

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**May 23, 1984**

The Assembly met at 2 p.m.

**CLERK:** — I'd like to advise the Assembly that Mr. Speaker will not be present today to open this sitting.

Prayers.

**ROUTINE PROCEEDINGS**

**INTRODUCTION OF GUESTS**

**HON. MR. TAYLOR:** — Mr. Deputy Speaker, it gives me pleasure to introduce 17 grade 10 and 11 students from Glenavon, seated in the Speaker's gallery along with their principal, a friend of mine, Mr. Robert Fournier; a teacher, Claude Jalbert; and parent chaperon, Mrs. Arlene Cwynar.

I welcome you here today. I hope you enjoy the deliberations, find them educational. And I look forward to meeting with you later, answering your questions. I would ask everybody to join in a real welcome for the people from Glenavon.

**HON. MEMBERS:** — Hear, hear!

**HON. MR. HEPWORTH:** — Mr. Deputy Speaker, I would like to introduce to you, and through you to the members of the Legislative Assembly, some very special guests sitting in the Speaker's gallery. And it's with a great deal of pride and pleasure, on behalf of the constituents of Weyburn, to be able to introduce to the legislature today the Canadian Centennial Cup champions, the Weyburn Red Wing hockey team.

These individuals have distinguished themselves across this nation as the best in hockey. And not only have they demonstrated skill — and I think the fact that they went through 103 games to get to where they are today — but I think they've also demonstrated they play it smart. And I think it's a testimony to the great coaching of Dwight McMillan.

And they also play it with heart. I think that was demonstrated by the fact that they came back in the final series of . . . down in their last two games, having to do or die. And they did. And I think that takes heart. And I think the fact that the president and owner of the club, Tom Webb, who's a Pangman farmer, also has a great deal of heart in hockey — and as a farmer and as a citizen of a great community.

I think, gentlemen, it's no secret that you have done your community proud, the city of Weyburn proud, and you've done our province proud. I just say congratulations to all of you.

There are some who are not able to be with us here today, Mr. Deputy Speaker, due to other commitments. And unfortunately, in the case of one of the hockey players, Mr. Edwards, his father has passed away, and to him and to the family we offer our sympathies.

But I would like to read out the names, not only of the fellows that are here, but as well those who could not be with us and have them stand and be acknowledged in the Assembly today.

I'll start out with the president and the owner of the club, Mr. Tom Webb; the captain of the team, Ron Amyotte. If the fellows would just stand.

As well, we have: Rick Hayko, Mike Bolton, Jeff Liszewski, Scott Cowie, Jeff Canning, Peter Anderson, Marc Straub, Ed Istace.

And those who could not be here today: Yvon Prefontaine, Troy Arndt, Ward Edwards, Lyle Leache, Todd Cornish, Ian Resch, Mark Casavant, Kevin Stephenson, Rene Chapdelaine, Tom Rudy, Mike Spencer, Terry Lloyd, John Brunoro, Mark Schneider, Scott Brower, Vic Laurin, Jerry Evans, John Corrigan; and coach Dwight McMillan, who could not be here; Jim St. Onge, assistant coach; general manager, Don Warman.

And in the early part of the season, Brian Myer; trainer Tom Hanley; and the stick boy, Erin Hanley; and the assistant to the coach, Don Pindes; and as well, the assistant equipment manager, Wally Melanychuck.

I would just ask all members of the legislature to join with me in welcoming these Canadian champions to the legislature of Saskatchewan, and as well, acknowledging them for a job well done.

**HON. MEMBERS:** — Hear, hear!

**HON. MR. FOLK:** — Thank you very much, Mr. Deputy Speaker. I would like to also congratulate the Weyburn Red Wings on a tremendous job in winning the Centennial Cup for the Weyburn Red Wings — their hockey team, their hockey players, their managers, their coaches, their organization. The community of Weyburn and, indeed, all of Saskatchewan, I think, joins with us here today in congratulating you on a job well done. I had the pleasure of hosting a luncheon for the players just a little while ago. They are all fine young gentlemen, and certainly, as was mentioned by the Minister of Agriculture, represented our province well, and indeed are proving that Saskatchewan is number one in more ways than one. Thank you.

**HON. MEMBERS:** — Hear, hear!

**MR. SHILLINGTON:** — Just very briefly, on behalf of the opposition I want to join in what my colleagues from the government benches have said. Hockey is a proud Saskatchewan tradition, and it's nice to see that reaffirmed by the winning of this Canadian championship. I know that it must have taken sacrifice and hard work and dedication, and that's also a proud Saskatchewan tradition, and we congratulate you on it.

**HON. MEMBERS:** — Hear, hear!

**MR. BAKER:** — Mr. Speaker, I'd like to introduce to you, and through you, 86 students from the Vanscoy School in my constituency. I'd like to welcome them to the legislature. They are accompanied by their teachers and chaperons: Barry Radcliff, Rick Gosselin, and Shannon and Audrey Johnston. I ask all my colleagues to give them a big, hearty welcome.

**HON. MEMBERS:** — Hear, hear!

**MR. KOSKIE:** — Thank you, Mr. Deputy Speaker. I'd like to introduce through you, and to the Assembly, a grade 4 class from the Annaheim School. They are 14 in number. They are accompanied by their teacher, Orville Theisen, parents, Mr. and Mrs. Vanderlunde, Cliff Vedress, Lorilee Boepler. I want to take this opportunity and ask other members to join with me in extending a hearty welcome to the students and those that accompanied them to the legislature. I hope that they have a very enjoyable visit to the legislature and a tour throughout the city of Regina. I will be meeting with you shortly after question period.

**HON. MEMBERS:** — Hear, hear!

**HON. MR. DIRKS:** — Mr. Deputy Speaker, I would like to introduce to you, and all members of the Assembly this afternoon, a group of four grade 8 students from the St. Patrick Elementary School here in Regina, in my constituency of Regina Rosemont, accompanied by their teacher, Mr. Doug Exner.

I will have the privilege of meeting with them for pictures and refreshments immediately after question period. And I wonder if they would stand, wherever they are this afternoon, and would all members welcome them here, please.

**HON. MEMBERS:** — Hear, hear!

## ORAL QUESTIONS

### Personal Service Contract of Michael Leddy

**HON. MR. BLAKENEY:** — Mr. Deputy Speaker, I direct a question to the Premier. And my question deals with a Mr. Michael Leddy, of the Premier's staff. A year ago you reported to the Assembly that Mr. Leddy was working on a contract of personal service. And I think it was \$190 a day, which works out to about \$50,000 a year.

The question I ask the Premier is this: is Mr. Leddy still working with you, is he still getting approximately that amount of money, and do you regard his employment as full-time employment or part-time employment?

**HON. MR. DEVINE:** — Well, Mr. Deputy Speaker, I believe Mr. Leddy, in a day or two, or in the last week or so, has moved into the private sector. So the contract will be wrapping up, or wrapped up.

**HON. MR. BLAKENEY:** — Mr. Deputy Speaker, I direct a further question to the Premier. While Mr. Leddy was in your employ, was he conducting any other business or any other line of employment, and was he using your office as his headquarters?

**HON. MR. DEVINE:** — Mr. Deputy Speaker, I can't respond with respect to any other employment. Mr. Leddy was an adviser, and that's all I can add to him.

### Media Reception at Hotel Saskatchewan

**HON. MR. BLAKENEY:** — Mr. Speaker, I have before me copies of bills from the Hotel Saskatchewan, dated April 30th this year, and addressed to the "Hollywood Reporter," Room 7, Legislative Building. The bill is sent to the attention of Mr. Michael Leddy, and the bill is for about \$300 worth of liquor and wine ordered for a reception in a room in the Hotel Saskatchewan. And I ask the Premier: was any member of his cabinet in attendance at that reception, and what function was that reception performing on behalf of the people of Saskatchewan?

**HON. MR. DEVINE:** — Mr. Deputy Speaker, I know that Mr. Leddy was hosting people from the film production industry here in the province of Saskatchewan, and I believe — and I will take notice and find out exactly what people were invited to the reception — but I believe it was people in the media, people in the film production business, and that's precisely what it was for, to inform people, in particularly the United States, that are making films and in the business of films, about the province of Saskatchewan and why they might be able to produce films here. They are producing them in Alberta, and I believe in neighbouring jurisdictions, and that's as far as I know, is what it was for.

**HON. MR. BLAKENEY:** — Mr. Deputy Speaker, a supplementary to the Premier. I take it from his answer that he says that this was an expenditure on behalf of the Government of Saskatchewan. Could he offer a comment as to why the bill was sent to the "Hollywood Reporter," and does this have anything to do with the film industry trade newspaper by the same name, published in Los Angeles? Is Mr. Leddy working for the *Hollywood Reporter* in Los Angeles, as well as working for you; and on what basis was the bill sent to your office?

**HON. MR. DEVINE:** — Mr. Deputy Speaker, Mr. Leddy was not working for anybody else. He was hosting people from the film production industry in the province of Saskatchewan and showing them various parts of the province that they could be looking at — say, the sand hills, or the North, or something else — to produce movies here in the province of Saskatchewan, as opposed to Alberta or British Columbia.

**HON. MR. BLAKENEY:** — A brief supplementary then, Mr. Speaker. Would the Premier give any indication as to why these accounts are addressed to the *Hollywood Reporter*, notwithstanding the fact that they're going to be paid by the Government of Saskatchewan and the people of Saskatchewan?

Supplementary, Mr. Speaker. Could the Premier offer a comment as to why these bills for liquor and wine would be addressed to the *Hollywood Reporter*, although they're going to be paid for by the government and the people of Saskatchewan?

**HON. MR. DEVINE:** — No, I have no comment as to how it was billed, but I will take notice.

### **Unpaid Wages Owed by Kelly Gall**

**HON. MR. McLAREN:** — Mr. Deputy Speaker, last week I took notice of a question from the member from Regina Centre about one Kelly Gall. As I stated that day, I told the member that I would have my department investigate the allegations, and this is the report that we have back.

We first received complaints concerning unpaid wages in December, and over a period of about six weeks to two months we had 10 complaints altogether. And we discovered that the gentleman in question did not reside in Saskatchewan. He was stationed in Edmonton. And with various investigations . . . And at the same time, we also investigated the payroll records of the businesses in Moose Jaw, Saskatoon, and Regina that he had set up.

And out of all those investigations we discovered 113 people who had not been paid wages. We contacted the city police and the RCMP to see if any fraud charges were being contemplated and found that there was none pending. We also contacted the Bank of Montreal in Edmonton where Mr. Kelly Gall supposedly had a bank account, but were told that, due to legislative boundaries and provincial boundaries and jurisdictions, that we would not be allowed to attach those bank accounts to any of these claims for wages.

In April we filed judgements against Mr. Kelly Gall, which can only cover that person if he has any assets in Saskatchewan. We've discovered that he is no longer in Edmonton. We have no idea where he is. And one of the major problems that we ran into was the fact that there had been a gentlemen's agreement brought into force back in 1979-80 where other provinces from across Canada could file against labour standards here in Saskatchewan, and we would look after them. But no other province in Canada had the reciprocal agreement with Saskatchewan where we could go out and file charges against people in other provinces — due to your administration — so our hands are tied now as far the boundaries are concerned. But the judgements are in place. If Mr. Gall comes back into Saskatchewan, we will be able to seize assets and hopefully look after these people's wages.

**HON. MRS. DUNCAN:** — Mr. Speaker, I also took notice on the same matter, and I would report to the House that investigations by my department indicate that Mr. Kelly Gall conducted a telephone solicitation campaign in Regina, Saskatoon, and Moose Jaw from December 1983 till the end of January 1984.

Mr. Gall did not have a direct seller's licence because he was acting as an agent for Sooter Studios, and therefore did not require a licence. As to complaints, we received one complaint in December, and I believe it was someone wanting a refund for a purchase they had made. The complaint was resolved in May of 1984.

I might also indicate, Mr. Deputy Speaker, that Sooter's photographic studios will honour the certificates that were sold because of this telephone campaign.

**MR. SHILLINGTON:** — Well dealing with the Minister of Consumer and Commercial Affairs initially, is the minister telling the House that Mr. Gall did not require a direct seller's licence to solicit by telephone because he was in some way connected, or alleged to be connected, with Sooter Studios?

**HON. MRS. DUNCAN:** — Mr. Kelly was acting as an agent under contract for Sooter Studios, and because Sooter Studios derive more than 50 per cent of their income from a retail sales outlet, they do not come under the jurisdiction of The Direct Sellers Act. That's correct.

**MR. SHILLINGTON:** — A question to the Minister of Labour. Mr. Minister, you have confirmed the complaint which has been made in this House over the last few days, and that is that it took you six months to review a matter. You started in December, and finally, at the end of April, you managed to file judgements, and that is the problem, Mr. Minister — five months.

Mr. Minister, had you acted in a more timely fashion you might have been able to salvage something. I could well believe that by the end of April there is nothing left to salvage. But, Mr. Minister, I ask you why you did not act in a more timely fashion. You knew of the problem in January. Why were those judgements not filed well before April 30th?

**HON. MR. McLAREN:** — Mr. Deputy Speaker, the gentleman was gone, and because of the restrictions that your agreement with the other provinces not being reciprocal, we couldn't go across the boundaries. And the fellow was living in Edmonton; we couldn't touch him anyway. We even tried the Department of Labour in Alberta to try and get them to act on it and, as I said, because of this agreement, we . . . they will not act on behalf of Saskatchewan in any other province.

Our office did react very quickly. We went to all the areas and investigated the wage records, discovered — we got the whole 113 names. I've got them all here with the amount due every employee, and all we can do is set up the judgements, which we have done, and some day, if Mr. Gall comes back into Saskatchewan, we will be able to take over any of his assets and pay his bills, I suppose.

**MR. SHILLINGTON:** — Well, new question, Mr. Speaker, which deals with the fact that Sooter Portrait Studios, a nation-wide franchised photo dealership, have announced that it will offer — that it will honour, rather, any photographic commitments made in Saskatchewan by Kelly Gall, the fly-by-night operator who left 123 people owed \$14,000. And I suppose that's commendable. And I wish, Mr. Minister, we could say the same of your department.

Sooter Studios terminated its contract with Kelly Gall in January because it learned then that he had failed to pay its employees in other provinces. They took action in January, Mr. Minister. You presumably had . . . You presumably knew that in December. That's just what you finished telling us. And yet you did nothing till the end of April.

My question is: why did it take your department five months to act on a complaint that Sooter Portrait Studios were able to act on by January?

**HON. MR. McLAREN:** — Mr. Deputy Speaker, we didn't wait till April to act. We were spending the time in January and February investigating the allegations. And the promoter of the Sooter Studios had a contract with Mr. Gall, in which he was to cover all wages and all his own expenses, and the only recourse that we have is after Mr. Gall, and we have no idea where he is.

**MR. YEW:** — I have a question directed to the Minister of Environment. My question deals with the test spraying of a new chemical by Dupont of Canada which begun last week on a 200 hectare site near the Nipawin Provincial Park in northern Saskatchewan. Now, Mr. Minister, you are quoted in the northern press as saying that you didn't have the power to stop this project, even though you had serious concerns about its impact on northern wildlife, resources, and water systems.

Mr. Minister, I ask you: the demonstration project was taking place on land owned by Woodland Enterprises, a branch of PAPCO (Prince Albert Pulp Company), which is owned by the provincial government. How can you possibly say that you had no power to stop this spraying project, and also, why didn't you do that if you had concerns about the environmental impact?

**HON. MR. HARDY:** — Well, Mr. Deputy Speaker, first of all, it's not spraying on 200 hectares, it's spraying on 50 acres, and it's mile 169 on the La Ronge to North road — I forget the exact number of the highway up there. They were spraying 50 acres of pine on a pine ridge, but with Velpar, which is a test product they're using which has been approved by Agriculture Canada.

It's strictly a test pilot project, of which the Department of Environment, as we are led to believe, does not have any jurisdiction over, unless they're spraying near a water body. They are not spraying near a water body. It is a test pilot project only, sprayed at very low levels with a helicopter. It was to be done on Friday. I've no report back of the results of it today.

**MR. YEW:** — Supplementary, Mr. Deputy Speaker. Prior to the spraying taking place, Mr. Minister, you said that you wanted certain guarantees from Woodland Enterprises that the wildlife and the water systems would be fully protected.

I want to ask you, Mr. Minister: what guarantees did you get prior to the spraying project getting under way, and finally, what terms and conditions did your department impose on Woodland Enterprises and Du Pont of Canada prior to the testing of this new spray?

**HON. MR. HARDY:** — Mr. Deputy Speaker, first of all I'd better make it very clear that this project was approved by Agriculture Canada, Environment Canada. It is a test pilot project, of which the Department of Environment, Saskatchewan, really has no jurisdiction over, because it is a test pilot project.

We had input into it because we didn't want it near any bodies of water. It is not near any bodies of water; it is very low growth — trees that were planted a few years ago that has shrubbery coming up in it, such as aspen (mostly aspen) coming up into it. They want to try it. It's a test pilot project to see what will happen.

They're also doing it in three other provinces in western Canada. They're doing 50 hectares in each province, or 20 hectares in each province . . . (inaudible interjections) . . . I come from the old school, and I'll call it 50 acres, then.

**MR. DEPUTY SPEAKER:** — Order, order. Allow the minister to answer.

**HON. MR. HARDY:** — Well, I'll go back and use the old school. Everybody has their own say.

Mr. Deputy Speaker, anyway, this is being done on a test pilot project only. It's a one-time deal. They're using a new chemical called Velpar, which has been approved by Agriculture Canada, which has been approved by Environment Canada, and which is now . . . It's being done once to see what happens. They're also doing it in the three other western provinces.

The 250 or 200 or 500 acres — whatever — in the next pilot project that will be done by Woodlands hasn't been approved yet. They're going to do a promotion on it. They're going to let all the people know — the input from the public — before it goes ahead. We've asked for that

and they've agree to it. So that's where it stands.

**MR. YEW:** — Supplementary, Mr. Deputy Speaker. Mr. Minister, the wildlife, the water systems, and northern resources that we have, are very important to us in northern Saskatchewan.

I want to ask the minister, just very specifically: what authority and what role do you see your department, the Department of Environment, play in all this development in northern Saskatchewan, of ensuring that Northerners are involved, of ensuring that Northerners are consulted, are advised, about major development and major sprayings of this nature taking place in northern Saskatchewan?

**HON. MR. HARDY:** — I don't have the information with me here, Mr. Deputy Speaker, but what e have asked to be done is, first of all: wildlife — and to be protected there is consideration being taken into what will happen if it's sprayed where wildlife is, where ducks or birds are nesting, and especially, Mr. Deputy Speaker, where there's water bodies involved. We've asked that that all be looked into and reported back to us before they spray, what will be the effects on that.

The one that he's talking about is a test pilot project only being done up there. It's using Velpar by Du Pont of Canada and it is a one-time shot. The other one will be . . . The consultation of the public will be there, news media will be covered. I don't know what else I can tell him.

**MR. YEW:** — Final supplementary, Mr. Deputy Speaker. I want to ask the minister to table in this House, this Legislative Assembly, the guarantees that you received, the terms and conditions that your department initiated and demanded or established with those companies involved in the spraying of this 200 acres of territory.

**HON. MR. HARDY:** — Well, I do have some information here of what has been asked of the Prince Albert Pulp Company in regards to what should go on before any spraying takes part, and that as regards to the larger 500 acres. It says here that they want an information package to be presented to the company employees, Department of Parks and Renewable Resources employees, Prince Albert Chamber of Commerce, tourist facilities in the Little Bear and Fishing Lake area near the proposed spraying areas, an interview being done by CBC (Canadian Broadcasting Corporation). Plans are set to talk to service clubs, to go on the talk show on the Prince Albert radio station, attend cottage association meetings, conduct an advertising program, and do newspaper and TV advertising. I don't know what more the public could be made aware of than that.

**MR. LINGENFELTER:** — Supplementary to the Minister of the Environment. I would ask the . . .

**MR. DEPUTY SPEAKER:** — Order. The member from Shaunavon has one more supplementary.

**MR. LINGENFELTER:** — Thank you very much, Mr. Deputy Speaker. I have a question to the Minister of Environment, and having listened to a number of his answers, I wonder if he would comment on a statement made by the member for Prince Albert, and I quote from a northern paper:

Hardy is not in a position to make that determination whether the project goes ahead or not. If it meet with the conditions of the environment, he can't tell them what to do.

Mr. Minister, I think that after listening — but I would like your confirmation — do you agree or deny with the member from P.A. when he says you do not have . . . you're not in a position as Minister of the Environment or, in fact, do you have the power as minister to make decisions that protect the environment in northern Saskatchewan?

**HON. MR. HARDY:** — Well, Mr. Deputy Speaker, I agree with the member from Prince Albert. If they meet all the conditions that's set out, certainly they have the right to go ahead and spray. That's why conditions are set out. If we didn't set out any conditions, then I suppose we'd have some authority to say no, you can't do it. But we've set out a roll of conditions they must meet. If they meet all those conditions, certainly they can go ahead.

### **Professional Hockey Played in Saskatchewan**

**MR. SVEINSON:** — Thank you, Mr. Deputy Speaker. I think it's very timely today to ask of a minister who is skating on very thin ice a question respecting hockey in this province. We have the Centennial Cup champions in the audience. I would like the Minister of Urban Affairs — and I think by his own admission he would like to see a hockey team in Saskatoon — I would like him to bring us up to date on whether the gentlemen from Weyburn will have an opportunity to play the game in Saskatchewan in the near future. And you could even expand on that, Mr. Minister, and indicate when you feel a Stanley Cup may be scheduled for Saskatoon.

**HON. MR. SCHOENHALS:** — Mr. Speaker, it's taken a considerable amount of time to get a question in this portfolio, and when I finally get on it's the wrong portfolio. However, I think . . .

**MR. DEPUTY SPEAKER:** — Order, order! The member from Regina North West asked a question. I would ask him to allow the minister to answer.

**HON. MR. SCHOENHALS:** — On this burning issue, Mr. Speaker, it is my understanding that interests in Saskatoon are continuing to pursue an NHL opportunity. At this time the Government of Saskatchewan is not actively involved in that pursuit. It's being carried out by the people in Saskatoon.

**MR. SVEINSON:** — Supplementary. At one time you were active to the tune of a \$44 million loan guarantee.

**MR. DEPUTY SPEAKER:** — Order, order, order! Does the member have a question? He's not allowed a statement on a supplementary.

**MR. SVEINSON:** — Mr. Speaker, I have a question. Absolutely I have a question. In fact, I'll reword it as a new question.

To the Minister of Energy from Saskatoon, who is in charge of hockey in the province and particularly professional hockey: I would just ask him if he is prepared to give a loan guarantee to people who, in fact, could address professional hockey in this province with respect to the \$44 million you promised Mr. Hunter if he was bringing that hockey club into Saskatchewan.

**HON. MR. SCHOENHALS:** — Mr. Speaker, there was some talk of a loan . . . There was, in fact, an offer of a loan guarantee if, in fact, the team came to Saskatchewan and an arena was built. That proposal has been turned down by the NHL, as I'm sure the hon. member is aware. I think, Mr. Speaker, in terms of anticipating the . . . In terms of anticipating the arrival of an NHL team in Saskatchewan, it was interesting on Saturday night to see the next prime minister of this country in the company of the owner of the new Stanley Cup champions. And I think that when we get a proper federal government in Ottawa, under Mulroney's leadership, we will have a better opportunity of making that a reality.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. DEPUTY SPEAKER:** — Order.

### **Request for Leave of the Assembly**

**HON. MR. ROUSSEAU:** — Mr. Deputy Speaker, if I may have leave of the Assembly to revert back to notices of motion, because I think this is where this . . . I should have done this earlier, to introduce . . .

**MR. DEPUTY SPEAKER:** — Order. The member has asked for leave. Is leave granted to move back to notices of motion?

Leave granted.

### **NOTICES OF MOTIONS AND QUESTIONS**

**HON. MR. ROUSSEAU:** — Mr. Deputy Speaker, I give notice that I will on Friday, May 25th, introduce a bill to amend The Superannuation (Supplementary Provisions) Act.

### **INTRODUCTION OF BILLS**

#### **Bill No. 68 — An Act to amend The Tobacco Tax Act**

**HON. MR. ANDREW:** — Mr. Deputy Speaker, I move first reading of a bill to amend The Tobacco Tax Act.

Motion agreed to and the bill ordered to be read a second time at the next sitting.

#### **Bill No. 69 — An Act to amend The Liquor Consumption Tax Act**

**HON. MR. ANDREW:** — Mr. Speaker, I move first reading of a bill to amend The Liquor Consumption Tax Act.

Motion agreed to and the bill ordered to be read a second time at the next sitting.

#### **Bill No. 70 — An Act respecting Urban Municipalities.**

**HON. MR. EMBURY:** — Mr. Deputy Speaker, I beg to inform the Assembly that His Honour, the Lieutenant Governor, having been informed of the subject matter of the bill, recommends it to the consideration of the Assembly, and I move that a bill respecting Urban Municipalities be now introduced and read a first time.

Motion agreed to and bill read a first time.

**MR. DEPUTY SPEAKER:** — When will this bill be read a second time?

**HON. MR. EMBURY:** — Mr. Speaker, I ask leave to refer the said bill to the non-controversial bills committee.

Motion agreed to.

### **ORDERS OF THE DAY**

#### **GOVERNMENT ORDERS**

#### **SECOND READINGS**

#### **Bill No. 60 — An Act respecting Venture Capital Corporations**

**HON. MR. KLEIN:** — Mr. Speaker, I am indeed pleased to have this opportunity to move second reading of the Act respecting Venture Capital Corporations.

The program is a major new initiative of ours, an initiative that will have a dramatic impact on the economic growth of this province, and the number of job opportunities for our citizens.

Since the program was first announced in the March budget, a lot of business people and potential investors have indicated their excitement over the idea of Venture Capital Corporations. A lot of them have been champing at the bit and raring to go. Well, I can assure you that they won't have to wait much longer.

The objective of this act, Mr. Deputy Speaker, quite simply, is to bring the supply of Saskatchewan investment capital to Saskatchewan businesses and industries who need that capital for growth and for expansion. We've known for years now that there's been an insufficient supply of formal investment money in this province. In the past, the members opposite, with their commitment to government as big sugar daddy, scared many private investors away. Their actions were tantamount to waving a sign to provincial, national, and international business people, saying, "This is Saskatchewan. No trespassing by private investors."

Mr. Deputy Speaker, this administration is working to undo those years of non-support to business. We're working to tell business people that they are indeed welcome here — welcome to invest their money, their talents, and their ideas.

My colleague, the Minister of Economic Development and Trade, has had success in promoting Saskatchewan nationally and internationally, and you'll be seeing more investment coming into Saskatchewan from outside of our borders.

We also know, though, that within Saskatchewan's borders there's a sizeable amount of money already invested, albeit cautiously, in banks, credit unions, and trust companies. Our citizens just happen to be among the greatest savers anywhere, a product, no doubt, of those wind-swept years of the dirty '30s.

We're trying to encourage Saskatchewan residents to free up a portion of those moneys and invest them in small businesses. We're trying to provide a "made in Saskatchewan" approach to the needs of the province's small businesses, which historically have had relatively high debt-to-equity ratios.

We're confident that many Venture Capital Corporations will be formed once this legislation is passed. Those corporations will not only provide equity capital for our new and expanding businesses — we estimate \$16 million in the first year — but they'll likely offer management expertise as well, and such equity infusions will likely also mean many small businesses will gain greater access to conventional financing for operations and for expansions.

I'll go into the venture capital program in more detail in a few minutes, Mr. Deputy Speaker, but I'd like to however, at the outset, make two points which I feel are significant. First, our venture capital program is a catalyst to invest by the private sector, not the Crown. We'll not interfere with or control either the Venture Capital Corporation or the eligible small businesses. All investment decisions will be made by the private sector, not — and I repeat — not by the government.

The second point I want to make is that while venture capital programs are not new in Canada, the incentive that is at the heart of Saskatchewan's program is new. The tax credit that an investor will get is unique to Saskatchewan, and I must compliment the Minister of Finance once again for successfully negotiating the tax credit arrangement with the federal government.

This incentive is a bold step, a move that shows the vision of the minister and his officials. I'm afraid that when it comes to business, the only vision that the members opposite show is the

tunnel vision that they had in office and continue to demonstrate in opposition.

Let me move to the specifics of the program now, Mr. Speaker. It is not a copy of any program now in existence, but rather a truly Saskatchewan-oriented, Saskatchewan-designed program. Our venture capital program is designed to encourage individuals and corporations to invest in small businesses that are engaged primarily in manufacturing and processing, in tourism, and in research and development.

A single investor, or group of investors, can pool their capital and form a Venture Capital Corporation, or, as I'm sure it will be more commonly known, a VCC. A VCC can either be a public or a private company incorporated under The Business Corporations Act of Saskatchewan and registered with my Department of Tourism and Small Business. For providing this capital, the investor will receive a tax credit equal to 30 per cent of the investment in the VCC. That tax credit can be applied against the net Saskatchewan tax payable in the current year, or it can be carried forward for up to seven years.

Eligible investors is defined under the proposed act, who are exempt from paying income tax — for example, Saskatchewan pension funds — will receive cash grants equal to 30 per cent of their VCC investments.

As a condition of its registration, a VCC must supply its investment capital to eligible small businesses in the form of equity investments. Those investments have to be in newly issued equity shares which carry voting rights.

I wish the member from Regina North West would stick around, but he doesn't understand business, either.

I should emphasize at this point that a VCC is limited to purchasing up to 49 per cent of the voting shares of an eligible small business, and two or more VCCs can't own more than 49 per cent of a business's voting shares.

There's really no limit to the amount of investment that an individual or corporation may make in a VCC. However, a VCC must raise at least \$100,000 in equity-based capital, and in most instances not more than \$5 million.

We do change the rules for smaller communities, though, Mr. Deputy Speaker. As always, rural Saskatchewan is very important to us. It can remain healthy and vibrant, and with our direction it will. VCCs that are based in communities of fewer than 5,000 people can have minimum equity capital of \$25,000, provided the VCCs invest in small businesses located in their own communities.

And in those smaller centres, a much wider range of businesses are deemed eligible for investment. Each venture capital corporation, no matter how large or small, must invest a minimum of 40 per cent of its capital in eligible small businesses by the end of its first 18 months in existence, and a minimum of 70 per cent of its capital after 30 months.

Let me move now, Mr. Speaker, to those businesses that are, and aren't eligible for Venture Capital Corporation investment. I remarked earlier that the venture capital program is directed toward small businesses that are primarily engaged in manufacturing and processing, in tourism activities, or research and development.

But those businesses must also be Canadian controlled. They must have no more than 75 employees each at the time of a VCC investment. They must pay at least 75 per cent of their wages and salaries in respect of their Saskatchewan operations. And they must operate at arm's length of the investing Venture Capital Corporations.

The activities that aren't eligible for VCC investment include farming, primary resources, construction, real estate, and service and retail operations. However, service and retail businesses in towns under 5,000 will be eligible for VCC investment because such businesses, when stimulated, are significant contributors to the economic stability and prosperity of those communities.

We believe that the latitude allowed in the act for Venture Capital Corporations in small towns, both in terms of businesses to be assisted and minimum capital to be raised, will enable those communities to grow and thrive and maintain the traditional rural way of life that the province has always enjoyed. Unlike the NDP, Mr. Deputy Speaker, we don't look at the problems facing small-town Saskatchewan, wring our hands and say, woe is me. No, we don't do that. We do something to try to solve their problems.

I could go into such sections of the act as subsequent ineligibility and revoking of registrations, Mr. Deputy Speaker, but I'll deal with those subjects either in response to specific questions or in clause-by- clause examination of the bill.

I'd just like to say in conclusion that, while this venture capital program is an exciting new initiative, there is admittedly a certain degree of risk to the people who become members of Venture Capital Corporations. Investing in new and expanding and, yes, sometimes struggling businesses is not a sure thing. It's not the same as socking your money away in term deposits or in bonus savings accounts.

Saskatchewan people, however, are not strangers to risk. Every year our farmers take one of the biggest risks of all in planting what they hope will be a multimillion-dollar harvest come fall. No, we're not strangers to risk in Saskatchewan, but I hope that we do become strangers forever to the unacceptable risks of the past, but that's another story.

My point is that, despite what the members opposite think, risk and profit have never been dirty words in Saskatchewan. They're what makes our private sector, the engine that drives our economy, operate. Through this venture capital tax credit act, through other new measures, and through our successful programs of the past two years, we're doing what the Minister of Finance promised in his March budget, namely, providing the new set of tools to deal with our emerging economic opportunities.

It's up to the private sector to seize those tools and take advantage of those opportunities for economic development and for job creation. I have every confidence that our investors and our business people will do just that. I have every confidence that the VCCs which will spring up will help build small-business fraternity that is the envy of the Canadians everywhere.

Mr. Deputy Speaker, I'm delighted to move second reading of the Act respecting Venture Capital Corporations.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. ENGEL:** — Thank you, Mr. Deputy Speaker. I listened carefully to the words of the minister as he outlined his bill; one of his colleagues said words of wisdom. I believe the interesting aspect of his presentation is more in what he didn't say than what he said, Mr. Deputy Speaker.

We have before us here a bill that is another tool that this government is hoping to use to try and prove to the community out there in Saskatchewan, the entrepreneurs that have carried on in this country, that have risked lots of capital in the past and have made a success of them . . . He's trying to wave a flag out there and say, look, you fellows, we're their friends; we're your friends; look at what we can do for you.

I really hope, Mr. Deputy Speaker, that at last this PC government has found an economic policy that will work. I honestly hope that will happen. I'm sincere when I say that, Mr. Minister, because up to this point in your first two years in office, that hasn't been the case. That hasn't been the case. You've tried many different gimmicks, and you've tried many tricks and many fads, and I would like to suggest today that up to this point, your government, as far as the business community, the small businessmen in this province, have proven to be a total disaster — more than a failure — a disaster.

And let's hope for the sake of Saskatchewan, like I said to the Minister of Agriculture just the other day, "Don't mess it up so bad that I can't fix it in two years." It's the same thing as what I'm saying to the business minister today — don't mess it up so bad that we can't repair it after we get back in here. Our small businessmen, our economy, the jobs that have been forsaken in Saskatchewan — it's been a disgrace what this government has done. And let's all hope that at last the PC government has found an economic development program that will work. I really hope it will. Their attempts thus far have been pretty short-lived, lasting about as long as the newest fad in the Premier's shadow — shallow slogans.

Everyone remembers this government's previous fads and gimmicks which didn't work. We remember their cheer-leader's phrase that Saskatchewan's open for big business. Well that slogan didn't last very long, and I think that members opposite are actually embarrassed when they heard those words today. We remember their open for big business conference about two years ago. It was supposed to entice all those big investors from Toronto, and New York, and Bay Street, and wherever, to come to Saskatchewan and make huge investments.

Well, that conference might have been fun for the Tories and their big business friends. But it was a bust as far as being a success is concerned, because since that time we've actually lost jobs in the Saskatchewan economy — fewer jobs — actually less jobs. And the levels of investment have declined since you've had that conference.

Then they gambled on Bill Hunter's hockey team. They put up a \$32 million guarantee and said let's have this as a flashy gimmick. That also was a bust, Mr. Minister, as you indicated today — a total failure.

More recently, in a desperate bid for cash, this Tory government has been selling off valuable Crown assets at fire sale prices — \$40 million of highway equipment put up on the auction block and sold for a song to out-of-province buyers. Another desperation gimmick, Mr. Deputy Deputy Speaker, another desperation gimmick to increase industry and create business in Saskatchewan.

And then they sent the globe trotter, the Deputy Premier, off on a junket to Saudi Arabia. He was either trying to sell oil to the Arabs or was just off on a holiday. But today none of his travels, none of his travels and vacation trips to exotic places around the world have brought any money.

We all remember last year's \$20 million small-business job creation program. It suddenly shrank to half that amount, Mr. Deputy Deputy Speaker — half that amount. After the salesman of the year's pitch had died down, and the reality had set in, what did we get? Less than \$13 million in the job creation program.

Lots of gimmicks; lots of fads; lots of flashy slogans, Mr. Deputy Deputy Speaker, but what happened? A total disaster — all have failed. The Tory members might pretend to disagree. And let's challenge them to go back to their own constituencies and explain the following:

Go back to Saskatoon, Mr. Deputy Deputy Speaker. And how come you're embarrassed when somebody raises the question of "Open for Business," or that phrase, how come that's an embarrassment to you?

Why have big foreign investors failed to jump in and go to Saskatoon to make investments? Why hasn't that happened? Why have you got fewer jobs in Saskatoon today than you had two years ago? And I'll tell you why, Mr. Deputy Deputy Speaker, because your ministers that are involved in the Crown that are supposed to be setting a tone have actually chased businesses away. They have chased businesses away.

The Minister of Finance has published, in his recent budget speech, figures showing that both 1982 and '83 under your government, the real levels of investment in Saskatchewan have declined. Why has he done that? Let them explain why PC policies in 1982 and '83 have produced less investment than the sound economic policies of the past, that the minister liked to make fun at and sneer at.

Well, I'd like to tell that little minister that the businessman in Saskatchewan is trying to cry out. The stranglehold that this government is putting on investment, and the curbs they're placing, and the road blocks they put in the way, is trying to make businessmen shudder and say, "Look, enough's enough. It's time for a change. The programs aren't working. We all have a right to hope and a right to bid on work — not just the friends of a few."

I do not entirely share the minister's view that this program will accomplish all he claims. I don't share that. But we can all agree on some basic points. Under this PC government, jobs have been lost. Under this PC government, investment in Saskatchewan has declined. Under this PC government, small business has been threatened — has been threatened, Mr. Deputy Speaker.

We can all agree that Saskatchewan today needs economic policies. Let's hope that, for once, positive PC government policies will be part of the solution, rather than be part of the problem.

We have some major questions that I intend to look at, and I just want to read from one comment — just one little short paragraph that I received in the mail this morning. And the party goes on to say this, and this is a business corporation operating in Saskatchewan — a Saskatchewan-based firm, not an international firm.

These people say this about the venture capital tax credit act:

All parties have, both on a provincial and federal level, agreed that they key to economic recovery and continued prosperity is a strong small business sector.

This legislation, while being novel in nature, may in fact turn out to be more a public relations gimmick than a boon to investors and small businesses.

That's what the businessmen are saying about it.

Another comment from another businessman that reviewed the legislation:

A thorough review of the legislation suggests that only individuals with substantial capital will be able to take advantage of the immediate tax write-off.

They go on to make many more comments that I expect to raise with the minister when we go into clause by clause, and one of the chief reservations that I wish to raise at this time is the exorbitant power that this small minister is trying to invest in himself.

He is taking on authority and powers that none like this . . . Ontario has legislation like this. The minister in Ontario felt strong enough and big enough that he didn't need this kind of power.

But the kind of powers that the minister's taking on to himself by section 20 and 23, are exorbitant powers, Mr. Minister. Your powers of refusal even if your Venture Capital Corporation

qualifies under all the terms, you can still refuse; you can still refuse.

And even without repeal, if you look at 23(2):

If the minister has not registered a corporation pursuant to section 5 within four months of the date on which a corporation delivered a proposal pursuant to section 4, the minister is deemed to have refused registration pursuant to clause 1(a).

And I'd like you to explain that in your closing remarks, if you could, Mr. Minister.

To me that says that you can refuse, and the corporation has no power to argue or carry it any further. Because by just stalling for five months, if you decide that that particular group of investors aren't your friends, and you decide they don't have to be registered with the venture corporation, you don't have to register them. You don't even have to give them cause or anything on that clause.

I think you are again trying to play cheap politics and just have a few of your friends who have lots of money have a tax loophole and an out. And I think that's all this bill is trying to do.

We're going to support it because it's something. Something is better than nothing. And if you listen to my remarks, you listen to my remarks, and here again is an example of an arrogant government that's desperate . . .

They don't want their legislation up for scrutiny. Why don't you stand up and tell me I'm stalling the bill? Why don't you stand up and tell me I'm stalling the bill? Because these farmers or people around are desperate to make investments. That's what they did in the past. If anybody raises any questions, then right away you're stalling.

Their legislation is so clean and so good that don't you dare attack it. Don't you dare say anything about it. Here is a typical example of a big, arrogant government that's afraid to put the legislation up for scrutiny, brings it in the dying minutes of the legislation, rather than having it out before the people and letting us see where the people are interested in having it moved forward.

**HON. MR. KLEIN:** — Thank you, Mr. Deputy Speaker. I'm not arrogant, but I'll tell you I'm going to be awful hard pressed to take advice from you people regarding such a bill that's so important to the small-business community of this province, and to the people that are going to invest in it. They never have trusted you in the past, and they're not going to trust you now to guide them. But I'll tell you something: they trust me, and they trust my colleagues, and they trust our government.

But I am delighted that you listened, and that you learned something today, and that you recognize that we are bringing forward a good bill. So, during committee, I will satisfy you with the answers to where you feel that I'm being arrogant and powerful, because that is not my intention. But I am going to be listening, and observant, and working in co-operation with these businesses they way we always have.

You say that we haven't created jobs; we haven't done our . . . We haven't done anything other than this good bill. Well, we had a small business employment program last year that created an awful lot of jobs. The oil patch has been changed. Don't tell me for a moment that that hasn't created employment . . . (inaudible interjections) . . . Are you telling me that our Build-A-Home program did not create employment?

I'll read you just one little thing from, out of one page of *The Economy*, a national publication:

Saskatoon, having the second highest job growth in the past year among the larger

cities of Canada . . .

**SOME HON. MEMBERS:** — Hear, hear!

**HON. MR. KLEIN:** — So . . . And you know, last year, for the first time in history, Saskatchewan had almost 500,000 people working in its labour force. Are you telling me that our new plan of Sask. marketing benefits branch is no good, that it won't work? Where if we even transform simply 1 per cent of our manufactured goods sold within Saskatchewan by Saskatchewan people, \$60 million worth, providing almost two jobs . . . Are you telling me that that's not a good program?

You're trying to set up . . . You quoted a couple of individual small businessmen that disagree with this program. Fine. Everybody doesn't agree with it. But I can tell you that the Canadian Federation of Independent Businesses, the largest single business organization in this country, supports this bill wholeheartedly. And they've been waiting for it for an awful long, long time. Finally it's here.

And it's a good thing that I suppose this little minister understands business, because I will also understand its regulations, and we won't have a problem. I suppose you would have problems with those regulations being in charge of your minister. And I don't blame you at all, because you don't have anybody that understand business. How could they understand and set up the regulations? That's an impossible situation for you.

In closing, Mr. Deputy Speaker, all I can say is that I urge all members — certainly on this side of the House we have no problem — but including the opposition, to support this very important bill. When once approved, it will support our small-business community with the tool that they require to create employment, to do less financing, and to put themselves in an excellent position financially.

**SOME HON. MEMBERS:** — Hear, hear!

Motion agreed to, bill read a second time and referred to a committee of the whole at the next sitting.

#### **Bill No. 66 — An Act to incorporate the Saskatchewan Water Corporation**

**HON. MR. SCHOENHALS:** — Mr. Deputy Speaker, it gives me a great deal of pleasure to give second reading to . . . or to move second reading of Bill No. 66, An Act to incorporate the Saskatchewan Water Corporation. The Saskatchewan Water Corporation provides a new and innovative approach to water management in Saskatchewan. It's a unique organization designed to deal with the unique problems of water in Saskatchewan.

Mr. Deputy Speaker, Saskatchewan's climate is characterized by extreme variability, both in temperature and in the amount and timing of precipitation. Only the North and South Saskatchewan Rivers, whose head-waters are in the Rocky Mountains, provide a truly reliable source of water supply. The flow of streams from prairie drainage basins is extremely variable, and almost all the yearly stream flow occurs in the spring from snow melt runoff.

The agricultural economy of Saskatchewan has been beset since the first homestead days with the problems of insufficient and unreliable water supplies. Irrigation development offers an opportunity for stabilizing the agricultural economy, which is still the basis of Saskatchewan's prosperity.

The glaciers that deposited the materials that made up the fertile soil of Saskatchewan also disrupted the drainage system and left the landscape characterized by sloughs, potholes, and poorly developed natural drainage ways. Soluble materials leached from the glacial deposits

accumulate as alkali around the pothole depressions, due to the evaporation, and accumulate as mineral salts in our groundwater resources.

The co-existent need for both irrigation and drainage, difficulties with water quality and soil salinization, in the ever-present spectre of drought are characteristics of water management in this province. In these respects, Saskatchewan is unique. Therefore, it is not surprising that a unique organization, the Saskatchewan Water Corporation, has evolved to meet these challenges.

The decision to proceed with a Crown corporation management structure was taken only after careful examination of existing water administrations in other parts of Canada and in the United States. The history of water management and development in Saskatchewan was examined, and recommendations made by other study groups to change the administrative structure. All the studies indicated that water in Saskatchewan needed to be dealt with by an organization that was comprehensive in scope and charged with the responsibility for development of Saskatchewan's water resources.

Mr. Deputy Speaker, water resource management and development has been in a constant state of evolution since the homestead days. However, as the scope and complexity of water project requirements has increased it has become evident that the development of water and water-related resources requires an organization oriented toward the ownership and operation of waterworks and facilities. The intent of this legislation is to bring all water-related legislation and services under one body to facilitate the implementation of water programs and water projects.

The quality of water available for drinking water in Saskatchewan is not always a problem. However, by national standards, most of the ground water is too highly mineralized to be acceptable as drinking water, and cannot be demineralized economically to make it potable. Although surface water sources are of superior chemical quality, sophisticated and expensive water treatment facilities are required to treat taste and odour problems, to remove bacteriological and virological contamination, and to reduce hardness to acceptable limits.

The Crown corporation approach provides an effective means to work together with municipal governments, individuals, and private corporations to develop new solutions to water treatment problems.

The Saskatchewan Water Corporation does not intend to take over the municipal water supply and waste disposal systems. It will work together with other levels of government to provide innovative means of financing new facilities needed for water study and sewage treatment, to encourage the joint development of decisive solutions to the water supply, water treatment, and sewage disposal problems that concern our cities, towns, and villages.

The Saskatchewan Water Corporation does not intend to take over the municipal water supply and waste disposal systems. It will work together with other levels of government to provide innovative means of financing new facilities needed for water study and sewage treatment, to encourage the joint development of decisive solutions to the water supply, water treatment, and sewage disposal problems that concern our cities, towns, and villages.

The Saskatchewan Water Corporation will also serve the needs of individuals in rural and exurban areas, ensuring that the best technical information is available to guide them in their selection of the most appropriate source of water supply.

The intention is to build the water Crown on the basis of the expertise and background obtained from the various departments of government which have been consolidated in the corporate structure. Management philosophy is very much one of engaging outside services in engineering, construction, and other aspects of corporate operations. The corporation will undertake its tasks with a high level of accountability to the public, and will count on a high degree of co-operation from the private sector and the various organizations and user groups concerned with water management.

The Saskatchewan Water Corporation is a consolidation of other departments and agencies which have been dealing with water issues over the years. Presently, 33 government agencies

and departments share responsibility over the management of provincial water resources.

The corporation will include components of the Department of Agriculture conservation and development branch; part of the family farm improvement branch; the water management service branch in Environment Saskatchewan; the urban assistance branch of the Department of Urban Affairs, including the former department of northern Saskatchewan municipal program; and the Saskatchewan Water Supply Board. The Saskatchewan water corporation will be bound by the requirements and standards of the Departments of Health and Environment.

Mr. Deputy Speaker, I would like to point out that the head office of the water corporation will be located in Moose Jaw. One of the side effects of the establishment of the corporation will be the impact on that city in terms of new construction and jobs that will be created in the next few months, in bringing space on line that the head office can use.

Beyond that, the province will be subdivided into six watershed management districts, each with a district manager and staff to provide direct service for local needs. This will provide technical personnel who will have an intimate knowledge of the special conditions and needs of each district, the kind of knowledge that you cannot get in a central office in Regina.

In addition, each district will have an appointed watershed advisory board made up of residents from the district. These advisory boards will provide significant local input in planning and setting priorities for water-related works in each of the districts. There will be at least five members in each watershed advisory board, and this will provide at least 30 individuals throughout the province who will be available to work with the corporation in establishing policies and priorities. These people will also provide a continuing means of ensuring that the needs of the people throughout Saskatchewan are considered by the corporation. This is essential, because water is everybody's business.

The widespread concern about water issues was clearly evident when our committee of ministers toured the province. The proposed structure of the watershed advisory boards reflects our continuing concern to listen to the needs and wishes of the people of the province. The watershed advisory boards will provide a real opportunity for the people of Saskatchewan to participate in the decisions of the corporation.

Very little water development work has been carried out in the past 15 years, and a substantial backlog of essential projects has accumulated. It is easy to identify nearly \$1 billion in projects which will be needed in the years ahead to satisfy the essential needs of the people of Saskatchewan.

For example, there are the problems of a good quality water supply for Regina and Moose Jaw; modernization of water systems in many other communities; improved sewage treatment for Saskatoon; irrigation development; many drainage and flood control projects; and major projects which have been proposed to divert water into water-deficient basins.

Water is required for heavy oil recovery and for cooling in electrical generating plants.

Concern over water issues are increasing throughout the work, and we in Saskatchewan are aware of the vital importance of water to our society. The Saskatchewan Water Corporation is an attempt to deal with the immense task facing us. However, \$1 billion is a lot of money, and we can only make a start at this time. One of the major tasks of the corporation will be to raise the necessary funds to finance the work that must be done. It will take time and a lot of work by the corporation staff to develop innovative financing methods for these water projects. A high priority will also have to be given to developing working arrangements with the federal government and federal agencies, such as the PFRA.

A number of comprehensive, regional, and specific water resource studies have been carried out

which have recommended the construction of a variety of major, multi-use projects to enhance the stability and to encourage diversification of the agricultural economy. Some of these, such as the South Saskatchewan River irrigation project, have at least in part been constructed. By improving our ability to control flooding and by improving drainage, we expect to be able to bring a great deal of new land into cultivation — as much or more land than we'll develop by increased irrigation. With care and understanding, this can be accomplished without adversely affecting our wildlife habitat or our wetland resources.

Recreational activities throughout the province, and particularly in the Qu'Appelle Valley, Kenosee area, and the South-west, are dependent on water supply and water quality. Continued management effort will be required to preserve and enhance the recreational potential of our water resources. A measured approach is required, not only because all of the funding and financing will not be immediately available, but because of the various interests concerned in water management.

The administrative structures required to manage services outside the corporation will also have to be established and tested. Establishment of the Saskatchewan Water Corporation is not an end in itself, Mr. Deputy Speaker. It is a beginning, a new approach to solving our water problems. I urge this House to join with me in supporting The (Saskatchewan) Water Corporation Act, and move second reading of that act

**SOME HON. MEMBERS:** — Hear, hear!

**MR. LINGENFELTER:** — Thank you, Mr. Deputy Speaker. My colleague, who will be handling this bill for us, is not in the Assembly. Apparently he has an appointment with the doctor today, the member for Athabasca. Therefore I will be asking for leave to adjourn the debate for today on Bill 66, as well as on 67 when we get to it, and I believe we're doing that next.

Debate adjourned.

**Bill No. 67 — An Act respecting the Consequential Amendments resulting from the enactment of The Water Corporation Act**

**HON. MR. SCHOENHALS:** — Mr. Deputy Speaker, I move second reading of Bill No. 67, An Act respecting the Consequential Amendments resulting from the enactment of The Water Corporation Act.

**MR. LINGENFELTER:** — I mentioned earlier, Mr. Deputy Speaker, I would move adjournment of this in the absence of the member for Athabasca.

Debate adjourned.

**Bill No. 55 — An Act to amend The Income Tax Act**

**HON. MR. ANDREW:** — Mr. Speaker, I'll be rather brief with this particular Bill No. 55, which is an amendment to The Income Tax Act. It's two parts to this particular legislation. Part number one deals with the series of technical amendments required under the federal Income Tax Act.

As members are no doubt aware, there is a Saskatchewan-Ottawa taxing agreement. What that agreement basically does is to allow the federal government to collect income taxes in all provinces other than the province of Quebec, who have their own system of taxation.

Without that arrangement, without that agreement, we would find ourselves in a situation where you would file a tax return each spring, one for the federal government, another one for the provincial government, varying tax levels, varying exemptions, etc., etc., and I think the people of Saskatchewan are clearly satisfied with that tax arrangement.

The amendments that we will be dealing with, therefore, arise out of the most recent federal budget, and usually it's a yearly basis that we must go through these type of sometimes very complex tax changes to bring our taxing system in line with that of the federal income tax, so that we have a constant rule as it relates to taxes. So that is the general purpose of the technical changes that will be involved.

The other part of the bill deals with tax changes that were announced in the most recent provincial budget, which are for the most part tied in as well with the federal income taxing authority.

One will remember that when the budget was brought down there was, in fact, no increases of income tax. There was no increases of sales tax other than a tax levied on larger corporations, Mr. Deputy Speaker. These larger corporations, the rate, general rate, will increase from 14 per cent up to 16 per cent.

I think it's important for the people to remember and to know that this only applies to companies that can be classed as large corporations, many of them having head offices outside of the province of Saskatchewan. They do not apply to corporations that we traditionally have come to know them as small corporations, hiring approximately 75 employees or less, with accumulated profits of \$1 million or less — that type of corporation which is fairly broad ranging in that regard.

This new tax will raise us, as I announced at the budget, approximately \$18 million. We opted to impose that tax on these larger corporations. We felt that there was an ability for them to pay — a better ability perhaps, for them to pay — than for the individuals paying income tax, or for sales tax to be increased.

What happens on these particular taxes is those larger corporations — many of them are multinational, many of them are national in scope — pay a tax totally across the entire country. So let's take an example of the Hudson's Bay corporation or of Eaton's stores, who will have stores in every province of the country. They will pay their whole tax, calculate their whole tax based on the percentage of their volume they do in each of those provinces.

Now what we find is the province of British Columbia, the province of Manitoba, both had a level of taxation for these particular companies at 16 per cent. Ours was at 14 per cent. We felt it would not in any way take away, be a negative to those particular companies, and as to whether they would exist or continue to carry on business in the province of Saskatchewan. And as a result, we levied that tax with regards to those corporations.

Ironically, the members opposite have very often berated us as saying that we impose the tax on the little people and give tax breaks to the larger corporations. That is, in fact, called rhetoric. Mr. Speaker, the reality of it in this budget is those that had a significant tax increase were, in fact, the larger corporations.

What this also does with regards to this legislation is deal with some targeted tax breaks for particular types of businesses, small businesses, that are dealing with a given area.

Number one, we looked at the whole area of manufacturing and processing. By and large, the province of Saskatchewan, over the last 20 and 30 and 40 years has not had a large share of the manufacturing sector of this particular country. How do you try to approach and obtain that manufacturing sector, Mr. Speaker, is what we've tried to do and move in this particular bill.

What we had to do was obviously try to develop smaller companies and give them the incentive to grow. They would then grow from there into larger companies, and that's the method by which we could develop that base. So what we have done, number one, is identify the

manufacturing and processing sector. We've been able to do that by the rules as set down by the federal government under the federal income tax rules. So any company that qualifies, either in whole or in part, as a manufacturing firm, will be subject to zero provincial corporate income tax.

This is not a one-year tax break; or it's not a three-year tax break. But what we have done in the province of Saskatchewan for small businesses — and I repeat, for small businesses involved in manufacturing and processing — is created a tax-free zone.

We believe at the end of the day that this tax-free zone will have benefit over the concept of, perhaps, "beggar thy neighbour" theory, where we give a grant or propose to give a grant to a company, and Alberta or Manitoba step in and try to up bid us for another grant. And the process goes on. What we want to do is create a tax-free zone for small businesses.

What we have now in the province of Saskatchewan for manufacturing and processing companies, small manufacturing and processing companies, is the only province where there, in fact, is a tax-free zone. The most recent Ontario budget, in fact, eliminated that tax-free zone in the province of Ontario.

So that, I believe, is a positive step, with regards to the manufacturing and processing side. This covers some 900 companies in the province of Saskatchewan, and hopefully will be, when taken in conjunction with the other innovative programs that we have brought in for small business, certainly create that particular climate for the small business, which we believe — and I think most people are coming to believe — is really the engine for growth that we're going to find in the Canadian economy.

I think if you peruse the budgets of now all 10 provinces, with Quebec's budget coming down last evening, with the most recent federal budget, and in those budgets you have governments that represent the NDP colours, the Conservative colours, the Liberal colours, the Social Credit colours, the Parti Quebecois colours, the five different political parties. And each of those political parties have, I think, indicated very clearly within their budget speeches that, by and large, the engine that we would see for growth in this country is the small-business sector.

So with regards to that, we have tried to deal with the question: number one, create a tax-free zone for them; number two, to bring in venture capital in order for people to create more equity investment with those small-business sectors, to provide an incentive for longer term mortgage rates so that we don't have to go through what we're once again going through today as the . . . See the interest rate hovering up or hovering down, but certainly a sense of uncertainty as to where that interests rates will go, not only over the next five years but over the next six months.

So with those three programs, we believe that we have created an incentive, along with the program introduced by my colleague, the Minister of Economic Development and Trade, for an incentive to create a situation where, if a person invests capital and creates new jobs, that we would make a grant to them.

I believe that the venture capital program that we have put together first started with two groups: the cattle industry, number one; and number two, the area of manufacturing, processing, tourism, and high technology in this province is a very good step. We would like it at this stage and have before talked about the help that we received or the cooperation that was forthcoming from the federal government to allow the province of Saskatchewan to be a test case in all of these situations, where we were the first government in the country who were able to use the federal taxing rules to make the matter simple — and hopefully, this will go on very well.

I was interested to hear the member from Assiniboia-Gravelbourg start talking about venture capital when the Minister of Tourism and Small Business introduced that bill. Venture capital is, in

fact, a potential for all the people of the province of Saskatchewan to invest in. And what we have to look at is the fact that, in the province of Saskatchewan, we have identified some savings, Mr. Speaker — some savings of approximately \$20 billion. The people of Saskatchewan, through bank accounts and accounts in credit unions and trust companies, through Canada Savings Bonds, through registered retirement savings plans — some \$20 billion.

And what we have to do in this country and in this province is to get more of that money that is being put away into savings accounts, to invest it in some of our small businesses, and that's the incentive of the venture capital. What we have done to create that venture capital is we have identified that pool of money, and that's spread out through a large number of people in this province, Mr. Speaker. And we will provide that incentive for those people to put some money into that Venture Capital Corporation, write 30 per cent of that off, and through that, Mr. Speaker, move some of that money that's in savings over into the venture capital.

This bill, Mr. Speaker, upon doing all those other things, also provides the changes in The (Saskatchewan) Income Tax Act to allow for Venture Capital Corporations to be established. Clearly that is, I think, an innovative move. It is a move that we, in this government, are very proud of; a move that has received the accolades, Mr. Speaker, of most of the business community. And with that, Mr. Speaker, I would move second reading of An Act to amend The Income Tax Act. I move that it now be read a second time.

Motion agreed to, bill read a second time and referred to a committee of the whole at the next sitting.

#### **Bill No. 62 — An Act to amend The Boiler and Pressure Vessel Act**

**HON. MR. McLAREN:** — Continuing in my efforts to update and streamline some archaic legislation, Mr. Deputy Deputy Speaker, I am pleased to move second reading of Bill 62, An Act to amend The Boiler and Pressure Vessel Act.

Under the new act, there are two significant changes. These changes will provide for a broader range of expertise, with the establishment of a power engineers' board. This board will allow Saskatchewan a greater role in the direction of training examinations, by making recommendations to the national power engineers standardization committee. This will move Saskatchewan into line with other provinces already operating in this manner.

Power engineer representatives have asked that this board be formed, Mr. Deputy Speaker. We have taken their good advice, meaning Saskatchewan will now have more input into training and certifying programs — another example, Mr. Deputy Speaker, of this government's desire to serve the people of Saskatchewan. Of course, the board will consist of highly experienced individuals, including power engineer trainers, professional engineers involved in boiler construction, design, and operation, and will also include the chief boiler inspector.

Another change in the legislation will remove existing restrictions concerning hiring practices. This new legislation, Mr. Deputy Speaker, allows for an individual to be appointed as a boiler inspector, or chief boiler inspector, if he possesses qualifications either equivalent to or superior to that of a first-class engineer's certificate.

Mr. Deputy Speaker, these changes are implemented by me after recommendations from seasoned professionals who have years of experience. I am convinced that this legislation will add to safety in all matters regarding boilers, and will reduce costs and reduce bureaucratic red tape.

Mr. Deputy Speaker, I am pleased to move that this bill now be read a second time.

Motion agreed to, bill read a second time and referred to a committee of the whole at the next sitting.

**Bill No. 65 — An Act to amend The constitutional Questions Act**

**HON. MR. LANE:** — I propose to move second reading of The Constitutional Questions Amendment Act of 1984. At present, The Constitutional Questions Act requires that any person who is challenging the validity of any enactment of the legislature or the Parliament of Canada or anything done under it, such as an order in council, must give notice to the Attorney General of Canada, or Saskatchewan, of their intent to challenge the legislation or the law. The purpose of this notice is to give the Attorney General the opportunity to appear and defend the law before the court.

With the enactment of the Charter of Rights and Freedoms, a whole new area of potential challenges to provincial and federal laws is opened up. In order to properly defend provincial and federal laws which are challenged in the courts under the Charter of Rights and Freedoms, it is essential that the Attorney General receive notice of these challenges.

The bill that is before this House at this time proposes a new section 8 for The Constitutional Questions Act. This new section expands the requirement to give notice of constitutional challenges to include those based on the Charter of Rights and Freedoms. The new section 8 clarifies that not only challenges to legislation and orders in council must be subject to a notice to the Attorney General, but also any challenge to other provincial laws.

Under the charter, this can include governmental practices and actions. The new section 8 will not require notice to be given in cases where exclusion of evidence is sought on the basis of the Charter of Rights and Freedoms, since there are far too many to require notice in all cases, and, in any event, a Crown prosecutor is usually present and is therefore aware of the challenge on Behalf of the Attorney General. The new subsection 8, subsection (3), merely repeats the provisions of the existing section 8.

The proposed amendments will also extend the notice period from the existing six days to 14 days, but will allow a shortening of that time in appropriate cases. The remaining provisions of the new section 8 merely specify the particulars that must be included in notices to attorneys general, give a right to the attorneys general to appear and address argument to the court, and give standing to the Attorney General to appeal any ruling of the court respecting a constitutional, or a charter challenge.

Mr. Deputy Deputy Speaker, I move second reading of Constitutional Questions Amendment Act of 1984.

**MR. KOSKIE:** — Thank you, Mr. Deputy Deputy Speaker. I want to indicate to the Minister of Justice that we're in essential agreement with the provisions that he has outlined in the bill. Under section 8, as he indicated, will require giving notice to both the provincial and federal attorney generals, and extending the period of time from six to 14 days. As he indicates, there is a protection there in that an *ex parte* application can be brought to shorten the time.

And I think the only provision that we will raise in the committee of the whole, just for discussion. Mr. Attorney General, is in respect to section 8 sub (3), and I note in your notes that you indicate that subsection 8 (3) deals with challenges to provincial regulations, proclamations, and orders in councils, where the challenge is that they are invalid because of being beyond the scope of powers delegated by the act.

And you go on to indicate in the note that this form of challenge is not a constitutional one in the usual sense, and in that regard this is the concern that we have — that it has been incorporated within the act. I know you go on to say that this provision may have been there in a previous act, but that's the only question which we will want to deal with when it goes to the committee of the whole.

Motion agreed to, bill read a second time and referred to a committee of the whole at the next sitting.

## COMMITTEE OF FINANCE

### CONSOLIDATED FUND BUDGETARY EXPENDITURE

#### URBAN AFFAIRS

##### Ordinary Expenditure — Vote 24

**HON. MR. EMBURY:** — Thank you, Mr. Chairman. I would like to introduce Dave Innes, my deputy minister; Keith Schneider, the assistant deputy minister; Don Bennett, director of administration; and Don Koop, executive director of municipal finance.

And I understand the member from Regina Centre will be along in a minute, so we'll just wait.

#### Item 1

**MR. SHILLINGTON:** — Mr. Minister, I wonder if you would forward . . . Just a moment, please. Thank you. I wonder, Mr. Minister, if you would begin by giving me the salaries and the positions of your personal staff. You may do so orally or in writing, as you may prefer.

**HON. MR. EMBURY:** — Mr. Chairman, does the member want it in writing? Does he want me to send it over?

**MR. SHILLINGTON:** — Whatever you'd prefer. Whatever you prefer.

**HON. MR. EMBURY:** — We'll send it over.

**MR. SHILLINGTON:** — Mr. Minister, as I try to put the estimates together, they seem to indicate an increase of 20 permanent positions and one non-permanent, in your department. And the increase appears to come mainly from the transfer of the northern municipal services from DNS. One would have expected, given the figures of last year's estimates, that 32.6 persons would have been transferred from DNS, and there seems to have been a reduction of 12 persons overall. Were those lay-offs, or transferred to other departments, or what happened to them?

**HON. MR. EMBURY:** — Mr. Chairman, there were five deletions, all of which were vacant positions. There were six transfers to the water Crown, and the remainder came to Urban Affairs from DNS.

**MR. SHILLINGTON:** — Do I take it that your department no longer has to claim the credit for the state of Regina's water? Is that something that you have unloaded on the poor minister in charge of the water corporation?

**HON. MR. EMBURY:** — Well, I think, Mr. Chairman, in that issue, of course, we've done more in two years than the previous government did in 11, and we have started the carbon filtration plant which should be in operation a year from now. Any further water programs will be the responsibility of the water Crown.

**MR. SHILLINGTON:** — And do I take it there would be no funding for such activities through your department?

**HON. MR. EMBURY:** — The funding for the carbon filtration plant you will find in these estimates — our estimates — Urban Affairs.

**MR. SHILLINGTON:** — Well, we don't need to thresh the straw twice. If the minister in charge of water is now the minister in charge . . . The minister of the Crown water corporation — or whatever it's called — will deal with the quality of Regina waters in his estimates. If it's a matter about for which you're going to have ministerial responsibility, I'll deal with him now.

And I, to some extent, will be guided by your advice, although I'm going to feel aggrieved if you tell me that it's the responsibility of the Minister of Energy, and I get to the Minister of Energy's bill, the water Crown corporation, and he tells me it's yours. So I'd like your comments on it, Mr. Minister.

**HON. MR. EMBURY:** — Basically, Mr. Chairman, water quality, of course, is handled by the Minister of the Environment. We will retain the funding for the carbon filtration plant over the next two years in our estimates, and any further programs or projects dealing with water in Saskatchewan will be handled by the Crown corporations.

**MR. SHILLINGTON:** — Let me just ask you a couple of questions on it, Mr. Minister, then. You were quoted as saying that the — this was last spring, I believe — that you had some doubts about whether or not a carbon filtration plant would be adequate to do the job, and, Mr. Minister, you're not alone in having doubts about the adequacy of a water filtration plant.

It strikes me that sooner or later we're going to have to improve the quantity of water, and sooner or later we're going to have to bite the bullet and build that pipeline. And I really wonder, Mr. Minister, why that isn't being done now. Why are we postponing that to a future date? It may well be build in an era that doesn't need the economic activity nearly as badly as we need it now, and we certainly need an improved quantity, and improved quality, of water right now.

**HON. MR. EMBURY:** — Mr. Chairman, the studies would indicate that the quantity of water is not the immediate problem for Regina and Moose Jaw. I might point out to the member that with the construction of the carbon filtration plant, there will be additional capacity for filtration in the future, using the normal sand filter, and that something like 90 per cent of the capital cost of that carbon filtration plant will be retained if and when a pipeline, or any other conveyance system, is constructed from Lake Diefenbaker to that plant.

So that the addition to the filtration plant that is now being built will be required in any case, whether that filtration is by activated carbon or includes a different source of raw water.

It is obvious that part of our agreement with Ottawa is to further study the long-term solution for Regina and Moose Jaw, and I am sure that the Crown will continue those discussions with Ottawa, and hopefully, that those discussions will be concluded in the next number of years.

**MR. SHILLINGTON:** — That, Mr. Minister, is faint hope to say that you, that it is to be hoped that the studies are concluded in the next number of years.

Mr. Minister, the quantity is not adequate. The city of Moose Jaw has rationed water off and on during summers for as long as I can remember, and they are still doing it. I recall when I was a lad in Moose Jaw, they used to ration water, and it is still being done, and it, I suspect, will be done until a government comes into office with the foresight and the courage to build a water pipeline. And I just simply, Mr. Minister, express a regret that your government was too timorous to do what I think is obviously needed — that is, do something about the water, the water supply.

I am told that Regina is the largest city in the world not built close to a significant body of water. I . . . (inaudible interjection) . . . Well, it seems to me it was a Conservative administration that is responsible for Regina being where it is. We all love the city of Regina, but I think not everybody is fond of the Conservative administration which was responsible for Regina being located

where it was. I think it's fair to say, Mr. Deputy House Leader, that the location for Regina was chosen by the Macdonald administration, and you people haven't always denied that to be a Conservative administration — although when you're talking about some of the decisions that were made with respect to the city of Regina, I can well understand why you might not want to claim that administration as being one of your own.

But, Mr. Minister, it is, I'm told, the largest city in the world not located close to a significant body of water. It appears obvious to myself — and, I think, a goodly number of the electors in Moose Jaw and Regina — that the Buffalo Pound system is not an adequate supply and that a new source should be found.

We had an opportunity, Mr. Minister, which I don't think will present itself, to build a pipeline and get this pipe which is a significant portion of the cost of the steel, of the cost of the pipeline cost. You passed that by. I'm not sure that offer is still available now. That plant is now gearing up for other activities and it might not be available on those terms. It's going to have to be done, Mr. Minister, and I think it is a shame that it wasn't done at a time when you'll never do it cheaper and when the jobs were so badly needed.

**HON. MR. EMBURY:** — Mr. Chairman, just to discuss with the member for a moment the supply problems incurred by the city of Moose Jaw . . . I might point out to the member that it wouldn't matter a bit if you fed the plant through a pipeline or not. That would not solve the problems of quantity for Moose Jaw. Their problem is the lack of reservoirs in the city. In other words, they cannot meet peak demands. And what is required in the city of Moose Jaw is more reservoir capacity in the city, so that they have the capacity there of water to meet the peaks.

It would not help the city of Moose Jaw simply to build a pipeline to bring your raw water from Lake Diefenbaker to the filtration plant. What is required there for quantity is the additional reservoir space.

As for the location of the city of Regina, I take it that your next platform will be to move the city somewhere closer to water, and good luck with that promise.

**MR. SHILLINGTON:** — Some mistakes, however bad, Mr. Minister, cannot be undone. I think there were a number of better locations for Regina than one described by the engineer for the CPR by Pierre Berton, who described the Regina plains as one that the rattlesnakes needed campaigns to cross.

It was not the best place in the world for a city. The city is here. We have to accept that, and, I think, bring the mountain to Mohammed. We now have to bring a water supply to the city. I think that is patently necessary, and if it's not done by your administration, I think the electorate of this city are going to be looking for an administration that will.

Mr. Minister, I have your statement of your staff. I asked for the job descriptions and for the titles as well. That wasn't supplied. Do I take it that Karen Payant and Vonda Renwick are secretarial staff, Bruce Evans and Pamela Barber are ministerial assistants? Do I take it as well from this that you do not have a press officer?

**HON. MR. EMBURY:** — Pam Barber assists in the communications. There is a communications officer . . . two communication officers within the department. So Pam deals with communications out of my office.

**MR. SHILLINGTON:** — Mr. Minister, to raise another issue that I don't think the people of Regina have given up on, and that is the multimodal station. We have down town, Mr. Minister, one of the grander buildings of a grand era, the era of railway construction. There are no doubt better train stations in the world, but there are not a whole lot of them, and this is a very fine building crying out for some use.

An imaginative and constructive use was found for that building. It was serving in an updated way what it was intended to do, and that is as a transportation hub. It was built to be a transportation hub for the city of Regina. The transportation changed from being strictly railway to bus, air and railway, and the station was to be upgraded to, once again, serve as a transportation hub for the city.

It would, Mr. Minister, have had a number of advantages. We would have preserved a building that, I believe, has been declared a heritage site, and which, if it hasn't been declared a heritage site, clearly should be. It would have, I think, brought certain efficiencies in the public transportation system. I've always felt that bus transportation was for short run, under a couple of hundred miles. Train transportation is for the intermediate runs, 200 to 600 miles. Air transportation is clearly the best for the long run.

This, Mr. Minister, I think would have gone some distance towards rationalizing our public transportation system. Until you people came along and scuttled the program, which was well on the way towards implementation, the primary opposition came from the bus lobby. The bus companies want to have nothing to do with trains because they feel that, given the market-place, they can virtually take over most of the passengers that would go by train. And I think they may be right. I think that is not in the best interests of society. There should be a place for train transportation. It makes an efficient use of fuel and resources. But I think that fairly states the position of the bus lobby. That counsel of the bus lobby, I think, had been wisely rejected. We were well on the way to, I think, one of Canada's more imaginative projects in transportation. And your government came along and scuttled it.

The people of Regina have not completely given up on that, Mr. Minister. I see Transportation 2000 urging that the proposal be revived. And I wonder if your government has any intention, if there is any hope that your government might recant its sins and recant its unfortunate decision to scuttle that project and, once again, begin the construction of Canada's first multimodal station.

**HON. MR. EMBURY:** — Mr. Chairman, I think I should premise my remarks by pointing out to the member that that project is the responsibility of the Minister of Highways and Transportation and not Urban Affairs.

Having said that, I might point out however to the member, that the former board of the Saskatchewan Transportation corporation, under your administration, was not in favour of that multimodal project. It was not only the bus companies that were not in favour of it. You may know also that the Regina Transit System was not going to use the multimodal either, because it was not situated on an arterial street that had much traffic for them for buses. Their buses run down 12th Avenue, past the front door of the Cornwall Centre, not down Saskatchewan Drive. So it was not only the interprovincial buses that were not going to use that multimodal station, but also Regina Transit was not going to use it either.

In addition, as I have mentioned, the present board of STC was not in favour of it. Neither was the board of STC under your administration in favour of it.

Having said that, the Minister of Highways and Transportation, as I recollect, has said that the door is not completely closed on that project. He had discussed with Via Rail the possibility of leasing that building and not becoming an owner, which they rejected. He had discussed the possibility of putting some private enterprise into that building, and that was rejected by Via Rail.

But I think that the door, as I understand it by my colleague, is not closed, but a better deal will have to be made before STC is willing to participate in that project.

**MR. SHILLINGTON:** — Well, I know this harkens back to an era that's long gone, Mr. Minister,

but under the former administration, decisions of that nature were made, not by the bus company, but by the cabinet. The government made the decisions for an issue which transcended the mere narrow interests of the bus company, and that is the way a government should be run. And that is the way your government should run. A matter of this fundamental importance should not be stalled because of the narrow interests of the bus company.

I will readily admit, I will readily admit that the bus lobby has no interest in working with trains, to divide passenger traffic. They think they can have it all. They may be right. I don't think that's in the best interests of society.

It certainly doesn't make the most efficient use of our resources, and if this was a government in anything but name only, the minister wouldn't be saying, "Well we can't proceed with the project, because the bus company won't go along." That's the advantage of that being a Crown corporation, Mr. Minister, is that ultimately you have the right to make that decision. And it is a great pity that you've chose not to do so. It is a great pity.

Mr. Minister, you talk about wanting an enriched agreement. Mr. Minister, there was an agreement, signed, which was negotiated after a very lengthy negotiation, and one of the parties to that agreement was the city of Regina. Mr. Minister, you were an elected official at the municipal level at the time. It would surprise me to learn that you didn't vote in favour of the city entering into that agreement, as an alderman. I'd be very surprised to learn that. I think, Mr. Minister, you did vote in favour of that as an alderman. I think you were right then. You appear now to feel that you're trapped into a mould constructed by your predecessor, an unfortunate mould. I urge you, Mr. Minister, to break out of that mould, do what clearly ought to be done, and get moving with the multimodal project.

Mr. Minister, the effect of your administration on the city of Regina has been devastating. Mr. Minister, we had on the go a number of projects, of which the multimodal station was one. We had completed the Cornwall Centre; the SGI building had been built. There was an active program of public works, of which the people of this city are proud.

Mr. Minister, your administration in the city of Regina has resulted in the cancellation of a number of projects, of which the multimodal station is the most serious, and you haven't initiated anything that's new. Mr. Minister, your government hasn't built a booth for a bus. You haven't built a thing since your administration took office. The effect shows; the city is stagnating.

Under the former administration, the city was being built and was being beautified. We came into office in 1971 with the down-town area of Regina looking like someone badly in need of a set of dentures. Every second building was empty and vacant. We left office, Mr. Minister, with the city of Regina . . . entirely changed the face of the down-town area of Regina; entirely changed the face of the city of Regina.

We had participated in, and I think to some extent made possible what I think may be the crown jewel of down town, the City Hall. Mr. Minister, the SGI building had been built; the Cornwall Centre had been built. Mr. Minister, the people of Regina I think are going to make a real effort to sweep this government from office at the time of the next election and, when that happens, you aren't going to have a thing to your credit.

I say to you, Mr. Minister, that the period of time in which you are in office will go down in history, along with that of the former Liberal government, as an era of stagnation for this city. And it's unfortunate, because it is during this period that this city needs, and all of the urban environments need, assistance and stimulation from the provincial government, and they're just simply not getting it.

**HON. MR. EMBURY:** — Mr. Chairman, I think the member did very well not to break out in

laughter, at least when he was on camera. In regards, first, when you started . . . When you first started your speech, I might point out to the member that what you had as an agreement was a letter of understanding with VIA Rail which did not bind either party. And there was no agreement signed.

I might also point out that the city of Regina had passed a resolution which supported the concept of multimodal, but certainly did not have any signed contract with the VIA or the Government of Saskatchewan in regards to multimodal. If you are suggesting to me in regards to the other corporate head offices that were built down town that this government should continue to build government office towers down town, I think you're sadly mistaken with what the citizens of this province want.

I think you will notice, since we came to power, that the private sector is doing the building down town, and not the public sector. I think that you will notice, if you go down there — and I think it's close to your seat; you should perhaps go down — you would perhaps see the first tower of Victoria Square going up to be followed by the second. You will see the completion of the Bank of Montreal building. You will see the Pioneer Place going up. You will see on Albert Street another office building going up. And I think you'll be pleasantly surprised within the next year of a number of other announcements they're building down town by the private sector and not by government Crowns.

So I do not agree with you that government has to go down town and build all the buildings. Government down town doesn't do a thing for the city. I can remember when the city came to the provincial government and asked them if they were going to start building corporate Crown head offices. They don't do it in Wascana Park. They do it down town. Because that was not the initial way that they were going to, the initial place the government was going to build those buildings. So I think that to say that down-town Regina has no new construction is wrong. One simply has to go down town to look at the new buildings being put up, and I would say to you, Mr. Member, in the next two years you will find more buildings going up, the difference being they'll be built by the private sector.

**MR. SHILLINGTON:** — Mr. Minister, I want to branch out into, and ask you to comment in a more general way on some serious problems I think urban municipalities are facing. I think urban municipalities are facing some very serious problems. The economic conditions are poor, aggravated by this do-nothing government, and this is really a do-nothing government. You can take nearly any field of endeavour and point to this government's record, and you haven't done anything. We now happen to be dealing with urban renewal, and you just admitted you're not going to do anything, and you point to some achievements which certainly aren't your own.

This do-nothing government has aggravated the poor economic conditions. There is record unemployment, a drastic reduction in housing starts. I could continue the list endlessly, but I would hope that the minister has some familiarity with these issues; and I would hope that as Minister of Urban Affairs they'd be of some concern to you.

Mr. Minister, apart from floating an idea which hasn't been popular in all areas, the idea of variable mill rates, you, Mr. Minister, have yet to really put your stamp on the department. I think the urban municipalities do not know what kind of department the member from Lakeview wants the Urban Affairs to become. Mr. Minister, I think it's time that you brought to bear on your work as a minister a clear view of not only the importance and the vitality of urban centres, but what role you want your department to play in ensuring the vitality of urban centres.

One-half of the population of Saskatchewan reside in the cities, and it is in those centres that the most serious problems are faced. Unemployment is, apart from the 30s, for which I think accurate records do not exist in the cities, unemployment is the highest in recorded history. Welfare cases are up a numbing 33 per cent in two short years. The majority of those are, to use

the current euphorism, the unemployed employables. And housing starts are down 42 per cent, and those two figures are not unrelated, as you will well know.

In our urban centres we have a number of non-government agencies providing a broad spectrum of essential services for the disadvantaged, and your government has curtailed their funding at the same time that their work-load has drastically increased.

The services of a caring community have been cut, but the taxes have not, I may say. You have cut funding for urban transportation — and I'm going to get to urban transit and I'm going to get back to some of these in a moment — community health units. Your colleagues have reneged on hospital construction and regeneration programs. Some of these issues, I'm aware, are the direct responsibility of other departments, but all of them relate to the quality of life in our urban centres, and that should be an issue of direct concern to yourself as Minister of Urban Affairs.

By way of introduction, Mr. Minister, I wonder if you'd like to take this opportunity to outline for us what you see as the role of your department, its priorities, and how you see the Department of Urban Affairs, under this administration, working with the municipalities instead of against them to assist them in achieving the vitality that should mark urban centres in Saskatchewan.

**MR. EMBURY:** — Mr. Chairman, I think that the vast difference between this administration and that that was here before us could be best described as an administration that consults with urban administrations and not confronts them. I would remind the member opposite that, under this administration, two major acts have been put into place — the latter being the urban act which was introduced today — which are the two major acts that urban municipalities use.

Now it is quite true that the revision to the urban act, for instance, was begun some years ago, and under your administration, beginning with the urban law review commission. However, that urban law review commission reported to the former administration in 1980 and, as of 1982, we did not, and the urban governments did not, see any progress in taking those findings and recommendations and translating them into an urban act. This administration consulted closely with urban administrations in writing the urban act that you and I will be going over tomorrow in committee.

I think that this administration looked at another high priority of urban governments, and that was the priority of providing water and sewer services and adequate water supply to urban municipalities. Again, today we had second reading speech on the new water Crown which will, in the years to come, provide service that was not there before to urban municipalities.

They're very down to earth requests and requirements from urban municipalities. They are not asking for governments to build Crown corporation buildings in all the down towns in all Saskatchewan. They are looking for assistance where they cannot meet the financial requirements for different projects — those projects, and priority, I would suggest to you, being water and sewer on the one hand; and the infrastructure of roads and transportation infrastructure, secondly.

I don't think that urban municipalities need, or require, or have requested that government come in and run their affairs for them. I think that they want to be heard. I think that they will ask for assistance when they require it, but I think that the major difference between this administration and the past administration is that of consultation, and that we together will try and solve the problems of urban municipalities.

Now for the member opposite to suggest that the problems of urban municipalities began two years ago, I don't think he really thinks that that is quite believable out there. The problems of urban municipalities in this province are, have been around a long time, and they range from the plight of the small, very small communities in this province who are losing population, to those in

this province who are gaining population at a rate at which they cannot keep up the services.

That's not a new problem in this province. We think that our approach to the problem is probably a better one than was taken under the old administration, and we intend to pursue that type of approach.

I would like to point out to the member opposite that this spring we have introduced a very important commission to look at local government financing — probably, I would say, probably more important than the urban law review commission which re-wrote the urban act. There has not been a complete review and study of urban financing for some 20 years or longer, and in my talks with urban councillors and the councils, and with SUMA, they have long requested a review of this sort.

It will be a very important thrust. It will look at where financing will, what financing needs will be required in the future for urban municipalities, and how they collect that money. It will be a very wide-ranging review. And it's a very important step that this government has taken, I think a step that has been applauded by urban municipalities, by judging the number of letters that I have received from urban municipalities since the introduction and the announcement of that commission. I think that you will see over the next year or two that urban municipalities will be participating in this commission, and that there will be some new initiatives taken for financing of urban governments.

So for the member opposite to say that this government has not done anything since they came into power vis-a-vis urban governments, I think, is not true. I think that we are proceeding along a consultative line. I think we've taken some important new initiatives, and I think that will be borne out in years to come.

**MR. SHILLINGTON:** — Well, Mr. Minister, what I hear you saying is that you felt that we dominated the municipal governments and we did everything for them, and we did not leave them to discharge their own responsibilities. I think a fairer light would be, Mr. Minister, that we assumed a partnership with the municipalities, worked with them, and achieved some spectacular results in a variety of cities.

I would refer to McIntosh Mall . . . Pepper Square, I think, is the name of one in Weyburn. Cornwall Centre has become an object of pride for the city of Regina. What I hear you saying, Mr. Minister, is that you've kicked them out of the fold; left them to do the job on their own — and, I think, done so somewhat rudely.

It remains to be seen, Mr. Minister, who will be more successful. I think it's patently obvious that the success of the former government achieved a good deal more than yours will ever achieve.

Mr. Minister, it would appear from the estimates that the urban development branch was amalgamated into administration, municipal finance, and community planning services. In the '83-84 budget, this branch had five — sorry — seven man-years, and a budget of \$302,000.

I'm wondering, Mr. Minister, in what proportion has this branch been divided among administration, municipal finances, and community planning services. How many man-years were transferred? How many people had their positions abolished? And who were the individuals concerned, if any had their positions abolished?

**HON. MR. EMBURY:** — Mr. Chairman, the following is the transfers to the different divisions: five to municipal finance; one to community planning; and one to administration.

**MR. SHILLINGTON:** — Mr. Minister, you created a new branch called municipal advisory services. I wonder if you could give us the function of this branch.

**HON. MR. EMBURY:** — Mr. Chairman, that was formerly part of the municipal management branch. It was separated to give it a higher profile, to emphasize the service function of that unit. I think the member is probably aware of what the municipal advisers do. They are, as the name connotes, they advise, and advise not only elected people at the municipal level, but also the administrators, in a whole host of problems that come up from time to time. We presently have nine people in that division, and they carry on a very supportive service for the urban municipalities.

**MR. SHILLINGTON:** — The staff complement, Mr. Minister, is listed as nine years. Do I take it that these positions came from municipal finance branch? Or where did they come from? And perhaps you can tell me whether or not there were, as a result of these transfers, any incumbents lost their position.

**HON. MR. EMBURY:** — No. All nine came from municipal finance. There were no positions deleted.

**MR. SHILLINGTON:** — Turning, if I might, to emergency measures organization, can you give me the executive director, his qualifications, and salary?

**HON. MR. EMBURY:** — Mr. Chairman, the director is Michael Hegan. He was appointed in September of 1982. His salary is \$43,650 per annum. He has 18 years of service in the Royal Canadian Artillery, and he has an education, a Bachelor of Education, University of Regina.

**MR. SHILLINGTON:** — Well, was one of his qualifications his political affiliation? Mr. Minister, is this the same Michael Hegan who unsuccessfully contested the federal constituency nomination in the constituency of Yorkton-Melville this spring?

**HON. MR. EMBURY:** — Mr. Chairman, I might point out to the member that in this province it's hard to find somebody that isn't a Conservative.

**SOME HON. MEMBERS:** — Hear, hear!

**MR. SHILLINGTON:** — Well, Mr. Minister, I tell you that that has changed dramatically since September, 1982. Mr. Minister, was the position advertised when he was appointed? What was the selection process?

**HON. MR. EMBURY:** — Mr. Chairman, this position has always been an order in council. It was an order in council under your administration, and it's an order in council under ours.

**MR. SHILLINGTON:** — Was the position advertised, Mr. Minister, before Mr. Hegan was appointed?

**HON. MR. EMBURY:** — Mr. Chairman, I would repeat for the member, this is an order in council, so it was not advertised.

**MR. SHILLINGTON:** — Was Mr. Hegan given, or did he request, a leave of absence to pursue his political ambitions?

**HON. MR. EMBURY:** — He took leave, Mr. Chairman.

**MR. SHILLINGTON:** — Can you give us the dates of that leave?

**HON. MR. EMBURY:** — I believe he took leave for the total time that he was running for nomination, but the dates we will provide for you. We don't have them here.

**MR. SHILLINGTON:** — Does Mr. Hegan have . . . Does that position carry with it a government

automobile? Does he have an automobile supplied, in part, at government expense?

**HON. MR. EMBURY:** — Mr. Hegan, not Hagan, has a CVA vehicle. I understand that he has it under the same rules as the rest of the civil service, that he pays for any personal use of that vehicle.

**MR. SHILLINGTON:** — Well, I didn't think that was, and I stand to be corrected, I did not think that was the arrangement under which deputy ministers had CVA vehicles. They pay . . . I understood the situation to be, they pay a monthly sum which is largely unrelated to the number of personal miles which they put on it. I did not think, Mr. Minister, deputy ministers did pay for personal miles. I'd ask you to confirm that.

**HON. MR. EMBURY:** — First of all, Mr. Chairman, Mr. Hegan is not a deputy minister. He has the same arrangements for a CVA car as other members of the civil service do, that have a CVA car, and they do pay for personal use.

**MR. SHILLINGTON:** — Would the minister undertake to provide us with the amount of personal use reported by Mr. Hegan from January 1, '84 to April 15, '84?

**HON. MR. EMBURY:** — Certainly.

**MR. SHILLINGTON:** — Mr. Minister, the commission which you are establishing on municipal financing, will that include rural municipalities as well? Will your commission include rural municipalities? I assume it includes, and correct me if the assumption is not well founded, I assume it includes not only cities, but towns and villages as well. Will it also include rural municipalities, what local improvement districts are left — and who does it include?

**HON. MR. EMBURY:** — Mr. Chairman, there are no local improvement districts left. For the edification of the member, appointment to the commission is one representative appointed by SUMA, one representative appointed by . . . As soon as the member is ready . . . (inaudible interjection) . . . All right . . . one representative appointed by SUMA, one member represented by SARM, and one representative from SSTA, and three members at large.

**MR. SHILLINGTON:** — Mr. Minister, have you appointed members to the commission? I understand you might have, because I believe Mr. Clayton is to be the chairman of the commission. Have other members been appointed to the commission? I heard you say that they are to be . . . Different organizations are to name members. Have the members been appointed, and if so, who are they?

**HON. MR. EMBURY:** — Mr. Chairman, you are correct. Mr. Clayton is the chairman. The full membership of the board, including the three members that have been put forward by the three organizations I just mentioned, will be announced very shortly.

**MR. SHILLINGTON:** — Mr. Minister, on April 18th you sent an adviser from your department to Cumberland House to assist in the administration of that community. I'm wondering, Mr. Minister, who was sent, what terms of reference he had, and what mandate. Does he have a mandate to recommend to you the need to hold new elections? Precisely who did you send, and what's he supposed to do when he gets there?

**HON. MR. EMBURY:** — I should clear this up for the member. There were two municipal advisers, there were two municipal advisers who were sent to Cumberland House. Their mandate was not to run the community. Rather, they were there to advise the council and the administrator as to the workings of The Northern Municipalities Act. That they did. They had meetings with the council and with the administration up there, and advised them of how The Northern Municipalities Act worked, and hopefully with that advice the community will operate effectively. There is no election been called. There is no mandate under The Northern

Municipalities Act to call an election simply because the council has a disagreement. So there is no plan, and there's actually no mandate under the act to call an early election.

**MR. SHILLINGTON:** — Mr. Minister, the northern municipalities have asked for an enlargement of their boundaries pursuant to The Planning and Development Act. And I have heard, Mr. Minister, some rather sharp criticism of this administration by northern municipalities who want a new deal. And, indeed, the North needs a new deal, Mr. Minister.

One of the unfortunate things about northern Saskatchewan is that it's the one area where this government has little to lose. You didn't win the ridings this time, you're not likely to win them the next time, and you have treated the North as if it is of no political consequence to you, because you have nothing to lose.

In this area, as in other areas, Mr. Minister, the North has, the northern people feel they've got a short shrift. They feel that they have no revenue base and that they need an expanded revenue base. I wonder, Mr. Minister, are you prepared to turn a blind eye to this need as you are to all the other needs in northern Saskatchewan, or will you meet this request?

**HON. MR. EMBURY:** — Mr. Chairman, we did a number of things, to go back a bit in history. As of October 1st of last year, the 36 communities in the North were given boundaries for their corporate boundaries. We then established a community boundaries commission to hear appeals in regards to those boundaries that were set on October 1st of last year.

Of the 36 communities, nine communities did not appeal, so that there were 27 appeals. From that, the commission has recommended changes to the boundaries, so that there are only now eight communities who do not agree with the commission's recommendations. I will be meeting with those eight.

As a matter of fact, for the member's knowledge, I will be going up North on June 11th to some 20 of those communities. Included in those will be the eight communities who still disagree with the commission's recommendations, and we will discuss those boundary changes with them, so that we will take their concerns under consideration before any final boundaries are set.

**MR. SHILLINGTON:** — Mr. Minister, in the last municipal election in Regina, I recall a fiasco of rather considerable proportions. Mr. Minister, I think to some extent this government bears some responsibility for that. I believe the government administers The Urban (Municipal) Elections Act, if I'm not mistaken.

Under our administration an urban elections act was introduced and passed. Your government came into office and proclaimed the legislation and left the municipal officials with very short notice to put into place new procedures. I may or may not be accurate with respect to who proclaimed the act. I do know that municipal officials felt that they had insufficient time to come to grips with the new procedures. And I think, as a former alderman of the city of Regina, you must be aware of the difficulties the municipalities had in administering those elections. I recall counts being finished in the wee hours of the morning and, in some cases, the next day.

I wonder, Mr. Minister, does your department have any plans to assist municipalities in the '85 elections to ensure that enumerators and poll clerks and so on are trained. And I think more important, has any thought gone into streamlining the procedures? Whatever view you have of the responsibility of your department, your department surely extends to ensuring that municipal elections are carried out properly and fairly, and with a maximum of efficiency. I think no one who witnessed elections last year in the city of Regina would claim a maximum efficiency, and I wonder, Mr. Minister, what plans you have to assist the municipalities in avoiding a similar sort of fiasco.

**MR. CHAIRMAN:** — Order. The minister is trying to answer the question so we can . . . Let's proceed.

**HON. MR. EMBURY:** — Mr. Chairman, in regards to the new local elections act, I would point out to the member that that act was proclaimed in June of 1982, which was the soonest that we could proclaim it having taken over government; that subsequent to the June '82 proclamation there were some 21 seminars held across the province to familiarize local officials with the act.

I think that SUMA and the department recognized that with the new act, that there would be some further amendments required after we had had a practical experience with it. And you may have noticed that we have. We will be introducing amendments to that act during this session to further streamline the local election act. And we foresee that in 1985 the act will work very smoothly, and there should be very little problems with it.

**MR. SHILLINGTON:** — Well I may, Mr. Minister, I may have overlooked something on the blues, but I frankly didn't see the urban elections act here, but perhaps it's here. It may be something you're going to give notice of.

Mr. Minister, the final issue which I want to take up under subvote 1 relates to urban transport assistance — the urban transportation assistance. I know, Mr. Minister, that the grants come from the Department of Highways, but I also know, Mr. Minister, that your department is in a better position to discuss this issue than either the minister or the Department of Highways.

You must be aware, Mr. Minister, that the funding was cut from 18.4 million to 10.6 million — cut from 18 million to 10 million. I think you're aware of the difficulty this has caused the municipalities. I will read some of the flattering comments made about this government by such luminaries as the mayor of Regina, if you like, but I'm sure you have heard them.

What is more, Mr. Minister, you apparently refused to make any long-term commitments beyond one year. Heretofore, as I understand it, they had a five-year plan. The government was more or less committed to that, and they could draw up long-term plans.

Now your government has no long-term commitment, and they have no money. And it has meant that the south-east quadrant of the Ring Road, or some road in the south-east portion of the city, will not be built. I gather that was the decision taken by the city of Regina.

And I wonder, Mr. Minister, if you have received any representation from the municipalities. I'm sure you have. I wonder, Mr. Minister, if you wouldn't agree that (a) now in a period of high unemployment is the time to be building those roads, and the funding should be restored; and secondly, the long-term commitment should be restored so that municipalities can sanely plan their capital works programs over a period of years.

**HON. MR. EMBURY:** — I think, Mr. Chairman, that the member has correctly identified that budget as being under the Department of Highways and Transportation, but I would also point out to the member opposite that his glowing memory of capital assistance to municipalities under his administration has tended to get better with time.

I can remember that it took 11 years to do four miles of the Ring Road in this city, and that it was not exactly as smooth a road as the member would like to remember.

I think, though, that the member brings up a good point. And one of the reasons why we have a local government finance commission is to look at the whole area of financing for local governments, which includes operating money and capital money, and that all these issues will be reviewed in detail over the next two years.

**MR. SHILLINGTON:** — One final comment, and then as far as I'm concerned we could move off subvote 1, Mr. Deputy Chairman.

I can tell you what I think your commission is going to find out, Mr. Minister. They're going to find out two things. Firstly, municipalities want more money. Secondly, they want you to raise it and give it to them; they don't want to raise it themselves.

I can tell you now what the result of the study is going to be, Mr. Minister. I say to you it's a strange way to go about meeting that request — start cutting their funding now. I was going to tell you what they have in mind. They have in mind you moving in the opposite direction. They need more money and they want you to raise it. And that, Mr. Minister, I think is what your commission will find out.

**HON. MR. EMBURY:** — Well, Mr. Chairman, that is obviously not the view of the urban municipalities with which we deal. They are very excited about this commission. It is long overdue. There are many, many problems out there that have been unresolved and have not been reviewed for a goodly length of time and never at all in your 11 years.

It simply is not true that urban municipalities do not look forward to this local government finance commission. You may prejudge the findings of that commission, and it may be based on your lack of knowledge of all the problems facing local governments, both urban, rural, and school boards. But I can assure you that those local government groups are looking forward to, with great anticipation, the local government finance commission.

Item 1 agreed to.

Items 2 to 4 inclusive agreed to.

#### **Item 5**

**MR. SHILLINGTON:** — Just a question here. I'm not sure, Mr. Minister, if the Provincial Planning Appeals Board and the Saskatchewan Assessment Appeal Board have laymen, as distinct from public servants, sitting on the board. If they do, I'd like to know who sits on the board, or what remuneration is paid to them. You may supply that in writing if you like, in view of the hour.

**HON. MR. EMBURY:** — The Provincial Planning Appeals Board, Mr. Chairman, are not civil servants. They are appointed by order in council, and they are from throughout the community. Does the member want a list of the members? We'll send you over a list of the membership of the Provincial Planning Appeals Board. The Saskatchewan Assessment Appeal Board is also by order in council, and they are not civil servants either. And if the member wishes, we can send him a list of that membership also.

Item 5 agreed to.

Items 6 to 18 inclusive agreed to.

#### **Item 19**

**MR. YEW:** — Thank you, Mr. Deputy Speaker. I want to raise a question with the Minister for Urban Affairs. Approximately a month ago, Mr. Minister, you advised the Assembly that you had sent a municipal civil servant to Cumberland House to assist local government with their uncertain function and role with regards to their community. This has now been about a month or so.

I wonder if the minister might advise the Assembly again as to what progress reports, if any, you have for the community of Cumberland House in terms of the autonomy, in terms of local decision making, with respect to the local existing council. What progress has been made?

**HON. MR. EMBURY:** — Mr. Chairman, as I advised your colleague from Regina Centre, our advisers have been to Cumberland House. I am told they had a good meeting with the council at

that time explaining the role of council and the provisions within The Northern Municipalities Act.

I think I pointed out to the member previously that there are no, that we were not going to be calling early elections simply because there's no provision in the act to call elections every time a council gets into an argument. We do not wish to interfere with the local affairs of Cumberland House, but we certainly do with to assist them where they feel they need assistance. And we will continue to do that on an ongoing basis if that's required

We haven't, to my knowledge, heard of any procedural problems since the date that our advisers met with council. I think that they are trying to run the affairs of Cumberland House effectively and efficiently under The Northern Municipalities Act. But if they require further assistance, we would be happy to give it, but we do not intend to interfere with the autonomy of the local government in Cumberland House.

Item 19 agreed to.

Items 20 to 24 inclusive agreed to.

**MR. CHAIRMAN:** — We are unable to do item 25 until the Bill No. 66, An Act to incorporate the Saskatchewan Water Corporation Act, has received third reading.

Item 26 agreed to.

### **CONSOLIDATED FUND LOANS, ADVANCES AND INVESTMENTS**

#### **URBAN AFFAIRS**

##### **Vote 162**

Items 1 to 3 inclusive agreed to.

Vote 162 agreed to.

### **SUPPLEMENTARY ESTIMATES**

#### **CONSOLIDATED FUND BUDGETARY EXPENDITURE**

#### **URBAN AFFAIRS**

##### **Ordinary Expenditure — Vote 24**

Items 1 to 7 agreed to.

Vote 24 agreed to.

### **SUPPLEMENTARY ESTIMATES**

#### **CONSOLIDATED FUND BUDGETARY EXPENDITURE**

#### **URBAN AFFAIRS**

##### **Capital Expenditure — Vote 34**

Item 1 agreed to.

Vote 34 agreed to.

**SASKATCHEWAN HERITAGE FUND BUDGETARY EXPENDITURE**  
**URBAN AFFAIRS**

**Provincial Development Expenditure — Vote 24**

Item 1 agreed to.

Vote 24 agreed to.

**HON. MR. EMBURY:** — Mr. Chairman, I'd like to thank my officials for coming today, and their being assistance to the committee.

**MR. SHILLINGTON:** — I would like to join with the minister in thanking his officials, and the minister, for the assistance rendered with these estimates.

The committee reported progress.

The Assembly adjourned at 5:08 p.m.