

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
May 8, 1984

EVENING SESSION

MOTIONS

Resolution No. 21 – Activity in Oil Industry (continued)

Mrs. Caswell: — Thank you, Mr. Speaker. I am very pleased to talk on this subject, not because we have oil wells in Caswell Hill Park, but because it is very important for our side of the House to get the records straight, exactly who benefits from the oil industry and the oil boom. And is it just a handful of big oil business men, or is there room for the average Joe?

I would like to tell a story of an experience I had while I was speaking in Calgary. I took a taxi on my way to the airport, and the taxi-man, as usual, was talkative and friendly and wanted to know what I was doing. I said, well, I had addressed a conference sponsored by the Alberta Federation of Women United for the Family, and I was from Saskatchewan.

His reply is, “Saskatchewan; that’s a great place for families because you have an oil industry.” And he went on to explain at great length how wonderful it is, and the good news they hear from Saskatchewan where people can get jobs; where the real estate industry is booming; where people are telling of a boost in economy. And he went on to say how it is difficult in Alberta, because that once oil-boom province is having its difficulties.

I might say that that taxi driver had more economic sense than the Leader of the Opposition.

Some Hon. Members: Hear, hear!

Mrs. Caswell: — I thought it was a very sensible approach to my comment about speaking on the family, and I might add that the *Brierpatch*, in the March issue, neglected to mention our economic policies and how they benefit the family when they had their article about the Conservative’s government support of family.

So let’s just go back to what the Leader of the Opposition is saying about the oil industry, not that we want to concentrate on the negatives. But I think that we have a responsibility to set a record straight. It is extremely irresponsible for them to tell the, I might add . . . How shall I say, the “misreads” – the polite form of the word “lies” – they are telling in the community. They are saying that we gave money to the oil industry. We are giving away our money and thus we are hurting the poor. And people, as usual, want to whip up fear and anxiety and envy – fear that someone is taking away security; fear that someone is taking away something that they need. It comes from the socialist philosophy that everything, including potential revenue, including potential expansion . . .

I see the Leader of the Opposition already couldn’t stand my speech and it’s only three minutes after seven, so I must be doing rather well. The Leader of the Opposition is, as usual, not interested in hearing. . .

Mr. Speaker: — Order! Order, please. I would caution the member that you’re not to draw attention to members who are in the House or out of the House. That is not part of the subject.

Mrs. Caswell: — Thank you. To go on, I think . . . Let’s set the record straight for those ordinary folk out there who may not have an oil well in their backyard . . . (inaudible interjection) . . . Yes.

The Leader of the Opposition claims that our oil program has cost \$100 million a year and is an unnecessary expenditure. He claims, and the opposition are continually whipping this up, that we are doing this to hurt the little person, that we are giving away government money. And they

say this because they believe that all potential revenue; all potential business; all potential exploration, dreams, and possibility of economic growth, belongs to the state.

If you allow anyone to be creative, if you allow people to have a fair profit, then you are in some ways giving them a gift – not ensuring them their right as job producers, but giving them a gift. And it comes from in a very insidious socialist idea that the whole economy belongs to the state, and if we are allowed to have crumbs off our own table, it is a gift from Big Brother.

Let us give a few evidence, not from necessarily Conservative sources or our party platform papers, but the kind of things that are being said all over the province.

In the dry years of the NDP regime, their program rewarded drilling, including dry holes. So their program did not reward success, like ours did, and which of course is a continual socialist fallacy, that breeds no successes and only failures, when success is not realized or success is not rewarded.

Here is from *Energy Analects*, volume 13, no, 13, 1984. It says here . . . That's both provinces he's talking about – Alberta and Saskatchewan:

. . . appear willing to fatten the goose a bit now in the hope of some future golden eggs. One remembers the virtual cold war in energy affairs that existed between the industry and Saskatchewan during the Blakeney regime. It's hard to believe that Saskatchewan is actually setting the pace in some petroleum incentives.

I think that is a very worthy quote. They talk about the cold war between the NDP and the oil industry. And how did that help the ordinary Joe? How did that help those people in Saskatchewan who need jobs? How did that help the service industry? It did not help them at all.

Now the next quote is from a very unbiased, always neutral paper, never given away to extreme, right wing views, and this newspaper I appreciate very often. Now that I am assured that the *Star-Phoenix* will continue to write, to print my letters to the editor, I'll quote from the *Star-Phoenix*, and I'm sure they know I'm sincere.

The *Star-Phoenix*: the date – April, '84. This is an editorial, and that's possibly the most interesting that's been on the editorial page:

Attracting oil drillers: There is no meaningful evidence of what held back oil drilling in this province for years.

Now, the *Star-Phoenix* is going to tell us what held back oil drilling in this province for years:

The NDP government did not listen to the oil industry's pleas for lower taxation. The government's only response was to make token concessions. The result was that oil drillers went elsewhere, to areas where they received better treatment.

I ask you, when you drive businessmen, when you drive jobs from the community, how are you benefiting the average person? How are you benefiting those people who need social help, in terms of health care, or any other kind of social service? You are not. You are, in fact, drying up the revenues of the province. How is that benefiting the unemployed? Of course it's not benefiting at all.

Development in Saskatchewan dwindled – that is, until the Devine government was elected. That government listened to the oil industry's argument, and there were spectacular results when their requests were implemented.

I thank the *Star-Phoenix* for that very objective analysis of the dry, cold years of the NDP.

The . . . “Big” is an interesting word. If it means big government; if it means power, a great deal of power; the socialists never object to it, but they always object to words such as “big” business, “big” profits.

I wonder if honestly they object to high employment figures, high prosperity, high success, because it's very difficult to sow a gloom and doom socialist philosophy when there is successes.

Here is from the *Financial Post*: this is on April 30, 1983:

After an absence of several years, a number of familiar faces have returned to Saskatchewan oil fields. Companies that shunned the province in the 1970's are resuming their operations here, in the wake of the Conservative victory last spring and the subsequent lowering of oil industries.

These royalty cuts and royalty holidays of one, five years have helped revive the industry which went down for the count after the national energy program.

And I might add, as we all know, we still have the Liberal government and its socialist national energy program. But even with that severe handicap, the oil industry in Saskatchewan is booming when other provinces are not. And so I think that we can clearly see that even amongst provinces with a decent government, that we are indeed leading and we are indeed responding in difficult times, when even the socialist Liberals cannot stop our booming.

And yet there's another thing that we talk about. We need the tax base in our province. Every day we hear of in Alberta and other places, where they have sometimes better educational services, or services in one area that we don't have, because they don't have the tax base, or we don't have the population yet. And yet, so how is the oil industry going to benefit that?

Well, even though that we are having a boom, that in the Alberta Report it recorded that Saskatchewan has had the highest growth rate of any province in Canada, we still have the highest royalty and tax rates, as they are higher than Alberta and Manitoba. So we are getting a great many taxes from the oil industry and will be getting more.

But you cannot get taxes from businesses that don't make profits. You can't make taxes from businesses that are out of the province. You can't make taxes when you're having a cold war, when you're driving companies out of the province. It seems that continually the socialists' idea of redistribution of the wealth is continually a redistribution of poverty, except, of course, for a elite in government, and in bureaucracy.

An Hon. Member: — That's Marxism.

Mrs. Caswell: — Yes, that's right. Some people may be better at explaining these figures than I, but if we talk about here the incentive program's cost, under previous administration, approximately 60 million per year was spent on cash incentive grants. Foregone royalty tax revenue due to holidays is estimated at 40 million for 1983.

The province is generating higher activity at a lower cost than under the previous system. So I think that who is the winners in this is the oil industry, is the province of Saskatchewan, and is the individuals in Saskatchewan who are looking for jobs, who are looking for economic growth for their businesses, who are looking for economic growth for their service industries, for their communities, for their towns.

It's very exciting as I travel in rural Saskatchewan through Kerrobert and Luseland, and I see the prosperity coming back to those small towns. Estevan is amply told by the MLA in that area.

The *Leader-Post* has also mentioned what we have been doing. This is on October 13, '83:

The oil exploration activity in Saskatchewan is continuing to set records as companies race to take advantages of the province government incentives. Last week, the Energy and Mines Department issued 81 licences for new well locations, breaking the previous record of 74 licences issued in a week ending May 16, 1980, according to department officials.

That was October '83. Another week in October and from the *Leader-Post*:

A look into the future of the Saskatchewan oil industry was provided at two separate meetings Thursday in Regina, but the conclusion from both was the same – even more drilling.

Citing government taxes and revenues instead of profits as the culprit in the oil industry cash squeeze, Watson said Saskatchewan was to postpone some of its royalties recognized both as industry problem and a provincial opportunity.

So I think that we certainly can be congratulated for the excitement, for the growth we have seen in the oil industry, and continually I think the people see if we can do this in the oil industry, if we can turn around a province 180 degrees, as the *Oilweek*, October 17, 1983, states:

If there is ever an oil province that could boast a 180 degree turn-around both in the fiscal and philosophical realm, Saskatchewan has to be the example. The turn-around has not been by accident. It is due to a change in provincial government policy, and a change in attitude by industry.

So I think when they look at that, we realize that people, hard-nosed businessmen who are not prone to exaggerate, are saying that we have indeed created a 180 degree turn-around in the area of the oil industry.

It gives people confidence that their businesses, their group of whatever their economic concern, can also have that 180 degree. It gives people confidence that indeed, if the government listens to the oil industry, they will also listen to those small businesses, as we have done in the small-business package so aptly explained by the Minister of Tourism and Small Business.

It gives people confidence that there is hope for the province of Saskatchewan – that it's a good place to invest; that it's a good place to live; that it's a good place to raise your family; and it's a good place for the family to stay; and that we can have growth and economic gain in this province. We need not have to be a "have not" province, being afraid that the government's crumbs will not always come to us; being afraid that we will offend the ruling regime in what we say or do, and that maybe they will in some way harm the bit of prosperity we have.

Economic freedom also brings, always brings, other types of freedoms. So when we hear this kind of thing from businessmen, there is a 180 degree turn in the fiscal and philosophical realm in Saskatchewan, I wonder what any province, if that has been ever said, any province in Saskatchewan, for years – I mean, in Canada – that indeed we are showing the other provinces that even under a Liberal regime, even under the national energy program, even in a recession, that if you have positive leadership, if you have a vision . . . (inaudible interjection) . . . Yes, optimism is a good idea too, minister, member from Quill Lakes. If you don't have the gloom and doom philosophy and the acid approach to life, as the opposition members have, you can give people the right to breathe and to make a profit, because a profit is a reward for effort, for risk, for production.

It's interesting, although I'm very fond of the *Alberta Report*, and I certainly like the province of

Alberta – it's my second best fun province, or maybe my third, after Newfoundland – but anyway, it's interesting what they have to say about what we are doing, in Alberta.

There's an article in the *Alberta Report*, in April 16, 1984. There is a picture of our Minister of Energy from the member from Saskatoon Sutherland. It is an article about the Alberta energy minister, John Zaozirny, but I'm afraid to say they didn't bother to put his picture in it, so if the Alberta people may get it in another part of the magazine, but in this issue they'll know what our minister looks like more than their own. So what kind of . . . What are Alberta neighbours saying about us?

Zaozirny riles the oil men. They demand a Saskatchewan style royalty holiday:

Alberta energy minister, John Zaozirny, was harshly criticized two weekends ago at the provincial Progressive Conservative Party's annual convention by a group of irate oil men. They complained loudly that the province petroleum taxes are far too complexed and its royalties far too heavy. One delegate suggested the Tories abandon grants for drilling and seismic work in favour of a royal holiday, modelled on Saskatchewan's highly successful program, introduced during the summer of 1982 by the province's Progressive Conservative Premier Grant Devine.

So indeed it's very exciting for us to know that we are leading the Conservative province, that oil men are saying we want the same kind of situation that exists in Saskatchewan. The article goes on to say:

Since Premier Devine took over from Allan Blakeney's New Democrats almost two years ago, the Saskatchewan government has introduced a number of measures to stimulate resource industries.

Two weeks ago in Calgary, its Energy and Mines Minister, Paul Schoenhals, told a group of Alberta mining and oil executives about his government's latest program, aimed at gold, copper, lead, and zinc mining companies. It allows a tax write off for five years on money spent for surveys and road work prior to production. "We hope to talk some previously uneconomical projects into going ahead," explains Mr. Schoenhals.

And I quote the *Alberta Report*, and that is why I was using his name.

So we see that the philosophy that works in one industry can indeed expand into the other industries. There is nothing more exciting than being allowed to make a profit, to be rewarded for production, be rewarded for incentive, been awarded for job production. It is continually amazes me that the party who spends time on crocodile tears, crying and whining and bemoaning unemployment, is really not interested in unemployment.

Actually, I'm sure they go back in their caucus office and gloat every time there's unemployment figure that is high, because they want to hear about unemployment, because then they know they're still in the market, because maybe they convince some people that they need Big Brother again.

But what we do is do not give crocodile tears to unemployment. What we give is solutions to unemployment. We know that telling people that workers are important, that workers are the backbone of the economy; we know that telling people that you have dignity as being an employee, that companies can't exist without you, doesn't mean anything if you chase away those businesses, those companies, those services, that can give you the jobs.

And so I think what the unemployed want is not crocodile tears. They want a job, and that is what the Conservative government will give them. It will give them jobs, not by creating huge,

ridiculous, government projects, which is just another fancy, degrading way of giving out a welfare cheques, but it will give jobs by allowing the people who produce jobs to create a profit so they can invest, so they can expand, so they can have all those spin-off industries.

And, therefore, that is why I can honestly . . . I certainly I have unemployed people in my district, and many people who understand our solutions are the right solutions. They won't get a job by hanging around a union hall complaining about the Devine government; they won't get a job by listening to the NDP's crocodile tears. They'll get a job because there is a businessman out there who is providing jobs, and there is a government that is willing to let that businessman operate in a climate that can create steady and more jobs.

And that is why, as a . . . In a constituency that has businessmen, that has people with successes, economic successes, and occasionally people who are unemployed, I can, with great confidence, speak on this motion – as I say, not because we have oil wells in our backyard, but because we know a province that has an oil industry will also have other industries, will also have a service industry. And that will give a future, and hope, for those of us, for those people in my constituency are who unemployed, and for those people whose children are looking for a job either through summer employment or elsewhere.

And I want to stress this very, very much: that I believe the NDP has acted extremely irresponsibly in telling, in telling falsehoods, that we have, sort of, thrown away money to the oil industry; that we have in some way taken money from the poor and given it to the oil industry, when in fact what we have done is we have allowed the oil industry to keep some of their money so that they can create jobs – because people don't want crumbs off their table; they want to own the table.

And I think that we are creating a province of economy and opportunity, not a province of victims who have to be bound and who have to be fearful of a government. And I really think the . . . When I see that the NDP's political successes in the past have been won by gloom and doom and fear, by creating insecurity amongst people, I am glad for them that we have a new government that tells people we will give you the opportunity to look after yourself; we will give you what you want as meaningful jobs, a future, and not only meaningful jobs, but your turn to get involved in being a job producer as well as an employee.

Continually it talks about how that not only the big oil companies are coming back to Saskatchewan, but the small companies as well. And some of these companies will succeed and some of them will fail. Some of them will try again. But it's through that process that we have successes and we have jobs created.

So as the MLA for Saskatoon Westmount, and as one who's speaking for my constituency, I can honestly say that the oil industry does indeed help those constituencies that are not directly involved in the oil industry, because it will help us in jobs in service industries; it will help us in the new philosophy and a new economy for those who are elderly, who need health services, etc. It will ensure that there is an adequate tax base, that those services can be provided. They will no longer have eventually can get rid of those waiting lists, and those concerns the elderly have about their health care.

And so it is with great enthusiasm and acting responsibly as the member from Westmount that I support this motion.

Some Hon. Members: Hear, hear!

Mr. Koskie: — Thank you, Mr. Speaker. I want to address a few words after that scintillating address from the member. And I want to take a look at the nature of the motion itself, which says: "That this Assembly congratulates the Saskatchewan government for the attention it has given to the oil industry."

There is no doubt that this government has given a lot of attention to the oil companies. They have not only given a lot of attention to the oil company, they have given a lot of money to the oil companies. Millions of dollars to the oil company – millions of dollars — \$350 million of tax and royalty concessions, and they are saying: “What a wonderful thing this is for Saskatchewan.”

Well I want to say, Mr. Speaker, let's look at the record and see whether it's wonderful for the people of Saskatchewan. Let's take a look at the employment rate – or the unemployment rate. The unemployment rate in the end March of '84, was at 44,000 – 44,000 unemployed – the highest for years in this province.

Secondly, and among young people of this province there were 21,000 unemployed – 18.4 per cent unemployed. And they say what a wonderful job the oil company and the initiatives of this government have done for this province.

And I want to say that they have no doubt, there is no doubt, that there has been oil activity, that certainly there will be oil activity if you're going to give away your resources. The oil companies across the world would be crazy not to come into Saskatchewan to take the oil and pay no royalties.

It's like a farmer, if he has land and he says to a person, he says, “Come in and rent and work my farmland.” And he said, “I won't charge you any rent for working. You can have all the benefits of the crop that is produced. All I want you to do is to provide a few jobs to my children.”

That is what's happening in Saskatchewan in the oil industry. And you know what has been the consequences of this oil industry policy of this government? It hasn't been that great for the people of this province, and I'll tell you why it hasn't been that great: because there's a royalty holiday, and who is not paying to the treasury is the oil companies.

And you know what we have racked up here? We have racked up, in two years of Tory government, \$839 million of debt. That's what we have left as a heritage of two years of Liberal government — \$839 million that is on the backs of the people of this province.

I want to say that it's rather strange that members opposite would get up and brag about the success of giving away our resources. And that's what they've done. Do you know what? The minister of oil wells came in to the Crown corporations and he gave a review of Saskoil, and he indicated that Saskoil last year had made a sizeable profit. And then when we got into it, we asked him how much, how much oil out of the total production was produced by Saskoil? And he said about one-eighth of the total production. And we asked him, how much was the tax royalty concessions to Saskoil? And he said in one-half a year . . . In one-half a year, he said, Saskoil received a concession of royalty holidays of \$12 million.

Saskoil, in a year, and it produces one-eighth. Now I'll tell you, one-eighth is Saskoil, and it's not the top producer among oil companies in Saskatchewan. Within a half a year, Saskoil received benefits under the royalty holidays of 6 million – over a half a year. You can imagine the massive royalty benefits that were received by the private corporations. And when we say it's hundreds of millions of dollars, in the neighbourhood of \$350 million given to the private oil companies, that's accurate, and it can't be denied. And these people opposite say, “Isn't it wonderful that we have a lot of oil wells? Isn't it wonderful?”

But what is the activity that is created here in Saskatoon and Regina? Twelve per cent: 12 per cent unemployment in Saskatoon. What is the unemployment here in this city here of Regina? I'll tell you. All that this policy has done . . . And if you look at the other provinces, if you look at Manitoba, they have had the highest amount of exploration in its history. And they haven't had a give-away of the resources to the private oil companies. They haven't. So that what has happened here is that the Tories have put in place a basic oil policy which essentially achieves

two things. It gives our resources to foreign multinational corporations, who take the money and take it out of the province and invest it in other parts of the world.

You know what? Just take an examination of a Tory policy. They say that they will discuss with the industry and set a reasonable amount. They say you don't need a Crown corporation in industry so that you have an eye to the industry. Now just imagine, just analyse their position. Along comes the oil company – you have no other alternative method of developing the oil in this province, no other way of developing the oil reserves in this province – and along comes the multinational corporations.

Along comes the multinational corporations, and they say to the government opposite, "We will develop your oil, but we want this rate of royalties or we won't develop it." And what are they going to say? They have no alternative. They can't say, "Well we are going to go ahead and develop it with Saskoil or with Petro-Can because they are opposed to having an eye to the industries." That is the problem.

Here in Saskatchewan, we had the Saskoil. Saskoil was intended to be a developer of our resources, and it also was a monitor of the reasonableness, of the amount that was being paid by the privates. Now I'll tell you that concept has been circumvented, and Saskoil has been turned over to be just another instrument of the private developers. There is no window to the industry any more.

Take a look at Lloydminster and what is going to happen. They are talking about having a heavy oil upgrader. Do you know what is slowing it up? Right now, Huskie Oil is bargaining. And they're bargaining that they get the right to develop that oil without paying any royalties to the province. That's exactly where they're at. And they're saying, "We are not going to put that up unless we get the deal that we want." Do you know what has happened, do you know what has happened here . . . (inaudible) . . .

Mr. Speaker: — Order. Order, please. I would ask the members to restrain themselves a bit. It's getting very noisy in the House.

Mr. Koskie: — Thank you, Mr. Speaker. I knew I was striking a nerve, because obviously there is only one conclusion, and there can only be one conclusion. If you don't have an eye to the window, as we did in the potash . . . We established . . . Do you remember when the potash corporation said to the government, the elected government of this province . . . ? Do you know what they said? They said, "We're not going to pay them." We said, "fine, then we're going to develop it as a public enterprise."

And you know what we did? And you know what we did? We entered into the potash, and we entered into the potash corporation with the Saskatchewan potash corporation . . . (inaudible interjection) . . .

Just listen, Paul, just listen. You need to know some of this. And what we did with the public owned potash corporations is to enter into competition. We paid exactly the same royalty structures that the privates said they couldn't pay and couldn't make any money. And do you realize what happened? Paying the same royalty rates that they refused to pay, and said they couldn't operate, we made, in 1981, \$141 million profit to the people of this province.

And you know what has happened now? What has happened now is that they have asked the multinational corporations to come into this province. "Help yourself. The door is open. Take our resources; we'll give you a tax holiday."

But I want to say: who has benefited? I'll tell you, the people of this province overall has not benefited. Because if they had been paying their proper royalties, I'll tell you, they wouldn't have

a deficit of \$839 million. I'll tell you, they would not. Because the oil industry is going in other provinces and other parts of Canada. It was the particular market conditions that dictates whether they will drill or not.

And so what we have here, then, is not a policy that we should be proud of. This is a policy that this Tory government have given millions of dollars to the oil companies, and as a consequence the rest of society is suffering – education, health, senior citizens, welfare people – all of these people in society have suffered. And I want to say, Mr. Speaker, that it is rather sad, a sad day, that you will find members come to this legislature and congratulate a government who has literally given away \$350 million in two years.

Activity: activity without returns to the public, to the treasury, to the people of Saskatchewan. Why, indeed, would you be bragging about it?

And I want to say, Mr. Speaker, that what has happened, and the results of their policy, is very clear and very evident. And certainly I think that this Tory government is going to be judged on the loyalty that they had for the Outside investors in raping our resources with no returns to the people of this province.

And I think when that story is made clear to the public, that they will reject it. Because this was the same policy that was brought into effect in 1964 under the late Ross Thatcher, then premier of the province. And it didn't work then, and it won't work today, because the people of Saskatchewan will reject this loss of revenue, this loss of benefits, from the resources.

And accordingly, Mr. Speaker, we on this side will most vehemently be opposing any congratulations of a Tory policy which, in fact, gives our resources away with little or not benefits to the people of this province.

Some Hon. Members: Hear, hear!

Hon. Mr. Schoenhals: — Mr. Speaker, it gives me considerable pleasure to rise in this House and take part in this debate and this discussion surrounding the resolution. I believe the last time I got to speak, certainly in answer to a question, was back when I had a different portfolio,

Mr. Speaker, it will be difficult to follow the previous speaker, because I intend to deal primarily in facts, and the majority of his discussion dealt with anything but.

I believe he closed his diatribe with a question about, I believe, the term, “give-away” to oil companies with no return.

Mr. Speaker, I propose to prove very conclusively that, in fact, what is going on in the province of Saskatchewan today is returning a great deal more than what the program of the previous administration was, in fact, returning.

A “give-away,” by definition, would indicate that one party or person was giving something to some other party or person and receiving, in fact, nothing in return. We will look at some facts which will prove that, in fact, the program that is in place is having considerable return to the province of Saskatchewan, and that the benefactors of this program are not only the oil companies, but are also the provincial treasury, the people of the province, and, in fact, future generations in this province.

Mr. Speaker, it is probably important to note, since it's a fact that has been missed in all the discussion emanating from the opposite side of the floor, that the previous administration had an incentive program of their own – a program that had exactly the same objectives as our program, that is, to stimulate oil and gas exploration in the province.

The program, as can be verified by their most recent blue book, cost this province about \$60 million a year. To explain how it worked – and it is a little difficult: if a company invested in the province in the oil industry, they received 75 per cent of their drilling costs for anything they drilled, whether it was gas, oil, or even dry holes. And that money was returned to them at the rate of 80 cents a barrel of oil that was later produced. I think if you think about that for a moment, they banked 75 per cent of their investment and got it back – not based on their success rate, not based on their activity, but based on their production. And, Mr. Speaker, if there was ever a program in this province that operated for the benefit of the big oil company, it was that one.

There were two things you had to have to take part in that program. One was cash flow, money on hand, which obviously small companies have a lot less of than big companies; and secondly you had to have production. They key on getting paid back was production.

In fact, Mr. Speaker, it's come to my attention lately that the oil industry had so little faith in this government that there was a black market in Calgary, and oil companies were selling their bank dollars for 30 cents. The program left \$300 million in the bank in unpaid liability, and I have not once heard a member from the other side discuss the \$300 million of liability they had built up from their program.

Mr. Speaker, let's now consider the impact that that program would have had in this province had it remained in place. We have to make some assumptions, and I don't believe that anyone can very seriously question the assumptions that I would make.

What was going on in the province prior to the introduction of the program was: production that was running at – and we'll be generous here – let's say, 75 per cent of capacity; drilling activity – and again we'll be generous – under their program, we'll say 600 wells per year; land sale bonuses – again fairly generous – 4 to \$6 million per year. Those would have been the results, Mr. Speaker, if their program had stayed in place. And I don't think anyone is prepared to argue those assumptions.

If you consider, Mr. Speaker, that production would have stayed at 75 per cent – that means that 47.2 million barrels of oil would have been produced in 1984-85, which has a value of one billion, four hundred and thirteen, point seven dollars – the province would have received \$404 million in revenue; \$404 million in revenue.

If you add the other oil revenue income, subtract the payments to the oil companies under the NDP's program, we would have generated a total of \$429.4 million in oil revenue to the province this fiscal year. Compare this revenue total to our estimate of oil revenue for '84-85 under our program: \$608 million.

Mr. Speaker, that's a difference of roughly \$185 million that's a direct benefit to the provincial treasury. This program is no give-away. This program is mutually beneficial to oil companies; to the provincial government; to our treasury; to the people of the province; and in fact, as I'll mention later, to future generations.

Some Hon. Members: Hear, hear!

Hon. Mr. Schoenhals: — Mr. Speaker, that \$185 million that would not have been here allows us to provide the largest increases in education of any provincial government. It allows us to carry on the most aggressive nursing home construction program in the history of this province. It allows us to spend over a billion dollars on health programs in the province of Saskatchewan this year, for the first time in our history.

Mr. Speaker, this does not tell the whole story, though. There are some other substantial

differences in revenue with our program in place. It doesn't talk about the millions of dollars that would have been poured into Saskoil to drill wells, without profit. And Saskoil is now operating without subsidy and, in fact, is turning a profit to the province of Saskatchewan.

It doesn't tell the sad story, Mr. Speaker, of \$5 million in grants that were paid directly to the service and supply companies because they could not create work for those people. And in order to get them to stay in the province, they gave away \$5 million in hand-outs. Another socialist scheme.

Mr. Speaker, the comment was made by the member opposite, about, "Oil companies being in favour of our program." I have here a page from *Oilweek*, from the "Notepad" of Al Rankin. The title is, "Divergent Responses," and it indicates, Mr. Speaker, that other people in the oil companies are in favour of our program. And I'll just quote a couple of paragraphs, if I might:

The Alberta New Democratic Party conducted a survey of oil and gas companies with the objective of assessing attitudes on a modified energy policy. Five hundred and eighty questionnaires were mailed; 20 were returned; 90 of the responses came from companies employing 20 or less (remember this is small companies); 15 from firms employing up to 50; and the balance from companies employing up to 500.

There were no official responses from the majors.

Mr. Speaker, a little later in the article, it indicates:

The NDP came up with a number of other proposals in the wake of the responses to the questionnaire. These include the suggestion that current incentive programs be phased out and replaced by a system which provides royalty relief until a well has achieved pay-out.

Very familiar, Mr. Speaker. Indicated once again the fact that the NDP, from province to province, beat a totally different drum. They simply look for political expediency, then carry on from there.

The member opposite also made some comments about the fact . . . I believe the thrust of his comment was that people in Saskatoon and Regina were not benefiting. And he made some comments about unemployment.

I would direct his attention to the *Financial Times*. "The Pattern of Economic Experience" is the name of the article, and it shows that Saskatoon, Saskatoon created, for the second straight year, the second highest number of new jobs of any city in the country of Canada – the second highest number of new jobs.

Hon. Members: Hear, hear!

Hon. Mr. Schoenhals: — Mr. Speaker, where will this program take us in the future? What are the signs?

If we look at 1984, to the date of April 27, and look at the total wells that have been drilled in the province . . . Mr. Speaker, in that period in 1984, we have drilled 572 wells. In the same period last year, which members opposite will remember, was the year we set the record by a little more than 350 wells. We had only drilled 301 wells in that period. We are operating at almost twice the level.

The interesting fact, Mr. Speaker, about that, though, is when you turn to the different types of drilling that are taking place, exploratory drilling is up more than four times the level that it was last year. Companies are no longer going into the developmental drilling, although there's a lot of that taking place. They are deeply involved in exploratory drilling, and of course that is where we

will get the new finds and again the increases to our reserves.

And in that period in 1984, there were 144,000 metres of exploratory drilling took place, versus only 40,000 metres last year – once again an indication that the program is having continued and lasting results.

Mr. Speaker, in conclusion, I think it's safe to say, or it's to be obvious, that overall, the oil industry recovery program will have generated this year \$185 million more in revenue than the previous government's program would have generated, had it stayed in place.

And if we may be allowed to project ahead, Mr. Speaker, without a lot of details, we can project that over the next two years, the next two year, this program will provide a net benefit to the treasury of Saskatchewan of \$700 million, or what would have been in place had their program been in place. And if the member from Quill Lakes had been here he would have heard the assumptions and would become as quiet as his partners did, because they can't argue with it, either.

I invite the opposition to challenge these numbers. Under any situation that the NDP could develop for comparison purposes, the net cost of the incentive program would substantially exceed the cost of the royalty tax holiday.

Mr. Speaker, there are some other benefits that I will take just a moment to mention. Apart from the benefits to the provincial treasury, we have to consider the half-million dollars that had been invested in the oil industry in Saskatchewan during 1983. We have to consider, and this is a very important point, the 1,000 new direct jobs which have been created in the oil patch itself, that has nothing to do with the many jobs that my friend and colleague from Cut Knife-Lloydminster talked about this afternoon – the service industries, the electricians, the welders, and the many other people. There are excellent future prospects indicated by the record land sales.

And finally, Mr. Speaker, in talking about future generations, we have a net increase in our oil reserves during 1983, the first time in 15 years that that has been the case. Obviously, Mr. Future, not only is this program beneficial today; not only is it beneficial to the province, the oil companies, the people of the province; it is also beneficial to the people of the future who will benefit from the fact that we have added to the reserves of our, in this province. Thank you.

Some Hon. Members: Hear, hear!

Motion agreed to.

Resolution No. 23 – Management of Saskatchewan's Water Resources

Mr. Parker: — Thank you, Mr. Speaker. At the conclusion of my remarks, I will be moving, and seconded by my hon. colleague from Morse:

That this Assembly fully supports the concept of an integrated approach to the management of Saskatchewan's water resources, and commends the government for its plan to establish the Saskatchewan water corporation, with its head office in Moose Jaw.

Now, Mr. Speaker, I think that in order to fully appreciate the significance of this progressive step by the government, I think it's important that we go back and review some of the history of water related concerns in the province of Saskatchewan.

To begin with, I would like to quote General A.G.L. McNaughton, who I believe was a Saskatchewan native, in an address to the Canadian Club of Montreal, in October of 1965. General McNaughton was involved in water development in Canada, and for a number of years

conducted much of the basic research on water with the Nation Research Council. His career culminated in his activities with the International Joint Commission, in particular, the Columbia River Treaty Organization.

General McNaughton said:

“My thesis is a simple one. It rests on a basic premise that is self-evident to any thoughtful person; namely, that water is the fundamental resource in any civilization. Throughout history, the survival and prosperity of every human society had depended upon an abundant supply of usable water at a reasonable cost.”

And this is just as true today as it ever was. There is never too much water. The amount and its quality determines the upper limit of development. Saskatchewan, as we know, is a province characterized by diversity of climate, topography, and other natural features.

Diversity characterizes its water resources as well – annual flow measurements of rivers indicating that supply of water available in the long term often fails to show the fluctuations which limit the supply from year to year, and the resulting hardships of disastrous droughts or floods. In addition, our major sources of water – that is, the mountain fed streams, the North and South Saskatchewan Rivers – are increasingly affected by upstream diversions, pollutants resulting from discharge of waste and land use.

We have additional concerns, not only about the availability of water, but its continuing quality. In Saskatchewan, as we all know, water is everybody’s business, not unlike the weather, as some would say – everyone talks about it but no one does anything. The latter is not entirely true. Saskatchewan pioneers and others who followed have dealt with water excesses and shortages as a way of life in this province. Because we have a water supply which is variable in both time and areal extent, water management problems continue to persist. The problems include: localized water shortages or excesses, inequitable distribution of water supply, encroachment on flood plains, and pollution of our water supplies through natural as well as man-made influences.

Historically, the solutions to these problems have involved alterations in surface flows, through channel improvements, dikes, dams, on both a local and a macro scale. For the future, new and different forms of solutions must be brought forward. We must give greater consideration to quality problems, and recognize that there are limitations for water storage and its unlimited use for agriculture and industrial purposes.

Why is water a subject of such concern and discussion? Why do we regard it as a problem? First of all, water is the fundamental resource. It’s essential to municipal stability and growth, to the realization of irrigation potential, to the employment of recreational opportunities, to the stabilization of wetlands, recovery of oil resources, to the development of coal and related resources, to the production of electrical energy, and so on. We increasingly realize that there are limitations to the water resource in Saskatchewan, that we must conserve and allocate water intelligently if we are to grow and prosper.

One of the fundamental problems in Saskatchewan is that our good soils react with surface and ground water to produce poor quality water. The more exposure water has to our soil surface and subterranean, the more its quality for purposes of irrigation and drinking water tends to deteriorate. We are, therefore, limited in moving water out of the higher quality sources, such as the North and South Saskatchewan Rivers, unless the flows are contained and protected against contamination from soils or surface run-off.

Even though we have an abundance of water resources in the northern parts of the province, water of high quality and somewhat more uniform flow characteristics, opportunities for diverting these supplies are limited by topographic features, costs, and the possibility of disruption of the northern environment. When we consider the difficulties that are sometimes

faced, we may lose sight of the complexity in the problems which we can identify of the fact that Saskatchewan, in terms of other areas of North America and the world, is relatively water rich. We have not as yet explored the kinds of intensive water uses that are employed in, let's say, Israel, although much of this technology is well known to our scientific and agricultural community, and is increasingly employed.

Well, we may also tend to be unduly concerned about the availability of water for domestic purposes. Certainly there are quality problems in many areas of Saskatchewan in our drinking water supply. However, the consumptive use of water for these purposes is minuscule in comparison to the quantities of water which may be required for agricultural use and/or industrial purposes.

If we were solely concerned with drinking water and household water supply in Saskatchewan, we have adequate water supplies to support several orders of magnitude of our present population. It's true that some substantial costs must be incurred to improve drinking water quality, however, I wish to make a point that quality is not, and will not be, a problem.

Limitations on agricultural use may well be imposed by both soil and climatic conditions, although there is scope for increased irrigation within the province. All land, of course, is not suitable for irrigating crops.

Furthermore, lack of sunlight tends to limit the possibilities for irrigation as we progress further northward. Nevertheless, development of the full irrigation potential in Saskatchewan, as we now see it, would place a great strain on the water resources, and would require enormous amounts of capital to effectively deliver water to the area where it can be utilized.

Sometimes, we have too much water. There are limitations on the amount of upstream storage which can be created to resolve this problem. And last summer, we saw examples of what happens when mother nature decides to stray to the limits of statistical possibilities.

In some of our agricultural soil, drainage is more important than water supply, and much of the agricultural activities in the north-eastern portion of the province are highly dependent on the maintenance of drainage systems.

We cannot, as well, plan our water resources entirely around agricultural practice. Recreational use is increasingly important. In fact, the number of the major developments in the mid-western United States are seen now to have greater recreational benefits, which are just as important to the public now, as the primary purposes of flood control and power development around which these projects were originally developed.

We cannot ignore wildlife in our water planning. The maintenance of wetlands and stabilization of marsh environment is a major concern of both provincial and federal agencies.

Unlike the weather, we can do something about water. We cannot totally control how and when it's delivered to us, but we can, with certain limitations, protect its quality and redistribute its use.

The provincial government is now accepting a major responsibility for water use and water protection. We find that there are too many seemingly disconnected issues competing for attention across a highly fragmented water bureaucracy. At least 33 government departments and agencies share or duplicate responsibility over the management of Saskatchewan's water resources. We heard that money was required for municipal water and sewage projects; that replacement cost were facing many municipal utilities. We heard that existing reservoirs, flood control, and drainage works require maintenance.

When the government considered these points and others raised, a decision was taken to

consolidate all water and water related programs into a single agency patterned after some of the more successful Crown corporations in the utility field. The government recognized that such a decision would not in itself resolve all the water problems in the immediate future, but that such an organization would have the capability to act decisively on water issues and programs, to more readily approach municipalities and others with ongoing programs, and have greater scope to develop a more efficient delivery system.

As I mentioned, Mr. Speaker, Saskatchewan's climate is characterized by extreme variabilities, both in temperature and the amount and timing of precipitations. Only the North and South Saskatchewan Rivers, whose headquarters 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 of 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 make up the fertile soils of Saskatchewan also disrupted the drainage system and left the landscape characterized by sloughs, potholes, and poorly developed natural drainways. Soluble materials leached from the glacier deposits accumulate as alkali around the pothole depressions, due to evaporation, and accumulate as mineral salts in our ground water resources.

The co-existent need for both irrigation and drainage, difficulties with water quality and soil sanitization, and the ever present spectre of drought, are characteristics of water management in Saskatchewan. And in these respects, I suppose, Saskatchewan is unique. Therefore, it's not surprising that in a unique organization, the Saskatchewan water corporation should evolve to meet those challenges.

The quality of water available for drinking in Saskatchewan is almost always a problem. 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 extensive water treatment facilities are required to treat taste and odour problems; to remove bacteriological and virological contamination; to reduce hardness to acceptable limits.

The provincial water utility concept is perceived as an innovative and effective response to the unique supply, reliability, and water quality problems that face Saskatchewan. Similarly, treatment of urban waste water, effluent from intensive livestock operations, and industrial wastes, require the construction and operation of increasingly sophisticated and expensive waste water treatment facilities.

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 encourage diversification of the agricultural economy. Some of these, such as the South Saskatchewan River irrigation project, have, at least in part, been constructed.

Water resource management and development has been in the constant state of evolution since the homestead days. Through the years, several administrative forms have been tried and found lacking one or more of the essential requirements for effective management and development of the water resources of Saskatchewan. The project team examined the history of water management and development in Saskatchewan, and proposals 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.

As you will recall, Mr. Speaker, when we addressed this problem as a government, one of the first steps that we undertook, which is consistent with the policy of this government when dealing with a potential change in one of our sectors – we held public discussions throughout the province. Those discussions were led by the Hon. Paul Schoenhals, chairman of the committee. Also in attendance were the Hon. Neal Hardy, the Hon. Bob Pickering, and the Hon. Gerald Muirhead, as committee members. And the government gave serious consideration as to how best to deal with future water management in our province.

Following a study of the existing structure in Saskatchewan, throughout Canada and United States, by a subcommittee of ministers and a project staff group, it was concluded that a Crown corporation should be established with the general purpose and powers to manage all water resources; control and develop and administer the use of all water; and to own and operate water-related works. The intent was to bring all water-related legislation and services under one body, and facilitate the implementation of water programs and water projects.

We chose to organize the water Crown, as it is being called, in the form of a Crown corporation following what have been generally successful experiences in utilities providing such essential services as natural gas, power, telephones, and the Saskatchewan Water Supply Board.

We could have taken the approach, I suppose, to solving some visible problems – like Regina's and Moose Jaw's water supply – and then with some cosmetic reorganization of numerous departments that were dealing with water management and development. But it seemed that if you're going to approach the problem, then the logical approach is to set up something that will solve the problems down the road, not only for the areas that are of immediate concern – as I mentioned, Regina and Moose Jaw obviously come to mind – but, indeed, for the entire province.

With all the concern that we've had expressed about water, you say, well, why do we address this concern? If you lived in a city, you know all you have to do is turn the tap on, and you've got an abundant supply of water. The quality may not be that good, depending on where you live, but you can wash in it, water your lawn, and possibly even drink it.

If you live in smaller centres, or if you happen to live on a farm, water quality and availability is a more apparent problem. Stock watering, irrigation, and domestic supplies become a matter of survival. It's expensive to obtain, expensive to transmit, and it seems that there's always either too much of it, or too little.

When you step away from the day to day use of water, and examine the broader situation facing Saskatchewan, the problem intensifies. We have extremely variable climate, both in temperature and the amount and timing of precipitation. Only the North and South Saskatchewan Rivers, as I mentioned before, Mr. Speaker, whose headquarters are in the Rocky Mountains, provide a truly reliable source of water.

The flow of streams from prairie drainage basins is extremely variable, and almost all of the yearly stream flow occurs in the spring from the snow-melt runoff. The agricultural sector in our province has continually struggled, since the very first homestead days, with problems of insufficient and unreliable water supplies. Irrigation development has always been recognized as an opportunity for stabilizing this agricultural economy which is still a basis of our prosperity.

We have some special problems in Saskatchewan. We need both irrigation and drainage in our agricultural soils. We have difficulties with water quality, and soil salinization, and the possibility of a serious and extended period of drought is always present.

The quality of water for drinking purposes in Saskatchewan is almost always a problem. By national standards, most of our ground water is too highly mineralized for drinking water. In

addition, we have to pay particular attention to control of man-made pollutants: the treatment of urban waste-water, the effluence from intensive livestock operations and industrial processes, will require the construction and operation of increasingly costly treatment facilities.

We have available to us a number of regional and specific water resource studies. They've all recommended the construction of a variety of major multi-use projects to enhance water management.

We believe that the provincial water utility concept is an innovative and effective response to the unique supply, reliability, and water quality problems that face us in the future.

To cite all the water development that has been done in Saskatchewan, we can easily identify nearly \$1 billion in projects that are likely to be needed in the next decade. We have the perennial problem of water supply in Regina and Moose Jaw, as we mentioned before. Modernization of water systems and other large and small municipalities, sewage treatment for Saskatoon, agricultural drainage, irrigation, flood control – billions of dollars could be used and made up of major projects, such as diversions from Lake Diefenbaker, storage and control dams, and diversions to the drier portions of the province.

Our intention is to build the water Crown on the basis of expertise and background obtained from the various departments of government, which has been consolidated in the corporate structure. Our management philosophy is very much one of engaging outside services in engineering, construction, and other aspects of corporate operation. We believe that the corporation will undertake its tasks with a high level of accountability to the public, and that we can count on a high degree of co-operation from the service community, and the various organizations and user groups concerned with the water management.

We recognize the magnitude of the challenge, both administrative and financial, faced by the corporation. However, there is no escaping the importance of water in Saskatchewan. It may well be that in the final analysis water could turn out to be more important to western Canada's economy than oil. We hope that we're preparing adequately for the event that that becomes a fact in the future, Mr. Speaker.

We believe that the people should not be isolated from the planning process, and we certainly do not ascribe to the notion that such agencies should, within their walls, retain all the services required to plan, design, and build water conveyance and control works.

While government has no difficulty in accepting the responsibility for providing leadership in water programming and development activities, we think that the best result will be achieved where programs and projects have strong public support, based on public participation understanding, and advocacy of objective programs and projects.

It is, then . . . We have provided for a large amount of public participation in the activities of the water corporation. There will be a board of directors and six watershed advisory boards. A consideration of a number of new projects is already under way. Many of the agencies now within government welcome the opportunity to work as a cohesive unit, not only internally, but with water users.

Composition of the corporation will include components of the Department of Agriculture, conservation and development branch; some components of the family farm improvement branch dealing with small community water supplies; element of the water management service, Department of Environment; and urban assistance branch, including the former department of northern Saskatchewan, municipal program now located within the Department of Urban Affairs.

These functions, and the programs associated with them, will form the nucleus of the

corporation's activities in its initial years of operations. The corporations will be obligated to continue many of the programs now in place, and to develop new ones, where watershed advisory boards working with corporation regional managers can properly identify public support within regional watershed units to be established.

We anticipate that a higher degree of public participation will arise from this type of management. We are furthermore convinced that the corporate budgeting structures and management staff can lead to certain efficiencies, both internally and through the use of contract services in the technical and professional areas.

The corporation, in my opinion, will provide the kind of accountability centred through out government; the kind of accountability centre our government, and many others across the country, are looking for these days – accountability in the sense of responsibility for both resource management and financial affairs.

In the same sense, we see developing a much stronger accountability centre in environmental management, the establishment of water quality objectives, and monitoring of standards in agriculture for on-farm and extension programs; and in other departments of government, where sometimes in the past we've seen a crossing over and a conflict of objectives and programs.

Mr. Deputy Speaker, if I can leave you with one thought, it would be to encourage your interest and participation. And while we realize we cannot expect nor plan to do everything at once, a measured approach is required, not only because of all the funding and financing will not immediately be 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 addressed, established, and tested.

The government's intention: to take major initiatives to encourage the development of water and water-related resources. It requires an organization oriented towards the ownership and operation of waterworks and facilities. The corporate form of organization is considered to be the most appropriate for these purposes.

A corporation's financial affairs are of a continuing nature, rather than the year-by-year nature of a department's budget. It serves as a distinct cost centre, with financial reports showing annual revenues and expenditures, and the financial position with all the assets and liabilities disclosed.

With a large involvement in utility-type operations and water control works, it's axiomatic that it should follow the form of the other utility-type Crown corporations. The corporation must have the general purpose and powers to manage all water resources, to control, develop, and administer the use of all water, and to own and operated water-related works.

The province's ownership of water resources must be held by the corporation. There must be a perceivable distinction between water resource management and environmental protection. Both are essential, but the responsibility for each cannot be effectively carried out within a single organization.

The establishment and monitoring of water quality standards should not be part of a corporation's mandate. Water is a provincial resource. Saskatchewan must have a powerful and technical competent management group to represent the provincial interests in the interprovincial and international negotiations on water issues.

The corporation must have a sound financial structure. Water resource development and management is both expensive and time-consuming. Some water development projects must be amortized over a period of several generations.

The establishment of financial objectives and comprehensive financial plans are key elements which must be dealt with by the corporation. Water, as we know, is everybody's business. The corporation must be perceptive, and sensitive to the interests of the people of Saskatchewan. It must know the needs and aspirations of the local residents. On water matters, it must be committed to serving those interests.

It'll be necessary to avoid the "bureaucracy knows best" approach to water management, and recognize the unique knowledge of the environment that local residents and water users possess. Local communication ties must be carefully developed and maintained. The corporation must be able to provide a convenient, single point of contact for water users who deal with it. And I think that probably the most single significant feature that we deal with is the fact that one single point of contact for virtually everyone who has a water-related concern in the province of Saskatchewan.

The corporation will be clearly identifiable cost centre to permit identification of the cost of water development and management. This is the most effective way of publicly identifying the value and significance of water to Saskatchewan, and thereby encouraging more effective utilization of this resource.

It's a significant means of ensuring accountability and water resource management. These characteristics are vital for a successful organization. They cannot be compromised, for such powers cannot be granted to the proposed corporation. Then it would surely fail.

Mr. Deputy Speaker, when one looks at the area of water, and water management and water concerns, sometimes, if we look back, we find some interesting statistics and some interesting facts.

For example, I think that if you were to ask anyone in the city of Regina, or the city of Moose Jaw, to give a definition of water, their definition would probably be somewhat contrary to the official definition, and I quote:

Water is a tasteless, odourless, and colourless chemical of remarkable stability.

And I think that the residents in Moose Jaw and Regina would probably challenge each of those features, with the exception of chemical, and it's remarkably stable – and it's very consistently poor in terms of quality, if we were to ask the residents of those two cities, I'm sure.

I think that it's very interesting, when one looks into the very basic resource that we're talking about, and we find that the stocks and flows of fresh water, as we know, they determine the life forms that flourish in any location. The distribution of water over the ages by the hydrological cycle has profoundly affected the evolution of the human culture.

Urban civilizations first arose in the fertile basins of the major river systems, where city dwellers were assured of potable water, and where outlying fields could be irrigated. Expansive modern societies are equally dependent on the flow of surface waters to supply their needs, and carry off their profuse, profuse wastes.

As we know, the hydrological cycle is powered by the radiant energy of the sun. The temperature variance that is created by the absorption of unequal amounts of radiant energy at the earth's equator and poles creates two major wind currents in the northern hemisphere. The earth's spin sets up a third pattern of fast-moving westerly winds between these two belts. Together these winds circulate moisture-laden air along, along definite pathways, cooling it to form clouds, and carrying them for many miles before releasing rain, sleet, or snow.

The sun's warmth also evaporates water from the earth's surface. At any moment there are about 13,000 cubic kilometres of water in the atmosphere, and this entire volume is regenerated

every 12 days.

The ability of water to exist on earth as solid, gas and liquid, to freeze, evaporate, and precipitate, is the key mechanism of the hydrological cycle.

As we know, man needs water to live, and society needs water if it is to continue as we know it. The pollution of oceans and waterways by wastes from sewers, factories, and marine accidents; sedimentation in river basins caused by erosion-enhancing agricultural practices; heat pollution of water courses arising from the discharge of cooling waters from factories and power plants; hydro-biological pollution created by the accumulation of organic wastes; contamination of streams, rivers, and lakes by toxic chemicals and heavy metals, are all damaging the water environment.

The quality and extent of fresh water can be enhanced greatly by human action. Flood control and reservoir storage programs, along with schemes for drainage, diversion, and woodland improvement, can optimize the use of a region's water and flatten the peaks and troughs of seasonal supply and demand. Regulation of the use of water to limit pollution can relieve the burden put on the hydrological cycle by the global extensions of human culture.

Ultimately, the supply of water and the intensity of its use determines the scope of the problem in a region. What follows depicts the situation in Saskatchewan as we see it, and as we know it today.

Now, Mr. Deputy Speaker, if we deal with the issue of water management, we note that particularly southern Saskatchewan is one of the driest regions in Canada, receiving an average of only 40 centimetres of precipitation a year. Much of what does fall collects on the flat landscape and evaporates before it can join a stream, or percolate into the ground water system.

Now, water management makes the most of existing stocks of fresh water, a vital process in a province where supplies are limited, and shortages often acute.

Water managers try to align growing demands with short supplies and to allocate stocks among many users with differing requirements. Their aim is to increase supply while maintaining quality.

Water managers, monitor water flows and climate to predict supply, design conservation and control works, establish water quality objectives distribute shares of water from public stocks and monitor its quality after use.

Flood and drought are two extremes of climatic fluctuation, a heavy snow cover followed by a quick spring thaw will gorge lakes and rivers to the point where they flood cropland and communities. Conversely, a winter with little accumulated snow followed by a dry spring and summer can bring hardship to farms in rural settlements.

Saskatchewan has experienced many severe droughts since the first days of settlement, but the worst lasted from 1929 to 1937, and it is remembered as the "dirty thirties". Today politicians, water managers and farmers co-operated in programs to conserve surface and ground waters, soil moisture and snow cover. Utilizing these management techniques does much to abate the effects of drought. But when rains are infrequent and insubstantial, as in 1980, the threat of drought becomes very real once again.

The probability of seasonal excesses makes flood protection a central concern of water managers. The menace is so serious that, in addition to building control works, managers have created a program to map 30 flood prone areas in the province, and study ways to reduce damages. All levels of government are co-operating in zoning high flood risks areas for operation, open space used under the Canada, Saskatchewan Flood Damage Reduction Program.

Surface water and ground water, are two basic terms of hydrological science and water management. Saskatchewan draws much of its water from its major river systems as we mentioned, many of which have their headquarters in the Rocky Mountains, and they flow from West to East. The volume of water they carry varies with the winter snowfall, recent rainfall and evaporation, and of course, the amount used by man. Water quality changes during the journey as it goes from West to East, silt dissolved materials, chemicals to sewage and industrial wastes are added maintaining the quality of surface waters then becomes a major goal of water managers.

Surface water is readily diverted from its normal course for agricultural, municipal or industrial uses, or impounded to create reserves for use during periods of dryness. The water rights branch of Saskatchewan Environment reviews such projects and authorizes all dams, diversions, and drainage works. The branch issues a permit for quality of water, sets its priority relative to other users and so attempts to regulate the many demands placed on the source.

Schemes for impounding water may be large or small. Dug-outs are common in rural areas, usually storing 5,000 to 7,000 thousand cubic metres of water from snow and rain for emergency reserve. Livestock watering or domestic use also is used by the water stored in the various dug-outs in our rural communities. Many dug-outs are actually highway burrow pits and are easily constructed with modern, quick-moving equipment.

At the other end of the scale, is in Saskatchewan, is Lake Diefenbaker which was created by retaining the waters of the South Saskatchewan River behind Canada's largest earth-filled dam. The Gardiner Dam took nine years and \$110 million to complete, of course, it resulted in a reservoir of 9.4 billion cubic metres and contributing greatly to flood control. A survey of the other ends this control work serves will illustrate the value of water management. The hydro-electric station at the dam is a key source of electricity. Water is stored in the reservoir in the spring and summer for gradual release from November to March when power demand peaks. Lake Diefenbaker improves the efficiency of downstream generating stations so much that power output at Squaw Rapids had doubled during the critical winter months.

The reservoir supports co-op irrigation projects. Ninety million cubic metres of water a year are pumped from the lake to irrigate 21,000 hectares of land and there's the potential to increase this to 115,000 hectares by the year 2030.

Lake Diefenbaker is an important source of drinking water for many communities. Communities such as Hanley, Guernsey, and Lanigan receive their water from it via pipelines and canals, while Regina and Moose Jaw, of course, are supplied by way of Buffalo Pound Lake. Reservoir water is also used at four potash mines including the solution mine at Belle Plaine.

The lake is an attractive milieu for fishing, offering a wide variety of sport fish and yielding a commercial white fish catch of almost 100,000 kilograms a year.

Surface water management in Saskatchewan is a complex task involving many experts in municipal, provincial, and federal government agencies. The hydrology branch of Saskatchewan Environment constantly monitors precipitation runoff rates, stream and river flows, as well as the levels of lakes and reservoirs. The atmospheric environment service of Environment Canada supplies Saskatchewan Environment with detailed information on weather conditions in Alberta. Together this data is used to forecast the information on water levels which is essential for flood protection, hydro-power production and reservoir management.

When one looks at the area of agriculture and the importance that water plays in the role of assisting agriculture in the province of Saskatchewan. We know that agriculture has an abiding thirst for water. Dryland farming requires green fall at key moments in the growth of crops, irrigated fields depend on water stored in reservoirs or drawn from wells, and livestock need fresh water continuously. All agriculture consumes water and returns it, used, to the hydrological cycle.

Agricultural practices in Saskatchewan have evolved to make the best use of the limited rainfall that we receive. Dryland farmers conserve as much as possible of the soil moisture left after the spring runoff to ensure seed germination. The earth is still moist when it is prepared for seeding, and rains are needed soon afterwards to promote growth and mature the crop before the September frosts.

As district like Regina has an advantage because its heavy clay soils retain moisture and will yield 20 to 25 bushels of wheat an acre even in years of limited rainfall. Sandy soils do not hold water as well, and of course require more frequent rains in order to be productive. The farmers' immediate dependence on rain, as we know, can be lessened by methods like crop irrigation. Large projects have been possible since the completion of the Gardiner Dam, and there are now 208 sections of irrigated land in the province of Saskatchewan.

Currently under experiment is the practise of recycling treated urban waste-water for irrigation. After being properly treated, the nutrient-rich effluent is pumped onto fields. Crops such as alfalfa have yielded returns many times greater than when conventionally irrigated. Such recycling projects may become attractive to communities where conditions are favourable.

Farm chemicals that raise yields and lighten labour may have harmful side effects on the water cycle. The runoff after heavy rains can transport residues of nitrogen fertilizers, or toxic chemicals, from fields to water courses, while wells can be polluted if spilled chemicals percolate through the soil to the groundwater. Clay and organic loam soils tend to absorb chemicals and may erode months or years later, releasing dangerous contaminants into surface waters. Human negligence in handling sprayers, unused chemicals, or old containers is a frequent cause of surface water contamination.

The livestock industry places large demands on the water supply using it in quantity for animal consumption, and affecting its quality by waste disposal. In 1977 the 2.9 million cattle raised in Saskatchewan consumed about 55 litres a day each. The half-million hogs, 14 litres a day each. And the 5 million poultry, 6.4 million litres a week collectively. Livestock wastes are harmful to water, particularly water quality, if discharged without treatment.

Federal law now prohibits ranches and abattoirs from dumping animal remains into water bodies. Operations with 100,000 fowl might have to dispose of 1,000 carcasses a month. Giant feedlots which concentrate the wastes of many thousands of cattle could until 1971 discharge them directly into surface water. The storm runoff alone from feedlots could carry enough organic matters into rivers to kill fish for miles downstream. Waste treatment methods must be simple and economical to gain wide acceptance. Chemical treatment, incineration, and dehydration are all effective options that are extremely costly.

The most common method is still the manure storage lagoon, the water from which is applied to land where there is no risk of ground water contamination. Lagoons are viable on smaller farms, but are ill-suited to the waste treatment requirements of mammoth feedlots. The creation of a cheap and safe disposal system for feedlot wastes is therefore an urgent priority for managers.

Now, of course, we realize that there are a lot of problems and a lot of areas that we have to deal with, Mr. Deputy Speaker, when it comes to water management. There's the concerns that we have to deal with when it comes to looking at water, as it relates to agriculture.

There's also another issue, Mr. Deputy Speaker, and that is water as it relates to industry. Water, of course, is a vital industrial material whose unique chemical and physical properties are exploited in manufacturing every product. Its tremendous heat capacity is applied to cool industrial processes, and to make superpressurized steam for thermal power generation. Water's properties as a solvent are used to dispose of industrial waste and are required in thousands of processes involving chemical reactions.

Industry requires enormous quantities of water. The manufacture of a single automobile uses 60,000 litres in steel-making, and 30,000 litres in production and assembly, while additional thousands of litres go into making the glass, plastic, and fabric components. And each litre of gas the finished product consumes takes a further 70 litres of water to refine.

So we can see the extreme importance, as it relates to industry, that is placed upon water, and the effective need to control and manage that water is even more pronounced when we look at industry in the province of Saskatchewan, and the fact that it's an area that's going to undergo tremendous growth in the near future.

Industrial uses of water often leave it contaminated by organic materials, heavy metals, toxic substances, radioactive matter, or petroleum residues. Even thermal generating stations, which do not alter the composition of cooling water, can raise the temperature of the water source and endanger the eco-system. Temperature affects organisms by altering their metabolic rate and inhibiting their reproduction.

Saskatchewan's manufacturing sector is not highly developed, but none the less works with materials so hazardous that even minor spills or discharges will seriously pollute water. The province's primary or resource industries are developing rapidly, and the heavy use they make of water is worth examining in greater detail.

Mineral production consumes great quantities of water in ore mining, and mine development often changes local water systems permanently. The open pit mining of uranium may involve the emptying of entire lakes or the draining of ground water, to permit the operation of heavy equipment and ensure the stability of slopes. At Key Lake, for example, in northern Saskatchewan, the water table had to be lowered by five metres, and each year 100 million cubic metres of water had to be drained from the site.

The many-staged uranium mining process consumes much water. In addition to the radioactive and highly toxic uranium, the ore contains a host of dangerous minerals, including zinc, copper, lead, radium, cadmium, and cobalt, which must be extracted from the processed water before it is returned to the environment. Toxic materials present in the water must either be isolated at the mill site, or combined in tailings and ponds, and treated.

Mr. Deputy Speaker, if one looks at the Saskatchewan sector of the Saskatchewan-Nelson basin, we notice that it contains 61 large communities, all of which have both a water distribution system, and a sewage collection facility. The combined populations total 482,000 in 1971, and 515,444 in 1978. They yield an average yearly increase of slightly less than 1 per cent.

The Qu'Appelle River sub-basin has the greatest number of large communities – 17 – with the highest combined population total of 213,000. Conversely, the lake's sub-basin contains the lowest total, encompassing only two large communities, with a population of 3,458, in 1978. Of the 61 communities under investigation, 37 rely exclusively upon a total of 96 wells to fulfil their water requirements; 21 centres have a surface water source only; while 13 municipalities combined both surface and ground water, which is a total of 63 wells. With the exception of the South Saskatchewan River sub-basin, where surface water is the predominant source, surface and ground water sources are very close in terms of the number of communities served.

There are likely two major reasons for this trend. Firstly, the scarcity of surface water, combined with its characteristically poor quality, results in a preference for the use of ground water. Secondly, as water requirements increase, it becomes very difficult to satisfy the demand through the use of wells, so that surface supplies become necessary. This is apparent when the largest centres are analyzed, as a primary water sources are predominantly surface in nature, and in some cases pipelines are required to deliver this supply.

Therefore, although both ground and surface water sources serve approximately the same number of communities, surface water supplies the largest users, and it is the major water source. In total, only four of large communities failed to provide any form of continuous water treatment. Of those that do, chlorination, filtration, and iron removal are the most common treatment processes. Over 50 per cent of the large communities have reported water quality problems in recent years; 21 centres have experienced taste and odour problems primarily caused by algae within the surface of raw water supplies.

Eleven municipalities have reported mineral contamination of the treated water supply, with iron being the major constituent, while one community noted isolated occurrence of bacteriological contamination. The worst regions, in terms of water quality, appear to be the Souris River and Saskatchewan River sub-basins, where all but one centre has reported problems.

Conversely, the Assiniboine River sub-basin contains no communities that have reported water quality problems. The adequacy of supply has also presented problems for the large communities in the Saskatchewan-Nelson basins. Twenty-four centres have reported recent supply problems, and an additional seven have had shortages that can be linked to an undersized water treatment plant, or to insufficient treated water storage facilities.

In terms of water supply, the most serious problems exist in the Souris River and the Old Wives Lake sub-basins, while the Saskatchewan River and the Assiniboine River sub-basins have reported the fewest problems. Pumpage trends have been found to be a relatively consistent with all of the large communities.

On a seasonal basis, the April to September period accounts for about 55 per cent of the yearly total. June, July, and August are normally the highest pumpage months, while November through February are usually the lowest.

In almost every case, the per capita pumpages have steadily risen over time, with the largest centres generally having a higher value than the smaller-sized municipalities.

Within all of the sub-basins, the unaccounted-for water use averages about 25 per cent of the total pumpage. The South Saskatchewan River basin exhibits the lowest value – 22 per cent – while the Old Wives Lake sub-basin, with a value of 36 per cent, has the highest unaccounted-for water use total. Although these totals do not include some unmetred uses, such as park watering, fire hydrant uses, and flat-rate connections, it's unlikely that these uses will contribute greatly to the unaccounted-for water totals.

Thus, water loss through water-main breaks and via faulty metring devices is likely a major contributor, and causes the water withdrawals to be much higher than they are actually required.

When the accounted-for water use totals are excluded, the per capita metred use averages 285.1 in all of the sub-basins. This value is remarkably similar in four of the sub-basins, with values extending from 272.5 to 280.

Only the Old Wives Lake, South Saskatchewan River, Souris River, and the lakes sub-basin vary greatly from the overall average. Of the three user types examined, the residential category consistently dominates, both in terms of the number of connections, and in the quantity of the water used. On average, 87.2 per cent of the total number of water connections, and 65.1 per cent of the total use, are residential in nature. The remainder of the metred use, and of the connections, and primarily within the other sectors, comprising an average of 12.3 per cent of the connections, and 31.3 per cent of the metred use.

The final category, industrial, is consistently the smallest of user types, comprising only 0.5 per cent of the connections, and 3.6 per cent of the total metred use, although in general there is very little difference among the sub-basins in terms of the proportional use and in the number of

connections for user categories.

Some trends did develop that are consistent in all regions of the study area. The larger communities normally have the lowest proportional use in the residential sector, but the industrial and other sectors comprising a higher than average quantity of the total metred use. Conversely, the smallest centres have relatively high totals in the residential sector, with lower than average values in the other category, and little or no use in the industrial water using sector.

Mr. Deputy Speaker, throughout the years, the province of Saskatchewan has undertaken many co-operative agreements in terms of water related concerns with the government of Canada, and one very significant agreement was reached in 1975. We had the Canada-Saskatchewan Qu'Appelle Subsidiary Agreement that was signed in October of 1975. The agreement was to cover the 10-year period from '74-75 to '83-84.

The major dates in a formulation and negotiation of the Qu'Appelle Subsidiary Agreement include: the decentralization of DREE (Department of Regional Economic Expansion) and the publication of Water Basin Study in 1973; the signing of the Saskatchewan General Development Agreement in February of 1974; the serious floods in the spring of 1974; the signing of the Qu'Appelle Agreement in October of 1975; the completion and public review of the recreation and tourism concept plan in late 1978 and early 1979; the agreement amended redistributing sector 2 funds in July, 1982; and the closing of the Qu'Appelle Implementation office in Fort Qu'Appelle in May, 1983.

The objectives of the Qu'Appelle Agreement are to insure the long-term productivity of the Qu'Appelle Valley's recreation and tourism base; to increase the socio-economic benefits from the utilization of that resource base; and to improve the management of the land and water resources of the Qu'Appelle Valley; and to meet existing and future uses of these resources. The Qu'Appelle Agreement is a very diverse and comprehensive, and encompasses a wide range of initiatives in a number of funding and delivery agencies. It incorporates 11 programs, 21 projects and many sub-projects ranging from water quality monitoring to land purchases and development incentives for privately-owned tourist operations.

For diverse concerns, it was intended to address problems with the water quality of the Qu'Appelle Lakes; spring flooding in the valley and other parts of the basin; the Qu'Appelle Valley's recreation and tourism potential; and the job creation needs of the Saskatchewan economy. Agreement expenditures were planned to total \$33.7 million. Actual expenditures fell short of this figure, amounting to \$25.7 million. The major reasons for the shortfall were the inability to complete the conveyance system improvements.

Capital works projects for recreation and tourism, flood protection, brace treatment, and conveyance comprised close to two-thirds of the agreement expenditures. Nearly three-fifths of the agreement funding resulted in direct, tangible benefits to Qu'Appelle communities and residents, in the form of new capital works, construction or operating employment, or proceeds from property sales. The evaluation objectives were to review the implementation of programs and measure the results achieved in meeting the agreement objectives; to measure the effectiveness with which the agreement was administered; and to determine the need for future programs, or programs with recommendations for future activities and developments.

This evaluation of the Qu'Appelle Agreement was conducted in three phases. Phase one largely involved the preparation of the evaluation plan, including the identification of agreement and program objectives; socio-economic and environmental indicators to be employed in measuring agreement achievements; and the data source to be used in the analysis.

Phase two involved the collection and analysis of all statistical and other information; interviews with program managers, valley residents, and other key contacts; and the preparation of brief evaluations of each of the 15 programs.

Phase three integrated the results from the first two phases, to provide and assessment of the overall effectiveness of the agreement and the efficiency with which the total agreement was implemented.

During the course of the assignment, the evaluation team interviewed about 90 people, and reviewed all available studies and other information on the Qu'Appelle Agreement. The basic approach involved creating a data base, based on information, perceptions, and opinions from a wide variety of sources, and assessing the program and agreement achievements in terms of the indicators identified in phase one. Every effort was made to cross-check data between sources and to supplement . . .

Mr. Speaker: — Order, please. Order, please. Under *Beauchesnes's*, page 116 (328), it reads that:

A member may read extracts from documents, books or other printed publications as part of his speech provided in so doing he does not infringe on any point of order. A speech should not, however, consist only of a single long quotation, or a series of quotations joined together with a few original sentences.

It appears to me that the member is reading strictly from a document that he has in his hands and if that's all there is to the speech, it would be out of order.

Mr. Parker: — Thank you, Mr. Speaker. I was quoting from a source of my reference material, but I think that the point has been made. And, Mr. Speaker, I realize that there are many other members, particularly on this side of the House, that do want to speak on this issue.

I will reiterate the fact that, having covered some of the background material and some of the problems, as we see them, that have existed in the province of Saskatchewan for years, we find that the reason for forming the new water Crown corporation was a very logical, a very progressive step, and very consistent with the approach taken by this government in many areas. The fact that it's being located in the city of Moose Jaw, of course makes the residents of that city, and in particular the MLAs, very, very happy.

As I indicated at the beginning of my remarks, I wanted to preface my remarks by bringing up to date a bit of a background on the history of water in the various areas of Saskatchewan and how it relates to agriculture, industry, some of the agreements that have been signed to show some of the attention that has been paid to water-related problems throughout Saskatchewan, problems that are dealt with, not only by the provincial government, problems that are dealt with by municipal governments, and problems that have to be addressed, of course, by the federal government.

In many cases we find that co-operation is essential in looking at long-term solution to the problems that exist, and we have to work very closely with our colleagues at different levels of government to ensure that we avoid duplication, and we avoid expensive cost overlays when we are dealing with this very crucial matter.

And when one looks at the many breakthroughs that have occurred in water, we are seeing very many developments in the field of water, Mr. Speaker. For example, recently in south-western Saskatchewan, I understand a new, innovative approach was taken by a group of free enterprisers to try and encourage a faster release of water from the ground by utilizing equipment that was primarily used prior to that in the oil industry. And I understand that they're analysing the success of that, of that endeavour, and so far the results that have come in have indicated that it's — at this point it's not really economically a viable method of extracting water from the ground. But none the less, I think that the members that were involved in that daring attempt to innovate the old and the new should certainly be commended.

And as the new water Crown, Mr. Speaker, relates to the city of Moose Jaw, not only are we going to accomplish what we set out to do as a government, in terms of combining the various agencies that are now dealing with water within our government into one, to give a tighter control and a more logical approach to dealing with water manners, but also, at the same time, we are going to greatly enhance areas of employment in the city of Moose Jaw.

The initial employment that's going to be achieved through the construction stage alone of putting the facility in place to house the new water corporation is going to have a tremendous impact in the city of Moose Jaw. And I'm sure that each and every one of the citizens of Moose Jaw are going to certainly appreciate the fine efforts of this government in recognizing, not only the need to combine our water concerns under one management, but at the same time in recognizing the fact that Moose Jaw was a very logical location to have this operation centred.

And as we look at the water Crown itself, we see that the potential that exists there is virtually unlimited. When one relates the water resource and the importance that it's going to play in the province of Saskatchewan in the years to come; when one considers that our neighbours to the west with all of their resource wealth have indicated that within the next ten years water is going to be their most valuable and most precious commodity, most precious resource.

And when we look at the various areas that have to be dealt with, and all one has to do, Mr. Speaker, is look at our most recent budget address in which we offered a variety of programs to encourage the development and the continuation and growth of the livestock industry here in the province of Saskatchewan.

Hand in hand with that, Mr. Speaker, is the fact that we have to supplement that with a network of water control, water management matters that are going to give us an effective irrigation system.

We have to see the realization of major feedlots in the province of Saskatchewan. With that comes another increased amount of pressure on our water supplies.

And if we notice the incentives that were given in the budget, Mr. Speaker, to the development of industry within the province, we noticed that in resource development it virtually does not matter what area of growth we discuss, water plays a very, very relevant and very, very important part. And I think that it was very fitting that this government, rather than wait until we get to a point where water is such a problem, and we're looking at a situation where, if we don't address it, it could become a problem.

We're fortunate in Saskatchewan, in that we do have a significantly abundant supply of water today, but who knows what's going to happen in the years ahead. And therefore, I think that the government showed tremendous foresight, and tremendous planning, and very, very logical sense in the approach it's taken to water. And I think that we will all find that as we address our various water-related concerns in the years ahead, we won't find extensive overlapping of duties. We'll have everything under one controllable management team.

I think the fact that we arrived at the decision to combine our water-related agencies under one came about as a result of consulting with the people. Going around the province, not going behind closed doors and deciding to do it ourselves as government, but through the consultation process which is becoming very consistent, and very stereotype of this government, Mr. Speaker.

It's definitely a trade mark to this government, and it's something that the residents in Saskatchewan were unaccustomed to. I think that they greeted it with much delight to feel that they were included, and they were involved and actually had a chance to participate in creating this water board.

And I know that when the water management study was brought into Moose Jaw. I know that the residents of Moose Jaw responded very favourably and participated. They offered their suggestions, and I know that the team that were there, the four hon. ministers that undertook this study, certainly, certainly took notice of the valid comments that were contributed by the delegation from Moose Jaw. I'm sure that that delegation feels amply rewarded in having the water Crown now located in the fair city of Moose Jaw.

Mr. Speaker, it's not only, it's not only today that we have to worry about, Mr. Speaker, but we have to look into the years ahead. We certainly do have enough water. We have adequate water to supply us for the near future, but we have to consider our children and our grandchildren and their children. So looking ahead, I think it's incumbent upon us as a responsible government to take measures and address a problem and address a situation which could develop in the years ahead.

And I think by taking the steps that we are taking in the formation of this new water Crown, we're going to find that when problems do arise in the future – and problems develop in the area of water are certainly always going to arise – we're going to be in a much better position than a lot of other jurisdictions to deal with the matter in an effective and efficient, proper way.

I think that it's very sensible, Mr. Speaker, to see the approach that this government has taken. And I think that probably every member in this legislature on both sides of the House will probably want to get up and speak on this issue, because I think we all realize, on both sides of the House, the important need that we have in terms of water. I think that a couple of members on the other side of the House may recognize it. I know one of the members, I understand, attempted to deal with the problems of water. And as I mentioned, he's attempting to commercialize water in his own way – the production of – and has had some limited success.

But I know that it's an issue, Mr. Speaker, that's on the minds of everyone out there. And I know that the people in Moose Jaw and Regina particularly have a more notable concern than maybe other areas of the province in terms of the quality and taste of the water that they're forced to consume each year. And I'm sure that they are going to be very, very pleased with the creation of this new water corporation because it's going to give us an advantage in terms of consolidating our expertise into a possibility of addressing the problem, and I'm sure, coming up with a not only short-term solutions, but also long-term solutions.

And it's the type of problem where you have to deal long term. We're definitely looking at long-term solutions. We've initiated some addressing the short-term solution of the water problem in Regina and Moose Jaw just recently, but we're not satisfied with that. And through the efforts of this new water Crown, I'm sure that that problem will be one of the objectives of the board of that new water Crown, and it will be dealt with very expediently.

Now, Mr. Speaker, I think that when we look at water in the province of Saskatchewan, I think as we see as it relates to recreation, and as it relates to tourism, I think we have to acknowledge the fact that there isn't an area of the province of Saskatchewan. And this particular government, I know, is placing a tremendous amount of emphasis on tourism. We've always acknowledged agriculture as the backbone of our province, and irrigation, of course, is a very much-needed area that has to be approached, and it will be by this new water board. But tourism, Mr. Speaker, is an area that offers us tremendous potential in terms of growth within the province and attracting tourists and attracting people to come into the province, and it's an area that this board will certainly be able to address itself to, and in a much more efficient manner than has been done in the past, simply because of the fact that in the area of tourism you find that you have so many existing departments of government that overlap, that become involved when you're talking about tourist-related concerns.

Whether it be fishing, parks, whatever it may be, we find that as the system, as it exists now, in

order to approach a problem to try and resolve it we have to bring in three or four or five different departments to work on the problem. Well now we'll be able to address it from one headquarters, we'll be able to combine our expertise, we'll be able to address it more efficiently, more effectively, and in a more responsible manner. We won't have . . . We'll avoid duplication and, Mr. Speaker, I think it speaks for itself. It's probably the most logical and progressive approach to water that ever has been attempted, or ever could be attempted by any government in the province of Saskatchewan.

And in terms of, in terms of conservation, we all, we all, we must recognize that not only, not only can we concern ourselves with the aspects of water that, that bring about, that generate revenues and that are the positive aspects of water, but we also must recognize that in keeping with that we have a commitment to conservation, we have a commitment to the environment, and, once again, by having this basically administered under one board, one management, we find that we're going to be able to address the, the wide variety and the wide scope of areas that are going to be water-related areas very, very efficiently, and very, very effectively.

As I mentioned, Mr. Speaker, I know that there are quite a few others that want to join in on this, and I do have some more comments on this, Mr. Speaker, but I think in all fairness to my colleagues I really should give others the opportunity. I know, as I mentioned, as it pertains to myself as an MLA for Moose Jaw, water is an area that we discuss commonly. It's on the tips of everyone's tongue in the coffee shops in down-town Moose Jaw, and I think that you're going to see a tremendous, a tremendous elevation of excitement in the city of Moose Jaw when the water Crown actually starts to show up as a viable reality.

I would be remiss if I did not thank my colleagues in cabinet and my colleagues in caucus for . . .

An Hon. Member: — And Bud Smith.

Mr. Parker: — Certainly, my colleague from Moose Jaw South. We're very appreciative of our colleagues for recognizing the viability of headquartering this water Crown in the city of Moose Jaw. The fact that we do have a very close proximity to Regina, we're in the heart of southern Saskatchewan, we're in the heart of what has continually been a water concerned area for years, decades . . . And I think that the city of Moose Jaw, the citizens of Moose Jaw, are particularly pleased that this government is going to address the problem, the long-term problem of water.

I think that the structure, the fact that we are setting this up after consultation with the people and doing it basically the way they asked us to do it, which is consistent, as I mentioned, with our approach in various areas of government, I think also has to augur well for the long-term results that are going to be achieved by setting this water Crown up. Because people are very, very satisfied if they know that they had a part to play in the formation of a new company or a new corporation, a new board — anything new.

When it's a new approach to anything, and you involve the people, you go back to the actual grass roots people, and you say, you know, this is our idea, this is what we think; what do you think and how would you like to see us go about doing it? And you go around the province, and it's surprising, Mr. Speaker, how many new ideas, and how many new concepts and very viable contributions, are made when a group does go around the constituencies and throughout the community and solicit input from the general folks out there.

Quite often, governments in the past have felt that they have contained all the expertise that's required in making significant decisions such as this. So they would go behind closed doors and collectively put together the best of their abilities and come up with something that may or may not be successful.

And I think that you'll find that people got tired of that, Mr. Speaker. And one of the things that they told us was, "If you're going to change something, if you're going to do something, at least

give us a chance to contribute. Give us a chance to offer our opinions, and we may have something that you may not have thought of; we may have an idea that may work.”

And this has certainly been the case as it relates to the formation of the water Crown. The committee went around, and they did listen. They just basically sat and listened to the input of the citizens throughout the province of Saskatchewan, and particularly the small municipalities.

We noticed that so often the small municipalities are left out today. They're . . . Basically, they have to respond to the whims of big government. This is the attitude that has been left by the previous administration. And when you go down, and you go into the actual communities, and you give the municipalities a chance to get involved, sit around the discussion table and offer their input, and then particularly when you take their suggestions and you incorporate them into your overall development, and they actually see and realize, and they can see the visual effects of that discussion . . .

And I know, speaking for the citizens of Moose Jaw . . . And I can speak for the mayor of Moose Jaw, and city council, and the Moose Jaw Chamber of Commerce. I know that they were elated when they were advised that Moose Jaw was going to be the headquarters of the new water Crown.

And I know that that type of decision would never have been possible under the previous administration. And the people of Moose Jaw realize that. And they're certainly going to remember it. And as the new jobs start to come forth during the construction stage, when the jobs, when the jobs . . . You know, we're talking specifically in Moose Jaw – it's going to enhance our base of revenues.

The input of the wages in the city of Moose Jaw is going to have a tremendous impact, not only as it relates to water, but it's going to have an impact as it relates to virtually every business, every small business in the city of Moose Jaw. Because as we increase our wage base, it broadens our tax base, the already thriving housing market is going to be injected with another stimulant.

We're going to have more money that can be spent to offer programs for senior citizens in the city of Moose Jaw. And we're going to have more money that will be able to be spent on education, hospitals, nursing homes. And virtually . . . We get another idea, Mr. Speaker, of the importance that water plays. It's an area that . . . You really can't talk about any particular area within the province of Saskatchewan and not mention water, it's just that important.

We've got the fact that we're still in very close proximity to Regina, and you know, I think the fact that, I think the fact that we have so many positive things to derive from this, Mr. Speaker, it's a type of topic that I could go on speaking on in length.

But as I mentioned, Mr. Speaker, at the beginning of my remarks, that I will be moving, seconded by my hon. colleague from Morse:

That this Assembly fully supports the concept of an integrated approach to the management of Saskatchewan's water resources, and commends the government for its plan to establish the Saskatchewan water corporation, with its head office in Moose Jaw.

Some Hon. Members: Hear, hear!

Mr. Martens: — I want to thank this Assembly for the opportunity of saying a few words about the water Crown. I want to also acknowledge the fact that I've learned a lot today about the water business. And I want to say that I spent a couple of hours with a member from Moose Jaw North, and it seems as if he's picked up a lot. And I want to say that it's a pleasure for me to have been a part of the development of water policy for the provincial government.

I want to start, Mr. Speaker, by establishing a kind of a thought that relates to . . .

An Hon. Member: — Water.

Mr. Martens: — Water, yes, Mr. Speaker, but also to kind of a trend that has transpired or had transpired in the 10 years . . . 11 years of administration under the former administration.

The PFRA, Mr. Speaker, is a branch, or was a branch of the Department of Regional Economic Expansion, and as that responsibility for that branch was under the jurisdiction of a committee, and that committee was responsible to question and to supply information regarding the use of water in the province of Saskatchewan.

They also dealt with the transportation of hay in the province, and I want to indicate that the members of parliament for Saskatchewan: Mr. Doug Neil, from Moose Jaw; Mr. Frank Hamilton from Swift Current, asked the people who were represented on that committee; the chairman is Dr. Hill, who's a resident of this city and also the head of the PFRA in western Canada; they asked him and other people exactly what the responsibility that the provincial government had taken in prior administrations. And they find out under that committee that the responsibilities had been met in certain areas, namely in soil sampling, in dealing with the Department of Agriculture in looking into structures in the ground systems, study in the ground structures; that there had been really nothing of any consequence done as it relates to developing the water throughout the province. And as a part of my background, that became a significant feature in having motivate me to initiate development in the province that would increase production, that would increase the use of the water.

I want to go back as a part of history to the background of water. Water was an intricate part of civilization as it developed through the years. And if you go back in history, you'll find that the Egyptians in their earlier civilizations used food along the Nile River, for food production became an intricate part of their civilization. Babylon was another one of those cities. It had one of the seven wonders of the world, in the hanging gardens; and that was in a non-productive area, in the Arabic countries.

Roman Empire was another place where water was used in various ways. They used water as a defence mechanism. They used water to dispose waste. The Roman government built aqueducts to carry water from place to place. And through that trend, Mr. Speaker, in the European continent, the trend became one that the benefits became rights.

And that, Mr. Speaker, transferred itself over into Great Britain. And that part of the common law that was transferred from Great Britain into Canada was a part of the development, and the process of development, of the type of law that we have as it relates to water. Common law dictated most of those rights that gave the people the freedom to use water, and to use it properly.

As those rights became part of the parliamentary system in Great Britain, they also became part of our common law, as I said. And when our country formed its government under the BNA act, that responsibility was transferred to the Government of Canada. And in that transfer, the Government of Canada became the recipient of the responsibility. The total control lay with them.

In 1931, as an amendment to the BNA act, the responsibility was given to the provinces, and that was when all the resources were given as a part of a transfer of responsibility, and that's when we, as a province, became responsible to the people of Saskatchewan for the water development here.

Now after 1931, the Natural Resources Transfer Act provided the provinces with a title to the

water. They were administered through the Department of Natural Resources under The Water Rights Act, and the Department of Agriculture administered Water Rights Act. The priority to use was considered.

And then, in 1950, the South Saskatchewan River development commission was established.

Throughout the history – and we can go on – the water became a part of an intricate development through the system: 1964, we had the water resources commission established through the South Saskatchewan River development commission; administered Water Rights Act, and so on. In 1966 the Saskatchewan Water Supply Board was established, and that became a part of the responsibility of the provincial government, to supply water.

We had an outline earlier of the responsibilities that were established, and I just want to outline briefly for you some of them.

The Saskatchewan Water Supply Board basically dealt with four areas: the municipal, industrial, recreational, and irrigation – basically agriculture. And those four areas, they dealt with the total responsibility of supplying water to those four areas.

In dealing with the apportionment to the provinces of Saskatchewan, the people have, through the history, had an agreement with the federal government, the province of Alberta, Saskatchewan and Manitoba – a deal where they would supply, through a master apportionment agreement, 50 per cent of the water from Alberta would stay there, 25 would come to Saskatchewan and 25 would go to Alberta.

In 1972 the provincial government of the day decided that they would set up a department of environment. Saskatchewan water rights act commission, became water resources management. Environment administered the Water Resources Management Act. The environment administered the Water Rights Act, and the Department of Environment gained control of the Saskatchewan Water Supply Board.

Now through the areas Mr. Speaker, of looking into it through the people who were assigned by cabinet to look into it, we came upon a number of very interesting things. In the budget or the throne speech address of the March '83, the throne speech read this way:

An adequate supply and effective treatment of waste water are essential to the well-being of the people of Saskatchewan and it's economic stability and future development. To review water issues and water management problems, my government established a cabinet committee on water concerns. The committee held public hearings in 10 communities through the province. The views gathered from municipalities and from local governments will form an important part of my government's strategy for dealing with the many demands on this vital and limited resource. My government intends to introduce measures to bring all water-related legislation services under one body. This exciting new approach will facilitate many of the water programs and projects which have been discouraged for years.

Through this Mr. Speaker, the responsibility to develop this was initiated and we set up a committee of cabinet ministers to look into this together with some research staff and they came up with some very significant details regarding that. I want to just outline some of the things they were coping with and things that they had encountered. For example, there were 44 pieces of legislation affected by water. There's 11 different branches of government – different departments of government – and I think that that is significant in the very fact that it dealt with the problems in relating to getting water rights, getting development going.

For example, Agriculture had 11 different branches in its jurisdiction, different acts that it needed to address, Environment had about 8, Urban Affairs had quite a number, Energy and Mines, Public

Health, Highways and Transportation, Local Government Board, Parks and Renewable Resources, World Development, Supply and Services, and the Saskatchewan Water supply Board, and also the Saskatchewan Power Corporation. Through these areas, Mr. Speaker, it became apparent that costs needed to be addressed, total revenue needed to be addressed, and as they began to poll all of this information together last spring, it became apparent that there were things that needed to be discussed. So through the summer it became our responsibility to address some of the things in financing, first from Supply and Services, from Agriculture, from Urban Affairs, from Environment, all the aspects of financing became a part of it.

It was announced in our budget that funds would be made available to the water Crown, and I think that was a commendable decision by the Minister of Finance to provide that. I want to just point out some of the acts that are affected by water: the Agriculture Development and Adjustment Act, the Conservation and Development Act, the Watershed Association Act, the Drainage Act, the Private Ditches Act, the Irrigation Districts Act, the Water Users Act, the Provincial Lands Act; and those were from the Department of Agriculture, Mr. Speaker.

Provincial government under the Department of Environment – the Department of Environment Act, the Water Resources Management Act, the Water Rights Act, and the Highways Act, the rural municipal act, the urban act, all of these, Mr. Speaker, had water affect them in one way or another. And I believe that as we look through them, we found that there were things that we could do to co-ordinate the flow of development within the water-related projects in the province.

The group of cabinet ministers that went on to deal with the concerns of water in the province, I believe, Mr. Speaker, did an excellent job. They addressed some very important issues. They had some important terms of reference. For example, they were to examine all existing and emerging water and waste water issues relating to the importance that water resources play in the health and well-being of the people of Saskatchewan and the province's economic stability and future developments. For example, that the PFRA (Prairie Farm Rehabilitation Administration) would do – they were to review the water issues and water management problems of a broad cross-section of Saskatchewan users, including not necessarily and limited to the municipal and domestic, agriculture, industrial, power utilities, recreational, environmental interests and requirements, the issues and problems of all the major water basins of Saskatchewan, including both the ground water and surface water sources.

They were to, number three, to assess the current and emerging water problems with respect to adequacy of physical water sources, the economic and financial implications to water users, and the existing institutional and regulatory problems respecting the management, planning, and delivery from current water management organizations.

And as they went through the province, as was mentioned by the member from Moose Jaw North, they were in Moose Jaw, but they also were in Swift Current, and I noticed that there was a good deal of response there, and they dealt with many issues that related to the problems involved in urban use for water, in rural use for water, recreational use, and for the industrial use sector.

All of these, Mr. Speaker, are part of the Saskatchewan Water Supply Board's mandate. And that became a very significant item as I looked through some of the background, and I want to proceed with a number of things that were dealt with in 1965.

In September of 1965 there was an interim report on a study on the administration for the Saskatoon south-east water supply system. And it was done by the budget bureau in the government of the day, and I want to suggest to you that some of the very things that were suggested then, that it seemed like nobody had the courage to take a hold of, are the things that we're going to be doing with this government in the very near future.

For example, in a report that was written by the budget to the government, the four beneficiaries of the system, as they presented them, would be the potash companies, which would be the industrial part; the municipalities, which would be, as I suggested, urban; participants in major irrigation projects, which would be agriculture; and Saskatchewan citizenry at large through the development of recreation, wildlife, and waterfowl projects, which would be recreational in a broad sense.

And if you take a look at what they did when they established the Saskatchewan Water Supply Board through their Saskatoon south-east water supply system, they did just that. They have the Broderick dam, they have the lake at Blackstrap, they have the water supply to Lanigan. All of this, Mr. Speaker, was a result of some of the studies that were done as early as 1965.

And it seems to me, Mr. Speaker, that no one seemed to have the courage to take the initiative and develop a cohesive, all-encompassing kind of a program so that the people of the province could all benefit from the same facilities and the developmental procedures that took place at that time.

There are a number of other things that I think need to be said. The budget bureau recommended that:

The Lieutenant Governor, as a part of the background, advise the development that anything respecting any aspect of the planning and development and use of the water and related land resources of Saskatchewan be a part of the program for development in this area.

Also, they recommended that they:

consult with and advise all departments, boards, corporations and other agencies of the Government of Saskatchewan respecting the planning and development and use of the water related land resources of Saskatchewan.

These programs, Mr. Speaker, are a part of what we have brought together as a base to learn from, and also to gather and develop a cohesive, co-ordinated approach to the use of water. The other areas they were suggesting to do were:

to undertake and co-ordinate research investigations and planning for the conservation, development, management, and use of the water and related land resources of Saskatchewan; administer the water resources of Saskatchewan and generally supervise all matters concerning the pollution of water; consider any matter relating to the planning, development, and use of the water and associated resources of Saskatchewan referred to it by the Lieutenant Governor in Council; and recommend it or take such action with respect there to as deemed necessary.

And these are some of the programs, Mr. Speaker, that the budget bureau suggested to the then premier of the province, and it seemed as if they only had the courage to go part of the way. Nineteen years later under our administration, we're taking some well-designed action in replacing that 10 years and 15 years of lost activity.

They had some alternatives in their suggestions. They said perhaps they should do it through the Department of Agriculture. And then they said if they did that, what were the recourses going to be?

Placing the responsibility for water supply from the resource reservoir for multi-purpose use in the Department of Agriculture would appear to be desirable from the department's point of view and from that of other users. The Department of Agriculture has its own interest in water supply and would quite likely wish to use

the resource as a disposal to further these ends.

It seems obvious that the responsibility for the planning, co-ordination, and operation of a major multi-purpose water supply scheme should not fall to one of the users, although that it is quite conceivable that technical and other services of user agencies might well be called upon.

That was one disadvantage. Another disadvantage is that they would not be able to co-ordinate it all – all the purposes of water management. And that, Mr. Speaker, I believe is obvious by what has happened through the last 10 years.

In all of the time that I have been involved in water rights both in government and out of government, it's been rather difficult for people to obtain these rights. And I believe that as a mandate for how we want to operate our Crown corporation in the future, I believe, Mr. Speaker, that it's going to emphasize a number of points.

First, there's a greater likelihood of identifying all the cost of a commercial operation and recovering them from the users if a separate corporate structure is established for the undertaking. And this we found as we went through the records, that really, where were the costs? We couldn't identify them all. We went from place to place in various agencies of government, co-ordinating and developing a program to co-ordinate all of the financing, and it took a lot of time to do that.

Another area of advantage by putting in a Crown:

The establishment of a Crown corporation would facilitate the more expeditious implementation of the water supply schemes because the new corporation would not have to function within the framework provided by the central machinery of government.

And that, Mr. Speaker, is also a reason why we chose, as an administration, to change the dimension of the use and expansion of the water programs.

The Crown corporation with overall responsibility for water management and water supply . . . Under this alternative, the management of water resources in the province and the development of multi-purpose water supply projects will be placed under the jurisdiction of a Crown corporation. The corporation would employ public capital advanced by the provincial treasurer, but would be autonomous with respect to staffing operations, marketing arrangements, and financing within overall limits set by the treasury board.

And, Mr. Speaker, these are some of the suggestions that we're taking to heart as a part of the process for developing this Crown.

It would provide better co-ordination and clearer working relationships with users, and resulting from the combination of the responsibilities of water management in the province and the supply of water for multi-purpose use from the South Saskatchewan reservoir.

And it also would supply that with other watersheds in the province, as we plan to expand it throughout the whole province, not just in the South Saskatchewan irrigation district.

The conclusion, Mr. Speaker, of the study by the budget bureau in 1965, recommended that, "The water resources commission be allowed to administrate the water supply program from the South Saskatchewan reservoir," and this implied not only maintaining and operating the reservoir, but planning and construction operation – development of a multi-purpose supply

scheme extending from it. And the budget bureau of the day developed a very concise and precise method of looking at developing the water.

Now we have also taken through our cabinet planning committee . . . We have suggested that there be four sections that would deal with water: manage and develop; control/allocate; own and operated water related works; and manage flood control and drainage related activities and works. And basically those are the functions that we're going to have in the water Crown.

Through the responsibility in developing what I see as an initiative in agriculture, we have set up policies through the Minister of agriculture that will alter some of the things that have been done, and I was very pleased to have the opportunity to hear him announce that we're going to have an extended program in grants to water users – over a 3-year program, \$100 an acre. And I think that that's a very generous aspect. But it also makes me point out, Mr. Speaker, to the people of Saskatchewan that when you develop irrigation in Saskatchewan or develop irrigation anywhere, the cost is relatively high.

But in that cost development as it relates to the community around, there are spin-off benefits. And I would like to say that the spin-off benefits as it relates to irrigation have a very complex method of expanding itself. And I would say that through tests and surveys that have been done, the spin-off benefits to the federal government amount to about 35 per cent; to the provincial government about 33 per cent; to the municipalities about 22 per cent; and to the farmer the rest, and that's 11 per cent. And I think, because of that, we can very easily justify providing some initiative and encouragement to the development of irrigation on the farms in Saskatchewan. And these developments will take place in co-operation with the water Crown.

And therefore, Mr. Speaker, it gives me a great deal of pleasure to second the motion present to us by the member for Moose Jaw North. And as it continues to develop, it's going to be a very unique opportunity for me to grow with the experience of the water Crown. Thank you very much for this opportunity to speak to you.

Some Hon. Members: Hear, hear!

Mr. Lusney: — Thank you, Mr. Speaker. I have a few words I'd like to say about this resolution. I've listen all evening since 7 o'clock. And all I've heard is the same thing we've been hearing along time now, and when we look at this resolution we see a resolution that's been talked about – a Saskatchewan Water Corporation that this government has been talking about since the last two or three budgets.

I think every budget that they've put in since they've been government, or every throne speech that they've talked about since they've been the government, they have talked about having the Crown corporation in – this water corporation.

And the member that just finished talking about it said that this was a very good corporation that was going to provide a real service for Saskatchewan people. And it's a Crown corporation that they felt was necessary.

I find that a little interesting, Mr. Speaker, coming from a government that is talking about disposing of Crown corporations. And here now, they say that there is one Crown corporation – because they are going to set it up – that is very important to Saskatchewan people, and should be put into place. And it has to be something that they put into place – their Crown corporation. That's the only the reason why its good.

An Hon. Member: — Where is the legislation?

Mr. Lusney: — We don't see the legislation before us. We've only seen it mentioned . . . (inaudible interjections) . . . We've had a water utility board in this province for many years, and it

did an excellent job, Mr. Speaker.

Mr. Speaker: — Order, please. Give the member that has the floor the opportunity to speak.

Mr. Lusney: — We had a water utility board that was in place, Mr. Speaker, and it did an adequate job, I think. We didn't hear any complaints about it. And it continues to do an adequate job for the people that it serves . . . (inaudible interjections) . . . As my colleague mentions, if the perimeters weren't big enough, then what they should have done was expanded that corporation, that utility board, and they could have added to the utility board if they thought it was necessary.

But no, what they do is talk about it; talk corporation. A Crown corporation they're going to set up, that's going to look at water in the province, and the uses of water, and what we can do with it.

Mr. Speaker, if they are really concerned about the use of water in this province and making certain that we have the water for the use of Saskatchewan people for a long time, then what they should have done was brought forward some legislation that we could look at, to see just what it is that they are proposing, and what it is that they are talking about – what kind of water corporation that they are talking about.

But we have not seen any legislation. We did not hear any member that's talked about this corporation tonight, since they got on this resolution. Not one of them have really explained just what kind of corporation it's going to be; what this corporation is going to do; what the powers of it are going to be. Nothing at all – no details and no direction as to the corporation.

It's only going to be a corporation that they continue to talk about year after year. Year after year, Mr. Speaker, they talk about this corporation that's supposed to be put into place, but we have yet to see that legislation.

Mr. Speaker, I think, if they were really serious about a resource like water in this province, that they would have brought forward that legislation long before now. They would have brought it forward the first time that they mentioned it.

But they are still putting it in their throne speeches, and they continue to talk about it, and we won't see the legislation. I am suggesting, Mr. Speaker, that they will continue to talk about it when they aren't the government any more, because they will continue to keep talking about it while they are government, but they will never implement that program, nor will they establish that Crown Corporation. They will not do it, Mr. Speaker.

The Assembly adjourned at 10:00 p.m.