

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**Second Session — Nineteenth Legislature**

**Wednesday, June 11, 1980.**

The Assembly met at 10 a.m.  
On the Orders of the Day

**REPORTS OF COMMITTEES**

**CLERK of the LEGISLATIVE ASSEMBLY:** — Under the reports, Mr. Skoberg from the select standing committee on private bills presents the second report of the said committee, which is as follows:

Your committee has considered the following bill and agreed to report the same with amendment, Bill No. 04 — An Act to amend and consolidate an Act respecting Co-operative Superannuation Society.

**MR. J.L. SKOBERG (Moose Jaw North)** moved, seconded by Mr. R. Katzman (Rosthern):

That the second report of the select standing committee on private bills be now concurred in.

Motion agreed to.

**QUESTIONS**  
**Constitutional Reform**

**MR. R.L. ANDREW (Kindersley):** — Question to the Attorney General. Yesterday the Prime Minister, speaking on constitutional reform and the upcoming September meeting, indicated there would be dangerous repercussions and dire consequences if there were not success at the September 8, 1980 meeting. I wonder if the Attorney General might advise the Assembly what his interpretation would be as to what constitutes success at the September meeting.

**HON. R.J. ROMANOW (Attorney General):** — Well, Mr. Speaker, I'm not quite sure how I can answer the question, because obviously it involves a large degree of speculation and a large degree of second guessing. I think to be on the safe side I had better just tell the member that the Government of Saskatchewan will be approaching the discussions with as much flexibility and openness as we can, given the two or three items about which we have already indicated our concern and our highest interest. We'll simply hope that the best results will come forward in September. I think we'll judge in September whether or not there's a minimum degree of success or not. These are very subjective standards.

**MR. ANDREW:** — Supplementary. The Prime Minister further indicated in the event of no success at the September meeting, that he would have to look at a new package for the people of Canada. I think many people would interpret that as the Prime Minister building towards a national referendum. Now would the Attorney General agree, given the voting majority of the people of central Canada, that the referendum scenario sitting over the constitutional debates would impede the progress of the debate rather than encourage it?

**MR. ROMANOW:** — Well, Mr. Speaker, the government's position has been enunciated on a number of occasions. We believe that constitutional reform involves a reform of not only the institutions of Canada, but also reform related to the division of powers. We also hold the point of view that we ought not to be working to deadlines in the strict meaning of that word, deadline, but we ought to be adhering to timetables or targets if I can put it that way. There is a substantial difference. Quite obviously the suggestions of unilateral activity pose some concerns in the minds of some governments, but again a lot of this is speculative. I think we really ought to give the continuing committee of ministers a chance with all the governments to deal with the items which the first ministers have given to us and avoid any kind of language or talk which would make the negotiations more difficult.

### **Feed Transportation Subsidy**

**MR. E.A. BERNTSON (Leader of the Opposition):** — Question to the Minister of Agriculture and I thank him for the consolidation of his drought program to date. I've had several inquiries from individuals who have found feed in northern Ontario and northern Alberta. The inquiries are, since you have entered into this arrangement with Sask Wheat Pool to pay \$25 per ton for a transportation subsidy to them, will individuals who have found feed in northern Alberta and northern Ontario be able to receive the same \$25 or proportionately the same dollars as a transportation subsidy?

**HON. G. MacMURCHY (Minister of Agriculture):** — Mr. Speaker, my apologies to the Hon. Leader of the Opposition for being so late in arriving and providing a statement to him. I just received it before coming to the Assembly. If the hon. member will turn to page 11 of the statement that I'll be making to the stock growers this morning shortly after 11 o'clock he will see that they do in fact qualify for the assistance. The details of the fodder transportation are as follows: for hay 13 cents per ton mile, for pellets 6.5 cents per ton mile, for cubes 11 cents per ton mile to a maximum of \$25 per ton. No assistance would be paid on the first 50 miles; the maximum payment will be \$3,500 per applicant. I'm not sure about that maximum; we would have to review that as we look at the seriousness of the situation when we get to July 1 or the middle of July, in terms of the maximum.

**MR. BERNTSON:** — Mr. Speaker, our information is that this program has not yet been brought before cabinet in Ottawa and therefore hasn't had the approval of the federal government. Can we take it from your comments this morning that at least this part of the program is a commitment of your government and not contingent upon federal funding?

**MR. MacMURCHY:** — That's right. I'm trying to say to the hon. member we're anticipating federal funding. Everything we hear is that it in fact will be there. The fact that cabinet hasn't met, I suppose to dot all the i's and cross all the t's, is a subject of concern, I think, to all provinces. I say to the hon. member that feed is moving at the present time under this program, and we anticipate billing the federal government for 50 per cent of the cost of moving the feed that is already coming into Saskatchewan.

**MR. BERNTSON:** — Mr. Speaker, are we to take it then that all of the items of the program handed to me this morning are in fact a commitment to the farmers of Saskatchewan and not contingent upon federal funding? I say that quite simply because many, many farmers are in a bit of a quandary. They don't know how to plan or which direction to go, because quite frankly they don't know what is committed and what is not. Can I now tell them that everything you've mentioned in this statement is in

fact a commitment by your government?

**MR. MacMURCHY:** — Mr. Speaker, everything that I'll be stating today, and it's part of the statement, is policy. It is a commitment. There are some weaknesses as I see the program at the present time, which need some clarifying, such as whom to phone. We have to do more advertising; that process is, as well, getting under way. Just to add further for the hon. member with respect to the situation, he will recall that about a month ago we pulled together representatives of the farm organizations, which really is the basis for the program we're talking about now. And we'll be pulling those people back together next week, hopefully, to update the situation. The situation is indeed very, very serious.

### **Feedlot Operators**

**MR. D.G. TAYLOR (Indian Head-Wolseley):** — A question to the Provincial Secretary in the absence of the minister in charge of SEDCO. Mr. Secretary, you will know that the feedlot industry in Saskatchewan is a very important part of our economic activity with a spinoff opportunity for employment and a chance for farmers to get rid of a lot of feed grains, barley and oats, etc. You will realize that during the past year the feedlot industry has suffered due to the high price of feeder cattle. First of all, last fall they had to pay about \$1.10 a pound. Secondly, their operations have been subject to high interest rates in the last year, and now there is a shortage of feed. I have been informed that feedlot operators in many cases are operating in the red and that they have gone to the government for assistance. They were told to go to SEDCO. The information given to them by SEDCO was that we cannot help you because you are an existing feedlot, but if you were starting a new one we would be able to give you some assistance. What kind of sense does that make not to help people who are in trouble while setting new people up in this business to go broke?

**HON. E.L. COWLEY (Provincial Secretary):** — Well, Mr. Speaker, I don't believe that to be the general rule under which SEDCO operates. However, I will take notice and check into that. I will endeavor to have the answer or to have the Minister of Industry and Commerce have the answer for the member tomorrow.

**MR. TAYLOR:** — Thank you. While you are taking notice will you also take into consideration the need of these feedlot operators, and consider the possibility of a low interest loan so that they can keep going over this very tough time, so we do not lose this important industry and all its benefits from this province?

**MR. R.L. COLLVER (Leader of the Unionest Party):** — I have a supplementary question to the minister in charge of co-operatives in the province of Saskatchewan. The minister will be aware that many of the organizations of these feedlots in the province of Saskatchewan are by way of corporations, but in effect the corporations are just groupings of farmers, each owning one share in the corporation. The minister will be aware that kind of organization could lend itself to a co-operative movement in the area. Would the Department of Co-operatives consider, for some of these feedlot operators in various communities, providing loan guarantees on behalf of the feedlot operators who come to you with a corporation similar to that, to switch it into a co-op? Would the department consider the loan guarantee program under The Co-operative Development Act?

**HON. D.W. CODY (Minister of Telephones):** — Well, Mr. Speaker, we certainly do. There is no question that we always would consider trying to develop an organization such as

you indicate, particularly those of whom you speak, the people who were in from Wynyard I guess. We certainly try to help them along as much as we can to get them into a co-operative because there are certain things they can do in a co-operative that they cannot do as a corporation. We would be more than happy to look at any particular group of people who wish to do that to become a co-operative because that's the business of the department.

### **Refund of Pasture Rent to Producers**

**MR. G.S. MUIRHEAD (Arm River):** — Mr. Speaker, a question to the Minister of Agriculture. Are you aware that due to the serious drought in Saskatchewan pasture conditions are becoming most serious? There are many cattle producers who are getting into a predicament each day, Mr. Minister. They are being asked to remove their herds, that they have spent a lifetime building up, from the community pastures. And my question from these people and to you, Mr. Minister, is: what is your department going to do in regard to the refunding of pasture rent to these producers?

**MR. MacMURCHY:** — I'm not aware of any cattle being removed from the provincial community pastures. As a matter of fact the reports on the provincial community pastures are pretty good at this point in time. It may well be with a little break in the weather they can be carried right through. There is difficulty with respect to the co-operative pastures and I think in those cases, the cattle are being sent home. I think there is difficulty in some of the PFRA pastures. The reports are that PFRA will be attempting to allocate those cattle to the wildlife land. There is a large area on the north end of Last Mountain Lake, and there is some scattering of wildlife land throughout the province. That's going to be the way in which this matter will be addressed.

With respect to the pressures on the co-operative pastures and the private pastures, we are trying to find ways of relocating those cattle in various areas in northern Saskatchewan. If the hon. member will look at the statement (I'm sorry I don't have copies for everyone) he will see there is assistance for moving those cattle. With respect to payment, I understand the payments are made on the basis of the days the cattle are in the pastures, and therefore I would assume that the farmers will pay for the time that the cattle are there, rather than on a full season. It seems to me, Mr. Speaker, that is logical.

**MR. MUIRHEAD:** — Supplementary to the minister. I am referring to two co-op pastures in my own constituency. Their president phoned your department, Mr. Minister and I would like this clarified. They asked what their rental will be and the rebate. One of the men from your department said that you have to take the good years with the bad; there will be no refund. Mr. Minister, I ask you if you will take a good look into this and check with your department. The name of the pasture is Willow Bluff pasture in Aylesbury community. They were told that by a man from your department; I will bring the name to you. Will you clarify this statement Mr. Minister?

**MR. MacMURCHY:** — Certainly. I will be glad to pursue the matter on behalf of the hon. member. I am pleased he raised this matter with me. I would assume the policy I announced in answer to his earlier question would be the logical way to deal with this issue.

**MR. TAYLOR:** — Supplementary to the Minister. Was there an increase in the grazing fees and the breeding fees in the provincial pastures this year?

**MR. MacMURCHY:** — Yes there was. I think that announcement went forward early in the season — March or April. Yes, there was an increase.

**MR. TAYLOR:** — Supplemental. Surely, Mr. Minister, with the conditions the way they are for the cattlemen in this province, there should be no increase this year in pasture rents or breeding fees. Will you remove those increases immediately?

**MR. MacMURCHY:** — I announced to the hon. member for Arm River what approach is being taken at the present time with respect to the problems of fees for the pastures. I think the decisions on increases in fees were made relative to the operating costs of the pastures and they were in line with those operating costs.

### **Fees on Wildlife Federation Land**

**MR. J.W.A. GARNER (Wilkie):** — Mr. Speaker, my question is to the Minister of Agriculture in the absence of the Minister of Tourism and Renewable Resources. Mr. Minister, you are no doubt aware the Department of Tourism and Renewable Resources has not set its lease fees for provincial parks. We've asked the minister on previous occasions to state what the increase is going to be. Today you stated that cattle will be going onto the wildlife development fund land. Can you tell us what the pasture fees or rental will be on this land?

**MR. MacMURCHY:** — I am sorry I cannot answer the hon. member. The wildlife land to which I was referring is administered by the Canadian Wildlife Federation. I guess it is a federal-provincial operation; I'm not clear in my mind about the operation. I don't know what the fees will be. I'm aware of what's transpiring with the large area of wildlife land in the north end of Last Mountain Lake because it's very close to my constituency, and I'm following it pretty closely. It's the intent, as I understand it, of PFRA (Prairie Farm Rehabilitation Act) to move cattle that are under pressure on their pastures into that particular location. I would assume that the PFRA pasture fees would carry forward from their existing pastures into the wildlife pastures.

With respect to the tourism land, we're attempting to get some handle on the lands in parks — Duck Mountain and Wood Mountain and Meadow Lake and Nipawin — and I do not have the answer to the hon. member's question with respect to what the fees would be. I'm sorry.

**MR. GARNER:** — Supplementary, Mr. Speaker. Well, Mr. Minister, I think you can understand the concern that is there. After all, some of these cattle have been in the pastures for two months now, and the farmers and ranchers who have placed them there don't know what it's going to cost them for the season. I think it's a very large concern to them. My question to you is, will you meet with the Minister of DTRR (Department of Tourism and Renewable Resources) and, as soon as possible, announce to this House and to the people of Saskatchewan what the fees are going to be for this season?

**MR. MacMURCHY:** — Yes, I'd be glad to do that for the hon. member. I think the fees for PFRA pastures and provincial community pastures and co-operative pastures are well known. They've been announced for some time. Outstanding are the fees for provincial parks and we will get an answer out as quickly as we possibly can.

**MR. MUIRHEAD:** — Supplementary to the minister. Mr. Minister, are there any negotiations going on to perhaps use the Dundurn army camp for pasture land, which

was used before as an emergency measure?

**MR. MacMURCHY:** — Mr. Speaker, I can't answer the hon. member specifically with respect to Dundurn. Every avenue is being pursued, including the avenue of Indian reserve lands. I don't have a report as yet on where that kind of land is. But every avenue is being pursued. The situation is that serious.

#### **Decision re: Power Pole Formula**

**MR. R.A. LARTER (Estevan):** — Mr. Speaker, a question to the minister in charge of SPC. Mr. Minister, the farmers in the area all the way from Poplar River to Rouleau are concerned about the power pole formula which you have promised them — this is the 230 KV line that runs diagonally through their lands. They were promised a decision on the formula and the rates that were going to be paid on the easement settlements and annual rent by December, and by January, and now it's June and June 26 is the expropriation two-year date. Could you tell me what has happened on that?

**HON. J.R. MESSER (Minister of Mineral Resources):** — Mr. Speaker, I believe the member may be alluding to two activities within the power corporation. One is in respect to the farmers who are involved in the right of way for the line under construction. The other is an internal review that was being done with the assistance of a committee appointed by me to make recommendations to the corporation regarding changes in rights of way that are needed by the corporation — not in particular for that right of way, but we think the review may be advantageous to us in coming to a conclusion on that right of way. I have received the report from that independent committee. It has gone to the Saskatchewan Power Corporation board. It is now being discussed by the Saskatchewan Power Corporation executive and this committee to see whether or not it will enhance our providing a better proposal to those farmers who are affected by this right of way, and that is mainly the reason for the delay. I would hope we would be able to bring this to a conclusion in the very near future so that we don't keep these people in suspense for any further period of time than they already have been subjected to.

**MR. LARTER:** — A supplementary. Mr. Minister, would you attempt to see that this is drawn to a conclusion before June 26, otherwise it means that some of these farmers who are in disagreement with your department are going to incur court costs. They are interested, as you know, in larger easement settlements to start with plus an annual rate, because in some cases where the fathers receive a large settlement, it means the sons of the farmers who have been farming that land for years have to work around these power poles. Would you attempt to see that this does come around before June 26?

**MR. MESSER:** — Well, Mr. Speaker, I can appreciate the concern of the farmers and the concern the member is conveying to me in this Assembly. I will undertake to direct my officials to bring to a conclusion these deliberations as quickly as possible. I cannot give a guarantee it can be done by June 26, but I will impress on them to try to meet that deadline.

#### **Weather Forecasting in the Province**

**MR. P. ROUSSEAU (Regina South):** — Mr. Speaker, my question is to the Minister of the Environment. Mr. Minister, you will recall about a year ago, the weather office in Regina was closed and moved to Winnipeg. At the time, we asked you to intervene with the

federal government, and of course at the time, you agreed with the federal government's moving this office to Winnipeg. Now I'm informed that the weather office in Swift Current is being closed from 10 o'clock in the evening until 6 o'clock in the morning.

Will your government again intervene on behalf of the people of Saskatchewan, and ask the federal government to reconsider these closures of the weather stations and to provide better weather forecasting for the province of Saskatchewan?

**MR. ROMANOW:** — Well, Mr. Speaker, perhaps I might, with the consent of the House, answer the question on behalf of my colleague, the Minister of the Environment, because as Minister of Intergovernmental Affairs, I have been making some submissions. Frankly, I am somewhat surprised at the Swift Current situation. Perhaps this shows more than my usual amount of ignorance, but I was of the view that Regina, primarily, was the weather forecasting area for the southern region; but Swift Current may be affected.

So I will undertake for the hon. member that we will in intergovernmental affairs, working with environment, get to the bottom of the Swift Current situation and will make a submission on intervention. We oppose, as a general principle, what seems to be happening — the centralization of some of the federal services in Winnipeg. The post office was an attempt which was effectively intercepted by the Minister of Urban Affairs and others. We will undertake, in the Swift Current case, to do the same.

**MR. ROUSSEAU:** — A supplementary, Mr. Speaker. Since you are ignorant of the Swift Current situation, are you also perhaps not aware of the fact that Kindersley is now only reporting every three hours, and the only weather reporting we are getting out of the province at the present time on a regular basis is Saskatoon, North Battleford and Regina.

Perhaps you might look into the complete weather forecasting situation in the province, and see what improvements can be made with the federal government becoming involved.

**MR. ROMANOW:** — Well, Mr. Speaker, the short answer to the question is yes we will undertake this. We have been dealing with the federal government on an overall weather basis with respect to forecasting. . . . (inaudible interjection) . . . Well, the member says they haven't been listening to us. I want to say we didn't have much success when the prime minister was Joe Clark, when we raised this at the time the matter became urgent. We are hopeful the new administration will listen to us. All I can say, on a serious basis, to the member — he raised the question seriously; it is a concern—working with environment, we will do everything we can to pursue it.

**MR. ROUSSEAU:** — A supplementary, Mr. Speaker. In reply to the Attorney General's comment about the Joe Clark government, are you not aware, Mr. Attorney General, that it was under the Joe Clark government that we did get the radio improvement system for the weather station here in the city of Regina?

## MINISTERIAL STATEMENTS

### Report on Constitutional Conference

**HON. A.E. BLAKENEY (Premier):** — Mr. Speaker, I would like to report briefly to the House with respect to the constitutional conference on Monday. Mr. Speaker, the process for constitutional change established by Canada's first ministers on Monday offers, I believe, our country's best hope of achieving significant progress on a new constitution. Our 10 provinces and our federal government have committed themselves to a highly intensive series of meetings culminating in a first ministers' conference in September.

The schedule of meetings calls for an organizational meeting of the committee of ministers in charge of the constitution on June 17; some preparatory work in preparation for a lengthy, (that is three week long) series of meetings on July 7 to July 25; some more preparatory work to allow the premiers to meet at the annual meeting of premiers in Winnipeg on August 21 and 22; further meetings of the ministers in charge of the constitution on August 25 to 29 in preparation for the first ministers' conference on September 8 to September 12. Now obviously those dates and that sequence of meetings may be subject to change, but all, I think, would agree that it represents a commitment to an intensive series of meetings in preparation for the September 1 ministers' meeting.

The objective of that conference will be to reach final agreement on a first list of constitutional items. The first list tentatively set out by the first ministers included the following items: a statement of principles; a charter of rights, including language rights; a commitment to equalization and sharing to reduce the regional disparities; patriation of the constitution; resource ownership, particularly with respect to indirect taxation and interprovincial trade aspects; offshore resources; fisheries; powers affecting the economy; communications, including broadcasting; family law; a new Upper House involving the provinces; and the supreme court.

Many of the items on that list will require skilful negotiation and a flexibility on all sides if we are to conclude these talks successfully. I am confident that the spirit of co-operation which allowed first ministers to agree to this process will be maintained throughout these negotiations. Saskatchewan enters these discussions with firm objectives in mind. We believe this process will allow us to achieve those objectives, and at the same time satisfy the aspirations of other parts of the country.

And I would interject that if we are to obtain some of the things we think are very important for Saskatchewan, and I would instance a clarification of our right to regulate the taxation and production of natural resources, then obviously we are going to have to agree to things which are not only, perhaps, of no particular interest to us, but may be of negative interest to us, if I may phrase it in that way.

While uncertainty still clouds the ultimate outcome of our negotiations, I believe that patience and perseverance will produce in time a new constitution to which all jurisdictions can agree. I believe that until we achieve the acceptance of a new constitution by Canadians in all parts of the country, the work of renewing our federal system cannot be considered complete. With a detailed process now in place to guide our deliberations, the prospects for change are encouraging. I believe that now is the time to create for Canadians a new confederation bargain, a bargain which will ensure justice and meet the needs of Canadians generally.

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

**MR. R.L. ANDREW (Kindersley):** — I believe all people of the province would certainly



wish the premiers and the Prime minister well in their, what appears to be, extremely tight schedule to negotiate renewed federalism. This effort has been going on for some time – I suppose, in the last ten years, off and on two or three times a year. As I say, all people hope that we can find some solution to this problem. However, news reports coming out of the most recent meeting would indicate that, on a very wide range of the issues put down by the various people on the first list, there is a lot of ground between the various ministers and the federal government. I simply hope we do have progress, because without that progress what I see the Prime Minister coming down to ultimately is unilateral action by the federal government (whether it be in a referendum or some other form). I think it poses a danger to the fibre of Canadian federalism, if that is in fact the ultimate course which has to be taken.

**MR. R.L. COLLVER (Leader of the Unionest Party):** — Mr. Speaker, I would like to briefly comment on what the Premier has said this morning and, more importantly, what it implied about what went on at this meeting of first ministers to establish this timetable.

I think, Mr. Speaker, it was significant, in terms of the eventual outcome of the talks and the debates which are going to occur over the coming months, that the ministers and the Prime Minister were unable to agree on even a brief statement of the motherhood issue (if you like). They were unable to agree on that statement before they could go forward. They could agree on a timetable, but they couldn't even agree on a statement of reasonable principles.

I understand, Mr. Speaker, the difference was whether or not you would have, we, the people of Canada, or we, the founding peoples of Canada. I understand that that was the big dispute which occurred as a result of the initial talks at the conference.

There are two things I want to emphasize, Mr. Speaker. First of all, I also wish the premiers of Canada and the Prime Minister of Canada success in these negotiations. I hope they are successful. I believe, however, that it's one thing to say you hope they are successful and it is another thing for a premier such as the Premier of Saskatchewan to hang his hat on only the resource-type issues and forget the more fundamental issue of compulsory bilingualism and the recognition of two founding peoples, two founding races. Mr. Speaker, I think it would be a complete sell-out of the spirit of the people of western Canada if the Premier of Saskatchewan accepts that principle, which will so negate the feelings of co-operation which have developed between peoples of Ukrainian descent, German descent, Italian descent and all of the other minority groups who have settled in western Canada and who feel so strongly that we shouldn't recognize any one race or founding race above anyone else. I think it would be a sell-out of the interests of the people of the West if the Premier gave that away in order to get a financial return on resources.

Mr. Speaker, I hope that is not true. I hope the Premier will come out foursquare in opposition to the kind of approach to Canada that would sell out the spirit of western Canadians in order to get a few extra dollars on oil.

Mr. Speaker, one further comment I would make – I would hope and the Premier mentioned today, there were objectives that the Government of the Saskatchewan had in mind with reference to the forthcoming talks. May I say to the Premier of the province that it is incumbent upon him today to spell out in detail to the people of Saskatchewan what the objectives of the Government of Saskatchewan are in these talks. Without a knowledge, in advance, of what the Saskatchewan Premier's objectives are in these talks, the people will not know what the Premier may have to give and what the Premier

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may get in return. So I suggest that before he goes on to say that we have objectives, as he has today, he should present those objectives to the people and let them decide whether they are appropriate objectives for the forthcoming round of talks.

### **WELCOME TO STUDENTS**

**MR. F.J. THOMPSON (Athabasca):** — Mr. Speaker, I would like to introduce to you and through you to this Assembly, a group of 16 Grade 9 students from St. Pascal School in Green Lake. They are accompanied by their teacher, Mike D'Andrea, and chaperone, Ann D'Andrea. Their bus driver is Leon Janvier from La Loche. They are touring southern Saskatchewan for four days and they will be leaving tomorrow to return to Green Lake. On behalf of all the members here, we sincerely hope that your trip will be both educational and enjoyable and we wish you all a safe journey home.

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

### **Congratulations to Member**

**HON. A.E. BLAKENEY (Premier):** — I wonder if I might remind the hon. members that on June 11, 1952, there was a provincial election in this province wherein the member for the Battlefords (Mr. Kramer) was elected and he is now therefore celebrating the 28<sup>th</sup> anniversary of his election to this legislature.

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

**MR. BLAKENEY:** — I am sure that all hon. members admire some things about the member for the Battlefords. He holds his opinions strongly and presents them with vigor. I am certain that all hon. members envy his capacity to survive for 28 years in the political life of this province as an elected member. This is a near record which very few in the history of this province have accomplished. We congratulate him and wish him well for the future.

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

**MR. E.A. BERNTSON (Leader of the Opposition):** — I would just like to join the Premier in congratulating the member for the Battlefords. Mr. Speaker, 28 years is a long time and I'll be working very, very hard to see that the member for the Battlefords in fact celebrates his last anniversary in this House at 30. In the meantime, I hope he does enjoy his stay here.

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

**MR. R.L. COLLVER (Leader of the Unionest Party):** — Yes, Mr. Speaker, until the passage of Bill No. 105 I do have the opportunity to respond to this kind of suggestion. I won't join with the Premier, but I would like to congratulate the member for the Battlefords in his longevity and nothing else.

### **COMMITTEE OF FINANCE – URBAN AFFAIRS – VOTE 24**

**MR. CHAIRMAN:** — Order. We are dealing with the Department of Urban Affairs and I

call on the minister to introduce his officials.

**HON. W.E. SMISHEK (Minister of Municipal Affairs (Urban)):** — Mr. Chairman, to my immediate left is the deputy minister of the Department of Urban Affairs, Don Moroz. To the back is Peggy Clark, the senior planner and Laura Joorisity, the accountant. To my immediate right is Don Koop, the special assistant to the deputy. There may be other people we will call on later.

# Item 1

**MR. R.L. ANDREW (Kindersley):** — Initially, just a brief question, Mr. Minister. It deals with the question that has been in the media of recent and which has been a long-standing problem in Saskatchewan for the last 40 or 50 years. It is the whole question of rural depopulation. The small towns of under 5,000 people in Saskatchewan seem to be losing population. That trend seems to have been turned around in some of the other provinces, particularly our neighboring provinces of Alberta and Manitoba. With regard to the whole problem of depopulation of our small towns of under 5,000 people, what is your department's assessment as to the long run reason for that? What are the future prospects and the basis of your future prospects for any growth or are our rural areas going to continue to decrease and to depopulate?

**MR. SMISHEK:** — Mr. Chairman, to start with the hon. member may be interested in knowing that Saskatchewan, in the total North American context, has more of its population (in terms of the percentage) living in smaller communities in rural Saskatchewan than anywhere else in North America. It is true that perhaps in the last while, in a province like Alberta, there has been more stabilization in terms of the movement of people from smaller rural communities to larger centres, but that appears to be the only place. There might be some communities where that may be true in Manitoba, but not of any significance. Part of our problem as the hon. member is aware, is with the mechanization that has taken place in the agricultural industry in the province, and because of changes in road patterns and road improvements, the farmers probably travel to larger communities, and the smaller centres which used to provide agricultural services are not called upon. Indeed the member, I am sure, will be aware that the rail line abandonment that has taken place over the years has had an effect on the deterioration of smaller communities.

We, as a government, have introduced a number of programs to help smaller communities stabilize and become more attractive communities to live in. Let me give the hon. member a few examples.

Revenue sharing has indeed helped the smaller communities, just as it has helped the larger communities. Our community capital fund has helped the smaller communities, as well as the larger communities. We have programs like the business improvement district program to revitalize the downtown areas. We have had, as the hon. member is aware, the water assistance program (several of them) to help the smaller communities. We have the main street program in which we work with the small businessmen and with the town councils.

The program has been in effect, as a business improvement district program and a main street program, for only two years, and by now 100 communities have taken advantage of these programs to help revitalize their downtowns. We have had a very active program in both senior citizen housing and low-income housing, and I think it is fair to say that in the last six or seven years there has been a dramatic improvement in

the quality of housing for our people in smaller communities. I think all of this is helping to stabilize the communities. There still will be some movement, but as the hon. member knows, our population in total has grown and it has grown also in some of the smaller communities, though not all of them. But I think there is a sign of stability. Some communities will have some difficulties, but I think the future looks indeed bright for not only smaller communities, but all of the communities in Saskatchewan.

**MR. ANDREW:** — Mr. Minister, I wasn't particularly questioning you on the programs. My question was to do with the manner in which you are going to address the problem of rural depopulation. Now, you indicated that part of it is the mechanization coming into agriculture. I take it that was one of the reasons. The other reason you mentioned was rail line abandonment. In the province of Alberta, I believe, 90 per cent of the communities are growing. I think Manitoba has shown something like 80 per cent growing, while on the other hand, I think 54 per cent of our communities are in fact decreasing. It strikes me that the province of Alberta and the province of Manitoba also face, as rural communities, the problem of mechanization in agriculture and the problem of rail line abandonment every bit as much as we do. They have, perhaps not quite to the same extent, an agriculture base, but they have turned it around and their communities are growing. What the minister doesn't seem to want to address is that in order to turn that corner we must be providing an economic base in rural Saskatchewan and that in fact is not happening. It is all well and good to say, O.K., we need some better housing, or we have to revitalize the downtowns. Nobody is denying that doesn't have to happen. But it seems to me what we have to address is that if you are simply saying that you are not going to approach the question of economic revitalization in rural Saskatchewan, then that trend is going to continue over the next 10 years. Would the minister agree that we are in for perhaps another 10 years of decline in population and the majority of our small towns are going to decline over the next 10 years?

**MR. SMISHEK:** — Mr. Chairman, I suppose this question received some publicity in the last few days as a result of the conference which was just held here — the statement made by Dr. Tracie of the University of Saskatchewan. I can tell the hon. member he made no effort to talk to the Department of Urban Affairs. We do not know the basis of his research and his analysis upon which he came up with the conclusions which he has. At times this is regrettable because I think researchers or speakers of this nature, particularly those who are living in Saskatchewan, might make an effort to contact the Department of Urban Affairs and other government departments to see what information we have. We have no knowledge of the methodology he used. We propose to contact the gentleman and get the methodology to find out whether his information and our information are parallel in any way.

I say to the hon. member if he looks at Alberta and Manitoba, both of those provinces have gone through a major depopulation in their rural communities in the last few years. Perhaps they have reached some point of stability at this time. We are as yet not in that stabilized period.

He might also take into account the percentages of the population living in large communities in relation to the smaller communities in those two provinces. For example, in the province of Manitoba, over 50 per cent of Manitoba's population lives in the city of Winnipeg. More than 50 per cent of Alberta's population lives in Calgary and Edmonton. We have larger proportions of our population living in smaller communities. When he talks about our taking measures to develop an economic base to stabilize the smaller communities, I think the record will show that in the last few

years we, as a government, have worked with the smaller communities and have certainly taken steps to help. In the areas where our resources are developing, for example, in communities where we have potash mines located nearby, there has been indeed not only stability but very significant and dramatic growth in the last few years.

The hon. member lives in a part of Saskatchewan where there is a fair bit of activity. For example, in the Lloydminster area we find many communities are growing at a rapid rate as a result of the activities in the oil fields. I have met with representatives from those communities and we will be meeting again to see what we can do to help them out because of very significant drought.

There is every indication that in the southern part of Saskatchewan there will be development of coal and generation of electricity through the use of coal. I invite the hon. member to take a look at some of the communities where new and innovative approaches have been used, particularly in agricultural machinery. There are quite a number of communities in Saskatchewan where agricultural implement manufacturing has developed, and not only has it created employment and added to the growth and stability of the community, but it has done a great deal to establish new manufacturing and new pride in the communities. So things are happening and we, as a government, are helping those communities. And as I say, we would like to see not only stability but significant growth. But you just can't develop it out of thin air.

**MR. ANDREW:** — You indicated Mr. Minister, that you questioned the methodology of Dr. Tracie. I would take it that your department, with its projections as to costs, etc. over the next five or ten years, would as well have to have projections as to populations of the various towns and villages in the province of Saskatchewan. Do you in fact have projected growths, or projected depopulations in the various areas of rural Saskatchewan?

**MR. SMISHEK:** — Mr. Chairman, first on the question of Dr. Tracie, we don't question his methodology. Our problem is that we don't know his methodology. This is what I might comment first of all. In the case of community growth, of having a particular analysis community by community, we do not have that kind of information, Mr. Chairman. We do have, for example, the information on the latest census which was taken by a majority of communities in relation to revenue sharing in 1979. Particularly in areas where there is resource activity, like in the Lloydminster area and in some of the potash areas, we do work with the Department of Mineral Resources and exchange information. But in terms of taking every community, analysing and projecting growth (there are 495 urban communities in Saskatchewan), we do not have that kind of information to be making assumptions about what is going to be happening in every one of the 495 communities.

**MR. ANDREW:** — Mr. Minister, what you're indicating to us is that in the area of non-renewable resource development, we have the growth factor, but by and large in the other areas, other than towns over 5,000, there's probably not a great deal of hope for too much expansion. In fact, we're going to continue to see a decline in the population of those areas. Would that be a fair statement?

**MR. SMISHEK:** — No, Mr. Chairman, I wouldn't say that is necessarily a fair statement. I think we are reaching a point of fairly good stability in agriculture. As the hon. member knows, through programs like FarmStart and land bank in the agricultural area, we have helped to keep young people and young farmers on the land. That is one program of

stability in the area of agriculture and therefore helps the smaller communities. It is just not possible to establish new industries, manufacturing or resource development in every one of the 495 communities. It hasn't happened anywhere else in North America and it's not going to happen here.

We also know that because of some of the service features of the communities such as better transportation, better roads, people are travelling. I think there is also, when you look at many of our communities, an indication that the movement of people is not perhaps as dramatic as it was a few years ago.

**MR. ANDREW:** — Maybe this is unfair to the minister because it's perhaps an agriculture related question. Would you agree that the question of population has probably relevance to agriculture and to the development of agriculture processing or what we have in Saskatchewan is that the size of the farm is growing larger? That puts the pressure on the rural communities, of course. Unless we move into a field of agriculture processing, whether it be processing our cattle and hogs in Saskatchewan or developing other processing mechanisms, whether it be inland terminals or whatever, it becomes an agriculture problem and you are, I suppose, the benefactor of that depopulation.

With regard to the estimates, Mr. Minister, I wonder if you could provide, out of the total urban affairs budget and that also includes your grants to Sask Housing, could you provide me with a breakdown of the money that you receive from federal cost sharing programs as it relates to your budget?

**MR. SMISHEK:** — Mr. Chairman, I don't have that information at hand. We would be prepared to break it down for the hon. member and provide him with that information. I can tell him that in the case of housing, certainly there are a fair number of cost sharing housing programs. In the case of urban affairs, there isn't very much federal money that comes our way. For example, the community services program is about \$7.7 million, but that doesn't go through these estimates because it is really handled directly through the federal government. I'll be glad to have our officials work at it because there is some DREE money that does come in, but it's not very large in the case of urban affairs. We'd be glad to provide him with that information.

**MR. ANDREW:** — Could you provide me with the percentage of the total budget of your department relating to Sask Housing that is received from federal cost sharing programs? Do you have a total percentage figure?

**MR. SMISHEK:** — Mr. Chairman, what is here in the estimates is really provincial; there's no federal. If the hon. member looks at the annual report of the housing corporation, he will see that federal money is separate, but I'll be glad to . . . You know that has to be added to what is here in the estimates and we'll get to the items on housing. The money that is being spent here on housing is really the provincial portion of housing programs.

**MR. R.A. LARTER (Estevan):** — Mr. Minister, I was pleased to hear you say that your department was helping in the growth of some communities and you particularly mentioned some of our Crown corporations and how they had become good corporate citizens, such as PCS Rocanville. I agree they have taken on a new formula, more closely adapted to the private sector, where they will assist in communities such as IMC has done at Esterhazy in the recreation program.

This is one of our large Crown corporations – PCS. We have another Crown corporation, SPC, which is involved population-wise and growth-wise in the city of Estevan. We see two different circumstances where PCS is contributing, I should say, as a good corporate citizen; whereas in Estevan there are some 300 employees and there have been, over the years, as many as 700 employees with construction and permanent staff. Yet the people of Estevan, the mayor and council of Estevan, have to be content with grants in lieu of taxes. I have brought this up many times with SPC. I have heard that they are reviewing it. But the city is still faced with the growth factor, the schools, the police services they've had to supply over the years. They have had to supply extra policemen and recreational facilities in particular have been taxed to the limit. I'm not arguing. The SPC people are very good corporate citizens. They are some of the leading people in our communities. They are on city councils and are on the school boards.

But we are still faced with your help to the communities as urban affairs. You're trying to help the communities. But in the case of Estevan, which is probably the only city in Saskatchewan which has a Crown corporation of that magnitude, I wonder what your department is doing with SPC in trying to draw up new formulas so we can draw a tax base for a city such as Estevan?

### WELCOME TO STUDENTS

**HON. R.J. ROMANOW (Saskatoon Riversdale):** — Mr. Chairman, I wonder, while the minister is getting his answer ready, if I might be permitted the privilege to introduce some students. I'd like to introduce to you, Mr. Chairman, and to the members of the committee (I hope I have the right group) students from Montgomery School who are in the Speaker's gallery. Montgomery School is in the west end of Saskatoon Riversdale constituency. I'm very pleased to welcome about 30 Grade 8 students who are here with their teacher, Mr. Kerry Tranborg. They have arrived this morning to tour the Legislative Building and the Regina area. I hope to meet with them at 11:30 for a few moments to answer some questions. I would ask members to welcome them to the House.

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

**MR. SMISHEK:** — Mr. Chairman, I'm sure that the hon. member had the opportunity to discuss this matter with the minister in charge of Sask Power from time to time. Really SPC, like other corporations that pay grants in lieu of taxes on a similar basis . . . The Saskatchewan Power Corporation, in many respects, is perhaps even more generous. For example, they pay to communities up to 10 per cent in electricity for the surcharges that are made and in the case of natural gas, 5 per cent. Communities enter into agreements for distribution and this produces a good deal of revenue to the communities and certainly they pay grants in lieu of taxes. The people who are living in those communities pay property taxes and contribute to the overall well-being and economy of a community like Estevan. I can tell the hon. member that I have met with the Mayor of Estevan. I'm aware that they have some peculiar problems, not necessarily because of SPC. I think it would be conceded that SPC helps out a great deal while they add to the growth, I think, in total, that the city of Estevan is the beneficiary as a result of having the SPC. I wonder whether the hon. member isn't posing the question in a polite way, and what he would like to see is some special consideration given over and above what is being done. At times there is a problem in creating precedents as to whether you can do things for one community which you are not able thereafter to do for other communities. Also in my discussions with the mayor, some of the council members and

the administration, they concede that the SPC has done a good deal for your community. As well as being helpful with employment, there are certain added costs of schools, policing and so on. But in total, I think your community is the beneficiary because SPC is there.

**MR. LARTER:** — Mr. Minister, I don't think the mayor and council of Estevan are asking for any special treatment. They are asking for a change in the formula. You might consider it special treatment, but they want a change in formula. They feel it is a legitimate cost which should be built into power bills — what it costs to keep a corporation such as SPC in Estevan. You must remember, a lot of this grant goes to R.M. No. 5. They are situated in the R.M. instead of in the city. If this grant is so good, why don't you pay taxes in lieu of grants in these communities? In that case there would be no discrimination against any community.

**MR. SMISHEK:** — Mr. Chairman, I think that would be a question better directed to the minister in charge of the SPC. It is my understanding that grants in lieu of taxes go to the city as well. Because of growth, I know that our communities would like to have more money. Perhaps the time has come to look at a different formula. I think in fairness, Mr. Chairman, those are questions which should be more properly directed to the minister in charge of SPC.

**MR. ANDREW:** — A question, Mr. Minister, with regard to the Emma Lake and Christopher Lake problem. I have a letter dated March 25, 1980, addressed to a Mr. Patterson of the R.M. of Lakeland, from Mr. Moroz, and I'll read it in part:

After careful review of Mr. Crozier's recommendations, a decision has been made to alter the boundaries of the R.M. of Paddockwood No. 520 and the R.M. of Lakeland No. 521 (and he enclosed the initial annexation order). The department has made this boundary alteration as an attempt to resolve the lake-oriented development problem which has been experienced in the area.

I take it that prior to this particular matter being handed over to rural affairs, it was the position of the Department of Urban Affairs that the annexation should in fact take place, based on the Crozier report and the hearings of the provincial appeals board. It seemed to me like a reasonable position to take. Would you agree, Mr. Minister, that as of March 25, that was in fact the rationale as to why you proposed that annexation, and proceeded with the annexation?

**MR. SMISHEK:** — Mr. Chairman, as the hon. member may or may not be aware, there has been a long-standing problem under the LID (local improvement district) structure because Lakeland had development control and Paddockwood did not. That was a conclusion we reached after studies, after analysis, after our officials were involved (Mr. Rosenberg's trying to bring about an agreement between the two parties), and the Crozier report. The decision of March 25 and the order appeared to be the way to go to bring the matter to a head.

**MR. ANDREW:** — Part of the Crozier report (and I simply have a brief on it) would indicate a question of the status of the R.M. of Lakeland, being primarily an urban-oriented community, or municipality if you like. Has the department made any recommendations? Is it under consideration at this point in time that the R.M. of Lakeland will become an urban rather than a rural municipality?

**MR. SMISHEK:** — Mr. Chairman, as the hon. member is aware, the Lakeland area is a



resort area. They have contacted the officials of the department with the possibility of becoming a resort village, or perhaps two or three distinct resort villages. The matter is under consideration, and will be discussed with the R.M. At this stage, no decision or conclusion has been reached.

**MR. ANDREW:** — Would you agree, Mr. Minister, that if the case is as stated and it is basically an urban municipality, that when major development affects an urban municipality, that urban municipality should be the body which makes the overall planning just as any city or major town would, and that the planning should be centralized in the urban centre as opposed to, let's say, dislocated planning in one area versus the other area?

**MR. SMISHEK:** — Mr. Chairman, we do not agree that in a situation of this nature the largest urban setting should dictate to everybody else. What the department is posing as a possibility is the establishment of a district planning commission where the urban portions of that area, as well as the rural municipalities, would have representation and input, and collectively they would reach conclusions and decisions. We believe this is the route to take rather than have the largest urban part of that resort area make the decisions, keeping in mind also, many of the residents in the area are there for the summer period. The hon. member will be interested in knowing that all cities are working out that kind of a system.

**MR. ANDREW:** — You are saying, Mr. Minister, that before you can have any development, you must have a working agreement between the two R.M.s. That's fundamental toward any further development of your plan or proposal. Would that be a fair statement?

**MR. SMISHEK:** — Mr. Chairman, what I posed is a general concept and perhaps a long-term solution to the problem. There are some immediate problems which have to be attended to. I mentioned to the hon. member that Lakeland, for quite a number of years, had a development control plan; Paddockwood did not. But Paddockwood, as I understand it, has now agreed to a development plan. Hopefully the two will be working together solving some of the problems on an immediate basis and that on a long-term basis they consider the establishment of a district planning commission.

Whether it is Lakeland and Paddockwood having some differences at the moment, or other communities which from time to time will have differences, we are trying to resolve them in the best possible way. Perhaps some of the most current activities, and what has been happening, might be discussed when the estimates of the Department of Rural Affairs come up.

**MR. ANDREW:** — One further question, Mr. Minister. I understand that the present proposal of your government (and I am not sure whether your department is even involved anymore) is simply that you will look at developing a plan with one proviso or one condition and that is that certain property, in particular the Karasiuk property, must proceed with development. Following that, we can look at an overall plan.

**MR. SMISHEK:** — Mr. Chairman, as far as I know, no final decisions have been made to this date. But I know that meetings have taken place as late as last night, and I think that this particular question might be better directed to the Minister of Rural Affairs. Hopefully we will be able to expedite the business of this House so that later today the Department of Rural Affairs may have its estimates considered.

**MR. P. ROUSSEAU (Regina South):** — Mr. Minister, I have a series of questions to which I hope you will be able to give me the answers today. If not, I'll accept them at a later date. But I'll go on with them and just make a note so that we don't waste any time with them. You have two programs in the urban areas, one is, I believe, called the native housing program, and the other one is the rehabilitation program which you have recently announced. Could you supply us with the civic addresses of these homes that you've bought so far, and where you intend to buy the others? How many have you bought this year? I'll start with those two.

**MR. SMISHEK:** — I gather there are two questions. One is about urban native housing and units that have been purchased in the city of Regina. My information is that last year 18 properties were purchased. The hon. member also asked about the infill program; in the cathedral area and the north-central area I believe approximately 160 lots have been purchased. The member is asking for particular addresses of each of the properties. I don't know what his purpose would be in getting the addresses of the properties. I don't think that it has been a practice of this government to provide that kind of information. I will take it under advisement, because I don't know at the moment what commitments have been made, if any and what the implications are of giving the names and addresses of people.

**MR. ROUSSEAU:** — Mr. Minister, I didn't ask for the names of the people. I asked for the civic addresses. I don't know why that couldn't be provided to us. The owner will be definitely the government. So if the government is the owner, we would like to know where you own these houses.

**MR. SMISHEK:** — As I have indicated to the hon. member, I will take it under advisement and if there are no problems we will provide the information.

**MR. ROUSSEAU:** — That's fine. Are you contemplating the building, on any of these lots that you have purchased, houses or apartment blocks?

**MR. SMISHEK:** — Mr. Chairman, first of all with units that can be repaired, we will repair them. There are, as far as I know, not that many of them that are in a good state of repair. Then we will be building new units. In most cases they will be probably fourplexes and eightplexes. In the cathedral area it is intended to have an apartment which will be for senior citizens' housing. That's the only apartment that is being considered at the moment.

Incidentally, for the information of the hon. member, I did say that in both areas we have acquired about 160 properties. Those are basically 25-foot lots. I think the largest number is in the north-central area, or is it about 50-50? I'm told it's close to 50-50 but probably the north-central is a little higher. Those are, as I said, 25-foot lots, and we think in total we have acquired about two-thirds of the units that we plan to at this stage. Another one-third or perhaps less is yet to be acquired. And for the information of the hon. member, much of that housing was in bad shape, a lot of it was not lived in and was boarded up.

**MR. ROUSSEAU:** — Well, I'm aware of the condition of the houses; you were buying but (correct me if I'm wrong) it seems to me you had indicated earlier 1,000 units or am I thinking of another program?

**MR. SMISHEK:** — No, that's an entirely different program. The hon. member might be

thinking of the urban native pilot project which is provincial in nature, and that's an unrelated program.

**MR. ROUSSEAU:** — I wonder if the minister might indicate to this Assembly whether the purchases of these properties are from realtors or individuals? Is there any speculation going on in this particular area at this point in time?

**MR. SMISHEK:** — Mr. Chairman, most of the property was acquired through real estate agents. There have been a few properties acquired directly from people who wanted to sell. The reason we haven't been saying very much about the program, even though we have been working with the city, has been very deliberate; it is to prevent speculation. Remember we have a pretty good idea of the value of the property. I think we paid fair market value but we, I'm quite sure, haven't paid through the nose and nobody made any big gains.

**MR. ROUSSEAU:** — I wonder if the minister might want to tell this Assembly how many you purchased from one Mr. Tony Merchant? Before you get carried away with your reply on that one, you are probably aware that I happen to be the owner of one which I am selling to the government. I'm going through the proper channels I might add, not on a speculative basis. I happen to own it and the realtor who brought me an offer did not indicate at that time who was buying but at a later date I found out who was buying it. So I am asking the question, how many have you bought from Mr. Tony Merchant?

**MR. SMISHEK:** — Mr. Chairman, I am not aware of any, but we'll check that and provide the information to the member. As the member knows, we use real estate people and obviously we knew in the final analysis who owned the property, but I'll check it and I'll be glad to provide the information to the hon. member.

**MR. ROUSSEAU:** — I'm surprised you would know that I was selling you one. Yes, I would appreciate that information as soon as possible, Mr. Minister.

I would like to shift now from that area to one of my favorite subjects and that is the Cornwall Centre. You recently announced a second phase to that program and as I recall, the amount was around \$13 million of \$15 million additional financing. The series of questions on that of course would be: (1) who handled the bridge financing? (2) what kind of mortgage have you arranged on that? (3) what kind of a deal did you work out with the firm from Toronto, Chartwood Developments? (4) what inquiries or offers were made to local contractors or business people from within the province to be involved in that particular second phase of the program?

**MR. SMISHEK:** — Mr. Chairman, the hon. member is raising a question about the addition. You are talking about the west side of the Hamilton Street area, the addition where Sears is going to be coming in and the additional new parkade; that's the particular area. For the information of the hon. member, as he probably is aware, we were asked by the city of Regina to support the idea of that extension. He is probably aware that the city of Regina has property in that area. In terms of land that is there and site acquisition, the province will contribute 60 per cent of the cost of the site acquisition and the city will contribute 40 per cent of the site acquisition. Revenues generated through the lease of the property, and the province's contribution will increase as he knows, will be shared in that area on the same basis. The province will provide long-term financing. I am not aware that there is any bridge financing for that particular aspect of it but there is long-term financing that we agreed to, to a maximum

of \$8.3 million at a maximum rate of 11.625 per cent. The arrangements, which are known to the hon. member and which we have described in the past, will be the ground lease rental arrangements plus 51 per cent of net cash flow arrangements.

Because figures have changed a little bit and because of the city's participation, I think the city in terms of the land and their equity will have about 8.8 per cent of the land equity in the total project.

**MR. ROUSSEAU:** — You'll recall, Mr. Minister, that on several occasions in this Assembly I've called the deal you've made with Chartwood a sweetheart deal and I stand by that statement today. This is further confirmation that that's exactly what it is.

There are several questions arising from your answers. First of all, you indicated a \$8.3 million mortgage and a maximum of 11.625 per cent. First of all, where is the rest of the money coming from? Secondly, what do you mean by maximum? A mortgage is usually a mortgage and usually at a fixed rate. What's this maximum rate for the mortgage and what's the minimum? If the maximum is 11.625 per cent, what's the average and what's the minimum? You've indicated again 51 per cent of net cash flow, and I would presume (you can correct me again if I'm wrong) that would be after mortgage payments are made by Chartwood. So that certainly is not a net 51 per cent of profit but a 51 per cent of nothing, especially when you consider the fact that the total cost of the project will be paid to the advantage of Chartwood and it's money in their pocket before you get a red nickel out of it.

**MR. SMISHEK:** — Well, Mr. Speaker, I think we've gone through this discussion before on the hon. member's allegations. I disagree with him very strongly because there is no basis of fact whatsoever. It is pretty obvious, Mr. Speaker, that the hon. member is opposed to the Cornwall project. I can tell the hon. member and this Assembly that we have the support of the city. We have the support of the downtown merchants. We have the support of the Chamber of Commerce. I can also tell the hon. member that just Monday I was on the open line show where the infill program and the Cornwall project were discussed. I didn't receive a single negative phone call from the public. I think that there is a great deal of interest, and a great deal of excitement. I think the financial arrangements we have made are aboveboard, and in the long term the province will make money. We've had to put some money up in order to help revitalize the city of Regina. I hope that the hon. member changes his attitudes and gets with the people of Regina in saying, here is an example that we in Regina, all of us, can be proud of.

I can tell the hon. member that we now see the great success story of Weyburn where people from the Alberta government and the Ontario government are coming to see it. The Cornwall Centre will be that kind of a project and will help our city. It's a project that will provide jobs during a period of construction. It will provide badly needed restoration to the city. It will bring revenue to the city of Regina. I do not have the exact figures at the moment but my understanding is that in the total complex, in that total area between Lorne and Hamilton, the city taxes were something like \$200,000 and once the project is completed they will probably be closer to \$1 million a year.

**MR. ROUSSEAU:** — In the interests of winding this up by noon, Mr. Minister, I will only say this. It is typical of you, instead of answering the questions I asked to stand up and make a political speech trying to draw me into a corner on the basis of opposition to the Cornwall Centre.

Mr. Minister, I'm going to tell you this and I'm going to tell it to you once and for all. We

on this side have always favored the development of the Cornwall Centre, or any other development of its kind. The only thing I will say is that you are about 10 years late in getting started on it. Also as I have indicated to you many times in this House before, you made the sweetheart deals with Toronto firms, Toronto contractors and finance. You had no interest whatever in the people of Saskatchewan, the businessmen of this province who pay taxes to the province of Saskatchewan. Rather, you went out of the province and made a sweetheart deal with those people in Ontario.

You did the same thing with the Weyburn Centre, when you bring up the Weyburn Centre. And who did you give that business to? An Alberta firm! What's wrong with the people of the province of Saskatchewan who are quite capable of handling projects of this size?

We're not the ones who are opposed to the development of this province, Mr. Minister. It is you who are opposed to the development of this province. You've been delaying it for years and years and years. And furthermore when you do come forward with it, instead of giving it to the people, or offering it to the people of the province, you take it out of the province where you can get deals made, probably because of political support to your party.

Mr. Minister, let's get off the nonsense that we are opposed to the Cornwall Centre. We are certainly not opposed to the Cornwall Centre. We totally agree with it. We do disagree with the kind of deal you've made because, again, the deal that was made is not going to be for money in the pockets of the citizens of the province of Saskatchewan, but it will enrich that firm in Ontario by at least \$50 million. By the time that mortgage is finished the value of that property will probably be closer to \$100 million. And that's the deal you gave them when all they had to put up was \$2 million. You haven't answered my questions. I'm going to go over them because you have them on record, and you can supply them at a later date. Time is now running out for me to ask you any further questions.

**MR. ANDREW:** — Just three or four short questions, Mr. Minister, going down the list. Then we can vote the thing off in order. On item 4 the implementation of the Qu'Appelle agreement, I would like to know if you could provide me with the details of the federal funding to that program? With regard to item 7, emergency measures organization, I would like to know why it has been substantially reduced from \$112,000 to \$55,000? And if you could on item 10, provide me with an explanation of the social planning secretariat which was funded before and is now in there. Those are the three questions.

**MR. SMISHEK:** — Mr. Chairman, does the hon. member want me to provide that information to him later or . . .

**MR. ANDREW:** — Why is EMO down so far?

**MR. SMISHEK:** — Mr. Speaker, in case of Qu'Appelle implementation, it's 50 per cent sharing. In case of the Emergency Measures Organization, we are presently reviewing EMO. Instead of working with communities in developing their training programs and getting directly involved, the program now is one of co-ordination, working with communities rather than providing the services directly because they have a lot of people who are trained and can do the job. Our staff has been small but I can tell the hon. member that the whole program is under review because new things are coming to light that all of us have to become concerned about. Some of the provinces regrettably have had some unfortunate experiences, like the Mississauga area, and we

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are examining all of that.

In the case of the social planning secretariat, the hon. member notes the money that is here and what was budgeted last year; there's also a supplementary estimate. We did not know precisely our needs last year. The figure is much more accurate, combined really between the supplementary and last year's estimate in the Department of Finance. Because of some of the work that has already been completed and work which does not have to be completed, there is less money provided this year for the social planning secretariat. There might be some further details the hon. member wants to have that I would be glad to discuss with him.

Item 1 agreed.

Items 2 to 34 agreed.

Urban Affairs Vote 24 agreed.

**DEPARTMENT OF URBAN AFFAIRS – SASKATCHEWAN HOUSING CORPORATION –  
Vote 49**

Urban Affairs – Saskatchewan Housing Corporation Vote 49 agreed.

**DEPARTMENT OF URBAN AFFAIRS — Vote 62**

Items 1 to 3 agreed.

Urban Affairs Vote 62 agreed.

**URBAN AFFAIRS – PROVINCIAL DEVELOPMENT EXPENDITURE – VOTE 24**

Urban Affairs Vote 24 agreed.

**LOCAL GOVERNMENT BOARD – ORDINARY EXPENDITURE – VOTE 22**

Local Government Board Vote 22 agreed.

**MUNICIPAL AFFAIRS – ORDINARY EXPENDITURE – VOTE 24**

Items 1 and 2 agreed.

Municipal Affairs Vote 24 agreed.

The Assembly recessed until 2 p.m.