

The Assembly met at 8 a.m.

Prayers

## ORDERS OF THE DAY

### GOVERNMENT ORDERS

#### COMMITTEE OF THE WHOLE

##### Bill No. 2 — An Act respecting Railways in Saskatchewan

**Hon. Mr. Hodgins:** — Thank you, Mr. Chairman. Mr. Chairman, I'd like to introduce to you, and to members of the legislature, Bernie Churko, on my right, and immediately behind me, Dale Beck, and beside Dale is Bill Cooke.

##### Clause 1

**Mr. Lingenfelter:** — Mr. Chairman, and Mr. Minister, I want to begin by giving a short outline of concern that we have, not only about this Bill, but about transportation in Saskatchewan in general. I guess it's been a long-standing concern of ours that, not only this federal government, but previous federal governments, particularly with the Trudeau government and now with the Mulroney government, have taken an approach to the rail system in this country which is disturbing to many people in rural Saskatchewan.

What was, I think, an excellent rail system when it came to handling grain in this province . . . we received very few complaints from farmers about the transportation system in terms of it being accessible to farmers and getting their grain off the farm and to the ports. From time to time there isn't enough rolling-stock and we work away at that and fix that up, but in general, the national rail system, which was designed and has been improved many times, served the country well up until the mid-'70s when the then Trudeau government, and now the Mulroney government, started to rip it apart and rip it down.

I guess what I see happening here today with this Bill is a continuation of that approach by the federal government to abandon rail lines and subsequently abandon farmers and small business in those small towns where the rail lines are abandoned, and now with the active support of the provincial government in picking up the dregs that are left over.

And what we are getting is a very much fragmented rail system, and in a way a balkanization of Canada whereby we'll have this little rail running here and it may not fit into a national network. This is the concern, Mr. Minister, that we have with this Bill.

And in general in transportation, the last eight years, I think, have not been great news for transportation in generation in this province. And as I travel around — I want to use the example of the highway system and the grid road system — I feel that the highway system, for

example, in this province is falling into wrack and ruin. I see more signs up now per mile saying slow down or lose your windshield than I have ever seen since I started driving, and that's now a good number of years ago. There are as many signs, Mr. Chairman, that say slow down because of a bump ahead as there are numbers on the highways.

The Red Coat Trail which runs across the southern half of the province is in fact a trail. It was much better back in the 1940s when it was built, and in the '30s when they were using work camps during the depression of that era — another Conservative government in power — and they used horses and that kind of equipment to build that highway. It's interesting that with modern technology and eight years of Tories, that Red Coat Trail is in fact a trail, and it should be, with you people in power, signed as a historic event to drive over that highway at certain spots. It is just in a terrible, terrible state of decay and decrepitness, and I think it's symbolic of a government that is in much the same state.

I want to say as well that when it comes to the airline system in this province, things have not improved there either. When you people came to power, Canadian Pacific, I believe, was flying into this province. They have pulled out. Frontier Airlines was flying regularly, every day, from Saskatoon, Regina to Denver, and they have now pulled out. They have left this province, abandoned it, because they say that the economy of this province and the government that is running it simply isn't providing the economic stimulus that will continue to provide the operation of their airline.

So if you look at the highway system, the grid road system, they are in much worse condition. The airlines that used to fly in here are pulling back because they see a depressed economy and a government that isn't doing anything about it. If you look at the bus service in this province, it simply has not gotten better. I know the minister is now out running around buying buses here and there; it's too bad they're not purchased and built here in the country, but maybe with the free trade agreement it's easier and cheaper to go somewhere else in the world to buy them.

But all of these things, Mr. Minister, lead me to believe that we have a government that is not standing up for the very people who built the province. And that's my concern about this Bill. And we may be better off abandoning half of the rail lines in the province and then having two or three little operators running an oilcan railroad out there with individuals running a little spur line here, and then if somebody else can afford it, running another spur line over there.

But my vision of the future is something different than that. It would be a national network of rail lines that would be built to service the public, not built to pick up the pieces and provide a little bit of incentive for some entrepreneur. I think the rail system should be for the farmers and small-business people of rural Saskatchewan. And that isn't going to happen under this Bill.

What I would much rather see is a Bill or a resolution here that would call on the federal government to maintain the branch lines in the province. I think that's what is needed and that's what the farm groups are calling for. This is but a way of the federal government shifting the onus and responsibility of rail lines and the funding of rail lines onto the backs of the province.

And you people over there, including the Premier — I don't blame the junior Minister of Transport for not being able to do the job of standing up to the federal government. That's not . . . (inaudible interjection) . . . no, I quite sincerely say that that is not the duty of this minister. The responsibility for defending the transportation system of this province in terms of the rail lines is the responsibility of the Premier. He's the Minister of Agriculture. He should know that this Bill is but an attempt to cover up the tracks of his counterpart in Ottawa. And I think that unless we stand up in many areas, this is only one area where I think we're failing.

I want to say, Mr. Minister, that the Premier will often say, well in the United States they've abandoned their rail line and they've gone to trucking. But I want to say, it is quite a different system down there, and you will be well aware of the difference in the system, that the federal government down there plays quite a different role when it comes to providing transportation to the different states.

Now I don't believe that you have done anything when the shift is taking place from railroads to highways, to ensure that the federal government picks up the cost of some of the highway system. This is the case in the United States. All the national highways, the interstate highways that exist in the United States are cost shared between the federal government and the state government. And as the shift occurs from railway, which was a national transportation policy of the American government, to a highway system, trucking, in general, the federal government, I believe, is picking up for more of the maintenance, the bridges, and the actual highway construction of the interstate highways.

I don't think you people are doing any of that, and when I get into the general questioning, I want to know whether you have an agreement with the federal government that as the shift occurs from rail line to highways, i.e., a shift from federal government responsibility to provincial and municipal, that you're going back to them and saying, well if the shift is going to occur, we want some money out of the federal government to take care of the highways. I don't think that's happening, and that should be of a great deal of concern to you and to the Premier and, more importantly, to the people of the province.

So I want to say to you, Mr. Minister, if you'd give us a general outline of your view and vision of what the rail transportation, or if you've got a different transportation system, if you're looking at highways taking the place of railways, give me a vision of how this is going to work. As the rail lines are shut down in this province do we expect that all of the cost then for transporting grain will be picked up by the province in terms of the highway system and the grid road system?

Because we should be not only thinking about today and

one spur line here and one spur line there, but a general transportation policy for the province. And I wonder if you would just lay out for me your vision of what that transportation system will look like.

**Hon. Mr. Hodgins:** — Thank you, Mr. Chairman. In response to the hon. member, the hon. member has raised a number of concerns and a number of points. And frankly some of them I very much agree with, and other points that the member has raised I certainly take issue with.

I would say that the hon. member, from his firsthand experience in the farming business, does have quite a comprehensive knowledge of transportation systems in Saskatchewan, and I once again say that there are some points on which we agree. Firstly, that is that over the years in general terms the rail system throughout this country has served the people of Canada and most specifically the people of Saskatchewan quite well.

The member has brought up the issue of rail line abandonment and his concerns over rail line abandonment. I would say that government members on this side of the House definitely share that concern. I believe that to be borne out and proven by the many representations written and oral and otherwise that members on this side of the House have undertaken with respect to branch line abandonment hearings.

(0815)

I could list I think at least half a dozen of our members who have taken a very close interest in such proceedings and have represented not only their constituents but indeed the general public of Saskatchewan very well at many of these hearings. I myself have made firm and strong representation to my federal counterparts with respect to the issue of branch line abandonment.

The member has gone into quite a dissertation on overall transportation systems in Saskatchewan. He's talked about the highway system. He has talked about the airline system. He has talked about the bus transportation system. I think he left out a few. I don't think he talked about taxi-cabs or truckers, but they too form part of a transportation system.

I want to take great issue with the member opposite in his statements that the highway system has never been worse, I think would be a close capsulization of his words. I could talk at length at the many multimillions of dollars being spent on the highway system in the province of Saskatchewan. I could talk at length about the significant increases, not only in this year's budget but in last year's budget. I think in this year's budget an additional \$10 million of moneys directly spent in our highway system, and certainly \$10 million is a lot of money. And I believe the taxpayers of Saskatchewan know and recognize that.

I could go on at length, Mr. Chairman, and talk about the airline industry and the bus industry and the new buses that will be purchased by this administration to keep bus service going and alive and well in rural Saskatchewan, but I'll choose not to, Mr. Chairman.

I say in an overall sense this government is very concerned about rail line abandonments, about the competitiveness and the high cost of inputs in the farm sector. I believe that we have a very genuine concern regarding the overall service with respect to rail transportation to our farmers, and that concern is expressed as well in the general overall grain freight rates.

I don't have the percentages of costs that grain freight rates are of an average farmer's expenditures, but I know they are significant, and I know that any reasonable government and any reasonable minded person, business thinking type person would know that grain freight rates are an important part of a farmer's expenditure, and one does have to pay very close attention to the overall rates within the system.

At the same time, one has to spend a great deal of time and effort and energy and compassion and interest in the individual service to farmers, and indeed to communities. And when branch lines are abandoned, or threatened to be abandoned, it is a shock to communities. And it does have significant impact on those communities and significant impact on the farmers themselves. And in turn the farmers' pocket-book, and ultimately in turn, indeed has an impact and an effect on our highways and grid road systems.

The member opposite is very correct in saying that when there is a shift from rail to road that pressures will build. And we have noted this in Saskatchewan; we have done considerable work in studying and estimating and paying due diligence to the impact that the shift from rail to road will have here in Saskatchewan.

The member opposite has stated that this government has done nothing with respect to looking at that compensation and seeing where it may be picked up. I want to take issue very much with those statements. I can tell you that this administration has worked long and hard on studying that very subject. We have brought forward, together with my counterparts from across the country and especially western Canada, whom I've worked very closely with, we have brought forward to the federal government a comprehensive package, or a comprehensive outline or plan or blueprint or vision, to use the member's own words, for federal government sharing and responsibility for interstate, if you like, highways. Interprovincial highways are now analogous to the interstate highways in the U.S. to which the hon. member referred.

I would be pleased to provide in detail briefing notes to the hon. member on the progress that we have made with respect to lobbying, if you like, the federal government to cost share in interprovincial highways. I'd say that to a degree we would thus far been successful in that, and I would ask the hon. member to take note of a federal/provincial cost shared funding agreement on the Yellowhead Highway, Highway No. 16 and a very important highway, indeed, a trans-Canada highway. And that I believe was an important step put forward and made by this administration in gaining cost sharing on the Yellowhead Highway.

I want the member to know that we will not stop there and we have not stopped there and discussions are ongoing with the federal government. And I would look forward to the day when this administration could stand and announce the acceptance by the federal government of a comprehensive federal-provincial cost shared program.

So I hope that that would update the hon. member on discussions that have taken place, work that has taken place, and indeed the vision that I have for the transportation system in Saskatchewan.

**Mr. Lingenfelter:** — Well the minister explains what can only be called a very interesting vision of what he sees the transportation system to look like. I think most farmers are beginning to say that the vision that this government has of the transportation system is a nightmare. They see their grid road system basically falling apart. They can't afford to build roads because of cut-backs in grants to rebuild grid road systems. And I say to you that when it comes to the rail line system in this province it simply is not better since you people have come to government. And what you're doing now is passing a Bill that will try to cover up the tracks of Brian Mulroney, your buddy in Ottawa.

What I want to know, Mr. Minister, is how many miles of rail line have been abandoned in the years since you took over government? Have you got a record of the number of miles of rail line that have been abandoned?

**Hon. Mr. Hodgins:** — Thank you, Mr. Chairman. As a matter of fact, I do. And I would send this . . . I'll have this copied and send this to the hon. member. And you may take note from 1972 to April 1982, and that time period would correspond with an NDP government, I would make the case that 1,004.8 miles of abandonment orders were issued. During the period May '82 to June 1989 a total of 257 miles of abandonment orders have been issued.

So I don't think, in all fairness, the hon. member could make a fair argument that under a Progressive Conservative administration, abandonment orders have been more than under the New Democratic administration, and I'd be very pleased to send this to the hon. member.

**Mr. Lingenfelter:** — Mr. Minister, it's true that in the years of Pierre Trudeau, there was a great amount of abandonment. We fought very hard to try to change the idea of the then Otto Lang who your now Minister of Finance knows very well and worked with at that time. You'd think that the now Minister of Finance would have had some influence over the federal Liberals because he was a Liberal, and Colin Thatcher, the then minister of Energy, was a Liberal. You'd think that they would have had some control over Trudeau in their abandonment scheme.

I guess what the farmers expected is that when we got a Conservative government in Ottawa, supported largely by western people, that that would have ended. And in fact, not only would they have stopped abandonment but would have went back and opened up some of the rail lines that had been closed down by the Liberals who had no support in western Canada.

The surprising part is, Mr. Minister, is that you continued the tradition of Pierre Trudeau in terms of abandoning rail lines. That's the very . . . you couldn't have made the point more clearly that the national policy that was started by Pierre Trudeau of shutting down rail lines was not reversed by the federal Tories and you people when you got into government. And this is a federal responsibility, shutting down rail lines.

I'm not saying that you people closed them down. Obviously the 257 miles that have been closed down since you came into government are not the direct responsibility of the Premier. That is not who closed it down. Nor was it the previous provincial government who closed it down in the 1970s. The people who close down rail lines are the federal government — the Liberals in the 1970s and the Conservatives in the 1980s.

The question is, is what have you done during that period to stand up to Brian Mulroney and say, look, we don't want rail lines shut down? Your response has been silence, and that's the main difference. And the abandonment continues. And what I want to point out to you, that it simply isn't good enough to say that we're doing less than Trudeau did. It isn't good enough for the federal Tories to say, look, we're only shutting down a third as much as Pierre Trudeau did. That's not good enough.

The people of this province and federally, when they voted for Conservatives, thought there would be a change in national programs in terms of rail lines, where rail line abandonment would be shut off and we would have even gone back and recaptured some of those rail lines that had been shut down by the Liberal administration in Ottawa. That's what was expected and that has not happened.

And I guess what I'm saying, there's a great deal of disappointment in rural Saskatchewan when you people don't stand up for what was ours and what we believe was part of a system that was doing a good job.

People don't believe now that you're standing up in terms of the grain industry when you allow the grants and loans under the cash advance system to be cut off this crop year. They really have a question about your commitment to farmers in this province. And I know, Mr. Chairman, in your area if you haven't got calls from farmers who are curious and interested and disappointed and upset about the cash advance being cut off this year, then you're not close enough to your home. And maybe it's because you're in a region where the crop isn't coming off yet; that could be the other reason.

But in the south-west where I farm, much of the crop is in the bin; farmers have hauled in their 3 bushel quota and are now looking to get a cash advance. And for the first time in many, many years under a Conservative administration, provincially and federally, there is no program. And so I say to you, in the area of transportation the same kind of questions are being asked: what is the Premier doing to stand up to Ottawa? And I say, nothing.

When it comes to airlines, when it comes to rail line, there

is no protest about the closing down of the 257 miles that have occurred under your federal government counterparts. The question isn't who is in government provincially; the question is, is Trudeau or Mulroney, Liberals or Tories, committed to the western grain transportation system? And it's clear that neither are — it's clear that neither are.

The question I want to ask you, Mr. Minister, can you tell me which of the western provinces for this kind of a system in place that will allow for private ownership or for small, short-line railways to be in existence; and can you give some examples of where this system is working?

**Hon. Mr. Hodgins:** — Mr. Chairman, I do find the hon. member's comments quite interesting. The hon. member has made some statements about the fact that 1,004 miles that were abandoned from 1972 to 1982, the hon. member said, oh well that was the Liberals, that was Trudeau. So we, as the NDP, don't want to take any responsibility for those 1,000 miles, or thereabouts, that were abandoned from 1972 to 1982.

If you go back from 1972, 1972 with an NDP administration right today, you would find that some 79.6 per cent, just about 80 per cent of the abandonment orders that were issued were issued under the NDP administration, provincially, here in Saskatchewan. The hon. member has said, well that is the Liberals in Ottawa. I want to remind you, Mr. Chairman, that it's a well known fact, a well known fact that the NDP in Saskatchewan, over history, supported, supported the Trudeau Liberals in Ottawa. Certainly the defeat of the Joe Clark government, as I recall history, had NDP members from Saskatchewan voting with the Liberals. Now I ask anyone to deny that. And I once again want to reiterate, that under an NDP administration, between 1972 to this date, 79.6 per cent of the abandonment orders that were issued were issued with an NDP government in power.

(0830)

The member opposite has asked, well what have the Progressive Conservative in Saskatchewan done about rail line abandonment? I want the hon. member to know that this administration has stood side by side with the farmers of Saskatchewan in virtually every geographic area in this province and assisted farmers and been to meetings and stood up for farmers in Saskatchewan.

The members opposite laugh and the members opposite heckle. I will tell you hon. members of the opposition, that I can look right here to my left, and I ask the hon. member to perhaps pay close attention. Just a short distance away there's two gentlemen sitting to my left. These gentlemen have fought long and hard. One hon. member has been I think to 18 public abandonment hearings; the other member has been to three or four. I'll say these two gentlemen may not have much hair, but when it comes to standing up for the farmers of Saskatchewan and representing them at branch line abandonment hearings, these gentlemen will prove second to none.

And I would ask for the hon. members opposite to try and match any record of this administration in standing up for

the farmers of Saskatchewan at branch line abandonment hearings. I would ask the members opposite to match my personal record with direct interventions with the federal Minister of Transport on behalf of many geographic areas in the province of Saskatchewan.

And, Mr. Chairman, I would at this time like to send over to the member opposite that summary once again, of abandonment orders issued under the NDP administration in Saskatchewan, just about 80 per cent of all the abandonment orders issued between '72 and 1989.

**Mr. Lingenfelter:** — Well, Mr. Minister, I have to say I'm disappointed. We've been trying to carry on a reasonable debate, concern about farmers, and you want to get into a political harangue. So you want to get into a political harangue, then that's what we'll do.

What we had started here, I had expected to be finished by now. I had allocated half an hour for committee on this Bill, but you want to get into a political harangue. Well we'll get into a political harangue.

Now I want to say to you that your two counterparts to your left — I don't think they're to your left, I think they're to the right of Attila the Hun — but I say to you, these two individuals I can tell haven't done their job. I mean they may have pulled their hair out trying to get the Premier to do something, but they simply have not succeeded in getting a transportation system that is meaningful to any of the farmers. That's the truth.

I want to say to you, Mr. Minister, that this same trait seems to be happening to you. But I want to say to you that the system of rail transportation in this province is not working. It simply is not working under your administration.

Now you brought up the issue of Joe Clark. I want to say, the reason that Joe Clark was defeated, because he was a wimp, and the people of Canada knew that, and they kicked him out.

Now the problem is, Mr. Minister, is that your Premier is getting the same image in dealing with Ottawa — the wimp. That's what they're saying. Why doesn't he stand up for the transportation system? Why doesn't he stand up for the loan program, the cash advance? Why doesn't he stand up when the interest rates are so high farmers can't keep their farms, and there's record numbers of foreclosures?

Well, you say, interest rates were tough in the 1970s. They were, but I was farming then. I was farming then. It was the time when I was paying income tax like never before, and the minister from Rosetown knows that. Farmers could much easier pay the 18, 19 per cent in 1980 than they can 13 and 14 under your administration — much easier, much easier.

I'll tell you, Herb . . . I mean the Minister from Rosetown, that . . .

**Mr. Chairman:** — Order.

**An Hon. Member:** — He caught himself.

**Mr. Chairman:** — Order, order. Members are getting into debate that isn't really relevant to the Bill. Order. I'd like members to keep their remarks to the Bill, Bill No. 2, that's before the committee.

**Mr. Lingenfelter:** — Mr. Minister, I want to tell you that when Joe Clark was the prime minister of Canada, there was an election, and the Tories were turfed out. I want to tell you why that happened. It happened for the very issue we're talking about — because of his lack of support for western Canada and for the farming community. And that's why I say this government, because they're not standing up for the farmers, and I say not only here on the rail transportation issue — this is but one area that farmers are disappointed. They're very disappointed.

And I want to say to you that if that continues, if the Premier of this province does not go to the first ministers' conferences and argue, for example, money for the drought program which would help them stay in business to deal with the higher freight rates we see as a result of the abandonment, if he doesn't argue to have the cash advance put back in place that will help them pay the higher freight rates that abandonment is leading to, then he will suffer the same fate as Joe Clark and basically for the same reason.

Joe Clark wasn't kicked out by the NDP. We would have if we could have. We'd kick out Tories anywhere if we had the chance. We would love to be responsible for kicking out Joe Clark. We would love to take credit for that, but we can't. The people of Canada kicked him out. The question is why? The question is because he was seen to be a wimp because he didn't stand up for the people of Canada. And I say that the minister who is here before us defending the abandonment today, defending it, has much of the same image, and the Premier is getting that same image.

So I want to ask you a very specific question. If you want to get into a political harangue, we'll stay here all day and talk about transportation and your neglect in that area. But I asked you specifically in my last question for examples of where this system that you're talking about is working, and you refused to answer. You refused to answer because you have no answers.

You want to talk about Joe Clark, you want to talk about your colleagues to the left who have done such a great job out there in rural Saskatchewan. Well I can't understand why farmers are getting together at meetings, concerned about foreclosure, why R.M.s are declaring themselves disaster areas for the second, third year in a row with you people in government, if there's no problem.

But I don't want to get into that debate, Mr. Chairman, because the Premier has said there's no problem out there. He's told us two days in a row, no problem in rural Saskatchewan because I have a formula here, he says — a formula. He says this formula means there's no problems. Well I don't think we can convince these people that there's a farming problem out in rural Saskatchewan. Well I think maybe there are a few. I think the member for Arm River knows full well that there's a problem. He has

contact with farmers. He still goes back to the farm on weekends. Some of these people don't any more.

They've got their formula that they work out on their computer, that they plug in the numbers and the formula works out, and it comes out the other end that farmers aren't in trouble. And so the Premier comes to the House and asks his hundred-thousand-dollar boys sitting around him: they say the member from Elphinstone says there's a problem out north of Maple Creek; I want you to plug the numbers into your computer. They plug them in — no problem there.

But I say to you, Mr. Minister, that your lackadaisical attitude here in this House today and your attempt to shuffle off this important issue by talking about the defeat of Joe Clark is a sad signal for the farmers of this province. You want to be in a political harangue? Well we can spend the rest of the day . . .

My simple question to you is this. Now you may want to answer it or you may want to continue on with a political fight. My question to you is a very straightforward one, and one that I want to get an answer to, is: where is this system working that you're promoting here today?

**Hon. Mr. Hodgins:** — I apologize to the hon. member that in my last answer I did neglect to answer the specific question that you asked.

Mr. Chairman, in direct response to the hon. member, the hon. member would know that there are a number of short-line railways operating throughout the country, many of them are directly related to the resource sector. You will find, even in the province of Saskatchewan right now, Manalta Coal, I believe, in the southern part of the province, has a very short-line railway. And so you may find examples of it in the province of Quebec, in the province of Ontario, in the province of British Columbia, Prince Edward Island, and other provinces that I am not aware of.

Now if you ask specifically about short-line railways *per se* that are being . . . that are in operation in western Canada, I think the hon. member is likely aware in the province of Alberta there is a short-line railway under the direction of a gentleman by the name of Tom Payne. It has received fair bit of media attention, and I understand it's doing quite well.

**Mr. Lingenfelter:** — I wonder, Mr. Minister, if you could tell me as well, if you would inform me: what is the arrangement with the federal government when these lines come into existence? Does the same funding formula apply to these short-line rail systems as apply to CN (Canadian National) and CP (Canadian Pacific) for upgrading and maintenance of the track? What is the arrangement that is got to? Does the company own the track bed and the rail and the engine and lease the rolling-stock? Can you give me a little outline of how the system will work.

**Hon. Mr. Hodgins:** — Mr. Chairman, I'd like to stress to the hon. member that the short-line railway in existence in the province of Alberta was initiated as a demonstration project, that is, the federal government

taking recognition of the fact that alternatives to branch line abandonments should be explored, has started demonstration projects. One of them in the province of Alberta was initiated as a short-line railway.

I do not have all of the information on just what form the agreements between the federal government and the province of Alberta took, were. I can tell you that the rolling-stock in that short-line railway is under a very similar type of arrangement as the CN or CP arrangements, and that is there are lease arrangements between the grain car corporation in the federal government and Central Western Railway, and I don't have the specifics, but it's essentially along the lines of the same type of a rolling-stock agreement as CN and CP have.

As far as the railway bed, I'm not certain about that in the province of Alberta. I do know that there is a contract between the federal government and the railway operator on a contractual basis of so many dollars per tonne. I expect similar to what the agreements are between CN and CP, but I don't have the details of that.

(0845)

I do want the hon. member to know that this government has been successful in getting agreement on a demonstration project in southern Saskatchewan, for not a short-line railway *per se*, but for a road-railer project, the details of which will be announced in the forthcoming weeks.

Once again, I'm sorry I can't be of more help to the hon. member in providing all of the specifics, because frankly some of them we do not know. But in the coming weeks we will be making the detailed announcements of the road-railer demonstration project in southern Saskatchewan.

**Mr. Lingenfelter:** — Well, Mr. Minister, I'm a little bit disappointed, I guess to say the least, that you would come here and ask for us to pass legislation to allow for this kind of a change in the transportation system and then say, but I don't know how it's going to work.

This is how we get into things like GigaText really by coming here with a Bill. And the members or the farmers ask you, well we're replacing a system that's worked well for us for a hundred years and we don't know why you're changing it, but can you tell us what you're changing to. And the minister says, I don't know, I don't know how it's going to work, I don't have any detail.

I'm not going to pursue that, Mr. Chairman, but let the record show that the minister would come here wanting to rip up an agreement, rip up the track so to speak on the rail system that has worked well for the farmers for close to a hundred years in this province. And when you ask him a very simple question — how will the next system work, what's the formula and the rate and how will it be operated, who will own the track? — he says, I mean, those kinds of details — I don't know, I don't know how the system will work.

Well, Mr. Minister, I want to say to you that it's my belief

here that what's happening — and you mentioned Manalta Coal — that that's what this Bill is all about, Manalta Coal, your friends, that this Bill is being set up not for farmers to haul grain, this Bill comes as a result of pressure from Manalta Coal, your buddies from Alberta. And you know the close association with the former premier there, and the member from Yorkton will know it even better because he's the one that sold the coal mines to Manalta Coal . . .

**An Hon. Member:** — He gave it away.

**Mr. Lingenfelter:** — Yes, gave it away. This was one of the first privatizations in the province. And he will know full well because he negotiated the deal to sell off the coal mines. This is an example of how this new deal might work.

But when the coal mines were being sold, you had a power company that was situated right beside the coal fields. They owned the coal-fired generator and the coal fields. Can you imagine a government selling off the coal mines and then buying the coal back? I mean, that is not very brilliant. But when you look at who they sold the coal mine to, a bunch of Conservatives from Alberta with connections with the former premier Lougheed, then it all begins to make sense.

But now today we're dealing with a little problem that friend of the Tory Party had. That is the little branch line that they need to haul the coal over from their new exciting mine that we used to own. Well I say to you, Mr. Minister, probably in this deal, like in the coal mine sell-off, Manalta got the mine and we got the shaft. And I think that's what's happening here with the abandonment of the rail line. And I want to say that the member from Yorkton should have learned from that example.

**An Hon. Member:** — Get your facts straight.

**Mr. Lingenfelter:** — Well the member says get my facts straight. I think I have them straight. If you've got a different explanation of how the coal mines got sold off, why don't you put it on the record? You can rise in this debate right now, right now when I sit down, and put on the record why you sold the coal mine — because that's important. That's what this Bill is about, the selling off and the privatizing of the coal mine, and now we need a Bill to help out your friends. Isn't that what this Bill is all about?

**Hon. Mr. Hodgins:** — No, I would say that that is not precisely accurate. I say that this is a framework for railways, provincially operated railways in Saskatchewan. Indeed, Manalta coal is an example.

**Mr. Lingenfelter:** — Can you give me some other examples where you have proposals?

**Hon. Mr. Hodgins:** — Two other examples that come to mind, and I want to stress to the hon. member that this legislation would apply to any provincially operated railways, big or small. And an example right here in Regina, I understand that there is an industrial spur that falls under provincial jurisdiction. In the town of Hudson Bay, MacMillan Bloedel has a small industrial spur that this would apply to. And I use those as examples and

there are some others in the province of Saskatchewan as well.

**Mr. Lingenfelter:** — I want to ask you, Mr. Minister, give me other examples where you have proposals. Now I don't want some where there might be or could be. I want examples, specific examples, of people who have put in proposals to set up this kind of an operation other than Manalta Coal.

**Hon. Mr. Hodgins:** — Once again for the hon. member's benefit, this framework of legislation applies to any provincially owned or operated railways in the province of Saskatchewan. The examples that I can think of off the top of my head and from the advice from my officials are Manalta Coal, an industrial spur in Regina, MacMillan Bloedel in Hudson Bay, and those types of industrial railways that are in fact in existence today. And this legislation simply covers some of the safety and other operating guide-lines for those railways.

With respect to short-line railways *per se* for the grain industry, we have recently concluded the agreement with people in southern Saskatchewan. The name of that is Southern Rails Co-operatives Ltd.

In addition to that we have been approached, I would say not with any long-standing discussions, but we have been approached and had limited discussion with three or four other operators. In fact, Mr. Payne from Alberta has been to Saskatchewan. I believe he has even met with some of our MLAs and has expressed some interest in perhaps coming to Saskatchewan at some time. There have been a few others that have approached us and I do not have their names with me today. They have been limited discussions.

**Mr. Lingenfelter:** — Well, Mr. Minister, the point that I want to make and the point I reiterate is the simple fact that the only one that is realistic at this point is Manalta Coal, and this is really where the pressure is coming from for this Bill to pass. And I want to say to you that why don't you just come clean and tell the people of the province that that is what is happening here, that this Bill is being passed by the legislature today to assist your friends from Alberta who bought the coal-mine when that was privatized? And this is part of your privatization nonsense that you people are so hung up on.

I'm not even sure if the back-benchers and even the chairman know what this bill is about, that it's another attempt to assist the privatization of the coalfields and part of SaskPower. And the Premier promised before the last election that he would not privatize SaskPower, and yet at every turn what we see and deal with in this House are bits and pieces of the province being sold off, and so he doesn't announce in the House because he doesn't have the courage to say that SaskPower is being privatized. So he gets the member from Yorkton to sell off the coal-mine.

This is how that privatization is taking place. Same with SaskTel. They privatize little bits and pieces because on those they don't have the courage of their conviction because they know that people would not accept what they're doing. And then they bring in a Bill to . . . they call

about branch lines, and they explain that it will help farmers and help keep grain moving. This has got nothing to do with moving grain. Mr. Minister, this is part of your privatization scheme. You have a company that bought or were given some coal-mines that used to belong to the people of the province as you were privatizing SaskPower. There can be no other explanation for selling off the coal-mines, except privatization. That's what you're doing. And there's no explanation, Mr. Chairman, how that makes SaskPower work better. There can be none.

How can you possibly own a power plant and coalfields and sell off the coal-mines and say you're better off? There's no place else to buy the coal. That company has you at ransom. If they jack the price of coal up by 100 per cent, what are you going to do? Say I'm going to go next door and buy coal? There is no other coal; they own it all. What are you going to do? Shut the power plant and pipe water in to make it into a hydro-generating station.

I mean you people are ridiculous when it comes to managing the economy. That would be like you, Mr. Chairman, selling off your farm and then wondering why you have no money left. Well you had a good time when you spent the money that you got for it, but it's not great planning. It's not great planning for the member from Yorkton to have sold off the coal-mines under the instruction of the Premier, and then to make matters worse, when the member from Yorkton gets in hot water over the issue, what does the Premier, who instructed him to sell the coal-mines, do? He kicks him out of cabinet.

Now I say if I were that member from Yorkton, I would be furious with the Premier. I wouldn't sit there quietly and say well, you know, he's the boss and I got to take this, so he used me, so he told me to sell the coal-mines. When I sold them to his buddy, the former premier from Alberta and that company out there, Manalta Coal, he gets in political trouble for privatizing part of SaskPower, then he kicks me out of cabinet. But he's the boss, so I'll take it.

Well that is . . . I just can't believe the back-benchers in that government. I cannot believe the members in that back bench who sit idly by and let this kind of project go on. I don't think they have a clue what is in this Bill. I don't think they have read this Bill. I think the member from Shaunavon really believes — really believes — that this is for abandoned rail lines that would help the grain farmers. I think he believes that. I don't think they told him that this has to do with Manalta Coal and the privatizing of SaskPower. I don't think they know that.

Well I want to tell you, Mr. Minister, look what happened to the member from Yorkton after he did what the Premier said without asking any questions. He got in political trouble afterwards. When the politics got too hot for the Premier, the Premier kicked him out.

I say to you, you should be careful of that, and not only with the Premier, not only with the Premier, but others of your colleagues who are looking at you as a rising star and maybe taking their position. They too will be doing things that will try to undermine and take away from what you're doing.

I suggest this Bill is part of that, that you should look at, yourself, what is in this Bill — part of the privatization of SaskPower — and then when you get in hot water on it, what do you suppose the Minister of Finance is going to do to you then? Do you think he's going to say to you, well good job, good job, member from Melfort, you helped privatize the SaskPower? Then they'll say, well now we don't need you, like the member from Yorkton.

I don't know if you back-benchers understand what's happening, but it . . . you believe that what's going to happen in the cabinet shuffle that the member from Souris-Cannington is going to get kicked out of cabinet, well I can tell you, there's something else happening here. You think the member from Qu-Appelle-Lumsden is going to get shuffled aside so you back-benchers can move into cabinet?

I want to say that when it comes to this Bill, Mr. Chairman, what's happening here are two things: one, it's not for farmers, forget that. If you believe that, then you're more gullible than I think you are. I think you know exactly what's happening.

This is about Manalta Coal and the privatization of SaskPower and the selling or the giving away the rights over a rail line that used to be of assistance to farmers and everyone, to a company that will haul coal on it. And they're not worried about rates and safety and all those things you're talking about. In fact, if they had their way they would run it free and open, no regulations; they don't like regulations. Don't give me that. What this company wants is a rail line to haul coal on. And you're the partner in this deal.

But I want to tell you, realize what you're doing here and realize that some of the front-benchers there will be watching closely. Because the member from Yorkton was once a powerful cabinet minister on the way up, and some of the front-benchers got him to sell off a coal mine. And then they laughed at him when he got kicked out of cabinet for selling off the coal mine and got in political trouble.

Because in '86 when we ran our campaign, one of the biggest political issues we had that got us to the point where we ended up getting more votes than your party, even though we didn't form government, was the sell-off of those coal mines at Coronach, and the member from Yorkton knows that full well. That was part of why we went up . . . (inaudible interjection) . . . No, no. The member from Yorkton says, tell the whole story. If there's more to the story, why don't you get up and tell it because I wasn't at the cabinet meeting. I don't know what happened at the meeting with the Premier. You could tell that to us.

(0900)

But I want to tell the minister this. This Bill — and I'm not going to spend much more time on it because I think we know what's happening here — this Bill has to do with privatizing coal-mines and privatizing SaskPower. That's what this Bill is about. You know that. If you didn't know it before, you know it now, and I would ask you to consult with your staff because they will know it as well.



But be careful what you do, for two reasons. One, I think you may have a future for the next year in government if you handle your cards right. I don't think there's much future after the next election. But it may be even shorter than that if you help get involved in the privatizing of SaskPower, because some of the members in the front benches may just be trying to get you into trouble.

**Mr. Upshall:** — Mr. Minister, I was wondering if you could explain to the House and members opposite here what type of agreement that you will have, the provincial government will enter into with the short-line railway that Manalta Coal will be operating. Could you just give us some details of the government participation in that short-line?

**Hon. Mr. Hodgins:** — There is no agreement whatsoever. What this legislation does is provide a framework for a provincially operated rail line like Manalta Coal and provide for the first time some guide-lines with respect to safety, some guide-lines with respect to specifications, and on down the line. There is no contractual agreement between the government and Manalta Coal for the operation of this railway. What the Bill does is sets out the legal framework for a provincially operated railway because of the fact that, to this date, we have not had provincial legislation for provincially operated railways like Manalta Coal.

**Mr. Upshall:** — Mr. Minister, what this bill does is a substantial change from the way short-line railways were established in the past. You will know that it had to go through as a private members' Bill. And what this Bill does is it provides for any short-line company to be set up without any public involvement really, without any involvement from the legislature, without any involvement from the area that it's going to be located in. Because in the past, private Bills had to be published in the *Gazette*, as you will know, two consecutive issues. They had to be published in four issues of the local paper where short lines were going to be set up. There was a committee on private members' bills and they were again, after second reading, they were brought to this Assembly and then they went back to the public.

Mr. Minister, this Bill really provides for you and your cabinet to, without any consultation from where the short line is going to be running, without any debate in this legislature, it provides for you to simply okay any short-line railway that you wish, without public scrutiny. I think that is all part of your privatization ploy as well, because if there's public scrutiny when you want to privatize one of the short-line railways, then of course you will be subject to the repercussions that come from that. But if you try to slip it in without any public scrutiny, then of course it's much simpler.

And what this Bill does is it sets up your privatization agenda even greater by an easier method of privatizing any short line that you want to in the province of Saskatchewan without any scrutiny from the public.

Now, Mr. Minister, can you tell me if it is possible for one railway company to be owned by a grain company without any guide-lines from the provincial government?

If a grain company wanted to buy a short line that was going to be abandoned, would you intervene and say that there were some rules and regulations that go along with that; or would it simply be a privatization matter and that short line would be owned by that company?

**Hon. Mr. Hodgins:** — Just to answer the hon. member's question, if that hypothetical situation were to take place, there are two checks, if you like. And firstly there would be, and provided for within this legislation, is the provisions for the Highway Traffic Board — for lack of better words — to give their blessing to it. And if they chose not, they do have the power and the full authority to demand public hearings and to ensure that the movement would be deemed to be in the public interest. So the Highway Traffic Board, I think a very independent board that's had a long-standing positive reputation in this province, does have that power and authority.

Secondly, provided for within this legislation is the safety aspect of the operation of that short-line railway. And I do tell the hon. member that there is provisions in the legislation for the minister in certain conditions to intervene, if you like, and to offer his comments and also as well to exercise his full power or authority to deny a request if indeed he felt that it would not be in the public interest of safety or otherwise.

**Mr. Upshall:** — Well, Mr. Minister, what I'm afraid of with this Bill is, that after you go through all your hoops and the short-line is privatized, that that company, whoever it be owned by — but let's just say it's owned by Cargill or somebody like Cargill — then they would have complete monopoly control over that branch line — they would have complete monopoly control over all the grain coming out of that branch line. And that's the problem that we run into with a Bill like this, because it can be pushed through by you the minister without any scrutiny from the public.

If you so desired you could sell a short-line railway to Cargill in this province, or it could be transferred to Cargill with your blessing, without anybody knowing about it. It could go through without anybody knowing about it. It could go through without anybody knowing about it except you and the company. Whereas in the old Act, through the private members' Bill, it provided for the public to scrutinize, for this legislature to have debate on it, or to be advertised so that to make sure it's in the best interests. And the problem that I have is I don't think that we can rely on you or your government to provide and scrutinize to make sure it's in the best interests of Saskatchewan farm families and taxpayers because of your track record.

Mr. Minister, a short-line railway, if owned by a grain company like Cargill, and had a monopoly control over that, simply is not in the best interests of the people of Saskatchewan. Mr. Minister, the question I would like to ask you is: can you provide for me the figures that you have come up with with regards to the costs of operating a short-line railway in Saskatchewan by either one of the two national railroads right now as opposed to the cost of operating a short-line railway by a private privatized company.

**Hon. Mr. Hodgins:** — I would say to the hon. member

that I do not have those statistics. I think it would be very safe to say that the costs of operating a small short-line railway as compared to the operation of CN or CP operating that same short-line railway would be significantly less. Some people, some of my advisers have said perhaps a third of the cost through a small short-line railway company as opposed to CN or CP.

And I think one has to respect the fact there are such things as economies of scale for big corporations like CN or CP. But at the same time there comes a time when there becomes diseconomies of scale, and I think, frankly, that is exactly where some companies such as CN are at. They have become so big and so burdened by administration and bureaucracy and red tape that in fact they have become, to an extent, very inefficient operations, and the economies of scale become diseconomies of scale. And as a result, a small company with the room to manoeuvre, with different administrative practices because of the small operation, can operate significantly less. And I believe that this is fundamentally the premise on which short-line railways have operated all over North America.

**Mr. Upshall:** — Mr. Minister, could you provide me with the detail on which you base your argument. Because if you are looking at the Thomas Payne, the CWR (Central Western Railway Corporation) in Alberta, then of course I would agree with you on the surface.

But I would like to see your facts and figures on the movement on these short-lines because the CN and CPR are saying look, these things aren't viable. And you could talk about your disincentives of the economies of scale, that doesn't matter to me because that's a bunch of crap. Because the problem is that CN and CP were given moneys over the years for every mile of track that they had. They did not use that money in order to fix up that track, to maintain that rail bed.

And in the case of Alberta, the short line, the deal goes something like this. You got \$1.5 million start-up capital from the federal government; half of it went as a down payment to the CNR. The federal government is paying a portion of every bushel of grain that's hauled over that line. So in that particular situation, oh yes, the short line, the government is paying him through section 59 of the WGTA (Western Grain Transportation Act) instead of section 55 which the CN and CP are being paid through.

Now, Mr. Minister, if you're using that as your example, I could see where your figures would be very cost-effective. But I would ask you to please provide me now or later with your statistics to show, and as in your words, that the short-line railway would be as much as I believe half, you said, or a third more efficient, or cheaper than the federal rail-line companies. Could you do that for me.

**Hon. Mr. Hodgins:** — I don't have a breakdown with me right at this time, but I would be pleased to direct my officials to provide their best estimates of what the associated costs of operating a short-line railway would be vis-à-vis the large corporations of CN or CP, and I will direct my officials to provide that information to you.

**Mr. Koskie:** — Just want to ask a couple of specific

questions, Mr. Minister. I take it that the jurisdiction in respect to the control of the railways is under federal jurisdiction, and so what I'm asking you here: if you agree with that, that it comes under the federal jurisdiction, what are we dealing with here? Strictly private, non-related to the major network of CN, CP, or the other lines that are in the national system? What are we dealing with here in respect to the Railway Act? Are you impinging upon the jurisdiction of the federal government in respect to the control of railways? Where do you get that jurisdiction? Or are you dealing simply with totally private lines within the jurisdiction of the province?

(0915)

**Hon. Mr. Hodgins:** — Essentially, the answer to your question is that anything that is not CN or CP, any rail line that is not on CN or CP property, then falls into provincial jurisdiction. And there are, I'm advised, literally — perhaps not hundreds — but it certainly well could be more than 100 small chunks of railway, for lack of a better word, or small rail lines throughout the province of Saskatchewan that the federal government has advised us and told us, hey, these small lines of railway are not on CN or CP property; they are provincial jurisdiction; and you, Mr. Province, do not have any legislation covering guide-lines for the operation of those railways. And what this Bill does is provide the guide-lines for all of those situations where rail lines or pieces of rail line are not under federal jurisdiction.

**Mr. Koskie:** — If a short line were adopted and connected into the major line, under whose jurisdiction would it fall under? That is, if it's transporting grain, say like in Alberta, short line, and hooking up with the main line, CP or CN, or whatever, under whose jurisdiction in respect to the regulations of that does it come under?

**Hon. Mr. Hodgins:** — In that situation the rail line would ultimately fall under provincial jurisdiction, and it would do that by way of the national transportation agency declaring that that line, that line of railway, is no longer in the interest of the country of Canada and it would fall back to provincial jurisdiction.

**Mr. Koskie:** — In respect to the enforcement of the safety, hooking into the main line, under whose jurisdiction is that?

**Hon. Mr. Hodgins:** — I'm advised that the connections between federally and provincially jurisdictioned rail lines all fall under the responsibility of the federal government.

**Mr. Koskie:** — And you said the intent of this is really to do some regulations on the Manalta Coal rail line in respect to the enforcement of safety and so on. I wonder whether you have any method or any proposal that you could outline to us today as to what personnel and what duties it will entail in so far as enforcing the safety in respect of the running of these private lines. What is your intention? Are you just going to legislate and say that you're legislating safety without enforcement; or have you got some plan that is going to be ultimately put into place? And what does that plan entail and what personnel will it be?

**Hon. Mr. Hodgins:** — The regulations that would follow this piece of legislation will follow very closely the regulations of the federal government, although the regulations would provide somewhat more flexibility, if you like. Within those regulations you will find that there will be provisions for the appointments of inspection officers. And it is certainly the intention of this government, as need arises, to have inspectors ensuring that the safety regulations are carried out in the province of Saskatchewan.

**Mr. Koskie:** — Have you got any projections for over the next five or 10 years, say, as to the extent of private provincial lines that will be operating in the province? Have you made any projection as to the possibility of the number of miles of private line that is likely to be in Saskatchewan? Have you done any futuristic, as you might call it, planning into the 21st century as to how we're going to have this new national transportation system functioning with the province picking up the bulk of it, or maybe private grain corporations?

**Hon. Mr. Hodgins:** — I'd answer that in two ways. The first way would be with respect to rail lines that would fall under the industrial category, and a great deal of that certainly will depend on the ability of this administration into future years to further diversify the economy of the province of Saskatchewan.

And you well know that this government has, I think, fair to say, had a very good track record and is very strong on further diversification of the economy. And if there are more mines built and more pulp mills and more meat-packing plants, and more of all these types of things, fertilizer plants, there may be more needs, more need for private rail lines with respect to that industrial or manufacturing sector.

With respect to the branch line abandonments, we certainly have been successful under this administration in saving a number of branch lines. We're under no illusions. More branch line abandonment is likely to occur, and I can only tell you that the demand for short lines will be directly dependent on our ability to retain as many branch lines as the country can afford and that we can possibly do.

**Mr. Chairman:** — Order. Why is the member from Maple Creek on her feet?

**Hon. Mrs. Duncan:** — Mr. Chairman, I'd seek leave to introduce a group of guests.

Leave granted.

### INTRODUCTION OF GUESTS

**Hon. Mrs. Duncan:** — Thank you, Mr. Chairman. It's my pleasure to introduce to you and through you to other members of the Assembly, a group of people sitting in the Speaker's gallery. These ladies and gentlemen are here in Saskatchewan as part of a familiarization tour of motor coach operators to have a look to see what Saskatchewan has to offer to tourists. You may be interested to know that the American motor coach association each year lists 100

top events to see in North America, and last year, five of those events happened to be in our lovely province.

The ladies and gentlemen in the gallery are Bixler Tours from Ohio, the Manitoba Society of Seniors Inc. from Winnipeg, Hall-Mark Coaches from Indian, Lonnie Stein Travel of Pennsylvania, Quality Tours from Minnesota, and Tiny Tours of Scarborough, Ontario. I welcome you to our capital city and to our province. I hope you find the attractions here very interesting and that you will put them on your tour packages that you offer to people across North America. Welcome to our province and enjoy your stay.

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

### COMMITTEE OF THE WHOLE

#### Bill No. 2 (continued)

#### Clause 1 (continued)

**Mr. Koskie:** — Thank you, Mr. Chairman. I'm interested in respect to the abandoned lines or those that will be abandoned in the future. Has your government done any planning and are you prepared as provincial government, in order to assist in setting up provincial lines in order to prevent the abandonment of these lines in order to serve better the farmers of Saskatchewan?

**Hon. Mr. Hodgins:** — In answer to the hon. member's question, I say that this government shares any concerns, any genuine concerns that the hon. members have with respect to rail line abandonments. The future is always difficult to predict, and frankly I must say that my own view is that the likelihood of a number of branch line abandonments is very high, and it's a serious concern to this administration.

The hon. member from Elphinstone has brought up the question earlier on when the shift from rail to road comes, will this administration and has this administration sought compensation from the federal government? My answer to that question is, definitely yes, and we continue in that manner.

The hon. member has specifically asked, is the province looking at or willing to take over these abandoned branch lines and start a provincial railway company, if you like. I have not given that a lot of thought. My first reaction to it is no, although we are very open to any alternatives that will better serve the farmers of this province.

**Mr. Koskie:** — The member obviously spouts nice words in respect to his concern about abandonment and then closes by saying we've given no consideration to any plans whatsoever, either to fight the federal government or in fact work together with the farmers in order to keep these lines open.

The minister started early in his tirade this morning, and we've been on this an hour and a half because of his tirade. Politically motivated, no facts in respect to the purpose of the Bill or what it's for, other than that we dragged out that it's primarily for Manalta Coal, a multinational corporation that took over one of the assets

of the people of this province. In respect to rail line abandonment, I can only close, Mr. Chairman, in saying that our party fought hard.

I can recall in the community of Leroy where the Leader of the New Democratic Party attended a meeting of a hall that was full, and we had petitions in respect to maintaining and upgrading the line which they had intended to close from Lanigan through Leroy, Watson and north to Lac Vert. And we were successful. And I never saw many Tories around fighting that battle.

I can only say that they mouth nice words, but what they're . . . totally the direction they're going is a direction of helping out the multinational corporations after they have given off our assets, and then build them rail lines, or with Weyerhaeuser build them highways, but not for the people. And that's the direction that they're going.

Their direction is not one of maintaining rural Saskatchewan. Their direction is a consolidation of big is better, of inland terminals not elevators that we have strewn throughout the province as it is today. And that's the direction it's going.

This has no plan, this railways Act, as to what this province has as a transportation policy. This is a policy built and designed solely to facilitate Manalta Coal and maybe MacMillan Bloedel, two little giants need help. And so along comes the junior minister of transport and brings forward an Act here — no direction for the people of this province, no direction or assistance for the farmers who are fearful of losing their lines, no direction to maintain a national transportation system that maintain the Watsons and the Wynyards and the Biggars of this Saskatchewan. That's not his plan.

(0930)

His plan is here as the Premier has dictated to him, just as he did to the member from Yorkton. You go sell the coal-mine or go give it away. And he did. And there was a furore about that, he got kicked out. Now he says to the junior minister of transport, you go build them a railway now. That's what it's about.

I want to ask the minister is this here Railway Act that you have presented before this legislature a copy of any similar Act in other provinces?

**Hon. Mr. Hodgins:** — Mr. Chairman, I'm pleased to advise the hon. member that this piece of legislation has primarily been drafted and completed by officials within my department with assistance of course from officials in the Department of Justice. And at times there are Acts in Saskatchewan that are virtually copied from or modelled on legislation in other provinces. At other times it is Saskatchewan people drafting legislation for the province of Saskatchewan in an imaginative way. And certainly this is very much the case in this instance, and I would want to provide my genuine appreciation to the officials in the department for their very detailed and hard work on a comprehensive Bill such as this.

I think it is significant to note that we have been contacted by a number of different provinces throughout Canada

since this Bill has been drafted. We've been contacted by Quebec and Ontario and British Columbia and Alberta and Prince Edward Island — all of these provinces keenly interested in the drafting of this legislation. It's indicative of us in Saskatchewan, and officials in the department, of once again being number one in this initiative.

**Mr. Lingenfelter:** — Well, Mr. Minister, I want to say that . . . In closing off this section of the Bill, I want to say that we're not pleased. I mean, you seem to be a very pleased individual with the way things are going in this province, but I'll tell you, you're in a very small minority. The vast majority of people in this province are very disappointed in what this government is doing in terms of the economic development, in terms of privatization, particularly in the area of transportation.

When we started out this debate this morning, and I won't go through your second reading speech where you talked about all the great things that were going to happen as a result of this Bill. Never once did you mention what the Bill was really about, that is helping out your buddies from Alberta, Manalta Coal. Didn't even mention it.

Then you come in the House here this morning and you say we've got this great plan. We're going to change what has been working well for farmers in the communities in this province for many, many generations. And we asked him, Mr. Chairman, what is the new plan? And he says, I don't know. I don't have the details; we're just going to change.

So we go on. It's now an hour and a half we've been dealing with this Bill. We finally got out of him that the real reason of the Bill, the only proposal they have that will take advantage of this Bill 2 — note the number of the Bill, Bill 2 — is Manalta Coal, the company that the member from Yorkton set up to privatize SaskPower. That's who Bill 2 is going to help.

Now get this. Bill 1, privatization — Act concerning public participation. Bill 2 of the session should read, an Act to help privatize SaskPower. That's what this Bill is about. And that's why we'll be opposing it. This has nothing to do with making a better transportation system for the people of the province. It's got to do with making profits for Manalta Coal. This will not help make the power station work better, or had we thought of that, we would never have sold the coal-mines.

And I want to say again that the people of the province are greatly distressed at a government that would not have the courage of its conviction, which is, and we know, to privatize SaskPower. But they do an end run. They do it by bits and pieces. They get the member from Yorkton before the '86 election to sell off the coal-mine. Then before the 1990 election they get the member from Melfort to come in here and set up a Bill, Bill 2, to help that privatized company in order to haul the coal on a spur line.

I'd be willing to bet, Mr. Minister, that in this Bill as well is the authority, once you take away what is happening here, what we find is all the power is being shifted to the cabinet. No longer will you have to come back to this House to set up these kind of operations. But as well as a

Bill that will protect this company, also money will be flowing into your friends from Alberta through this Bill in terms of helping them with transporting coal.

That's what you're doing here. You are setting up a little game plan where you will be able to help that company that's been working on privatizing SaskPower.

I tell you, Mr. Minister, that company doesn't need our taxpayers to be paying the money, they don't need it. And I say to you that coming here and trying to cover up what you're doing by talking about the NDP kicking out Joe Clark, and how hard your members are working, that nobody believes that. No one believes it. Everyone knows the economy of this province is in shambles. Every economic indicator, whether it's housing starts, whether it's farm income, whether it's the jobless rate, whether it's people leaving the province — they don't want to leave this province, the thousands who are leaving this year — they're leaving because you're forcing them out because there are no jobs, or they've lost their farms. Your priorities are here. Note where your priorities are: Bill 1 and Bill No. 2 — privatization. And why privatization? To help their big-business friends.

So I want to say to you in closing: there's no sense going on with you because all you do, you've got this mania of the Premier. All it is to stand up and say there's no problem, no problem, I'm feeling good, there's no problem. But I say to you that for the vast number of people in this province on minimum wage, on welfare, on welfare as a result of your mismanagement because that number continues to grow, those people who are having to leave the province, the farmers in that drought area north of Maple Creek — and I know the member from Maple Creek is concerned about it. The Premier and yourself stand and say there's nothing wrong out there; there's no problem; we're doing great because we've got formulas that show us that things are going good.

Well I say, as long as you believe that, we can't possibly deal with the issues, can't possibly deal with the issue of transportation, can't possibly deal with the issue of airlines shutting down their operation. I mentioned Frontier and CP Air; as well Air Canada shutting down all sorts of offices, pulling out and going to Winnipeg, and you people say nothing. You say not a word.

I say again that when you go to a premier who would stand up to the Prime Minister, today's *Leader-Post* says:

There may be a fight on taxes. Canada's newest Premier thinks provincial leaders may unite this weekend to oppose the proposed 9 per cent federal sales tax.

All the premiers except our Premier. It will be a battle of 10 premiers and the leader of the territories against Brian Mulroney and our Premier, and I say that's not good enough. It's not good enough that the Premier allows the farmers to fall by the wayside because of his earlier predictions and statements that 80 per cent were non-productive. It's not fair that he allows a 9 per cent federal sales tax to come in without a word.

It's unfair that he lets them cut off the cash advance

system without a word being said. And I say it is ridiculous that we're spending the taxpayers' dollar, not only in selling off the coal-mines, but now getting a little rail company. I believe that part of it will be at taxpayers' expense, because the Government of Canada or the Government of Saskatchewan will have a great deal of involvement.

You have admitted already that they will get the same advantage in terms of grants as the grain farmers in Saskatchewan. Now that simply isn't fair. We gave them the coal-mine. Why do they need our help when they're already making profits? Why don't they just use their profits to subsidize their rail line? Why does the federal government and the provincial government have to put money into it?

But I think this minister, like the Premier, has a problem, and he is the one that pointed out Joe Clark. But I think it is the Joe Clark problem. I don't think you can stand up to Ottawa because you've got a little certain problem in the way you carry out your duties. Now I don't want to be accusing this minister of that because I think, when the cabinet shuffle comes, if he plays his cards right, he may get a little promotion. He'll be tested later.

But I say, the Premier of this province who set up the member from Yorkton to sell off the coal-mines and then kicks him out of cabinet, is setting you up in the same way by moving this Bill, bringing it through where money will flow from the taxpayers to Manalta Coal to help with privatizing SaskPower, that you're being set up in much the same way.

And I say you should and could be doing better. There's two things you could do. One, is tell the Premier that someone else should bring this Bill in to put money into Manalta coal; or the better way, if you're going to do it, is to stand up and say this is part of privatization. It's got to do with privatizing SaskPower, that company needs a little spur down there and we'll set up a Bill that will help them out. That's what this Bill is about, clear and simple. And, Mr. Chairman, we will be opposing it.

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

Clause 1 agreed to.

Clauses 2 to 58 inclusive agreed to.

Clause 59 agreed to on division.

The committee agreed to report the Bill.

(0945)

### **Bill No. 3 — An Act respecting the Consequential Amendments to Certain Acts resulting from the enactment of The Railway Act**

#### **Clause 1**

**Mr. Lingenfelter:** — Thank you, Mr. Chairman. I just want to say to the minister that I won't be going through the arguments, but just to say that we'll be opposing this Bill as well, as it goes along, as we have been, for the same

I just want to point out and make note of the fact that this is part of the privatization plan of the government. And I'd just say again that at a time when we have all these problems in the province, it's really not very pleasant to watch a government that the first three Bills they bring in during this session all deal with privatization, two of them now, Bill 2 and 3, that deal with privatization of SaskPower very directly, and for that reason we'll be opposing at each stage.

Clause 1 agreed to.

Clauses 2 to 4 inclusive agreed to.

Clause 5 agreed to on division.

The committee agreed to report the Bill.

**Mr. Chairman:** — I'd like to thank the minister and his officials.

**Hon. Mr. Hodgins:** — Thank you, Mr. Chairman, and I too would like to add my words of thanks to the officials for their very long, detailed, and hard work on a very important piece of legislation.

#### **Bill No. 47 — An Act to amend The Municipal Revenue Sharing Act**

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

**Hon. Mr. Hardy:** — Mr. Chairman, on my left here I have Dave Innes, Deputy Minister of Urban Affairs; further over, I have Ron Davis, executive director of municipal finance.

#### **Clause 1**

**Mr. Van Mulligen:** — Thank you, Mr. Speaker. The Bill that's before us will freeze the amount of funds going to municipalities in Saskatchewan, both urban and rural, operating funds going to urban and rural municipalities, at the same level as it was last year. So it's in effect no increase in operating funds for those municipalities.

In light of the trend over the last number of years in terms of the government providing operating funds to municipalities, this is a matter of some concern to municipalities across Saskatchewan. If this particular Bill were an isolated case of not increasing funds, say for one year, I don't think that the public nor municipalities would be particularly concerned. But put into the context of no increases and decreases and limited increases in the last number of years, it's a matter of some concern, and it's clear that it's a part of a trend, a trend that means that provincial revenues for municipalities are simply not keeping pace with the demands that municipalities face, therefore putting greater pressure on property taxpayers, both urban and rural, than municipalities would like to see.

It's in a sense a shifting of the taxes from the province to municipalities, and I can certainly understand the province with its very high tax regime, the flat tax, the increases in the sales tax, the need for more money to try

and balance its budget, that it would seek to shift more of the tax burden to property taxpayers in Saskatchewan over the years.

Knowing that why they do it doesn't make it any more palatable for municipalities or for people in the province, especially given the fact that property taxes are widely considered to be an unfair tax, that is to say, they're not an equitable tax. There is very little relationship usually between the ability to pay, on the one hand, and the taxes that must be paid.

We've used the example before in the House of where the Minister of Urban Affairs himself pays as a percentage of his known income, of his known income, that is by virtue of the income that he receives as a cabinet minister and as a member of the Legislative Assembly, the amount of money that he pays for property taxes is a much lower percentage of his known income than that, say, of a woman in my constituency, a senior citizen, who must rely on pensions and transfer payment from government to survive. Her property taxes are a much higher percentage of her income than is the case with the Urban Affairs minister.

And I must say that it's not surprising, Mr. Chairman, that Conservative administrations, as do all right-wing administrations, would seek to increase the property tax burden as opposed to other forms of taxation which might be fairer and have more of an equitable impact on all property taxpayers. So that doesn't surprise us.

In fact the figures over the years bear us out that the burden, the property tax burden, is much higher during right-wing administrations than is the case during CCF (Co-operative Commonwealth Federation) and NDP administrations. And those are not the conclusions that I draw based on my own research; those are the conclusions that I draw based on the conclusions drawn by the Local Government Finance Commission, the finance commission appointed by the PC administration some years ago to examine local government financing.

I mentioned, Mr. Speaker, that there have been very little in the way of increases for municipalities. I just want to make it clear that of the actual figures with respect to urban municipalities, in 1984-85 there was no increase in revenue sharing over the previous year, notwithstanding the fact that the inflation rate was running at 4 per cent. In '85-86 again there was no increase over the previous year, notwithstanding the fact that inflation was running at 3.6 per cent. And '86-87, this was an election year, Mr. Chairman, and there was a 3 per cent increase. Mind you, the inflation rate that year was 3.1 per cent, so it barely kept pace with inflation and certainly did not make up for the previous two years.

Now the year after the election, the year after the last provincial election, the provincial government saw fit to decrease revenue sharing to urban municipalities. There was a 1 per cent decrease, notwithstanding the fact that the inflation rate was running at 5 per cent, or 4.9 per cent.

In 1988-89 over the previous year the increase was less than 1 per cent — 0.88 per cent, even though the inflation

rate was running at 5.7 per cent, so again, municipalities, urban municipalities having a tough time keeping pace.

Now it's proposed that there be a zero per cent increase for urban municipalities even though the inflation rate is running at 4 per cent. As I look at those figures, Mr. Chairman, I can draw some conclusions about that. The fact that there's a zero per cent increase this year comes as no surprise when you look at what this government has done in the past.

I would suggest to you, Mr. Chairman, I would suggest to you that next year, as a way of trying to curry favour with municipal councils throughout Saskatchewan, that we will likely see some small increase in the revenue sharing. There will be a 3 or 4 per cent increase in the revenue sharing, perhaps even more, depending on what they do with the slush fund created by the sell-off of the potash corporation — there might even be a little bit more.

But the pattern will be there that the year of the election there will be an increase in funding to urban municipalities and probably to rural municipalities, and the year after the election we'll see a cut-back in funding and then a stabilizing at a zero per cent increase until the next election again. Now of course, this is the crassest, the crassest of political chicanery, but it's something that we and the people of Saskatchewan have come to expect from this government and it's something that they will not support again.

Mr. Minister, one of the concerns that I have, and a concern that has been expressed by people who are familiar with urban revenue sharing, is the fact that one of the provisions of revenue sharing is that in the main it's calculated so that there's an opportunity for equalization to set in. That is to say the formula is structured in such a way that municipalities which are poorer and have a lower assessment will receive more funds than will municipalities who have a higher assessment.

And I think the study we have showed a comparison, say, between I think Meadow Lake and Kindersley as being municipalities with roughly the same population, but Meadow Lake, given its circumstances having a much lower assessment base than is the case in Kindersley; therefore the same taxes would generate far more revenue in Kindersley than would be the case in Meadow Lake. The equalization formula is in part intended to deal with this, to begin to equalize the tax burden between municipalities in Saskatchewan to recognize your varying circumstances.

But the conclusion people have drawn who are familiar with these formulas is that unless there is some increases over the years in the overall pool in the amount of money going for urban revenue sharing, the whole concept of equalization will be lost and will be minimized, and therefore will not be as effective as it should be and as it can be.

So my question to you, Mr. Minister, can you tell us of any other ways that you might have to achieve equalization between municipalities in Saskatchewan.

**Hon. Mr. Hardy:** — Well, Mr. Chairman, he's raised a

few points and certainly most urban and rural municipalities have faced some increases over the years. That's a known fact, I think. That's a gimme. Two or three of the things that we did this year to help alleviate some of the pressure, particularly the pressure points in both urban and rural, was a hundred million dollar urban and rural capital grant program that we brought in. That will help those areas that had the sewer and water problems. In rural it will do some development diversification.

Another area that's been a concern, particularly in the smaller urban centres, was the rinks, the skating rinks, curling rinks, the recreation type of facilities, and there's a \$33 million grant structure available to assist those areas, those specific areas. And I can think of a lot of towns that approached me over the last year or so who have a rink or a curling rink, a skating rink, or a swimming pool, whatever it may be, either needs repairs or needs replacing. And this grant will help them greatly. That keeps their community together, builds their community; it keeps the structure out there. That's very, very important.

(1000)

Another area that's been raised many times in this province and in this legislature, the cost of business tax to the business person. Certainly there's a lot of them out there. There's about 25,000 people; they employ a lot of people. That \$30 million grant that's available for businesses in this province, a refund, particularly to help the smaller business in smaller towns, the smaller business in the city here, those all will help some.

Now they're not all fix-it, and I don't think I would pretend to tell you that. But they do help. They do address some pressure points that's here. And I think it's fair to say that every urban municipality would like more, and, in some cases probably need more. But that certainly will help a lot of the areas, and I believe that it's starting to address a problem out there.

But there's some other major problems like sewer and water that's got to be addressed, particularly sewer where you have environmental concern in some places. Those are the areas that we'll have to address over the years.

**Mr. Van Mulligen:** — The minister talks about the introduction of a capital grants program and as easing some pressure points, and I have to agree with him that there is a tremendous amount of pressure on the government in the last number of years because we used to have a capital grants program. But after the last election, you cut it out, so that for a period of two years we didn't have any capital grants program for municipalities. We didn't have any recreational and cultural facilities program for municipalities.

There was a lot of pressure on your government. So now you've brought it back. But don't stand there in this House and make out as if this is some tremendous innovation and improvement on the part of your government. You're simply bringing back what was there before, and don't use that as some example of how all of a sudden you're being so giving and caring about municipalities. You're just simply responding to absolute political pressure out

there and the problems that municipalities are experiencing.

But I want to go back to my question. What does this Bill do in terms of promoting equalization between urban municipalities when it comes to their assessment and property tax loads?

**Hon. Mr. Hardy:** — Well I was just asking the deputy minister how it works in Urban Affairs. The equalization formula's there, and as you know, it does redistribute the dollars to the areas of the communities where the need is, to some degree. And it's a based formula grant that puts it across all the urban municipalities. You have about 520 urban municipalities in this province.

One other thing that I think we've all got to be aware of, that from Urban Affairs there's about \$67 million in grant moneys as get out one way or another every . . . this year for 1989-90, and through the Department of Rural Development there's \$48 million that goes out above and beyond what I mentioned a few moments ago here of the capital grant program, the recreation and culture grant program, and the business tax rebate. So there is a considerable amount of dollars about. I would imagine it would total into excess of \$150 million this year when you put the two programs together.

But just to reiterate what I said about the equalization formula, it is there and it's been there all the time. It still does what it's supposed to do, redistribute the dollars that's allocated there. And as I understand, it's done with SUMA (Saskatchewan Urban Municipalities Association) and in Rural Development it's done through SARM (Saskatchewan Association of Rural Municipalities). We've spent a lot of time talking about how we do it.

So I think it's been there. I guess the point that you did raise also there's not extra dollars there, and that's true.

**Mr. Van Mulligen:** — Mr. Minister, can I just ask then, is equalization, the concept of equalization, that is to equalize the overall fiscal capacity of municipalities, still an objective of your government?

**Hon. Mr. Hardy:** — I think the answer is yes. It's built into the overall revenue-sharing program. It's the principle of the revenue-sharing program.

**Mr. Van Mulligen:** — Well if that's the case, can you explain to me how a 1 per cent cut, then zero per cent increases, achieves this objective of equalization?

**Hon. Mr. Hardy:** — Well it's relevant to the size of the pool. Whether it's 1 per cent more or 1 per cent less or zero, as it is this year, per cent increase, it's still . . . the equalization formula is in there to make sure that the communities, the smaller communities or larger communities, whatever it may be, was decided both through SUMA. As you know — you've been an alderman in the city here — as you know, it's worked through the two different organizations and it's designed to shift the dollars where it's needed into the communities that need it the most.

So the amount of pool is there and the formula puts the

dollars where it's deemed to be best used, and that's certainly through the two organizations. They have great deal of input into it.

**Mr. Van Mulligen:** — Well, Mr. Minister, I'm getting very frustrated. You're the government. SUMA doesn't run the province; SARM doesn't run the province. You're the government. You have recommendations before you which says that if you're to achieve equalization there must be an increase in the amount of money in the urban revenue-sharing pool. Contrary to that, since that recommendation came out, you've cut funding to urban municipalities. Now you've got people who say that you need to increase the funds to achieve equalization. You say equalization is still an objective; you've cut, on the other hand. That would then not appear to be a good way to achieve equalization. And my question is, how do you propose to achieve this?

**Hon. Mr. Hardy:** — First of all, I said a moment ago that equalization is a component of revenue sharing, and it does redistribute the dollars around the province into both the urban and the rural municipal councils for their use. And some is discretionary and some of it's tied to actually having to do the . . . or on discretionary dollars, they can use it where they want.

But just to put it in its perspective, although maybe the dollars and cents and 1 per cent or 2 per cent didn't increase, and if you look at 67 million and whatever the revenue sharing would be of that portion of that, if you increased it 1 per cent, you'd only increase in less than a million dollars, you'd increase it two or three.

If you increased it 10 per cent, it's only \$6.7 million, but this year alone, this year alone, above and beyond that, there has been increased and, you know, you said there was an urban capital grant before. There was up till the end of '86 when it ran out, '86-87, and it's been renewed now, which is an additional \$100 million over the next six years.

But above and beyond that, there's \$33 million for recreation and culture projects in this province and that's above and beyond. And above and beyond that, perhaps there's another 10 to \$12 million, whatever the dollars is, for businesses in urban and rural centres, and that's directly related to the tax base. So any way you want to put it together, there's probably . . . if you were to put those dollars into revenue sharing you would probably be talking about 30 per cent. And those are the kind of figures that . . . that dollars are put there to address the pressure points of urban and rural municipalities. You may not totally agree that's absolutely the right way to do it.

Certainly I think in the revenue sharing, I think every rural and urban municipality would like to see more dollars. But if you can address their pressure points that certainly helps a lot. And I can speak particularly from the rural side where I mentioned a while ago, although they're in urban centres, the rinks, skating rinks, and the recreation are so important to our small rural-urban centres.

They've been working towards that. It maintains a life-style I feel very fond about; most of us do. So therefore



it's really a positive, I think, over most of the smaller urban-rural centres. And it'll help a lot. It doesn't necessarily address what you're talking about, increase in revenue sharing. But in another way it addresses the pressure points that they would have to address anyway, even if it was in revenue sharing.

**Mr. Van Mulligen:** — Well the minister talks about that there's more money in addition to the revenue sharing, and wants to talk anything but the revenue sharing. And frankly, I can't blame him, because the record in revenue sharing is so abysmal.

And I can understand why he'd want to talk about other things. But again I want to make the record clear, Mr. Minister, and I think that it's highly misleading to suggest that this capital grants program is something that's just come along this year and was never there before. The fact of the matter is the grant was there. You cut it out after the last election. You cut it out, and only after considerable pressure from municipalities, are you bringing it back and giving them back something that they had all along.

The same thing with the recreation and cultural facilities grant. Don't talk about there now all of a sudden being an additional \$33 million. I mean, there used to be a program like that. You cut it out. You cut it out, and now you're bringing it back. Because of all the pressure from municipalities and from property taxpayers, you're having to bring it back.

So don't pretend, Mr. Minister, that these are some new and innovative programs, and that there's all of a sudden all kinds of new dollars flowing to municipalities. You're simply bringing back something that you cut out for them after the last election. And you're bringing it back because you got so much pressure, and you're bringing it back because you're another year closer now to another provincial election. Let's make that clear.

Now the other thing you mention is this business tax rebate, and you mention that somehow this is going to help the tax base in municipalities. Can you explain that to me?

**Hon. Mr. Hardy:** — Well you asked about the . . . how would business tax help urban Saskatchewan or rural Saskatchewan, how would a reduction in the cost of operating a business there. And I know that in the cities here particularly, but in rural Saskatchewan or small urban Saskatchewan, and I'll speak a little more about that because I'm probably more familiar with it, our small businesses out there have been certainly suffering because of the pressures we've felt on the agriculture economy, and the drought of last year, tremendous pressures. Not a terribly great crop this year because again, lack of moisture in a lot of areas. Our small urban centres, the business people are finding tremendous pressures to keep up paying both the tax, the property tax and the business tax. There's been pressures all over to make some changes there.

(1015)

If the rebate of the business tax is there to help small businesses, certainly we'll keep the urban centres from

increasing the amount of taxes needed to be taken from that business. I believe that in itself will actually not only keep that business there, but could maybe create some new business there if they feel that they can not be first of all, as a lot of them will tell you, they feel double taxed because they're both business and property taxed. But this will remove some of those pressures, will help keep the business there, which keeps the tax base there, which certainly helps the urban municipalities.

And if you don't have a business in your town and in your cities, I'll tell you, you don't have anybody coming here and then you don't have anybody living there, and you don't have a very good tax base. In fact, you can lose a lot of your tax base. So if we can keep the businesses going, that will help somewhat. If the urban municipalities . . . we've asked them to help in there, too, if they feel they can. I believe that all will lead to a stronger and certainly a better rural type of urban setting, and that would include, I would think, most of the cities as well.

**Mr. Van Mulligen:** — Well you're certainly drawing a long bow, Mr. Minister. You said that this thing or this business tax abatement program was going to help the tax base in municipalities, and it's a long bow to suggest that by these people getting an abatement, somehow this is going to have some miraculous impact on the tax base.

I wonder if you could tell us the basis of your comments. Do you have some studies to suggest that there will be a growth in the tax base as a result of this program? Do you have some study?

**Hon. Mr. Hardy:** — Well we have done no studies *as per se*. But I think it's been fair to say that at both rural conventions and meetings and at ratepayers' meetings in the rural Saskatchewan, at your SUMA conferences — and I'm sure you were at quite a few of them; I was at a couple of them — there was concern of how you can stabilize the businesses they have in their community, and how they can maintain that tax base there.

It may not be the only thing that's needed to be done to maintain businesses in rural Saskatchewan. I don't want to get into what I think we can do out there, but some of the . . . it certainly will at least maintain the tax structure you have. I believe it gives a business some opportunity. If a business gets \$1,200 back, instead of paying it into taxes, he puts it back into the business, expands the business. It may in fact bring in some new business. Business in a small town don't have much money to start up with in a lot of cases. Taxes can be a deterrent, and particularly if you have the property tax and then add a business tax to it.

So I think those things can certainly help, particularly in the smaller urban centres, of which I'm sure you're as conscious of as I am that need that type of businesses to survive. Like I said a few moments ago, it isn't a fix-it, it isn't one-stop fix-it, but it would help, and anything that helps, and if you put them together, I believe can maintain a tax base out there that every urban municipality needs if they are to survive. And if that helps them, and I believe it will, that it's a positive step.

**Mr. Van Mulligen:** — Mr. Minister, I just want to go back

to the equalization. I wanted to ask you, is the relative percentage of the foundation grant as compared to the per capita grant, greater or smaller this year as compared to the '86-87 fiscal year?

**Hon. Mr. Hardy:** — Mr. Chairman, I've been informed by my officials that the foundation grant is 40 per cent of the pool and the per capita grant is 60 per cent of the pool, and those ratios haven't changed.

**Mr. Van Mulligen:** — Well if the ratios haven't changed and if there was a problem achieving full equalization some years ago, can you then explain to me how you're promoting equalization between municipalities?

**Hon. Mr. Hardy:** — Well, I guess it's, you know, what the answer really is, is that we're allocating 40 per cent of the revenue-sharing pool on a need basis and 60 per cent on a per capita basis, and that should keep the equalization pool in a fair way, because that's the way it's been done in the past and done now. So it should keep that basis there.

**Mr. Van Mulligen:** — Well, Mr. Chairman, I certainly would commend a study of the issues to the minister so that we might have more fruitful discussions in the future.

I want to close my discussion, Mr. Chairman, by making the point that urban property taxpayers are having to shoulder a greater percentage of local expenditures, and that on this side of the House, we take exception to this. We oppose this state of affairs, not simply for the sake of opposing it, Mr. Minister, but because we continue to believe, as we have always done, that the property tax is an unfair tax that bears little or no relationship to the ability to pay. And this has been a major difference between my party, the New Democratic Party, and your party, and I might also say right-wing Liberal governments.

The local government finance commission in its final report made some observations in this regard. They looked at property taxes as a percentage of the Saskatchewan gross domestic provincial product for the period 1968 to 1985, and they note — and again I want to make it clear that these are not my figures; these are the figures of your own government commission, your government's commission — and they note that the high point occurred in 1970, when we had a right-wing Liberal government, when property taxes amounted to 5.1 per cent of the gross domestic provincial product. The low point occurred in 1980 after some years of a New Democratic Party government when property taxes had fallen to 2.7 per cent of the gross domestic provincial product.

Subject to the low point in 1980, property taxes have risen to 3.5 per cent of the gross domestic provincial production 1985. And I might add I would venture to say, given your record since 1985, they have risen further.

The local government finance commission, your government commission, goes on to say:

The reliance on the property tax was higher in Saskatchewan compared to Canada as a whole for 1968 to 1973 inclusive, and in 1982 and

subsequent years. Between 1974 and 1981 inclusive, the relative reliance was lower in Saskatchewan as a whole.

And if you know your history, Mr. Minister, and if the people of Saskatchewan know their history, they'll know that Saskatchewan had a Liberal government until 1971, an NDP government from 1971 until '82, and a PC government since that time; that the relative reliance on property taxes was and is higher during the Liberal government and now during your PC administration and lower during the NDP administration comes as no surprise. It simply reflects a major philosophical difference between us.

I want to make one further comment. In 1985, our per capita net property taxes, that is property taxes, less any provincial credits and rebates were the third highest — the third highest — of any province in Canada. The third highest of any province in Canada, the property taxes. An unfair, unequitable tax — the third highest in all of Canada.

We think that's wrong. We look forward to an opportunity to reverse that.

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

**Hon. Mr. Hardy:** — Mr. Chairman, I'll just close it by saying two or three things. Basically there is some other programs in place that we didn't go through that I think are very important to Saskatchewan seniors, particularly as that's our seniors program where we refund up to \$700 under our heritage grant each year.

Then there's the home owners' program of \$10,000 at 6 per cent interest plus the \$1,500 rebate. Those things all help, as the member was saying about, you know, maintaining a life-style and a balance in both urban and rural Saskatchewan. I think it's very important, and certainly the more dollars more readily have to help the people of Saskatchewan the better, but there is some programs there that do help.

Clause 1 agreed to on division.

Clauses 2 and 3 agreed to on division.

The committee agreed to report the Bill.

#### **Bill No. 57 — An Act to amend The Wascana Centre Act**

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

**Hon. Mr. Maxwell:** — Thank you, Mr. Chairman. Seated beside me is Alan Appleby, and seated immediately behind me is John Edwards.

#### **Clause 1**

**Mr. Van Mulligen:** — Thank you, Mr. Speaker. I don't want to reiterate many of the remarks that I've made during second reading. I think that there are many improvements or amendments in this particular Act that we can support. The amendments that would provide for

more public participation in the adoption and the amendment of master plans for the Wascana Centre, I think, is a positive move. I think it's a move whose time has come. Having said that, we will have some questions about some of the specific provisions.

The amendment with respect to ensuring that any and all parties who might implicate the environment which affects the Wascana Centre, either inside the centre or outside the centre, and to be able to give the Wascana Centre greater power and authority to be able to deal with that, I think is appropriate, especially given the situation we had with the Wascana Golf and Country Club last year where they constructed a dam and it was apparent that the Wascana Centre simply did not have the legal tools to be able to deal with that adequately. We think that that's a good amendment.

I want to make it clear, however, and will be saying more on this as we get to the specific clause, that it's unfortunate that a positive Bill such as this would also contain a provision which would freeze the funding for the Wascana Centre Authority at the same level as the last year, and that this is problematical in a sense that the funding for the Wascana Centre has now been frozen over so many years, and in fact is much less than it was some years ago.

(1030)

And that is a source of some concern, especially for the people of Regina and all those who are intimately acquainted with the Wascana Centre because they can begin to see, or have seen some of the deterioration take place over the years. Given the great amount of civic pride, the great amount of civic pride that exists on the part of the people and the way they feel about their park, it's always sad to see any deterioration at all of such a fine civic facility, and I might also say, such a fine provincial facility, Mr. Speaker.

Just before we get into the specific clauses, I want to just ask with respect to the latter, I see that, or I've experienced that Lakeshore Drive, between here and Broad Street is, to put it bluntly, a mess of disrepair and pot-holes. And I want to know what your plans are to repair that portion of Lakeshore Drive. Will we, because we've neglected it over the years, have to now completely reconstruct Lakeshore Drive as we are already doing with portions of the Wascana Centre?

**Hon. Mr. Maxwell:** — Mr. Chairman, I'd like to take just a moment to respond to the hon. member's opening statement and his question. In his opening statement he did make reference to the master plan as being a positive amendment, and yes, I believe that to be the case.

As the hon. member would know from his experience on city council, the Wascana Centre Authority comprises of representatives of the government, the city, and the university. As one of the government representatives, I am charged with the responsibility of carrying their legislative changes in the Assembly here.

I may say, Mr. Chairman, that those legislative changes come at the request of the authority itself, and indeed the

master plan was agreed unanimously at the meeting to be brought forward in this current manner and fashion. So we agree there that this is positive, and I'm very happy that we're bringing it in.

The hon. member mentioned that in bringing in a positive Bill, it's too bad we had to bring in a freeze on funding, and this is so. It is a freeze on funding and it is too bad that there isn't just enough money to do all of the things one might like to do with a place like Wascana Centre.

I think, however, if you look at the centre and look over the last few years, you'll see that there have been significant improvements around the centre. These have become very visible, notwithstanding streets. And there is a plan ongoing and there's evidence of that around Wascana right now if anyone wants to look. There is ongoing construction, upgrading, and improvement taking place. And the authority itself has been looking at an overall plan of street improvement over the next number of years, and that will take place.

I would like to point out however that government funding hasn't decreased over the years to Wascana Centre. In 1984 they received a total from government of 2 million; '88-89 was 2.785 million; '89-90, 2.923 million. So the funding has not decreased over the years.

What we are doing with this Bill is saying that we're going to make some amendments to the master plan and the funding will be frozen at a level that was previously established.

**Mr. Van Mulligen:** — Well can I just . . . I just want to run by those figures again. Can you tell me what the funding was from the provincial government, which would then have been in the department of government services, to the Wascana Centre in 1982, and what the amount is this year? Can you tell me that.

**Hon. Mr. Maxwell:** — Mr. Chairman, I'm sorry, our information doesn't go back to 1982, but we'll certainly find out for you. The last year that we have here, we've gone on a five-year cycle, is 1984, which was 2 million, and the 1989-90 is 2.923 million. But we will certainly find that '82 figure.

**Mr. Van Mulligen:** — Well I appreciate that, Mr. Minister. The figures that I have suggest that in 1984 it was 2 million, but that in 1990 it's 877,000 — the same as it was last year; and in 1988 and '87, slightly more than it was in '86; but that there was a substantial decrease between 1984 and '85.

I can certainly recall from my years on city council that in 1984 that there was a sharp drop in the amount of money going from the provincial government to the Wascana Centre. And because of the formula that we had, city council was also asked to decrease the amount of funds that would flow to the Wascana Centre.

So how you can explain to me now that notwithstanding that cut in '84, that we now have more money? I'd like to hear your explanation on that.

**Hon. Mr. Maxwell:** — As the hon. member is probably

aware — and I'm looking at Consolidated Fund budgetary expenditure, Parks, Recreation and Culture, vote 39 — the funding is split into two separate payments. There's a grant to Wascana Centre Authority, which is statutory, which is \$877,100 which is the figure we're talking about in the legislation — that's item no. 35. There is an item no. 37 which is payment to Wascana Centre Authority for maintenance of grounds, Mr. Chairman, and that in '89-90 is 2,046,800, that was in '88-89, 1.907 million, and I'm sure you would have these figures.

So that is where the change came about. And that was in the Department of Finance until this year. We had to make arrangements to have that fund transferred to our authority when this department took . . . we didn't take responsibility for the urban parks; we took the responsibility for carrying their legislation through the legislature.

**Mr. Van Mulligen:** — So can you tell me what the statutory grants were then in 1984, Mr. Minister?

**Hon. Mr. Maxwell:** — Mr. Chairman, I'm advised that the officials hadn't broken this down into two separates for previous years. The 1984 figures of 2 million accounted for both funds. I'll undertake to find that information or the hon. member and supply it to him.

**Mr. Van Mulligen:** — I think that we're in danger of comparing apples and oranges here unless you have that kind of information. But again, I want to, just to acquaint the minister with the fact — and it's something that you may not be familiar with — there was a sharp drop in the statutory grant on the part of the provincial government in or about 1984. And it's something I very clearly recall as I was highly critical of it at that time, and I'm still highly critical of the government's move now. You may have picked up some of that slack with the amount of contracting work that you get the Wascana Centre to do, but it certainly puts a constraint on the centre in terms of being able to plan its development.

Mr. Minister, you mentioned earlier that the Wascana Centre had a plan for road repair. Can you maybe flush out some of the details on that for us now?

**Hon. Mr. Maxwell:** — That plan is under discussion by the authority, Mr. Chairman. I believe it was at the penultimate meeting when we were looking at a comprehensive road repair program in response to citizens of Regina and others. I don't have that because that's under discussion by the authority themselves, and obviously pending the outcome of budgets, they will be finalizing how much work will be done in any given year. It's not enough, Mr. Chairman, and I know the hon. member understands this because he has served on city council, it's not enough to look year by year. We have to look at a long-term plan and that goes back again to the master plan that's contained in this Bill. And we're looking at the long-term plan of what should be done and where it should be done. We undertook major work this year, both sides of the lake, and there will be more work done in future years.

I can't give you the precise details because the authority themselves have not concluded what the order of

business should be or what the order of priority should be.

**Mr. Van Mulligen:** — Mr. Minister, I'm pleased to know that you've got a long-term plan. I simply want to make the comment: don't ignore the immediate and present, and that there are some immediate and pressing concerns with respect to the state of repair in the Wascana Centre. Something that . . . you know, things that need to be attended to. These are not things that one can neglect for any period of time.

The same as with the infrastructure surrounding this building: the sidewalks, you know, the sidewalks leading from the Legislative Building to the public roadway are in a state of disrepair. I might say that I'm very pleased that we have red carpet to roll out for royalty when they come to visit, Mr. Chairman, so that they're not tripping over the cracks and crevices that we find in the sidewalks around here.

I don't have any more questions at this point, but I believe my colleague, the member from Regina Lakeview does.

**Ms. Simard:** — Thank you, Mr. Chairman. Mr. Minister, I want to bring a particular problem to your attention that has been raised with me with some constituents of mine who take a great deal of pleasure in using the Wascana Centre for recreation purposes, and that has to do with the spraying in the centre. And I'm wondering, I would like the minister to tell me his policy with respect to notification of spraying in Wascana Centre as well as notification of the individuals as well as notification by signing when spraying of pesticides and herbicides is taking place.

**Hon. Mr. Maxwell:** — Mr. Chairman, there was a problem earlier this year when some spraying did occur. The decision to go ahead and spray was taken by the professional staff who are employed by the Wascana Centre Authority. The centre authority themselves were not involved in the decision to go ahead and do the spraying; however, I'm quite confident the centre authority will involve themselves in a future decisions. There are 11 members on that authority, as I mentioned earlier. There are city representatives, government, and university representatives. We had no input into the decision that was made. I believe it's just a regular ongoing program. The concerns you raise are very valid and I think we'll have to address them.

**Ms. Simard:** — Thank you very much, Mr. Minister. It is causing a lot of concern for some of my constituents. One individual in particular gets very, very ill when she comes in contact with pesticides, and there are others who as well experience side effects from the use of pesticides or herbicides.

I think it's important that the government consider the fact that, even though by far the majority of people don't have immediate side effects from spraying of pesticides, we are now increasingly aware of the long-term effects of the use of such chemicals, Mr. Minister. We know, although it's very difficult to prove, we are reasonably certain that it can lead to things like miscarriages and cancer, Mr. Minister.

And therefore, I think and I believe that it's absolutely imperative for the Wascana Centre Authority to set out some firm guide-lines. And I'm going to suggest to the Wascana Centre Authority that: number one, if anyone phones in and complains, you get their phone number and their name and you notify them next time they're spraying; number two, you set up signs wherever they're spraying. I understand that there was an effort to set up signs, but it was sort of a half-hearted effort and never really was followed through.

I personally had an experience in Wascana Centre when I was going through the centre earlier in the summer and heard a machine operating which I thought was a lawn mower and couldn't identify where it was, and all of a sudden the spray was shooting straight at me from behind some bushes. The men spraying were dressed in garb from head to toe. None of their skin was exposed, masks and everything, and I was being drenched in the spray. Well fortunately, I didn't get sick from that but, I mean, some people would get seriously ill from that. And I have constituents who would get seriously ill. There was not a sign out there; there was no notification, as far as I was aware, that spraying was taking place in that area, and I believe that's highly negligent. I think that the government has to set out firm guide-lines with respect to that.

(1045)

I believe that there's . . . under the charter of rights there may very well be a constitutional right under the right to life, security, and liberty for people to be notified of such spraying. I also believe that an individual who suffers seriously in a situation like that would have legal action against the government. And therefore I think it's imperative that the government develop some policy with respect to that.

And I think all it takes is the political will, Mr. Minister, to deal with the issue of spraying of pesticides and herbicides in the park. I've also been advised — and I've no way of knowing if this is true, I haven't been able to verify it — but I have been advised that spraying has taken place on Willow Island and the next day they were renting Willow Island out, and every day after that.

Now with children playing, with all this diazinon on the tables and on the grass, and children playing in there, and I think that the government has to take a strong stand on this. I would like to see you come forward with some firm guide-lines and some real policy with respect to this. Thank you.

**Hon. Mr. Maxwell:** — Now, Mr. Chairman, I'd be pleased to respond to the hon. member. We'd have to substitute "authority" for "government" because it is under the control of Wascana Centre Authority. I agree with the hon. member on both her recommendations that she's made. As a matter of fact, the city of Regina maintains a list of individuals who are sensitive or allergic to spraying, and they do contact them prior to spraying. They also put signs out in advance of spraying, and I see no reason why Wascana Centre Authority should not comply with both of those recommendations.

**Ms. Simard:** — Thanks.

Clause 1 agreed to.

Clauses 2 to 7 inclusive agreed to.

#### Clause 8

**Mr. Van Mulligen:** — Thank you, Mr. Chairman. Clause 8, Mr. Minister, one of the provisions is the deletion of section 9(b) of the existing Act, and that particular section of the Act stipulates that the architect planner must be consulted before the master plan is amended.

Now although the new section 12.1 of the Act, as outlined in clause 11 here, is desirable in so far as it provides for more public input into adoption of and amending the master plan, I wonder how prudent it is to eliminate the requirement to consult the architect planner.

The authority, Mr. Chairman, engages an architect planner, according to section 70 of the Act, to help it draw up a master plan, and I believe that architect planner currently is Roger Du Toit of Toronto. And I've always had the impression that it's the architect planner who's able to visualize and articulate a coherent hold is so far as the master plan is concerned. And therefore I always felt that it was a good provision that the architect planner should be consulted before there is to be any changes.

That is not to say that the authority necessarily had to implement what it is that the architect planner might have to say as a result of those discussions or had to pay any attention to what it is that the architect planner had to say, but at least it meant that you were consulting the person who drew up the master plan and who was able to visualize and to put that master plan into some coherent whole. And so as to not get into a situation where you had a group of men and women who might be making amendments to that plan, and notwithstanding the fact that those amendments to the plan and those changes to the Wascana Centre might seem like reasonable ones to the people who were making those changes, the provision to ensure that the master planner, the planner-architect would be consulted, would at least mean that there was some discussion as to how that amendment fit with the master plan as a whole.

Now I agree that the public should be consulted and I agree with the further provisions in the Bill that the public should also be consulted more widely than has been the case, about changes to the plan. But again I want to emphasize the point that it's the architect planner, the person who drew it up in the first instance is the person who's able to visualize a whole plan, is the person who articulated it in the first instance, and therefore it seems appropriate to me that that person should continue to be consulted. Not that that person should necessarily have any authority to override plans that the authority sees as reasonable, plans that the public might agree to, but at least that that person is consulted.

It seems to me that that would be a prudent move on the part of the Wascana Centre. So my question is, Mr. Minister: can you agree to an amendment that would

re-establish clause 9(b) and that would in fact eliminate this change that the architect planner would no longer be consulted?

**Hon. Mr. Maxwell:** — Mr. Chairman, I did some scrambling around. As the hon. member knows, I took responsibility for this piece of legislation, but I rather thought that that was already covered off.

What happens with section 9 with the parts that were repealed, they are now consolidated and combined in new sections 12.1 to 12.8; and sections 70 and 71 of The Wascana Centre Act covers precisely the situation the hon. member's speaking about — at least that's the advice I'm getting. It says:

70. The Authority shall, upon any terms and conditions it considers desirable, appoint an architect . . .

And we know about that. Then it says:

71. The architect planner shall review the master plan at least once every five years.

There's also provision within the Bill, as proposed, for the authority to request a master planner at more frequent intervals to review anything that's being proposed. The intent is certainly not to go ahead and bring something in that would be contrary, not only to the master plan, but to the spirit and the intent of the master plan. And as long as we have the current configuration on the authority in terms of its membership, I'm confident that would not happen, Mr. Chairman.

**Mr. Chairman:** — Minister of Education, why is the member on his feet?

**Hon. Mr. Hepworth:** — Mr. Chairman, I wonder if I could beg leave of the hon. member and the minister, as well as the legislature, Mr. Chairman, to introduce some guests.

Leave granted.

## INTRODUCTION OF GUESTS

**Hon. Mr. Hepworth:** — Mr. Chairman, I'd like to introduce to you, and to all members of the committee, some several guests seated in the Speaker's gallery. They include some 22 students and 8 adult chaperons who are part of a 4-H Open House Canada Exchange. Ten of these students are 4-H members from the province of New Brunswick, Mr. Chairman. I know they either are going to have or will have had a tour. They are accompanied by some adults from, I think, probably a few communities. I see Pat Jones from Fillmore, for example, and some others here.

I know many members on this side of the legislature at least, have been, over the years, members of the 4-H in their youth and continue to be active supporters. And I would just ask all members of the legislature to join with me in welcoming these guests, not only the ones from out of province, but as well, our in-province hosts, Mr. Chairman.

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

## COMMITTEE OF THE WHOLE

### Bill No. 57 (continued)

#### Clause 1 (continued)

**Mr. Van Mulligen:** — Mr. Chairman, I might point out that the Bill that we're discussing concerns the Wascana Centre and that this Legislative Building is situated in the Wascana Centre. It's a part that people of Saskatchewan, and particularly the people of Regina, are very proud of and even though . . . and I think that this is a pride that's shared on both sides of the House even though from time to time we may have differences about how we should support that. Nevertheless it's an area of our city and of province that we're extremely proud of.

Mr. Minister, I appreciate what you're saying about section 71 and that there will be . . . yes, section 71 of the Bill, and that there will be an opportunity for periodic review of the master plan which would involve the architect planner. But the point I want to make is that that's something different than clause 8(a) of the Bill which would then remove the section of the Bill which states that, and I just might read that. Section 9 of the Bill says:

In addition to any other power conferred upon by this Act (and that's in addition to section 71), the Authority may:

(a) elaborate the master plan;

(b) amend the master plan after consultation with the architect planner appointed pursuant to section 70;

And the amendment that's before us in clause 8 would do away with that. And I wonder if it's not your intention to do that, would you then accept an amendment which would then delete that particular amendment so that the provision that's there now, that there would be consultation before any amendment will in fact remain.

**Hon. Mr. Maxwell:** — Mr. Chairman, I read in some detail again the particular section. And it says:

The authority may:

(a) amend the master plan adopted pursuant to subsection (1), or repeal it and adopt . . .

And it goes from there. How be this reads:

amend the master plan adopted pursuant to subsection (1) after consultation with the architect planner.

**Mr. Van Mulligen:** — Mr. Minister, I just want to . . . (inaudible) . . .

**Hon. Mr. Maxwell:** — The hon. member was proposing an amendment that we include consultation with the architect planner. And I'm proposing that amendment

read under the change proposed new section 12.1(2). It says:

(2) The authority may:

(a) amend the master plan adopted pursuant to subsection (1) . . .

And I would propose to insert the words “after consultation with the architect planner.”

**Mr. Van Mulligen:** — I accept that and I agree with that. There might be a simpler way, and that’s just to make a deletion here in section 8, but if you want to do in the section that you’re talking about, that’s very acceptable to me. I had the Legislative Counsel . . .

**An Hon. Member:** — That’s the new section that refers to the master plan?

**Mr. Van Mulligen:** — Yes. I also had the Legislative Counsel draw up some amendments, but I certainly would accept the amendment that you’re suggesting and would vote for it at that time.

Mr. Minister, I just want to go on to another part of clause 8 and that is the reference to deleting clause (d) of section 9 of the Act. This particular amendment would expand the authority’s ability to accept donations of funds from the public and the explanatory notes that were provided with the Bill indicate that Wascana and the other urban parks are undertaking a joint fund raising campaign.

I might ask: is this a hint of further reductions of government funding? Will Wascana be forced to hold lotteries and bingos to raise the funds it needs for its basics as is now the case with hospitals in Saskatchewan? Can you assure us that you will not cut funds any further in the future, that you’re forcing these urban parks to rely on bingos and lotteries as a way of maintaining the very fine facilities that we now have?

**Hon. Mr. Maxwell:** — No, Mr. Chairman, that’s not the intent. They are already into some fund raising, and it’s mainly enabling . . . and they’re doing it now in any event — and not a bingo or raffle-type thing — but they are fund raising, as are the other urban parks, and it’s a question of consistency with us.

**Mr. Van Mulligen:** — Well I appreciate the consistency. The notes I had said that they’re undertaking fund raising. Now the question is, what is the fund raising for? Is it to generate additional funds that might be used by the various centres and authorities for discretionary projects that they have on the drawing boards, or are you going to be taking the position that you will cut back the statutory grants to the authorities because they’ll be able to make it up through bingos and lotteries and fund raising? What’s your position?

**Hon. Mr. Maxwell:** — There is a program, Mr. Chairman, already approved by the board, and what they’re looking at are some corporate sponsorships and donations, not any other type of fund raising. As far as I’m concerned, the statutory amount that’s put in here should be the amount that will go ahead. It should not be less.

**Mr. Chairman:** — Order. Being near 11 o’clock, the committee will rise and report progress and ask for leave to sit again.

The committee agreed to report progress.

(1100)

### THIRD READINGS

#### Bill No. 2 — An Act respecting Railways in Saskatchewan

**Hon. Mr. McLeod:** — Mr. Speaker, I move that the Bill be now read a third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

#### Bill No. 3 — An Act respecting the Consequential Amendments to Certain Acts resulting from the enactment of The Railway Act

**Hon. Mr. Hodgins:** — Mr. Speaker, I move that this Bill be now read a third time and passed under its title.

Motion agreed to on division, the Bill read a third time and passed under its title.

#### Bill No. 47 — An Act to amend The Municipal Revenue Sharing Act

**Hon. Mr. Hodgins:** — Mr. Speaker, I move that this Bill be now read the third time and passed under its title.

Motion agreed to on division, the Bill read a third time and passed under its title.

The Assembly recessed until 1 p.m.