

The Assembly met at 10 a.m.

Prayers

### NOTICES OF MOTIONS AND QUESTIONS

**Mr. Lingenfelter:** — Mr. Speaker, I give notice that on Tuesday next that I will move a motion under rule 16:

That this Assembly regrets that the Government of Saskatchewan has stayed in office longer than any peacetime government in Saskatchewan since the last Conservative government; and regrets that the Government of Saskatchewan is clinging to power beyond the traditional four-year mandate; and further, Mr. Speaker, that this Assembly therefore urges the Premier of Saskatchewan to call a general election forthwith.

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

### INTRODUCTION OF GUESTS

Mr. Lusney: Thank you, Mr. Speaker. I'd like to introduce to you, and through you, to the Assembly, 31 grades 6, 7, and 8 students from Endeavour, Saskatchewan. The introduction in on behalf of the member for Canora who isn't here today.

We have with the students their teachers, Mr. Don Chorneyko, Dennis Thiessen, and Marc Jaques. Their chaperons are Carol Gawrelitza, Dianne Stoudt, and Brian Steppan; the bus driver, Dale Goodman.

I'd just like to welcome the students here this afternoon — or this morning, pardon me — it's a Friday. We welcome you here this morning, and I hope your visit to the legislature is going to be an interesting one and an informative one. I hope your visit to Regina will be an enjoyable one. And I'll wish you a very safe journey home. And I'd like all members to join with me in welcoming the students here. I'll meet with you later on. Thank you.

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

**Hon. Mr. Hardy:** — Thank you, Mr. Speaker. It's a pleasure for me to introduce through you, and to you, to this Assembly, 30 students from the Porcupine Plain school. They're accompanied here today by Brian MacMillan, Bill Yashnik, Al Dewan, Zonie Willerton, and Debbie Fettis. I hope that they find their stay or their visit to the legislature both informative, and certainly I think they'll find it innovative in many ways. I'll be meeting with them later for questions and drinks and pictures at 10:30. I hope they have a safe journey home, and I'll be seeing many of them back in Porcupine over the new few weeks and certainly at their fair day which comes up in the end of June and early part of July.

So I wish them a safe journey home and ask all members of the legislature to join with me in welcoming the students from Porcupine Plain to our Legislative Assembly.

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

**Mr. Muirhead:** — Thank you, Mr. Speaker. I wish to introduce to you, Mr. Speaker, and to the members of the Assembly, 35 grade 4 students from Outlook Elementary School from Outlook, Saskatchewan, from the constituency of Arm River. They are accompanied, Mr. Speaker, by their teachers Mrs. Lee and Mrs. McPhail, and their bus driver, Mrs. Park. They are also accompanied, Mr. Speaker, by chaperons Mrs. Kasper, Mrs. Fallick, Mrs. Haugen, and a Mr. Derald. I'll be meeting with this group, Mr. Speaker, at 11 o'clock for refreshments and questions. And I ask all members of this Assembly to join with me in welcoming this group here and wishing them a good day and safe journey home. Thank you, Mr. Speaker.

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

### ORAL QUESTIONS

#### Employment Statistics

**Hon. Mr. Blakeney:** — Mr. Speaker, my question is to the Premier, and this morning Statistics Canada reported that over the last 12 months the number of people working in Saskatchewan has actually gone down; and further, that over the past 12 months the size of the Saskatchewan work-force has actually declined.

Can the Premier tell us how he proposes to act so that these numbers will be turned around this summer, so that there will be more jobs of Saskatchewan people rather than less jobs, as there has been in the last months?

**Hon. Mr. Devine:** — Well, Mr. Speaker, I believe it would be fair to correct the Leader of the Opposition. The unemployment rate in Saskatchewan dropped to 7.6 this last month, which is the second-lowest in Canada, just behind Ontario. The actual number of unemployed dropped by 21,000 since April. The number is also 2,000 less than last year's number.

The labour force and employed . . . The labour force . . . (inaudible interjection) . . . I wonder if the Leader of the Opposition might . . . The labour force increased by 11,000 people. Mr. Speaker, I wondered if perhaps the members opposite could listen to the response. The labour force increased by 11,000 people over April. The actual number of employed increased by 12,000 people.

The percentage increase over May, in the labour force, was the highest of any province west of Atlantic Canada. The actual youth unemployment rate dropped by a full percentage point from April to 12.6 per cent. This figure is nearly two points lower than in May of 1985.

The women's employment rate dropped to 7.6 in May. This is a drop of 1.3 percentage points below what it was in 1985. And in total, Mr. Speaker, I believe the number . . . In April of 1982 we had 420,000 people employed. And now we have 464,000 people employed, or an increase of 44,000 people working in Saskatchewan in the last four years.

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

**Hon. Mr. Blakeney:** — Supplementary, Mr. Speaker. The highly selective figures which the Premier has chosen does not cover the question I asked: why are the number of people in Saskatchewan in May of 1986 smaller than the number in May of 1985? Why, in the last year, have the number of people working in this province — why has that number gone down? And why is the number of people offering themselves to work . . . Why has the size of the labour force gone down between May of 1985 and May of 1986? Would you answer those?

**Hon. Mr. Devine:** — Mr. Speaker, I'll make two observations; one is: over the last four years we have 44,000 more people working than April of 1982; the second observation — and we said it last year, and I'm sure you agreed in the legislature last fall - we have had two consecutive, and, in some places, three years consecutive years of drought and grasshopper infestation here in the province of Saskatchewan.

And the impact on agricultural labour force has been significant. And if you go back and look at the impact in the last couple of years with respect to agricultural employment, you will find that it did fall. We had improvements in many other sectors as a result of what we are doing in terms of projects, whether it's an upgrader project, or whether it's an expansion of a rural gas distribution system, or others. And, Mr. Speaker, I think the whole country would readily admit and understand that there's been problems in agriculture as a result of drought, as a result of grasshoppers, and as a result of the combination of things that we have seen that have raised the cost and hurt the farm income situation.

So, Mr. Speaker, I don't find it particularly difficult to explain, when I look at the last four years, we have 44,000 more people working than when we started — 44,000. The member opposite says, well what happened last year, because you've got 1,000 less now than you did last year. Well I'm saying there's a 12,000 more people working than there was a month ago, and despite the agriculture, and despite the drought, we've had a situation where Saskatchewan maintains the best employment record in western Canada, the second best in the entire nation.

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

**Hon. Mr. Blakeney:** — Supplementary, Mr. Speaker. Does the Premier ascribe to the drought — the fact that in the first four months of this year, 1986, January to April, the number of people who have entered this province is about 4,300, and the number who have left is 9,983, for a net loss of 5,600 people in this province in four months. Do you blame that on the drought as well?

**Hon. Mr. Devine:** — Mr. Speaker, the population in the province of Saskatchewan — I mean the hon. member says, well, you've used selected statistics. Well, look at the last four years. I mean, year after year after year, despite drought, and despite various other economic conditions, the population for the first time in its history in Saskatchewan is well over a million people. And, Mr. Speaker, despite the economic conditions that have hit this province, we have seen the growth in the labour

force. We have seen significant increases in the number of people employed, up by 44,000.

We said last year our target was 60,000 more people working in Saskatchewan by this July compared to April of 1982 and, Mr. Speaker, that is still our goal and it is our intention to see the unemployment rate continue to fall, more people being employed. And yes, we've had some difficult times. And yes, it's been difficult, but over the four-year history — if he wants to look at the four years and not be selective with his statistics — he'll see this province grew in population, and the number of people working grew, and we have had either the lowest unemployment in the country or the second lowest all the time.

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

**Hon. Mr. Blakeney:** — Final supplementary, Mr. Speaker. In view of the fact that people can't eat four-year records but want to know what's going to happen in the next few months so they get a job, will you outline to the House what steps you propose to take to see that young people particularly, but others in Saskatchewan, have an opportunity for employment this summer so that we will not see the number of jobs go down in June as compared with last June, the way we saw the number of jobs go down in May of this year compared with last year.

**Hon. Mr. Devine:** — Well, Mr. Speaker, obviously we have an Opportunities '86 program which is going to be employing thousands of young people. We will be introducing some new measures in this session of the legislature that will be very, very appropriate for young people. We are seeing more and more women opening businesses in the province of Saskatchewan. We see the labour force . . . the unemployment among women is dropping all the time, and the unemployment among youth. We are obviously creating projects. We have had a very dynamic industry in the oil patch and the natural gas industry. We see more tourism.

If I could just take a moment, Mr. Speaker. The tourism industry in Saskatchewan is growing very rapidly as a result as the kinds of things we're doing at Expo that the NDP is against. We're finding more and more people are not only coming into Canada but coming into Saskatchewan, because now Saskatchewan people are proud of inviting others to come in here. We see on the Manitoba border — and I was just in Swan River, Mr. Speaker — people in Manitoba are coming to Yorkton, coming to Kamsack, coming to Canora to shop, because there's no tax on clothes and there's not tax on gasoline.

They're complaining in the legislature in Manitoba because too many people are coming into Saskatchewan. The NDP in Manitoba have taxed clothes and taxed gas. So if you want to find jobs in the service industry, in the tourist industry, in the province of Saskatchewan — people are coming in here to shop and to buy and to build because we are creating excitement; we are building new jobs. And Mr. Speaker, if the member opposite wants to compare where we spend our money versus where he spends his money, saying nationalizing the potash — not creating one new job — we are building new paper mills, we are building new

upgraders, we are building new fertilizer plants, we are creating projects in the tune of billions and billions of dollars to provide jobs for Saskatchewan people so that this province will have the lowest unemployment despite the economic conditions.

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

### **Collapse of Pioneer Trust**

**Mr. Shillington:** — Thank you. My question is to the Minister of Finance. Yesterday in Public Accounts my colleague and I, the member from Assiniboia-Gravelbourg, attempted to resolve the impasse in the committee by providing a written list of questions to which we would restrict ourselves. We were attempted to meet the stated concerns of your members that we would stray from the year under review and that we would rag the question endlessly.

We were met with the usual solid wall of resistance, Mr. Minister. Among the excuses which your members threw up was that we ought to ask these questions in question period. Our response to that was that if we tried, you would either take notice of them and never get back to us, or you would evade the issue.

To put the matter to the test, Mr. Minister, I wish to put to you one of the questions which we attempted to put to the committee of public accounts. At what point in 1984 did the department become aware that Pioneer Trust was in serious financial difficulty, and how did it become aware of it?

**Hon. Mr. Lane:** — Well, I'm not familiar with the details of the NDP-started squabble in Public Accounts Committee, but I will be glad to take notice of the questions.

The only advice I had on public accounts was that the hon. member, who was just on his feet, tabled some pre-conditions to him serving as chairman. I would think, Mr. Speaker, that is the height of arrogance in the British parliamentary system, where a member has said, unless you do things my way, I will not do my public duty, and I will not follow the oppositions' duty to chair the public accounts. That is the only advice that I have had, that we saw an exercise in political arrogance of the highest order yesterday. I believe the hon. member should apologize to the people of this province for his actions yesterday, assume the duty that he was elected by his constituents to perform, and get down to work.

Mr. Speaker, I am prepared, if I get the list of questions from the hon. member, to take notice. I'm not familiar with the details, but we did, yesterday, see the height of the NDP arrogance in this Assembly, Mr. Speaker.

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

**Mr. Shillington:** — Mr. Minister, do I take it from that blatant attempt to evade answering the question that there's little point in putting these questions to you in question period because you're not going to answer them either?

**Hon. Mr. Lane:** — I indicated that if you give me the

questions, I will endeavour to get answers for you. I mean, as I indicated, the advice that I had from the meeting and the comments were that you tried to blackmail the committee, that you wanted pre-conditions to carrying out your public duties that you were elected to perform, and that when those pre-conditions, which, as I say, are probably the first in the long history of the British parliamentary system, when we had that political arrogance, the hon. member didn't get his way and stormed out of the committee. Now that's the advice that I have.

We see an exercise, as I say, and it's not really democracy, I do suggest, Mr. Speaker. I think it's really kind of fascist tactics that members would say that you do it my way or I'm not going to do what I was elected to do, and I think it was a shameful act, and I'm sure that the other hon. members of the political party opposite share the concerns that I have.

**Mr. Shillington:** — Mr. Minister, will you tell me when we will get the questions? I asked that.

**An Hon. Member:** — The answers.

**Mr. Shillington:** — The answers. I asked that, Mr. Minister, because we are waiting from 1983 to 1984 for the answers to some questions. It simply isn't good enough with this government to rely upon your good faith to answer questions, because if they aren't convenient, you don't answer them in anything like a reasonable time frame.

So I ask you, Mr. Minister: when will we get the answer to the question I just asked?

**Hon. Mr. Lane:** — I have indicated to the hon. member, now that I have the information, I will get it as soon as possible. But let me tell you what information you have on Pioneer. You have the letter, which I gather was a matter of some debate. You have the list of all of the people being paid out. You've made false allegations; they've been proven wrong. And the very fact that you know the following information — yes, Pioneer Trust did go into receivership; yes, there was a letter; yes, the province has obligations; there is the list of depositors; that is public information — for some reason you want to take pleasure in the fact that a Saskatchewan-headquartered financial institution went into receivership. I'd say that's a matter of some regret and, I believe, to the people of Saskatchewan.

Having said that, I will get the information. But again, I don't think we should . . . and I'm disappointed that the hon. member has not apologized today for his actions yesterday. He was elected to carry out certain duties. He has refused to do it. He laid some rather arrogant pre-conditions to him carrying out his public duties . . .

**Mr. Speaker:** — Order, please.

**Mr. Shillington:** — Well, Mr. Minister, let me ask you then another question, and I'll see if you can save . . . Perhaps you might put in written form your indignation with the fact that we wanted to put some questions to the Public Accounts Committee which they didn't want to

answer. perhaps you could put that in written form and save the time of the question period.

I've another question for you, Mr. Minister. When the department designated in early November of 1984 a staff person to negotiate a government guarantee of a preferred share issue, was the department aware at that time of the full extent of Pioneer Trust's financial situation?

**Hon. Mr. Lane:** — Well again, if you give me the list of the questions, I'll endeavour to get answers as soon as possible, sure. But if today the hon. member is laying out some more arrogant pre-conditions as to what role he's going to play, then obviously, Mr. Speaker, we are seeing the debate from the Public Accounts Committee being brought to the floor of the Assembly, and that's obviously quite proper, except what we're seeing today is the hon. member again laying out to this Assembly and to everyone that unless things are done his way and his pre-conditions . . . And I hope that the Leader of the Opposition would get control of his members over there because they're shouting and hollering. They don't like to hear the answer. But yesterday was a black day in the history of the British parliamentary system when a member . . .

**Mr. Speaker:** — Order, please.

**Mr. Shillington:** — New question, Mr. Minister, if asking questions is arrogant, then I and my colleagues are going to continue to be arrogant until you people have the nerve to call an election and then you can have a chance to be arrogant; and you're going to get it.

Mr. Minister, I have another question for you then. What investigation or analysis of Pioneer Trust's financial situation was done by the Department of Finance prior to the November 21, 1984 letter from the member from Kindersley to Will Klein committing the government to a 27.5 million preferred share guarantee?

**Hon. Mr. Lane:** — I have indicated if you will give me the questions, I will endeavour to get answers. And I should remind the hon. members just so that they know, we also have the Department of Finance estimates where they have ample opportunity to question me and to question the government on the actions in Pioneer. I find it a little bit surprising that the hon. members seem to have forgotten that avenue of questioning.

Of course, the issue is not whether the questions — the opposition has every right to ask the questions, Mr. Speaker. But again, I find it shocking that unless they get their way they are not going to carry out their parliamentary duties.

**Hon. Mr. Blakeney:** — Mr. Speaker, I'd like to direct a question to the Minister of Finance — I hope he won't regard it as an arrogant question — and it reads as follows: did the government approve three Pioneer Trust press releases made on December 28, 1984, and what investigation or analysis of Pioneer's situation had the department completed by that date?

**Hon. Mr. Lane:** — Again, I undertook that I would

endeavour to try and get the answers for the hon. member. And I hope that the Leader of the Opposition will take this opportunity to announce that he is using a vehicle today which is quite proper to ask the questions, and that he will direct the member from Regina Centre to continue to serve as chairman of the Public Accounts Committee . . .

**Mr. Speaker:** — Order. Order, please.

**Hon. Mr. Blakeney:** — Supplementary, Mr. Speaker. I put another question to the minister, along the same lines. With respect to Mr. Al Wagar's assignment to examine the affairs of Pioneer Trust, when and by whom was he appointed? What assignment was he given? How much was he paid and by whom? When, what, and to whom did he report? When did the department first learn the substance of his findings? Would you care to answer that, or take notice of it?

**Hon. Mr. Lane:** — I've already indicated that I would take notice and endeavour to get answers for the hon. member. And I'm pleased to note today the admission by the Leader of the Opposition that he feels this is a proper vehicle to ask those questions and that there is now no excuse for the member from Regina East to boycott . . . or Regina Centre, to boycott public accounts, and that you will direct him back to carry out . . .

**Mr. Speaker:** — Order, please.

**Hon. Mr. Blakeney:** — Final supplementary, so far as I'm concerned, Mr. Speaker. And this has to do with the Pioneer Trust, and a question which I ask in the absence of getting an answer in perhaps a more appropriate forum, the Public Accounts Committee.

And I ask this, Mr. Minister: what investigation or analysis of Pioneer Trust's situation was done by the Department of Finance prior to the February 4, 1985 meeting at which Pioneer was told that the government had decided to withdraw the guarantee of the preferred share issue?

**Hon. Mr. Lane:** — I will take notice and remind the hon. member that he has considerable public information with regard to Pioneer. I note that when we tabled the list of those who were assisted, that the members opposite were not quite prepared to accept it. So whatever information we give, I have strong reservations as to the acceptability to the opposition. Because ultimately we know full well that they are not prepared to accept the factual information as the truth and will continue to make their false allegations that they have made in the past.

**Mr. Shillington:** — Mr. Minister, none of these questions require any in-depth financial analysis. We're asking in every single case for dates, so they should be easy to come by, by a cursory examination of Department of Finance records. My question is: will you undertake to give us the answer to these questions on Monday?

**Hon. Mr. Lane:** — I've indicated that I will take notice of the questions. And I would advise the hon. members, as well, that we do have Department of Finance estimates coming up too in the next week or two, which will be ample time for you to debate as well. So you will have

what information that I can give, and I would suggest that there is no excuse — and again I hope the hon. member will apologize and get on with his duties.

### Dispute with Saskatchewan Doctors

**Mr. Lingenfelter:** — Mr. Speaker, I have a question to the Minister of Health, and it deals with an important issue of health care in the province.

By way of background, Mr. Speaker, I have here a letter from the Saskatchewan Medical Association, and I want to quote part of it to the minister and then ask a question. In the letter, Mr. Hubbard, the president of the SMA, says to the members of the Legislative Assembly, and I want to quote from the letter:

I consider it most unfortunate that the matter has taken the course that it has. The Saskatchewan medical Association feels that it has been double-crossed on three counts: (1) the elimination of extra billing after having been assured initially that (the) government was not concerned about The Canada Health Act . . .

They're saying there that you made a commitment on extra-billing and double-crossed them on that issue. Secondly:

. . . failure of (the) government to abide by all the terms of the Saskatoon Agreement II . . .

They're saying that you double-crossed them on that issue as well. And the third issue, Mr. Speaker:

. . . the withdrawal of the Minister of Health of some suggestions that could have resulted in a settlement early in May.

They refer to that as the third double-cross by the Minister of Health.

The final line that I want to quote before I put the question, Mr. Speaker is:

The impression that we in the Association get is that there is a political will to precipitate a confrontation with us rather than to reach an agreement.

This is a letter from the doctors of the province to the members of the Assembly, and I wonder, Mr. Minister, can you lay out what you have done in the past week to bring this to a reasonable solution.

**Hon. Mr. Taylor:** — Mr. Chairman, it's interesting to see the opposition rising on this question. Very interesting to see, Mr. Speaker, that for 11 years the government opposite talked about outlawing extra-billing but never had the political guts to get around to do it. It's very interesting to see that the opposition, the NDP opposition, are now out advocating on the side of the doctors for higher wages for doctors in Saskatchewan. It's interesting to see the type of action that they take. As far as any type of following the spirit of Saskatoon Agreement II, the government negotiating team have followed the spirit

of that Act right to the T.

**Mr. Lingenfelter:** — Supplementary. I want to, by way of information here . . . the minister refers to the opposition's supporting increase in financial returns to the doctors. None of the double-crosses that the doctors are alleging of the minister said anything about money. And I want to read them back to him again because he missed the whole point of the question.

And I want to say, Mr. Minister; do you agree with the doctors that you've double-crossed them in the area of extra-billing, in the area of Saskatoon Agreement II, and in the area of taking off the table, or taking away a settlement that was available in early May? Do you agree with the doctors that you double-crossed them in those three areas?

**Hon. Mr. Taylor:** — Well I certainly do not agree with that at all, and I think the depth of the member's question is showing when he says you have double-crossed them in extra-billing. There is no extra-billing in Saskatchewan. There has been no extra-billing for some time, and there has been no double-cross from this government.

## INTRODUCTION OF BILLS

### Bill No. 51 — An Act to amend The Legal Profession Act

**Hon. Mr. Dutchak:** — Mr. Speaker, I move first reading of a Bill to amend The Legal Profession Act.

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

### Bill No. 52 — An Act respecting Labour-sponsored Venture Capital Corporations

**Hon. Mr. Lane:** — Mr. Speaker, I move first reading of a Bill respecting Labour-sponsored Venture Capital Corporations.

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

## ORDERS OF THE DAY

### GOVERNMENT ORDERS

### COMMITTEE OF FINANCE

#### Consolidated Fund Budgetary Expenditure Energy and Mines Ordinary Expenditure - Vote 23

#### Item 1 (continued)

**Hon. Mr. Hepworth:** — Mr. Chairman, I have another official that wasn't with us in committee the other day, who I would like to introduce to the members of the committee. Seated behind me, Gary Cooper from the special projects branch.

**Mr. Lingenfelter:** — Mr. Minister, I had referred to the six-year quarterly statistics on the oil industry and the performance in the province, which you were good

enough to give me prior to the estimates starting. I wonder if you would for me, rather than going through the production for all the other minerals — which I could do right now, but it would take a great deal of time, a couple of hours — will you give me a commitment that you'll do a similar sheet up for me for all the minerals produced and historic from 1980 the way you've done with oil production. It's just that I need it for the record because there's a number of people who contact us from time to time and I would like to have that information available. I could go at it and ask on each one and for each year, but if you'll give me a commitment to send that to me within the next week or so, I will leave it at that and we can get on with a couple of other things I have to ask.

**Hon. Mr. Hepworth:** — In the interests of time, it seems like a very reasonable request and I have no difficulty in giving you that undertaking. And we'll do it as expeditiously as possible.

**Mr. Lingenfelter:** — One other issue that I wanted to raise was the oil upgrader at Lloydminster, the \$90 million study, the announcement of moneys that was announced earlier in the year and we asked questions in the Assembly. I wonder if you would give me a breakdown on who put the money in, the \$90 million; and if you would break down what was for future engineering and what was for engineering that was already done at the Lloydminster upgrader.

As I understand it, there was 40 or 50 per cent of the work completed by Husky that the \$90 million went towards, and then some that was to be done at a later date. If you would just give me a little run-down on that.

**Hon. Mr. Hepworth:** — Mr. Chairman, hon. member, Saskatchewan — and these are all in millions of dollars — Saskatchewan puts up 13.5 million; Alberta 13.5; the federal government 36; and Husky 27. At the time of this arrangement Husky had expended something in the order of \$60 million in pre-construction engineering work. I think the point that the opposition has been wanting to make is that why are we paying already for work that is done.

Point number one, there needed to be \$90 million, a minimum of \$90 million of work to be done in the pre-construction phase. Almost, one could say, Mr. Chairman, exclusively on good faith Husky had expended \$60 million. That expenditure had come about during this review process by the federal government. It had take some good, long time and we ourselves were getting somewhat apprehensive about the time it was taking. No clear signal had come from them as a result of that review; and if I were Husky, I suppose I would have started to ask, how long can I expend money at the rate of 3 or \$4 million a month on this project when I don't really know where one of the major partners is coming from.

At the point in time that we sat down at the table, they had put considerable money into this project in good faith on that phase, and it seemed to me to make only good sense that we acknowledge that expenditure (a); and (b) see what it took to get to the completion of pre-construction engineering and design work, that kind of thing. Over and above that, Husky has expended several tens of millions

of dollars in field work.

So in terms of what Saskatchewan has already enjoyed in economic benefits and spin-offs from this project, it is well over 100 million already. And that accounts for numerous capital investments, jobs out there, all the kinds of things that we as a government support as part of the dimension of this project — that economic spin-off.

**Mr. Lingenfelter:** — The idea that Husky would want money for studies and analyses that were done doesn't surprise me. Obviously any company that could get it would like to get money out of the government.

What's interesting to me is that you explain the situation as the federal government was holding up the signing of the agreement, which they still haven't signed — they still haven't signed the agreement; that the Saskatchewan government would become responsible — if to believe your argument that the hold-up was caused by the federal government — and as a result of that, certain studies were done and the federal government was responsible. Why would the Saskatchewan government pick up \$13 million of the cost if the federal government was responsible for holding up the project?

If one was to agree with you that the money was needed in order to keep the project going . . . And I don't accept that out of hand, because I think that if you have a policy for studies, then you should apply it to all oil companies, and every oil company should be part of a program, whether research, if they do some, whether it's Aberford in Shaunavon and they want to do future water flood projects, or polymers, and that sort of thing, that you would pick up through a program the research and development part of it.

But what is difficult for industry to know in this province is how you get money out of the government, because it seems so piecemeal. Here you have a project that an agreement was proposed whereby the federal and provincial and Husky Oil would be involved, where the federal and provincial government would sign loan guarantees. I believe the provincial portion was 390 million. Now all of a sudden we have to put in \$13 million of hard, cold cash. Now that may not seem to be a lot of money when you're sitting around a cabinet table with \$3 billion of taxpayers' money. But what that \$3 million represents to each family in Saskatchewan, if there's five people, is 80 bucks increased taxes — \$80.

Now that's a lot of money for one engineering study for one oil company, that every family across Saskatchewan had to dig in their pocket and take out \$80 on the spur of the moment to pay for this study which we had thought was in the agreement that our commitment to that project was to sign loan guarantees — that that was our commitment. Then suddenly, without any consultation with the legislature, without any consultation with the public, every family in the province has to divvy up another 80 bucks for studies that were already done — at least in part.

And part of the problem with this government, Mr. Chairman, is the fact of the inconsistency and the haphazard way that we go about spending the taxpayers'

money at great speed, to the point where we're now \$2 billion in the hole. I'm not going to dwell a long time on it, but it's indicative of the problem that we're having. It's not unlike other projects that have been announced on the spur of the moment that in order to keep the upgrader going, in order to keep it going until an election, you spent \$3.5 million of the taxpayers' money when you've already admitted that it was a responsibility of the federal government that the work wasn't proceeding.

I would just want to ask you: do you think it's fair to the taxpayers of the province that each family would pay an extra \$80 because the federal government is refusing to sign the agreement? I also want to know whether or not at this point in time the federal government has now signed the final agreement with Husky Oil and the provinces.

(1045)

**Hon. Mr. Hepworth:** — I think the first point that I should make in reply to your question, or series of questions, is that it is entirely erroneous to refer to this as a study. That to me, and to everybody else, suggests some kind of mere shuffling of paper by a consultant, and this is much more than that. This is part of getting the project done. You can't build it unless you do the pre-construction design and engineering work.

Secondly, the hon. member sits in here and ignores a fact of history as to why we ended up in the situation we did end up with this, and that was we were faced with not only lower world oil prices, but a very turbulent market-place. And I suspect, Mr. Chairman, had we gone ahead willy-nilly, he would have likewise stood up in this House and accused us of being irresponsible for charging ahead in the face of these new world oil prices that are much lower and much more turbulent. Now you can't have it both ways.

The final point I would make, Mr. Chairman, is that he says that this cost represents an irresponsible expenditure on behalf of the families of Saskatchewan. I suggest that to have gone ahead willy-nilly with no view to what that turbulent low oil price out there meant, would have been irresponsible to the families of Saskatchewan.

On one hand, he stands up there today and says we shouldn't have spent that 13.5 million; we should have catered the project; we should have saved that money for the families of Saskatchewan. At any other given day in there you can hear him saying, spend more, spend more, spend more: a billion dollar deficiency payment — where is it? More money for jobs — where is it?

So depending on what hour they're speaking, they're concerned about the deficit or they're not concerned about the deficit; they want more spending, or they want less spending.

The reality is, on this project, Mr. Chairman, to not have done what we have done would have been irresponsible to the families of this province because 10 years from now when our conventional oil reserves for the most part as we know them today are precariously close to being gone, where then are the families of Saskatchewan going to get their energy resources, Mr. Chairman, if we don't

develop our heavy oil? Saskatchewan's and Canada's future lies in the area of heavy oil.

In so far as the memorandum of understanding and the status of that, certainly I have signed it on behalf of the Government of Saskatchewan. It is being circulated now to other jurisdictions; and at this very moment the federal government, if they have not, will shortly be signing that document.

**Mr. Lingenfelter:** — Well I'll leave that point because I understand that we're at an impasse here as to how we operate in government and public administration. But I think that if you're going to have a program for oil companies to do engineering studies, as you referred to them, and I agree that they were engineering studies; but if you're going to have it for one oil company, then you would be consistent and that other smaller companies would get the same hand-out, because that's what it is — \$13 million from the provincial government, hand-out to one oil company.

That's way more than all of your programs that you announced a few weeks ago for all oil companies, the small-sector oil companies in the province. And what they're saying to me when I'm in Shaunavon or Swift Current is how as that we have \$13 million for one engineering study for Husky Oil and the minister gets up and announces a program that won't even be half of that, and we have to apply for it, meet all these criteria . . . And it seems to us, is what they're telling me, that all Husky had to do was fly into Regina, take the suitcase in and get 13 million bucks of taxpayers' money — 80 bucks for every family in the province.

I don't want to spend a long time on that but they don't understand it. And I'm not arguing the point of whether it was necessary or not; what I'm saying is, be consistent. If you're going to allow that kind of engineering studies to be done for one oil company because it creates employment, then that argument can be made for all engineering studies, whether it's a gas plant processing or whether it's making asphalt or whatever it might be.

But I want to ask you, Mr. Minister: do you think that it would be possible for you to table the documents of agreement on the Regina upgrader as well as the memorandum of intent, as I understand it, which is presently being used as the formula for the Husky Oil upgrader in Lloydminster? Could you table those documents here in the Assembly?

**Hon. Mr. Hepworth:** — Mr. Chairman, I don't have a copy of the Ottawa agreement, if you like, on the Husky project, but I can undertake to provide you with that. I think it's a public document at this point in time anyway, since it's been through cabinet — number one. Number two, the NewGrade, you have everything that we have, or have on that to date. As I said in the House yesterday, there's no new documentation has been signed relative to financing agreements. So everything that's been tabled to date . . . and anything more will be forthcoming as it's completed.

**Mr. Lingenfelter:** — I want to ask the minister about a new development down in, I believe it's Wood Mountain

— Kaolin, a development that is taking place there. Can you give us a little review of what is taking place there and what the future looks like? what kind of a lease does the company that is developing that have on the property down there with the department? Can you tell us the length of the lease that they would have, and when they intend to start up, what kind of production, and what the spin-offs, for the area will be?

**Hon. Mr. Hepworth:** — I think to help you have a broader understanding of this issue, I have one-page briefing note on this, and I'll send it across to you because it may be of some local interest to you. I guess the only caveat I would attach to this, some of this might be confidential corporate information to date, and if you'd bear that in mind, I think you'll be able to sort out, looking at it, what I'm talking about.

What they have to date is prospecting permits that they're in the process of converting to leases. So I'll give this to the member for Shaunavon to provide him with some history and background.

**Mr. Lingenfelter:** — I do want it for information, and I'll treat it with the appropriate . . . if it's sensitive . . . (inaudible interjection) . . . Pardon? I was just wondering; when we get these papers I always check to see if there's anything on the back of them because that has proven fairly successful in the past. But this minister, or his deputy, someone has already ripped it off.

But there's one other question here, and it deals with an announced oil discovery near Estevan. Home Oil announced earlier in the year — there was a news report that there was an oil find of some magnificent amount. Is there any public information on that, and was it drilled within a developmental area where information has to come out within a certain length of time? I believe that if it's in a developmental area, they can hold the information for a month. Can you explain what is happening there; if they've started production, or if there's any drilling activity in that area?

**Hon. Mr. Hepworth:** — Mr. Chairman, hon. member, home table land 8-22-29 west of the 2nd, has not yet been completed and placed on production. Because it is an exploratory well, information obtained while drilling, that is log tops and drill stem tests, is confidential for one year.

**Mr. Lingenfelter:** — That's what I wanted to know — if it's exploratory, then the information will be confidential. That would apply to the formation that they're of interest and any of the depths and that sort of thing as well? All information is confidential?

**Hon. Mr. Hepworth:** — Mr. Chairman, hon. member, as I think you can appreciate, there is some sensitivity to this, so I'll pick my words carefully in so far as maintaining some obvious obligations to the industry.

The well commenced drilling on January 27th, and has since been cased to a total depth of 8,563 feet.

**Mr. Lingenfelter:** — When you were talking about the upgrader in Regina, I just wanted to go back to that for a

moment. I want to know whether or not there are any agreements with the development of the upgrader, both in Regina and the Husky Oil upgrader in Lloyd when it goes ahead, for Saskatchewan employment component that residents or people from the province will have first crack at the jobs. Have you looked into that, and is there something in place so that we don't see an inflow of people from . . . or Husky bringing people from Edmonton or Calgary and that the majority of the jobs are going to Calgary residents as opposed to Saskatchewan?

(1100)

I ask that in terms of information, if you can outline what plans you have in place to make sure that people in the province are the first to benefit from the taxpayers who are guaranteeing the loans and that sort of thing from the province of Saskatchewan.

**Hon. Mr. Hepworth:** — Mr. Chairman, hon. member, relative to NewGrade, and it's not something I want to get into in great detail for this reason, that it's presently under negotiation with the union relative to site agreement, but I can say there is provision there for native employment. Secondly, as it relates to Husky, once again the employment and procurement requirements are being negotiated.

As a general statement I can make this comment, that obviously we are always interested in having jobs for Saskatchewan people.

**Mr. Lingenfelter:** — Mr. Minister, my colleague from Regina North East, who is the MLA probably most affected by the Regina NewGrade, has a few further questions, and if you'll just carry on here.

**Mr. Tchorzewski:** — Thank you, Mr. Chairman. Mr. Minister, I know that there are negotiations going on, and I respect the need to have them go on as effectively as possible. But can you tell me, in a general way, at which stage those negotiations are, and do you expect that there will be a resolve to it in the near future? The reason I ask the question is that I have been approached by quite a number of concerned people about the status of them, and I just wondered if you could give us some kind of a report on them?

**Hon. Mr. Hepworth:** — Relative to your question of the status of these negotiations, as I think you can appreciate, neither I nor my departmental officials are involved in the negotiations. It is between NewGrade and the union, but what I will undertake to do for you is to contact NewGrade and ask them if they will not make available to us a status report on these negotiations and provide that information to the MLA for Regina North East.

**Mr. Tchorzewski:** — Thank you, I'd appreciate that. I wouldn't mind getting from the appropriate minister, then, that information as well. The Government of Saskatchewan is putting up, either in guarantees or directly in financing, almost all of the funding. So it would seem to me that, therefore, the government, on behalf of the taxpayers, would have a very specific interest in the developments on this particular issue.



Mr. Minister, when I questioned the former minister when the legislation was in the House last December, he said that steps would be taken to assure the maximum employment opportunities for Saskatchewan tradespeople. Can you tell me whether that's also part of these negotiations, and if so, in what form?

**Hon. Mr. Hepworth:** — The comment I would first make to the hon. member is that I think everybody's common sense dictates that we're interested in Saskatchewan people having the Saskatchewan jobs. So it's a high priority.

So the answer simply is yes. And — although I am now speaking somewhat for my colleague, the Minister for Economic Development — the Saskatchewan government, if you like, board members there have been instructed to keep that objective uppermost in their minds. And over and above that, I think we can safely say that Federated Co-op would be coming from the same place. So I think everybody's heart is in the right place (a); and (b) everybody's head, if you like, has been sensitized to that issue. And I have a fair degree of faith and confidence in those people who are at the table for us.

**Mr. Tchorzewski:** — As I did with the former minister, I'll accept that, Mr. Minister, Can you tell me what stage — and I've been to the site several times, to the extent that I can get there, and looked at it; and I do not pretend to be an expert on all the engineering that's required and all the kind of construction necessities that are there — can you tell me at what stage the construction is for the upgrader?

**Hon. Mr. Hepworth:** — The stage of construction, for the hon. members information — and I can understand why he would want to know, because it's something that is occurring literally in your backyard — two components to it: what's happening at the site and what's happening off site.

At the site a significant amount of levelling has gone on; drainage — including installation of water hydrants, that kind of thing for fires — foundations, footings; all the kinds of work that have to go on before you can accommodate the superstructure.

At the same time, off site, obviously there was a need for the bigger power plant and moving out of the old one that has been proceeding; modification of some of the existing refinery elements; and the major pressure vessels have all been ordered. So I think you can see there's been a fair degree of work go on both at site and off site, and a good degree of co-ordination so that things track along in parallel here.

**Mr. Tchorzewski:** — Mr. Minister, has any concrete been poured?

**Hon. Mr. Hepworth:** — That would go into footings and foundations.

**Mr. Tchorzewski:** — Mr. Minister, is this project then on schedule as you had announced it, I forget, some time last fall? Is it right on schedule, or has there been delays?

**Hon. Mr. Hepworth:** — It's right on schedule, I'm

advised.

**Mr. Tchorzewski:** — How many people are involved in the construction work at the present time? Maybe that's difficult for you to answer. If you don't have it, I'll accept it later. But if your officials have it, I would appreciate it.

**Hon. Mr. Hepworth:** — My officials don't have that information. But I think what we should do in retrospect here is not only in addition to asking NewGrade to provide you with the status of the negotiations between themselves and the union, but I think as well to give you an up-to-date status report on what's going on at the site, and how many employed, that kind of thing, so you've got an entire background document.

**Mr. Lingenfelter:** — Mr. Minister, I wanted to ask you some questions about a particular oil company in Saskatchewan that you will be familiar with because we have interest in it as taxpayers and a government — it's Saskoil. A number of people have gotten a hold of us in the last few days wondering about the lay-offs within that Crown corporation.

The chairman may want to making a ruling on this. I'm not sure whether the minister will want to answer questions or not. They're not confrontational. They're more or less information-finding because people are getting a hold of us.

But can you tell me, first of all, how many people were laid off? And then I want to know as well what the severance package will be for the people who will be affected? That's one of the questions that people are asking us.

**Hon. Mr. Hepworth:** — Mr. Chairman, I certainly have no difficulty in dealing with the question as best I have the information, although I don't have Saskoil officials here, as you can appreciate, because in a strict sense it's not a Crown any more, either. But obviously we've been in discussion with them.

(1115)

As a bit of background to this, Saskoil, like you said, is one of the oil companies out there in Saskatchewan, one of the oil producers. And they, like many others, have gone from being a \$30-per-barrel oil company to an oil company that now is living in a world of \$15 per barrel, and hence they've had to down-size. If we want to have this company around down the road and have anybody employed, they have to make these kinds of tough, very, very tough decisions sometimes, in the short term; but at the same time, if they do not do them, then the company becomes weaker because the strength would be eroded.

What they are doing as a result of the collapse in world oil prices is down-sizing. I think the choice of your word "lay-off" at this point in time is something less than accurate, because what they are undertaking ... Because they recognize — and they've anguished over this, I can tell you — that there's jobs and families' livelihoods at stake here. I would suggest they've taken a very humane approach. They've undertaken a couple of voluntary programs to start with. And it may well be that they don't

meet their target, but I think it's a very humane approach to a very tough problem.

What they are doing is offering early retirement — and I don't have what the retirement package looks like, okay? But they're offering an early retirement scheme to those that that might be attractive to; and secondly, they're offering counselling in conjunction with what they call, I think, a careers change assistance program.

An example that they gave to me that I'll pass on to you would be that there are some, apparently — and I don't know how many — that might want to undertake further educational studies, go back to university. And so there's some incentive plan there for them to help go from where they are back into university or perhaps some other area.

Now I'm not trying to kid anybody, nor are they. They are looking to reduce their staff level by 215 to 30 per cent. And obviously it will depend on how well the voluntary programs go as to where they get to in terms of meeting their down-size requirements.

But I think they're undertaking this in a very common sense and compassionate and caring way. And I wish them well, and at the same time absolutely empathize and sympathize with those families who find themselves in this position, like so many other families out there in the oilpatch today facing uncertainty because of what's happened to world oil prices. I also have to say that Saskoil is acting very responsibly here. They recognize that they've got a dual responsibility: one, to their employees, but also to their shareholders.

And I think the final comment I would make here, and one that I was pleased to hear the CEO make, Bill Douglas, was that, had it not been for our initiatives that we announced two or three weeks ago here, as it relates to the service and supply side, they would have been harder hit in terms of the measures they might have had to undertake.

So I suppose it's small consolation to say that it could have been worse, had we not made some of the changes we made relative to oil policy, for all oil producers out there. But at the same time I think it has cushioned the effect on this company somewhat.

And I think that's as best as I can give you in terms of details because I don't have those officials here, and it's largely the administrative, the administria in so far as the packages; it's something that they are undertaking themselves.

**Mr. Lingenfelter:** — On the issue of numbers of people being laid off — 25 to 30 per cent — would that represent about 90 people?

**Hon. Mr. Hepworth:** — Our best indication is something in the order of 70. They said 25 to 30 per cent. My understanding is that they've got 220 in head office, 60 in field staff. And I think what I hear them saying is that the field operations tend to be less in jeopardy because of some of the changes we made, or else it's a policy. But at the same time the programs are voluntary across the spectrum.

And I don't even want to pre-guess or lead people in any given direction with my comments as to what their career decision might be. But I can give you that their view was to reduce its staff load by 25 to 30 per cent. It employs 220 in head office and 60 in field offices. And I guess I'll let you do the mathematics for yourself.

**Mr. Lingenfelter:** — I won't spend any more time on this. I just say it's unfortunate, as the minister has agreed, that families have to be, as he is indicating, not laid off but actually they are terminated when this program is over, either by early retirement . . . As I understand it, only about . . . there are very few people in that organization that will be eligible for the 55-year-of-age retirement package, and most of them will be using the retraining that is being offered. And that is some consolation. But I think that you and I both agree that, had anyone had a choice, they would have much rather been staying working.

And I think it's, I guess, an indication of the time that we're living in, that having 70 or 80 people thrown out of work is, in an already tough job market . . . It was one thing to lose your job when times were good because you could quickly move over and put out a few resumes and get a job.

In leaving it, I wonder if you would get me the following information and agree to send it to me, and that is the number of employees; the areas, head office and field; and locations — I don't want names, but I would like positions; and the date of the termination.

And also you were mentioning the packages that will be given, both for retirement and for retraining or replacement. If you would agree to send that in some detail to me in the near future, then we can leave that area, if you give me that commitment.

**Hon. Mr. Hepworth:** — Mr. Chairman, hon. member, as I understand it, they are in the process of having their employees look at what's being offered right through this month. And I — as does, I suspect, Saskoil, at this very moment — have no idea who's going to pick up on what program and to what degree. And it may well be that we don't have this available, I suspect, even through to the end of the month, easily.

But I will undertake to give you what I can relative to what you asked, as soon as I can, with the co-operation of Saskoil — and certainly things like numbers, and areas, head office versus field, and the packages. So I undertake to give you what I can, as best I can, when I can, with Saskoil's co-operation.

**Mr. Lingenfelter:** — Mr. Chairman, with that, we'll maybe move through the Estimates, and I'll take the minister at his word on that issue on Saskoil. I would appreciate getting the other information, including the flights that you — I thought maybe you would have them here today for me — but I don't have any questions. But if you'd send them across, I'd appreciate getting them. We can whip through these, line by line.

Item 1 agreed to.

Item 2 agreed to.

### Item 3

**Mr. Lingenfelter:** — He was going to send us something.

**Hon. Mr. Hepworth:** — Mr. Chairman, if I could just have a minute here with my officials, I think I can . . . I've got some of the information that just came here on what he wants. And as soon as I get it sorted out in my head, I'll give it to him.

Item 3 agreed to.

Items 4 and 5 agreed to.

Vote 23 agreed to.

**Supplementary Estimates 1986  
Consolidated Fund Budgetary Expenditure  
Energy and Mines  
Ordinary Expenditure - Vote 23**

Items 1 to 5 inclusive agreed to.

**Mr. Lingenfelter:** — Mr. Chairman, we had an agreement that the minister would send me some things, and I now have the flights out of province of the minister and the deputy. One thing that is missing here — and I believe I asked, but maybe I didn't, but that's the cost of each of those individual trips and the number of people.

You indicated that you wouldn't give me the names, and we had our argument about that. But I think you indicated clearly that you would give me the number of people who went with you on each of these trips and the actual total cost of the trip. And there I wasn't asking for a breakdown of hotel rooms and that sort of thing, but a global amount, and also the number of people. And, as you indicated, you wouldn't give me the names, but if you would give me the number of people who went.

**Hon. Mr. Hepworth:** — Yes, we did. And I recognize it's not there, and we will do that for you. The other thing I was going to mention that's not there yet is my CVA (central vehicle agency) flights. And the reason is, is they are still being catalogued by Supply and Services and will be provided as soon as complete. It's been a fairly large exercise, I think you can appreciate. But the other things you asked for was dollars, numbers of people. Right. Yes. No problem.

**Mr. Lingenfelter:** — One other small point before we leave this department, and that is if you'd give me the global number on your advertising in the department, and also if you would break it out into which ad firms got it, and also the consulting firms that did work for the department. And I'll use the same time period, January 1, '85 up to April 1st of '86 — that's for advertising and consultants. And then we'll be on our way.

**Hon. Mr. Hepworth:** — Your last request, I'll endeavour to give it to you as expeditiously as I can.

Vote 23 agreed to.

**Saskatchewan Heritage Fund Budgetary Expenditure  
Resources Division  
Energy and Mines  
Ordinary Expenditure - Vote 1**

Items 1 to 4 inclusive agreed to.

Vote 1 agreed to.

**Saskatchewan Heritage Fund Budgetary Expenditure  
Energy Security Division  
Energy and Mines  
Ordinary Expenditure - Vote 47**

Items 1 to 4 inclusive agreed to.

Vote 47 agreed to.

(1130)

**Saskatchewan Heritage Fund Loans, Advances and  
Investments  
Energy Security Division  
Energy and Mines  
Vote 63**

Items 1 and 2 agreed to.

Vote 63 agreed to.

**Supplementary Estimates 1986  
Saskatchewan Heritage Fund Loans, Advances and  
Investments  
Energy Security Division  
Energy and Mines  
Vote 63**

Item 1 agreed to.

Vote 63 agreed to.

**Hon. Mr. Hepworth:** — Thank you, Mr. Chairman. I thank the members opposite for a relatively expeditious review of these estimates. More than that though, I would like to especially thank my officials, not only for the assistance in the House today, but over the past few months since they've been breaking in a new minister and, at the same time, dealing with a dramatically changed world oil price situation that has led to some great deal of work in that area. And secondly, for their ongoing efforts on a number of special projects. I was very thankful for their help and assistance through this entire time, Mr. Chairman.

**Mr. Lingenfelter:** — I just want to say, as well, that we look forward to getting the information the minister has promised to get me, and I'm sure that his staff will do that for us, and thank them for their assistance to the minister in getting it across to us.

**Consolidated Fund Budgetary Expenditure  
Saskatchewan Housing Corporation  
Ordinary Expenditure - Vote 51**

Item 1 (continued)

**Mr. Chairman:** — I'd like to point out to the House that the back-up minister, the member from Prince Albert-Duck Lake, will be taking the estimates until the minister arrives. And with that, I think we can move over to the member for Regina Centre.

**Mr. Shillington:** — Mr. Chairman, I want to reiterate very briefly what I said last night, and that is that housing starts are at an historical low in this province. We built 10 to 12,000 houses from 1979 to 1980. During the '80s housing starts have dropped to a low, now, of 5,354 houses. Moreover, Saskatchewan Housing corporation's projections are equally dismal. For the balance of the '80s we're told that we expect 5,600 houses. For the 1990s, however one estimate something that far ahead, we're told that the SHC estimates 6,000.

We regard that level of housing starts as inadequate. In the long run it may be adequate for a period of this Tory recession we have. But as soon as an election is called and this government is . . . these members are sent back to practice law or whatever else they may find to earn an honest living, and when more normal economic times return, we think the normal demand will return. We think that we will need 8, 10, 12,000 new houses a year. If we don't have them, we're going to have a backlog; and if we don't have them, we're going to see an inordinate surge in housing prices.

That happened during the '70s. For many years during the '70s, except in the provinces of Alberta and Saskatchewan, those provinces did not build enough houses. The demand took off and housing prices in Toronto and Vancouver and Winnipeg sky-rocketed — doubled, quadrupled. Some people became very wealthy flipping houses. One of them is now trying to increase his wealth by taking it out on workers in Red Deer and Edmonton — Mr. Pocklington. But a great many people got hurt when housing prices increased. It was not a desirable social phenomenon.

We are building up the same kind of explosion if we're prepared to accept the level of housing starts that we're having now, because the demographics haven't changed. I don't think people's desire to own their own space has changed. I don't think apartments or condominiums are any more desirable for the vast bulk of Saskatchewan families and people. And I think, therefore, Mr. Minister, that you are building up a long-range problem; you're ignoring a long-range problem is perhaps a better way to put it.

The New Democratic Party and this caucus has a positive answer for that. We have a program which provides a \$7,000 grant over three-year period . . .

**An Hon. Member:** — You told us that yesterday.

**Mr. Shillington:** — Well, I'm going to give you the opportunity to hear it again since it didn't seem to have sunk in very well yesterday afternoon.

We are providing a \$7,000 grant over three years. That will be matched by a 7 per cent interest . . . 7 per cent

mortgages at 7 per cent for seven years for up to \$70,000. We think that will produce a dramatic increase in the number of houses. We think that, because of the logic of the program.

It's also been our experience that we have received a large number of telephone calls and inquiries for the days and weeks following the announcement of that program. The telephones in our caucus offices just rang steadily. They just did not quit.

People weren't calling up complaining . . . Well, if the member from Regina Victoria spent any time in the Legislative Assembly — I believe that's who it is. I may be mistaken; it's so long since I've seen the member from Regina Victoria in the Assembly. But I believe . . . But if it's . . .

**Mr. Chairman:** — Order, order. Order, order. This is entirely irrelevant to the subject at hand, and let's get on with the estimates.

**Mr. Shillington:** — Well, Mr. Chairman, I suspect that his comments were also irrelevant, and his comments were making it impossible for me to continue.

**Mr. Chairman:** — He is not entering into this debate, and I would ask you to get on the subject.

**An Hon. Member:** — Pretty touchy there.

**Mr. Shillington:** — Yes, I see members opposite are pretty touchy about our housing program and would prefer that it not be discussed. I can well imagine that. The reason for that is the contrast with their housing program.

I think I am the first person since the budget speech to mention the Tory housing program. I don't think it has been mentioned by a single, solitary soul — Conservative, NDP, or otherwise. You haven't mentioned it because you're ashamed of it. It is completely inadequate. It is too stingy. There isn't enough money being provided. Nobody else has mentioned it because nobody else cares, quite frankly. You're ashamed of it, the public don't care, and I really believe I'm the first person to mention the program since the budget.

I ask you, Mr. Minister, if you don't think this province would be a good deal better off with a more vigorous housing program along the lines we have suggested than the utterly inadequate housing program which you've announced. Its inadequacy, I think, is show by your . . . the advertising moneys it has received. This government has gone so far as to advertise programs which aren't yet in existence.

You've been advertising a home-makers' pension, which isn't in existence; nobody can find out what it is. For some months you've been advertising another program, the classification of video cassettes, which isn't in existence, and nobody can figure out what it is.

(1145)

I ask you, Mr. Chairman, if the government is advertising

programs which aren't in existence and which the public can't, by making any inquiries in the world, find out what they're about, why is it that they haven't advertised their housing program? They haven't advertised it because it is inadequate. It's ineffective. It is their fondest hope that no one will ever remember that they ever mentioned the subject.

I ask you, Mr. Minister, do you not think the province would be better off with an adequate housing program along the lines of what the New Democratic Party has suggested?

**Hon. Mr. Dirks:** — Well, Mr. Chairman, here's a prime example of the inconsistencies in the position of the NDP party and the NDP members opposite. One day they stand up and they chastise the government for advertising. They say, you're spending too much on advertising. Now they stand up and say, but you're not advertising this program, and you should be advertising it, and you should be spending taxpayers' dollars. I mean, that's the implication. You know, either you have it one way or the other way; you've got to be consistent. The problem with the members opposite is that you are not consistent. Your leader has not been consistent when he has talked about your own housing program, and you know that full well yourself.

Now we might just momentarily talk about this matter of advertising. To day we already have received approximately 500 applications for this particular program. We know full well that the builders advertise this program, and I have seen ads in the newspapers myself. So do you want the taxpayer as well to pick up costs for advertising this program when it's not necessary for the taxpayer to pick up those costs? Surely that's not your position.

The program is very successful. Housing starts are up dramatically in the province. And I might remind the member, for example: in Regina, single family starts, up 25 per cent; in Saskatoon, up 106 per cent; overall urban Saskatchewan, single family starts, up 54 per cent — 416 in 1985, 639 in 1986 — a dramatic increase. And on top of that, now you say, but you should be advertising; you should be spending taxpayers' dollars to advertise.

Don't you have any concern for the taxpayers' dollar? Don't you have any concern for the public purse? I don't think you do, and I want to tell you why I don't think you do. You have announced this program where you're going to provide people with \$7,000 if they buy a new home. Now anybody with half a brain when it comes to economics will tell you that the most amount of return that you will get to the provincial treasury, in terms of a single housing start, will be in the order of around \$3,000 back to the treasury in terms of taxes.

So we are providing a \$3,000 grant on the other hand to stimulate housing starts; on the other hand, we get that \$3,000 back through various forms of taxes as a result of increased economic activity. But you're going to provide \$7,000, and you're going to get \$3,000 back, and you're going to be costing the taxpayer an additional \$4,000 for every one of those starts.

Now I asked you if you had any concern for the taxpayers' purse. Clearly you don't have any concern for the taxpayers' purse if that's the kind of program that you advocate.

I would reiterate for the members who are here today: single family housing starts are up 54 per cent, urban, in the province of Saskatchewan; 500 applications received for the home buyers program; and I understand that about 75 per cent of those are people that presently live in rental accommodation and are moving out and wanting to get their own new home. That's exactly what this government stands for — fiscal responsibility in terms of not substantially heating up the market and drawing forward a whole bunch of demand in one year and costing the taxpayer money when we don't need to spend the taxpayers' dollar. Surely that's the sensible and prudent and responsible approach to take. It stands in stark contrast to what the members opposite in the NDP party would suggest.

**Mr. Shillington:** — Mr. Minister, one of the things I want to complain about is the publication that the Saskatchewan Housing Corporation puts out. It makes highly selective use of statistics. I know there is some poetic licence sometimes used by some members opposite in this House. What is unusual, however, is to have a publication which I think makes highly selective use of statistics and is quite misleading. And I assume, given the quality of your officials, that's intentionally done so at the direction of the minister.

Mr. Minister, as I say, I want to complain about that. It's one thing . . . you may say what you like, I suppose, in Conservative Party literature; it's quite another thing to use the Saskatchewan Housing Corporation news bulletin as you have. I think it's at times intentionally dishonest.

Mr. Minister, let me give you the actual housing statistics for the province as distinct from selective statistics. What I see your publication doing, what I see you doing, is you take the two or three best cities in the province, you call that, and you take those increases over last year's increases, and that becomes a percentage for the province. That, as I say, is an improper use of public funds. You're using statistics in that publication selectively.

Let me give you the actual housing starts for the province 1983, when you had a program which had some effect — the last significant program this corporation ever had — 1983, 7,269; 1984, 5,221; in 1985, 5,354. That's an increase of 130. That's a percentage increase of about two and a half per cent.

Now that is not a 45 per cent increase in housing starts, Mr. Minister, nor does your projection indicate an increase in housing starts of the balance of the decade. The projection is a projection of 56 housing starts for the rest of the year. That is not a 45 per cent increase. As I say it's one thing for the minister to take a bit of poetic licence with the facts; it's quite another thing for your publication to be doing it. That, I do take the strongest possible objection to.

I would note, Mr. Minister, that this province had the lowest percentage increase in Canada in new housing starts. Mr. Minister, the level of activity in this province reflects itself in unemployment. I don't want to get into this for a long time. I know that members opposite would do it, but I'm quite sure that if I did it, I'd be called out of order, so I won't deal with it extensively. But I will say that the level of unemployment in this province would embarrass any government which wasn't as insensitive as yours. The unemployment has nearly doubled since you people have come into office. In any poll of public opinion . . .

**Mr. Chairman:** — Order, order. We're not discussing employment or unemployment in these estimates. So let's get on with the subject.

**Mr. Shillington:** — Well I think, Mr. Chairman, that is unfair, that is not . . . I think, Mr. Chairman, that will not do justice to housing estimates. One of the primary policies behind any government's housing program in these times is job creation, and the two are linked. They are linked, Mr. Minister, by the comments made by the minister who said, scarcely a few breaths ago, that their housing program had been successful and had created jobs. I suppose it's just grand for him to say that, but when I start to say that I think it's been ineffective in creating jobs, that's out of order.

I think, Mr. Chairman, you've got to be consistent. so I say, Mr. Chairman, if the housing program that this government has brought in has worked miracles in dealing with unemployment, it's hard to see that in the unemployment statistics which, as I said, have doubled since this government came into office. The rate of unemployment and the actual number of unemployed is higher than it has been since the '30s.

One of the reasons for that, the overall reason for that is, by and large, is the government's inability, or refusal, or both, to respond to the problem. One of the ways which other governments have responded is taking extraordinary measures to increase the housing stock. We need the houses, Mr. Minister. We need the jobs. We say to this government you should not be waiting until such time as the economy picks up; you ought to be doing it now.

We have a program for doing that that has attracted widespread attention and acclaim. Their program has attracted neither. Their program has been ignored by them and by the public. I do not regard 500 applications as anything other than an indictment of the program. It's woefully inadequate. It ought to be several times that. It was several times that in 1983. And unless something is done to breathe some life back into this industry, it is going to go on being a drag to the province.

But I ask you, Mr. Minister, to deal with the facts. The facts are, according to your publication — which as I say is often misleading — according to your publication, and according to Statistics Canada, the actual housing starts in '84 were 5,200; in '85 were 5,300 — that's a 2.6 per cent increase. Your projection for the balance of the decade is 5,600, which will be about a 6 per cent increase. That's not a 45 per cent increase. That is down sharply from the

13,000, the 12,000, the 11,000, and the 9,000 houses which were built in the '70s when the former government was in office. It's not coincidental that the '70s were a period of high employment and very, very low unemployment.

So I ask you, Mr. Minister, to deal with the facts, stop wandering around in fantasy land — deal with the world as it is, not as you wished it were.

This province, Mr. Minister, is not world-class in terms of the number of housing starts. It's got the lowest percentage increase in housing starts in Canada. You have the lowest number of housing starts last year in over 18 years. This year it's the second lowest in 18 years.

I ask you, Mr. Minister, to deal with those stark facts and to the very serious problems it is creating in the short run in terms of unemployment, and in terms of an anaemic industry, and with the effect it's having on workers — and stop, Mr. Minister, dealing with the world as you wish it were.

**Hon. Mr. Andrew:** — I wonder, Mr. Chairman, if I might have leave of the Assembly to introduce some students.

Leave granted.

## INTRODUCTION OF GUESTS

**Hon. Mr. Andrew:** — I would like to introduce to the Assembly a group of students from Eatonia high school. They are accompanied by their teacher, Rod Stevenson; chaperons, Kent Schurman and Ed Nunweiler; bus driver, Rob Assmus. This group of students is sponsored by the Lions club in the Eatonia district, and they attend the Assembly every year, and I think it's a good program. Very few people or very few schools from out in the Kindersley area ever come to the legislature. Eatonia do, sponsored by the Lions club.

What you're witnessing today is what is called committee of finance or the estimates, where the members opposite will be questioning the minister responsible for the housing corporation. What you will see over the next half-hour is the minister responding. It's a good estimate to watch. It's a good, young minister, and one of the strong questioners from the opposition side. And so you will see what, I think, is probably a good debate by two classic members of this Assembly.

I wish all to welcome these people to Regina and to the legislature.

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

## COMMITTEE OF FINANCE

### Consolidated Fund Budgetary Expenditure Saskatchewan Housing Corporation Ordinary Expenditure - Vote 51

#### Item 1 (continued)

**Hon. Mr. Dirks:** — Mr. Chairman, the member opposite was concerned that we use facts, we speak about the

world as it is. And that of course is my intention — dealing with reality.

And reality is this: the legacy that your government left to this province concerning the Saskatchewan Housing Corporation was that you threw millions and millions of dollars into building houses in northern Saskatchewan that are falling down today because they were poorly built; you spent millions and millions of dollars building houses in rural Saskatchewan that today are now standing empty — empty — because you had no concerted, co-ordinated, systematic, intelligent plan for housing in the province of Saskatchewan — none. And everybody knows that.

(1200)

Now you said that his particular government has done nothing of consequence in housing since 1982. Surely you wouldn't suggest to the senior citizens of this province that our very well-accepted, enriched housing program for seniors is of no consequence. Is that what you would suggest?

Surely you wouldn't suggest that our senior citizens' home repair program, which literally thousands and thousands of seniors have taken advantage of, that that program is of no consequence. Is that what you would suggest? I trust not. Surely you would not suggest that the elders' suite program for senior citizens in this province is somehow of no consequence. You seem to be digging a hole for yourself as far as seniors are concerned.

I suggest you wake up to the reality of the kind of innovative and exciting and forward-looking housing programs that are being offered today in Saskatchewan that should have been offered in the 1970s, but you never thought of. And one of the reasons why they were not implemented in those days is because you did not consult with seniors' organizations around the province. You chose to sit around the cabinet table and say, well I think this will be good for Monday of this week, so let's throw a couple of million dollars here, and maybe we'll get a vote or two. It doesn't work that way. That's not what the people of Saskatchewan want; they want their government to consult with them; they want rational housing programs, and that's exactly what we're doing.

The member opposite has suggested that somehow the statistics that are being provided in the monthly market report are in some ways suspect. Well I want to let the members opposite know that the statistics that are presented in the monthly market report are in some ways suspect. Well I want to let the members opposite know that the statistics that are presented in the monthly market report are not generated out of my office; they are generated by professional public servants; that these statistics are in fact CMHC (Central Mortgage and Housing Corporation) statistics, data coming out of CMHC; and that if you take a close look at this particular information, you will find out that it is the kind of information that the industry in the province is very happy to receive on a monthly basis, which wasn't possible formerly. And what you have chosen not to do today, is to take a close look at the actual statistics themselves.

In 1986, today, urban single-family starts, housing starts, are up 54 per cent over last year. In addition to that, we

expect that the housing starts this year will be in excess of what they were in 1981, the last year in which you were in government; that they will be in excess of the housing starts in 1980, the second last year that the NDP government was in power.

Now I think it's incumbent upon the member opposite to let the public know all of the information. All of the information is that today this housing corporation is providing a much larger array of creative and innovative housing programs to meet the needs of people in Saskatchewan than was ever considered or was ever implemented under your government. And that's fact number one.

Fact number two is the housing starts today are up substantially what they were last year, and that we expect that they will be in excess of what was offered to the people of Saskatchewan during the last two years that your administration was in power. Now those are the facts; they speak for themselves.

I think they are indicative of a record that certainly we on this side of the Assembly are very proud of, and they are indicative of the kinds of things that this government wants to continue to do in the future, and we have every intention of doing in the future.

**Mr. Shillington:** — Mr. Minister, there are very, very few programs in the Saskatchewan Housing Corporation now which aren't simply renamed and warmed-up versions of housing programs started by previous governments. There are very, very few. Every one of the programs you mentioned was in fact started by either the government of Ross Thatcher or the government of Allan Blakeney. That is accurate. You simply rename, change programs to a modest degree, and you call it something new. That, Mr. Minister, may be innovating advertising. It's not innovative programs.

Mr. Minister, I am going to leave this subject; suffice it to say that I hope the public have an opportunity to listen to it. I also hope they have an opportunity to enter into a poll on this. I hope some time within the near future there's an election, and we can leave it to the public to decide whether or not your programs with respect to housing and unemployment are adequate.

I suspect if your housing program were all that you say it is, I rather suspect, Mr. Minister, that we would not be witnessing history unfold before our eyes — the longest government to hold office — the longest government to hold office in peacetime since the 30s, which I don't think coincidentally was a Conservative government — and I don't think it was coincidental that it was not re-elected; in fact not a single member was re-elected. I don't think those things are coincidence. I don't think it's coincidence either that you have a bad housing program, an atrocious record on unemployment, and you're now into your 50th month in office.

The handwriting is on the wall, and I think the noose has been slung over the branch of the tree for this government, it simply awaits a willing participant.

Mr. Minister, I would like to know . . . I want to get on to a

rather narrow topic. It happens to do with some senior citizen high-rises in my riding. I wonder, Mr. Minister, if there's any plans to make any changes in any of the senior citizens' high-rises in my riding? Has there been any discussion about changing the nature of any of those senior citizens' high-rises, or low-rises? I think of the one on Ottawa Street which hardly qualifies as a low-rise, but it is a senior citizens' housing complex.

**Hon. Mr. Dirks:** — Mr. Chairman, I do want to take a moment to respond to the accusations made by the member opposite concerning the statement that show how there have been now new housing programs introduced. That was your statement. We have the seniors' non-profit program, new under this government; we have the log housing program, new under this government; the elders' suite program, new under this government; and we have the enriched housing program, new under this government.

Now I thought it would be appropriate to remind the member opposite exactly how much money was spent by your government in housing programs in your last four years, and we'll compare that to the amount of money spent by this government in our four years. From '78 to '81, total spent, 71.8 million; '82 to '85, total spent, \$124 million — substantial increase. Low rental housing, 37.2 million under your administration, 38.8 under this administration; non-profit housing, 34.6 million for you people, 85.9 million for the Grant Devine Progressive Conservative government — substantial increase. What about subsidy expenditures for low-income people relating to housing — \$32.1 million for your administration, \$105.1 million under this administration. A substantial increase in all categories of housing compared to the priorities of your administration.

And we shouldn't be surprised because the priority of your administration was not really to respond to the pressing needs of individual people. You decided instead to build your Crown corporation empire, to spend taxpayers' money not to meet critical housing needs but to buy potash mines; to spend taxpayers' money not to meet the needs of seniors' housing but to buy uranium mines; to spend taxpayers' money not to meet the needs of seniors' non-profit organizations but rather to spend that money to buy land for your odious land bank scheme. Those were the priorities of the NDP.

They are not the priorities of this government. Our priorities are to do whatever we can to substantially meet the needs of housing in this province.

As it relates to the seniors' high-rise, low-rise in your particular constituency, we have no plans to significantly change what presently is taking place. Naturally there will be the ongoing maintenance process as one would normally expect.

**Mr. Shillington:** — Mr. Minister, I would like you to deal specifically with the housing program on Ottawa Street, Forman place specifically. There are no plans and no discussions with respect to any changes in the nature of that housing project. Do I have that in categorical terms?

**Hon. Mr. Dirks:** — That particular complex is not a

seniors' high-rise, it's not a seniors' low-rise, it's not a seniors' complex, as I understand it. And that's the question you asked about seniors.

As it relates to that Ottawa Street location, there are ongoing discussions with the Regina Housing Authority concerning the usage of that particular complex.

**Mr. Shillington:** — Well, it's certainly thought of by the people in it and by the neighbourhood as being a senior citizens' complex. I bet you 90 per cent of the people in there would qualify it as the term senior citizens. Mr. Minister, what do you regard that as? I'm surprised to see that is not a senior citizens' complex. What do you regard it as?

**Hon. Mr. Dirks:** — I believe there are 24 units there; and to the best of our knowledge, there are about three that are occupied by people over age 65.

**Mr. Shillington:** — We are dealing then, Mr. Minister, with a different complex. We're not talking about the same thing. I am talking about Forman place. You are talking about a condominium-type unit where everybody has a separate entrance out onto the street and so on. I'm talking about a different complex altogether, Mr. Minister.

I'm asking if there's any changes for the senior citizens' complex which I'm nearly certain is called Forman place. There is another complex on Ottawa Street across from the Trinity Church which is not a senior citizens' high-rise at all. I'm not talking about that. I am talking about . . . I may have misled you. Forman place may not be on Ottawa Street; it may be on Halifax Street. But I'm talking about Forman place itself.

Are there any plans for any changes in that complex? And then I'll get to the one . . . the condominium-type apartment which is across from the Trinity Lutheran church.

**Hon. Mr. Dirks:** — What's the address?

**Mr. Shillington:** — I don't have a telephone book. It's one of those things — I could drive there but I can't give you the exact address. Halifax, I think.

**Hon. Mr. Dirks:** — We're having difficulty locating the particular housing unit that you're talking about. If you're not talking about the one on Ottawa, then we're having difficulty understanding exactly which one you're referring to. And we're going to have to get more information before we can respond.

**Mr. Shillington:** — I'm going to go on to a different question then. If I can ever attract the attention of a page, I'm going to ask them to go to my office and get a copy of Henderson's directory and we'll settle it in a moment.

(1215)

Mr. Minister, I want to deal with the RAP (regional assistance program) program, R-A-P. It's my understanding that we are one of three provinces which have not signed the RAP program. I wonder why that is,



Mr. Minister.

**Hon. Mr. Dirks:** — Mr. Chairman, we're in the final stages of negotiating with the federal government, and we anticipate shortly signing all agreements on the operating side as well as the global agreement. And of course we have had more RAP expenditure funds here out of Saskatchewan, I understand, than the federal government has actually put in. So our commitment to rehabilitation is significant and will continue to do so.

**Mr. Shillington:** — Mr. Minister, what has been holding up the negotiations? I wonder why we must be one of three provinces which haven't signed. What's been holding it up?

**Hon. Mr. Dirks:** — We want to get the best possible fit between their rehabilitation programs and our rehabilitation programs. We will be the first province, I understand, to sign not only the global but all of the operating agreements, and we will hope to be doing so in the very near future. And we simply want to ensure that we are getting the best possible deal for Saskatchewan people as we can.

**Mr. Shillington:** — Well it doesn't quite answer my question. What has been the hold-up? I recognize you're trying to get the best deal possible and hope you would. Why have you had difficulty getting a good deal and other provinces haven't? Let me put it that way. What is unique about Saskatchewan?

**Hon. Mr. Dirks:** — Well, we anticipate of course having a better deal than some other provinces. It would certainly be imprudent for us to sign precipitately and then find out that somehow, somewhere along the road, that we made some kind of a mistake that one wished you hadn't have made. And that's all part of negotiating. You want the best possible deal. Sometimes that takes a little longer than it may have on other occasions. As I indicated, our commitment to rehabilitation funding has been substantial in the past, will continue to be so in the future.

**Mr. Shillington:** — Well, Mr. Minister, since I'm not going to get you to be candid with the Assembly, let me give you a series of "yes or no" questions. We have received complaints from city administrators who complain that because this province hasn't signed the agreement, they have staff sitting twiddling their thumbs. That's an exact quote.

Mr. Minister, I gather that the formula for assistance is apparently being altered. The old formula had a cut-off of 13,000 annual income. The maximum grant of \$5,000 was available to persons earning less than that. A person earning more than that received a dwindling sum, a sum that decreased as your income went up. The new formula apparently seems to provide a \$13,000 cut-off, but it's a steel door. At \$12,999 you get the whole thing. At \$13,001 you get nothing. Is that what is at issue? And if it is, who has been seeking that result? Has it been you or the federal government?

**Hon. Mr. Dirks:** — Well I understand that the federal government will continue some scale of income cut-off above the 12 or \$13,000 level, but I think the important

point to make here is that the federal government, as I understand it, has decided across the country to target those particular rehabilitation dollars to the very low-income scale, more so than had been done previously. And that has been their particular priority decision.

**Mr. Shillington:** — Well am I right or wrong that the 13,000 cut-off and the nature of the cut-off is one of the issues? Am I right or wrong about that?

**Hon. Mr. Dirks:** — Well this, as I indicated, is a policy decision which the federal government has imposed upon the nation, and they have decided that this is the way it's going to be.

**Mr. Shillington:** — Is there any issue at stake . . . The Minister is being remarkably close-mouthed about this. Is there any issue at stake with respect to who administers the program? Is the administration and the level of government which is to administer it, changed?

**Hon. Mr. Dirks:** — I understand the city will administer once the agreements have been executed.

**Mr. Shillington:** — Okay. Mr. Minister, with respect to the apartments at 1860 Ottawa . . . Now I have Henderson's — 1860 Ottawa. There are 34 apartments, I guess — 14 on the first floor, 14 on the second floor, and nine on the first floor. Is there any intention to effect any change with respect to that apartment complex?

**Hon. Mr. Dirks:** — We've sent one of the officials to get information concerning that particular site, so if you have another question, perhaps we could move on to that, and then we'll come back to this one.

**Mr. Shillington:** — Okay. There is the series — and I can't very quickly find the address here. There is the series of apartments which are condominium-type in nature, which each unit has a separate unit onto the street, which are across from the Trinity Lutheran Church — I can't quite get the specific address here. Is there any intention to change the nature of that? I understand that's what you were talking about recently when you said there were only three senior citizens, and there are ongoing discussions. So I'd like you to address yourself to that complex, Mr. Minister. I understand that's what you were referring to a moment ago when you got into the tirade you did.

**Hon. Mr. Dirks:** — Well I must indicate, Mr. Chairman, that it certainly would have been more helpful for us if the member opposite had been somewhat more prepared for these particular estimates concerning housing, in terms of locations and addresses and the more detailed information.

The particular location that he is referring to, in the past was of course non-profit type housing, and it had not been targeted, as I understand, to seniors, or to moderate income, or to natives. And there simply is concern that because of the fairly large subsidy level of the taxpayer, that we do have more appropriate targeting of those particular kinds of units around the province. And I understand that SHC and the Regina Housing Authority

are in discussion concerning that particular matter as it relates to that location.

**Mr. Shillington:** — Perhaps you could be a little more candid and tell me what you have in mind.

**Hon. Mr. Dirks:** — Concerning the Forman place location, we have been trying this morning to get in touch with the staff of the housing authority in Regina. They evidently are not available at this particular moment. We will find out and let the member know as soon as possible concerning that particular location.

As it relates to the Ottawa Street, I understand the discussions relate to the utilization of that particular housing facility for native people here in Regina.

(1230)

**Mr. Shillington:** — Okay. Certainly that's needed. What needs to be done, though, Mr. Minister, is to avoid the confusion and misunderstandings which occurred on Dewdney Street. I have received a lot of complaints from people in that area who don't have any idea what you're doing. That comes all the way from officials in the civic administration, to clergymen who live in the area, to the neighbours.

I wonder, Mr. Minister, if you could not be a little more forthcoming, not only with members of the Assembly, but with the public. And I wonder if it would be utterly fatal to the success of your programs if you discuss some of them with the neighbourhood before you implemented them. That I think was the most serious criticism of some of your predecessor's blunders.

And I would ask you, Mr. Minister, if . . . I say it in the beginning: I say it in the end: I endorse native housing; there's a need for native housing. But I wonder, Mr. Minister, if you wouldn't hold something in the nature of public hearings in the area. That would . . . (inaudible interjection) . . . Yes, good heavens, yes.

I recall, Mr. Minister, the former administration, when they were planning the infill housing, I remember attending more than one public meeting in the cathedral area where the infill housing took place. There was a series of charts, attended by officials . . . The meetings were attended by officials of the Saskatchewan Housing Corporation. They brought a series of charts and diagrams and explained to the neighbourhood what was going to happen. The neighbourhood after . . . I think there were some changes implemented as a result of the comments of the neighbourhood. The program went ahead, and I think it's one of the most successful housing programs that this housing corporation has implemented. It obviously wasn't done by your . . .

I remember as well, Mr. Minister, when the Embury place complex was considered. I remember attending a meeting. The Saskatchewan Housing Corporation at that time — the member from Regina Victoria might be interested in knowing that at that time Saskatchewan Housing Corporation had someone . . .

**An Hon. Member:** — I was there.

**Mr. Shillington:** — Right. And your member who was chairing it and who did such an able job of explaining the program. It's your opponent, Harry Van Mulligen, who did it. In those days that corporation had some people who could talk to the public; nowadays we don't.

And I say, Mr. Minister, I would ask you, Mr. Minister, if you would not consider public hearings in the neighbourhood before anything is done. That was really our real criticism of what took place on Dewdney Avenue. The neighbours were surprised, they were confused, and it caused a very serious problem. In the end result, you got nothing but goose-eggs. The natives got no housing and you got a headache out of it.

I wonder, Mr. Minister, if you wouldn't be prepared to proceed on that property — the complex apparently has no name — if you would not proceed with respect to that complex with a bit more due regard for informing the public and getting their comments back. As I say, it was done with respect to Embury place; the current member was there. The next member after the election was chairing it. The next member after the election chaired it. I'd ask you, Mr. Minister, if you don't think that ought to be done with respect to this complex. I think if you did, you'd avoid most of the problems.

**Hon. Mr. Dirks:** — Well I think one of the big differences is that back then you people built — the government built, Sask Housing built — on its own. This government has decided to work with organizations like St. Basil's — and they built; like the Circle Drive Alliance Church in Saskatoon — and they built, rather than government doing it all. Now that's a substantial difference in philosophy and approach: working with organizations rather than saying, this is the way it's going to be.

As it relates to the Ottawa Street location, we've been in discussion with the Regina Housing Authority, and they of course represent citizens here in Regina. If that isn't sufficient consultation process, I don't have any particular problem with some kind of a process of consultation with people in the area.

Those can be sensitive issues at times, because I think you and I . . . (inaudible interjection) . . . Well if the member opposite would just hold his comments for a minute so he could hear what I was going to say. Okay? Thank you. You indicated your support for native housing. And in this particular instance we're talking about housing for native students, both married and non-married. All right?

Consultation processes can be held in different ways, I suppose. And there is always a concern that sometimes what you and I might want to see happen won't happen by virtue of a consultation process taking place. Sometimes that happens, because the community doesn't understand or it simply rejects outright. And then you have to say, well I'm sorry, the laudable goal that you and I agreed on in fact can't be reached.

Now I have no problem with consultation. I am one of those who agrees very strongly with that. That's why we're involved with the organizations at Fifth and Pasqua. That's why we're involved with organizations at

5th and Pasqua right now.

So I would indicate again to the public that our particular approach has been to work with organizations, with St. Basil's, with the Alliance in Saskatoon, so that those particular organizations are the ones that are deciding: we want a housing project, we'd like some assistance from the government. Grace Lutheran is another example. And we are working with them rather than deciding this is the way it's got to be; this is how it's going to be done. The big brother approach of the NDP, that is not our approach.

**Mr. Shillington:** — Let me clear up any misunderstandings. This province has been working in partnership with churches to build residences for decades. That was not a program which we undertook, but it was one we participated in . . . (inaudible interjection) . . . Oh, for Heaven's sake, they have been going up for decades; that's not something you started. That is not something you people started. That's absolute and utter nonsense. That's not something the Blakeney government started. It was ongoing in the '60s.

Mr. Minister, I want to complain about the process here. And it reminds me of what you did to the member from Saskatoon Nutana with that complex. She found out . . . I think she found out the same time the public did. She was furious, and she had every right to be, and so do I.

Mr. Minister, what would have been the harm in you picking up the phone — I assume that SaskTel supplies you with a phone — or dropping me a letter and telling me what you were doing? Until I started to badger you today, I couldn't get any information about this thing. And I am a member of the Legislative Assembly; I have some avenues that aren't open to the general public. The general public can't get any information about it either.

You say, Mr. Minister, there are certain sensitivities with respect to housing for native peoples. Of course there are. I wish there weren't. I wish Canada didn't have racial problems, but it does, and we ought to recognize those racial problems. Absolutely nothing is accomplished, Mr. Minister, by proceeding in the dark of night, not telling anyone what you're doing, and springing it on them. All you do is inflame everybody's worst fears.

I say, Mr. Minister, that had these estimates, had I not been present for these estimates, had I missed this morning's for some reason or other, never would have found out what's going on. I never would have found out what's going on, Mr. Minister, and you would have proceeded merrily down the road, and all of a sudden there would have been an announcement, and real trouble would have broke out.

I say, Mr. Minister, you should hold a public meeting over in that neighbourhood. It ought to be well advertised. You ought to tell them what you're doing and try and make some attempt to allay their worst fears. What you are doing now in proceeding in the dark of the night with the project, you are going to fan people's worst fears. That is not the way to solve the problem.

I don't intend to carry on, Mr. Minister, with the issue any

further, except to urge you in the strongest possible term to contact the pastorate at the Trinity Lutheran Church, book an evening in the Christian education centre in the church which is right across the street from the complex and hold a public meeting; get some of your officials there, and tell them what on earth you're doing, and stop proceeding in such a secret fashion. That is what is getting these projects into trouble, and we need them. We need housing for natives and need it badly. But you people handle it some incompetently that you've got nothing but goose eggs all over your head.

Mr. Minister, I'm basically going to leave it at that. I only raised . . . Unless there's some plans to change Forman House, I don't think the minister needs to get back to me . . . didn't think there was. I simply had heard rumours of something happening in the east side of my riding. I had made inquiries and got nothing, absolutely nothing. And I raised Forman House first to eliminate it, because I assumed the answer would be, nothing's planned with respect to Forman House. So unless you're planning something with it, you don't need to get back to me. I don't think there is. I just raised it to eliminate it.

Mr. Minister, let me clear up one misconception. The Regina Housing Authority, for all its capability and talents, does not represent that community, that east-end community. The Regina Housing Authority is made up of representatives of the federal, provincial, and civic government. No representatives of that community sit on that board. And there's nobody on that Regina Housing Authority who has a responsibility to go back to that community and talk to them. That is your responsibility, and I urge you to hold some public meetings with respect to that complex before you create all kinds of wild and unrealistic fears about what's happening.

With that, Mr. Minister, I have no further questions, and these estimates can proceed, subvote by subvote, unless you have some comment.

Item 1 agreed to.

Items 2 to 11 inclusive agreed to.

Vote 51 agreed to.

**Consolidated Fund Loans, Advances and Investments  
Saskatchewan Housing corporation  
Advances (Statutory) — Nil Vote**

**Supplementary Estimates 1986  
Consolidated Fund Budgetary Expenditure  
Saskatchewan Housing Corporation  
Ordinary Expenditure - Vote 51**

Item 1 agreed to.

Vote 51 agreed to.

**Hon. Mr. Dirks:** — I simply want to thank the officials for their assistance in helping us with estimates today.

**Mr. Shillington:** — I also wish to thank the minister's officials for assisting us.

**Consolidated Fund Budgetary Expenditure  
The Saskatchewan Assessment Authority  
Ordinary Expenditure - Vote 44**

**Hon. Mr. Dirks:** — Yes, Mr. Chairman. Seated beside me, Mr. Don Bennett, executive director, and seated beside him to his right, Mr. Dave Robinson, assistant executive director.

**Item 1**

**Mr. Shillington:** — Mr. Minister, I wonder if you would give us the salaries of the senior officers. You can give us this in writing again, the salaries of the senior officers, and any increases which they may have been awarded over the last 12 months.

(1245)

**Hon. Mr. Dirks:** — Mr. Chairman, I'm pleased to provide that information to the member opposite. I've just given it to the page.

**Mr. Shillington:** — Can I ask when the increases were awarded?

**Hon. Mr. Dirks:** — We're not sure of the exact date. Can I send that over to you at a later time?

**Mr. Tchorzewski:** — Thank you, Mr. Chairman. Mr. Minister, I was going to ask you some questions about the new assessment management agency, but I think I will save most of them until we consider the legislation in committee.

Can I just ask you this, then: what kind of funding will be arranged from the part of the government for the management assessment agency?

**Hon. Mr. Dirks:** — As indicated in my second reading speech on the Bill, we will be continuing on the '85-86 appropriation level into the future from the provincial government, and anything over and above that which the agency deems to be necessary to carry on its activities will be cost-shared, 50 coming out of the provincial treasury, 50 coming from the municipalities.

**Mr. Tchorzewski:** — I was not here yesterday, and I did not have the opportunity to look at your comments in *Hansard*. After that initial period, will you be transferring all of the staff to the assessment management agency, all the staff who were there? And will there also, in your opinion, be a need for additional people in order to catch up the backlog which I think still exists from the point of view of assessments across the province?

**Hon. Mr. Dirks:** — Yes, there will be full and complete transfer of staff over to the agency, and of course it will be up to the agency to determine what their staffing requirements will be.

**Mr. Tchorzewski:** — And you will still then provide 50 per cent of the funding?

**Hon. Mr. Dirks:** — Yes.

**Mr. Tchorzewski:** — So I suspect you will have an interest in the number of staff who are there.

Mr. Minister, can you tell me what the cost was for the operation of the urban assessment task force? Are you able to give us that information?

**Hon. Mr. Dirks:** — The cost of the urban report or study, pardon me, I believe was \$37,285.62.

**Mr. Tchorzewski:** — Did this task force include members of the legislature? I think there were. Was there a Legislative Secretary involved with this task force — your Legislative Secretary or the former minister's Legislative Secretary?

**Hon. Mr. Dirks:** — I believe there was at the time, Mr. Morin, the member for The Battlefords, who evidently was a Legislative Secretary at that particular point in time. I don't know who he was involved with. We'd have to check that out. He was the chairman, and then there was the mayor of Melville and a retired appraiser, a Mr. Koyl, who was a member as well.

**Mr. Tchorzewski:** — Can you provide me, Mr. Minister, with any financial benefits or expenses that were covered for the member for The Battlefords in the performance of his duty as the chairman of this task force?

**Hon. Mr. Dirks:** — Any expenses he would have incurred would naturally come out of Executive Council related to his responsibilities as Legislative Secretary.

**Mr. Tchorzewski:** — So out of this \$37,285 that the task force cost, you say there were no expenses paid out of that to the member for Battlefords.

**Hon. Mr. Dirks:** — That is correct.

**Mr. Tchorzewski:** — Thank you, Mr. Minister. Therefore, I will pursue that further with the Executive Council when it gets here.

Mr. Minister, there has been a lot of discussion about roads in the oil field areas of the province, and the beating that they take from service vehicles and drilling equipment and sort of the pretty heavy pieces of equipment. And it's been suggested that a special additional assessment to the wells, or that a new well-head tax, be turned over to local municipalities to pay for road and maintenance. Has this been in any way discussed through the assessment authority or would they have anything to do with it? Has it been brought to their attention?

**Hon. Mr. Dirks:** — No, it's not something that the assessment authority has been involved with, and of course assessment in the future is something that naturally will be dealt with by the new agency. So if there is an assessment consideration to the problem that you're talking about, then it's something that the new agency would naturally be interested in.

**Mr. Tchorzewski:** — Has the government proper, Mr. Minister, concerned itself about this situation and have you had any deliberations about what the position ought

to be?

**Hon. Mr. Dirks:** — Well you better direct that question to the Minister of Finance if it relates to tax issues. I wouldn't be the one to more appropriately deal with that.

Item 1 agreed to.

Items 2 to 4 inclusive to.

Vote 44 agreed to.

Vote 22 agreed to.

**Hon. Mr. Dirks:** — I'd like to thank the officials of the Local Government Board for their assistance today and, of course, throughout the year.

The committee reported progress.

The Assembly adjourned at 1 p.m.

**Supplementary Estimates 1986  
Consolidated Fund Budgetary Expenditure  
Saskatchewan Assessment Authority  
Ordinary Expenditure - Vote 44**

Items 1 and 2 agreed to.

Vote 44 agreed to.

**Consolidated Fund Budgetary Expenditure  
Local Government Board  
Ordinary Expenditure - Vote 22**

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

**Hon. Mr. Dirks:** — Yes, I have with me, Martin Janzen, a member of the board; and Marilyn Saucier, secretary.

**Item 1**

**Mr. Tchorzewski:** — Mr. Minister, can you provide me with the usual information about the salaries of your senior administration?

**Hon. Mr. Dirks:** — I would be happy to do that. Can I put it in a little bit more legible form and write it out and send it over to you?

**Mr. Tchorzewski:** — Mr. Minister, one other question. There are no changes in here as I can see, except that I notice there's no changes in staff, but the total increase in your budget is \$2,900, which is not a major increase. Can you tell me whether, in light of that, there are any reductions in the amount of work that the Local Government Board intends to do. If there is an increase in salaries this year, I don't think that that amount would even cover that — and I'm not assuming anything because I don't know what they might be.

**Hon. Mr. Dirks:** — We expect a normal work-load in the upcoming year, and an efficient operation by the board, which is why we're looking at the rather small, very modest increase in appropriation.

**Mr. Tchorzewski:** — If there is a salary increase because of negotiations or what not, what's the procedure? Will you then have special warrants to make up for it? Is that the usual procedure that you employ?

**Hon. Mr. Dirks:** — Well if we can't absorb you might have to go to that, but naturally you look at absorbing first.

Item 1 agreed to.