working good, it's regional parks. In particular, in my area, Thompson Lake was one of the first regional parks, and it's growing and expanding.

By the way, did George Rathwell retire?

MR. ROBINSON: — Yes, he did.

MR. ENGEL: — Who's Clark Gable?

MR. ROBINSON: — He's not here.

MR. ENGEL: — He's not here today?

MR. ROBINSON: — No, he's not here today. In fact . . .

MR. CHAIRMAN: — Clark Gable?

MR. ROBINSON: — Yes, Clark Gable.

MR. ENGEL: — It's going to be a difficult name to remember. Could you just run us through the program . . . tried to explain it when we were in an in camera session when we first started here, but can you take us through a step-by-step, five-year planning agreement? Say it's a \$200,000 project. You're going into over a five-year thing. Would you just explain how that happens and what happens and why the auditor has some problems with that?

MR. ROBINSON: — Okay, I'll do the best I can. I may call on Mae a little bit here but, first of all, we would sit . . . the agreements are signed every five years. They're capital and operating agreements. In the capital agreement, the regional parks people sit down with the various regional parks and attempt to determine their capital needs or the capital program for the regional park over the next few years. The province signs an agreement whereby we provide two-thirds of the funds, and the regional park, the various other contributors to the regional park, provide one-third.

Then an agreement is signed through all the correct procedures, and we budget for each of the next years, a capital amount and an operating grant subsidy, which provides, I believe it's 75 per cent of eligible maintenance cost up to a maximum of 5 per cent of the park's inventory.

MR. ENGEL: — If I could interrupt you here now. Is part of the problem capital expenditure, or is that maintenance money as well?

MR. ROBINSON: — Okay, I'm just coming to that. I believe about the fourth year into the program, then our people go out to the regional park and do an audit. The subject of the audit is to attempt to determine whether or not, basically, the province's funds have been expended on capital items that we thought would be expended on. If we'd agreed in a plan that they were going to provide a swimming pool, for example, then we would make sure that they had actually built a swimming pool because we'd paid them for the last three or four years.

MR. ENGEL: — That would be instalments.

MR. ROBINSON: — In equal annual instalments. So at that point in time, then we may adjust. And I think we principally adjust the capital grant. So if for example we'd agreed to pay the \$200,000 over five years, or \$40,000 a year, and we find that we make an adjustment of \$20,000, the last year's payment would be 40 minus 20, or \$20,000. It's still a cash outflow; it's still a cash payment.

I believe the auditor's view is — and you can jump in here if you want — I believe his view is that that adjustment, that \$20,000 adjustment should be credited as departmental revenue. I believe that's your point.

Your other point is that in some way we are somehow overstepping the authority that the legislature has given us, in that some way the regional park grants . . . There are more regional park grants than were approved by the legislature. And our contention is, I guess, twofold. With some trepidation I'll call on . . . (inaudible) . . .

Our contention, I guess, is twofold. First of all the legislature says, you have \$2.7 million for regional park grants on a cash basis, and that's what we give out. We give out \$2.7 million. So in effect we're not increasing at all in my mind. We're not overstepping any authority that the legislature has given us.

The second point is that these are not just accounting offsets. These are cash kinds of offsets. We're still making cash payments. And I don't think any internal controls apply.

I'm not sure exactly how you would propose that we would correct this. I would imagine that what the auditor would suggest we would do is, in the past year, or in the last year of an agreement, we find out that they somehow owe us \$20,000 and the normal grant would be 40, that we would, in fact, give them a grant of 40 and ask them to send us a cheque back for 20. That, it seems to me, is what we would have to have them do.

I think practically, you know, that if we sent them out 40, our chances of getting back 20 would be somewhat small in some cases. So I don't think, practically, it would work.

MR. CHAIRMAN: — In the essence of time, I think that we agreed some time before we came in here that the comptrollers are going to look at this and work on it to come up with a solution to this. Is that not correct?

MR. KRAUS: — Mr. Chairman, I don't think we had arrived at that conclusion when we were talking about it earlier. But we could look at this further if the committee wished. I'm not sure at this time, and I shouldn't . . . you know, I don't want to say that we're not going to come up with an answer that the auditor will agree to right now, but it's very likely that the practice that's now being followed is the one that we will support. Mind you, we can look at it further and report, if you like, next year, but . . .

MR. CHAIRMAN: — But not with an open mind.

A MEMBER: — Well . . . (inaudible) . . .

MR. ENGEL: — Well, my understanding of the complaint was that it's after your five-year thing that in a new agreement you would make the adjustment. But if it's part of that five-year agreement, and you're making the adjustment on year five, I can't see . . . (inaudible) . . . From a committee member's point of view, I suppose I'd like to see some resolve of that bookkeeping things entered, but I think the deal with the parks is one that seems to be working.

Have you changed the way you deal with a park as far as taking into account if they have a five-year agreement, and they're going to get \$50,000 a year, or \$40,000 a year on that example of 200,000, they decide to build that swimming pool in year one, and they are carrying some interest on the money until that fourth and fifth payments come in. Has there been a change in the way you operate with these parks where you're considering and allowing them for the interest that they have to carry, or do they have to take that into account?

Can they use an interest expense as part of their capital expenditure of a project is the question I'm basically asking.

MR. MacLENNAN: — Well basically, most parks, I would say, handle the interest themselves and use their payments, use their grants from the government to handle it. But there has been one or two occasions (and I think Thompson Lake was one of them) where parks were so heavily indebted on the interest side, that they really couldn't do anything else — they couldn't build anything.

I think in one case, or one or two cases, we actually received permission to start their next

five-year agreement one year ahead of time . . . (inaudible) . . . or else build in sort of an additional payment to get rid of the interest.

But in most cases if they build in the first year and have to borrow money, they do handle the interest themselves, and they can use our grants as they see fit.

MR. ENGEL: — . . . (inaudible) . . . I like the way a regional park operates and local involvement more than in a provincial park, in some cases. The pressure was so heavy at Thompson Lake at one time that they even wanted it to go . . . let's go for provincial park status because the burden was that great to carry, and fund-raising drives of all kinds were undertaken to try and pick that up.

I thought you'd changed that so that you could use the interest charges as part of a capital cost . . .

MR. MacLENNAN: — No, I think what we did at Thompson Lake was actually, when we renewed their next agreement, we arrived at a sum that will allow them to pay off their loan, sort of that they would build up from the last one. It almost had to be done, 'cause they couldn't operate.

MR. ENGEL: — I have no further questions on any of these three points here, Mr. Chairman.

MR. CHAIRMAN: — There are a large number of questions I would like to have asked you if we had time, but I'm not going to keep the committee over for them. No, there were no undertakings then, I guess.

Thank you very much, ladies and gentlemen, for coming as witnesses and assisting with our deliberations. Okay. That's all for you. Thanks very much.

Is there anything we want to flag out of this morning's deliberations? I guess the one thing we would flag is the matter that the comptroller is going to report back to us all with respect to the Western Development Museum and their grants and the agreement with the regional parks, I guess.

MR. ENGEL: — If they can come up with some kind of a . . .

MR. CHAIRMAN: — They were going to attempt, I guess, to resolve that, but as I said, not with an open mind.

MR. ENGEL: — Well from the regional parks, I know they're usually short-funded rather than over-funded, and I'm not sure if that adjustment isn't made on the year five. I'm not sure what the problem is. I haven't got that through my head.

MR. CHAIRMAN: — I don't think those things need to be flagged.

MR. ENGEL: — Not right now. Maybe I'll just try and get some personal information from you . . .

MR. CHAIRMAN: — . . . (inaudible interjection) . . . The motion, that's right. And this matter, I think we want this other matter flagged with respect to Parks and Renewable Resources. I gather the comptroller's office is going to make an effort to unscramble this egg, as well. Are you?

MR. KRAUS: — What is precisely the expectation? Is this on the regional parks?

MR. CHAIRMAN: — Yes, on the regional parks. Or do you think it's hopeless.

MR. KRAUS: — I don't think it's hopeless. I think, though, we may have a policy or a practice

that the auditor may not agree with. But that wouldn't mean that we wouldn't continue it.

MR. CHAIRMAN: — Well that kind of says it all, doesn't it? Do you want to report back to the committee on this, or are you satisfied with your position now that you're . . . or what do you want to do with it?

MR. KRAUS: — I'd say we're satisfied with our position, but I suppose we could put together a little further explanation as to exactly why we do it.

MR. CHAIRMAN: — Perhaps you should.

MR. KRAUS: — Put the paper before you.

MR. CHAIRMAN: — Yes, perhaps we need to reconsider it when you do. I don't know we're going to resolve this. I guess we'll have to do nothing, or do something. That's obvious enough.

Okay. For tomorrow, the agenda for tomorrow is . . . did I pick up all your stuff with mine? Mr. Weiman, who had to leave — oh, he's still here — is going to deal with Kelsey and potash . . . (inaudible interjection) . . . Pardon me?

MR. WEIMAN: — Potash was Myles'.

MR. CHAIRMAN: — Was it?

MR. WEIMAN: — Yeah. There's a mistake in that. The agreement that we came to last week, I'm positive that it was either Myles or another member that were going to do potash. I believe it was Myles. But at any rate, it's going to be Myles.

MR. CHAIRMAN: — Myles to do potash?

MR. WEIMAN: — Yeah.

MR. CHAIRMAN: — Okay. Mr. Weiman was going to do Kelsey at 8:45. Is that right? We're going to call them from Saskatoon at 8:45? Is that realistic?

Okay, right, 9 o'clock is Kelsey. Thereafter is the potash corporation. May I make a suggestion? We deal with the potash corporation first — it's going to be a narrow discussion. We're not going to get into anything but the items raised by the Provincial Auditor by prior agreement. Why don't we deal with potash first. And they won't be long, I don't think, and then they can amble off into the horizon. Kelsey may be longer.

MR. WEIMAN: — Well, Kelsey people are coming in from Saskatoon, right?

MR. CHAIRMAN: — So are potash.

MR. WEIMAN: — So they'd arrive here at 8:20. The next connection back to Saskatoon would be probably 1 o'clock I believe.

MR. CHAIRMAN: — Okay. 9 o'clock then for potash.

MR. JAMES: — Mr. Chairman, members of the committee, there may be a conflict with the potash corporation. Today they are in Crown Corporations and they may be carried over tomorrow morning into Crown Corporations Committee. So we may . . .

A MEMBER. — We'll play it the way it lies right now.

MR. CHAIRMAN: — If potash corporation is before Crown corporations, then we'll simply start with Kelsey; go to SaskCOMP — Mr. Young; and teachers' superannuation — Mr. Katzman. Perhaps we can leave it to the Clerk to remind Mr. Katzman.

MR. GLAUSER: — Mr. Katzman won't be back.

MR. CHAIRMAN: — Okay, then we need to . . .

MR. YOUNG: — I'll take the rest of the day with SaskCOMP then.

MR. CHAIRMAN: — Do you want to, or do you want to have somebody in the bull pen?

MR. ENGEL: — When was Katzman going to have it? Which one was Katzman having?

MR. CHAIRMAN: — Teachers' superannuation. Do you want to have somebody in the bull pen then in case we move along?

MR. GLAUSER: — I can take that one, Mr. Chairman.

MR. CHAIRMAN: — The bull pen or the teachers?

A MEMBER: — He can do teachers' superannuation.

MR. CHAIRMAN: — Okay, Glauser, then.

A MEMBER: — Well, that's the same thing.

A MEMBER: — We had that before.

MR. CHAIRMAN: — Okay. And tomorrow morning before 9 o'clock we'll have to decide next week's agenda. We'll have a little report on the '86 conference as well — '86 or '85 — '86, I guess. So we're going to have a jam-packed 15 minutes.

I would ask all of the government members to be on time.

MR. ENGEL: — Do you know, I thought this thing started at 8 o'clock this morning.

MR. CHAIRMAN: — Good for you. That's why you're on time — that's why he was only 40 minutes late.

That's it. You're free to go boys and girls.

The committee adjourned at 11:15 a.m.