

**Public Hearing: Department of Northern Saskatchewan and Saskatchewan Housing Corporation
(continued)**

Mr. Chairman: — . . . (inaudible) . . . public accounts meeting to order. I want to begin with a comment about an item that arose yesterday with respect to the disclosure with details about specific loans or grants.

The question was raised as to whether or not such questions should be put and whether such questions should be answered. Heretofore it has been the policy of the public accounts committee not to ask for details of specific loans or grants. The question was raised as to whether such questions are in order. I would rule that such questions are in order. The committee always has within its power the power to ask such questions, and it was a matter of discretion before that such questions were not asked. The committee always has the power to ask those questions and, if they're asked, witnesses are obliged to answer them. So that I rule that such questions are in order.

It goes without saying that the same ruling will apply to loans of any other crown corporation or line department which happens to come before us. For the moment that's not relevant, but I point that out to members.

I trust the members will use their discretion (and I know they will) in not causing any more embarrassment than is necessary. But the primary responsibility of this committee is to ensure that public funds were spent as authorized and as efficiently and as effectively as possible. If members feel that they have to get the details of specific loans in order to discharge those functions, then they are acting within their responsibility.

So with that comment I'll leave the matter open to any of the members who may have questions of the witnesses before us.

Mr. Dutchak: — Just for the record, I think it's clear that any of the procedures which govern this proceeding can change at any time, depending on which department is before us. In this case, due to a number of factors, we think it's necessary that the individual people receiving loans, and so on, for houses, be dealt with, due to the seriousness of the discrepancies which we can find — the discrepancies between the auditor and the evidence we've heard so far, the information we've heard so far from the officers. Several of the loans which we will be talking about in economic development raise questions as to why the loans were even made in the first place. They're more serious than normal, in our opinion. The overrun information yesterday was more serious than normal. We think — because the circumstances are not normal — that this is the reason why we want to get into it.

Now, on the other side of the coin, I concur that we have a responsibility to bring out the names only when we believe it's necessary. And I think that responsibility never does leave us.

Mr. Chairman: — This is not an item which we're probably going to resolve right now. But let me just demur on any suggestion that there is anything unique about the Department of Northern Saskatchewan. I would rule on such an item when it actually came before me, and not now, but I warn government members that at this point in time

I see no difference between getting details of loans from DNS and getting details of loans from Sedco, by way of example. As I say, I'd rule on that when it actually came before me, and it's somewhat hypothetical, but I just warn government members, at whose instance this change in the discretionary approach that the committee has taken, I just warn government members that I do not, at this point in time, see any difference. And I might well rule that such information could be . . . (inaudible) . . . from Sedco as well when that came before me.

Mr. Dutchak: — You realize that the difference is that Sedco is a corporation and we're not dealing with a corporation but a government department here.

Mr. Chairman: — Given the nature of that particular crown corporation, at this point in time it strikes me that that's a distinction without any real substantial difference. That's an item which we may have to resolve at a later date.

Mr. Glauser: — Mr. Chairman, I don't think the department that we have here is really interested in this discussion. I think that's a matter that we do treat as a separate issue.

Mr. Chairman: — Well, I'm not sure it matters a lot whether or not these people are relevant to it or interested in it. We don't want to waste their time, but I do want to make it clear to members of government caucus that I think you're setting a precedent. I think it may well be the right decision. I am not sure that the confidentiality with which loans were treated in the past was always in the best interest of the public as a whole. I'm not particularly disagreeing with your decision. I think it may be in the best interests of the work of this committee. I'm not quarrelling with the decision. I'm just pointing out that you're setting a precedent that in my view is applicable elsewhere. But that's somewhat academic at the moment.

Mr. Katzman: — Mr. Chairman, if I may. The precedent in Sedco, which is a crown corporation, has been to discuss certain ones where it is relevant to use the name because of special conditions. If you're looking for a precedent I give you McNulty's Welding — is one prior example in Sedco that the minister and I used the name quite regularly — Mr. Vickar, I believe at the time — on that particular issue, right down to the guarantees and the board minutes of the Sedco board, and quoting what was happening at the Sedco boards.

Mr. Chairman: — I make the point to the member from Rosthern that my view at this point in time is that the precedent we set with respect to this department is also applicable to Sedco. To say that's something that is somewhat academic, I just want to warn government members I don't see that there is any distinction, any particular distinction's been made with respect to DNS. And as I say, I don't quarrel with the decision. I think we don't need to embarrass people unnecessarily, but surely the paramount consideration is our ability to discharge our responsibility to the public, to ensure public funds are properly spent. And if members feel they can't do that without getting specific details, then I agree, those details should be available.

Mr. Dutchak: — Mr. Chairman, I assure you that if any of our departments or crown corporations operate in the way that DNS did in the year under review, you'll have my full co-operation.

Mr. Chairman: — We should bring this discussion to an end, and this is the last comment I'll make. Your view as to how DNS is acting is somewhat subjective, and I'm not sure that you can base any particular distinctions on your view of how DNS is

operating, because that isn't entirely conceded to you. Anyway, do you have other questions of the witnesses?

Mr. Dutchak: — We were questioning Mr. Lloyd, and I'd just like to continue and complete my questions, so he can leave. I believe he has another meeting later this morning.

Mr. Chairman: — Can I just raise that? Let me just remind myself. Yes, Sask Housing — could we deal with Sask Housing first and attempt to co-operate with crown corps persons. They're meeting at 10 o'clock I gather, not 9:30; and if we were able to finish them, we'd be able to let them go, I communicated to the crown corporations that we're going to finish first, and if we didn't get finished by 10:00, that was tough because we were in the middle of our questioning and weren't going to interrupt it for them. The work of this committee is as important as theirs. But, on the other hand, if we could complete it by 10:00, it wouldn't kill us to co-operate with them.

Mr. Dutchak: — That is where Mr. Lloyd is going.

Mr. Chairman: — Yes, I realize that. Well, I think probably all of the Saskatchewan Housing officials, if I'm not mistaken, Mr. Willox, would all want to go up to crown corporations, so I think it's not Mr. Lloyd, it's all of the Saskatchewan Housing officials would want to go. And as I say, if we can, we shall. If members aren't finished we shall finish our work . . . (inaudible) . . .

Mr. Dutchak: — Regarding the housing program again, I understand there were liens registered in the year under review, mechanics' liens. What would be the approximate total amount of these mechanics' liens — liens registered at that time?

Mr. Willox: — I'll ask Mr. Lloyd to respond to that.

Mr. Lloyd: — Approximately \$1 million.

Mr. Dutchak: — And how many housing units would this involve?

Mr. Lloyd: — Approximately 600 units, I believe.

Mr. Dutchak: — And is the lien problem complete as of now, or is it still being dealt with?

Mr. Lloyd: — That's being dealt with now under The Mechanics' Lien Act.

Mr. Dutchak: — So the liens that were registered in the year under review are still not settled?

Mr. Lloyd: — No.

Mr. Dutchak: — What is being done to avoid further problems such as that?

Mr. Lloyd: — We'll be going now . . . The problems, or the liens occurred under the local housing groups. We will now probably be going to a different method of doing housing units: through the tender method with controls of the normal business and corporation procedures in place.

Mr. Dutchak: — Now, could you explain the problem that you are having with CMHC in regards to these houses?

Mr. Lloyd: — In what way?

Mr. Dutchak: — Well, for instance, CMHC is arguing whether they should pay their share of the costs. Is that correct?

Mr. Lloyd: — We've identified now all the costs that were incurred by the department, and they have all now been submitted to CMHC, and we're now doing the negotiations on those.

Mr. Dutchak: — So is that all that CMHC owes — is the amount you submitted for?

Mr. Lloyd: — Yes, at this time.

Mr. Dutchak: — And what is that amount?

Mr. Lloyd: — They owe us a total bill of \$16 million, approximately.

Mr. Dutchak: — And is there an amount that still has not been billed to CMHC?

Mr. Lloyd: — No, that's the whole total package for everything, in the \$16 million.

Mr. Dutchak: — I see. How much hasn't been billed yet?

Mr. Lloyd: — Hasn't been billed yet? No, we're billed right up to date now with them when we presented the package to them from all the past years right up to now. That's in the \$16 million.

Mr. Dutchak: — Okay. Can you tell us roughly when the funding from CMHC became payable, in your department's opinion?

Mr. Lloyd: — In the normal procedure of it when a project was started, and after a certain portion of that project was being completed, the department could have billed CMHC at that time for partial billing and then when the unit was all finished or the project was finished, then the total bills should have been submitted to CMHC.

Mr. Dutchak: — Is CMHC going to pay interest?

Mr. Lloyd: — We're in negotiations on that. Through the agreement they are to pay interest.

Mr. Dutchak: — Now, in northern Saskatchewan, you had two methods of delivery, right? Or of constructing the homes. What were those two methods?

Mr. Lloyd: — Direct delivery by DNS and through the local housing groups, non-profit organizations.

Mr. Chairman: — I don't know if I've ever formally said it and I should — there's coffee behind me, and the witnesses are as welcome to help themselves to the coffee as the members of the committee and the media, so please feel free. Sorry.

Mr. Katzman: — On the non-profit groups, I think, from what you said yesterday, these are people that are learning to do the work. They may not be carpenters or so forth, but a group is put together who have some of the skills but not all of the skills, and sort of use it both as a training project as well as a building organization.

Mr. Lloyd: — Under the program that CMHC developed this was what it was to be intended to do.

Mr. Katzman: — Therefore CMHC realized the cost per unit would be a lot higher, but were willing to accept it?

Mr. Lloyd: — We're hoping that they look at it in that light.

Mr. Dutchak: — Have you been collecting arrears of payments on these homes since the new department took over?

Mr. Lloyd: — No. Not at this point, we haven't collected any arrears. We've tried to get the mortgage portfolio into good working order, and so we're getting to that point now where we know approximately what the arrears are and who they are. We haven't done any collection as yet, although we have sent out, to some people, letters indicating that we want payments, especially to those people who haven't made any payments. And we're hoping this is going to start the procedure of getting the payments and the arrears situation cleaned up.

Mr. Dutchak: — Are you saying there's some people that haven't made any payments at all? Since the house was complete?

Mr. Lloyd: — Yes.

Mr. Dutchak: — Have you talked to any of the people who were employed in the year under review to find out why the collection wasn't taken or what their instructions were?

Mr. Lloyd: — In the northern branch, the mortgage portfolio, up until, I believe it was January 1981, was kept under financial services of DNS, and so was not part of the housing branch. I understand there was some sort of collection policy in place under financial services, but it wasn't in the department that I took over, so I got no idea really how it worked or what happened.

Mr. Dutchak: — So are you saying you haven't talked to any of the officers that were given instructions as to what to do with the arrears? You haven't interviewed anyone?

Mr. Lloyd: — My knowledge that I have ascertained since I've been up there is that we don't do much about it.

Mr. Dutchak: — About collecting arrears The officers told you that.

Mr. Lloyd: — Well, we have no officers left in the former northern housing department, so I don't know. There was a policy laid down. I don't believe it was followed.

Mr. Dutchak: — I see. But through your investigations you're saying you've learned that there was simply no pressure to collect the arrears.

Mr. Lloyd: — It appears to be that.

Mr. Dutchak: — How many units would be in the situation where no payments were ever made?

Mr. Lloyd: — Like I say, we're still reviewing the mortgage portfolio. I imagine it might be 10 per cent of the portfolio. We haven't got to that point.

Mr. Dutchak: — How much would that be then? 10 per cent?

Mr. Lloyd: — We now . . . The mortgage portfolio should be bringing in around \$150 to \$160,000 a month. So approximately, we were getting 6 or 7 months ago, I think the figures we were getting about \$35,000 a month.

Mr. Dutchak: — Instead of 150? Now, I understand there were also overruns on the units. Can you tell us what the total amount of the overruns were according to your determination, and the number of units?

Mr. Lloyd: — \$9 million is what we've submitted to CMHC.

Mr. Dutchak: — \$9 million overrun? And how many units?

Mr. Lloyd: — 600.

Mr. Dutchak: — So what were . . . The final unit costs would be between \$75,000 and \$100,000. Is that fair to say? Your answer is yes?

Mr. Lloyd: — Yes.

Mr. Chairman: — You'll have to speak up. The sound of a man shaking his head is awfully hard to pick up.

Mr. Dutchak: — I was talking about the units delivered in both methods. Right. The self-delivery and the housing groups. What made up the overruns?

Mr. Lloyd: — Extra construction costs.

Mr. Dutchak: — And interest?

Mr. Lloyd: — No, the interest is calculated in . . . That's a hard question to answer, if you're talking about the interest we're to collect from CMHC.

Mr. Dutchak: — Oh, I'm sorry. Okay. I realize . . .

Mr. Lloyd: — Or interest on the . . .

Mr. Dutchak: — That's fine. I'll withdraw that question. Now, there were unfinished homes when your department took over. How many?

Mr. Lloyd: — Approximately somewhere in the neighbourhood of 150 homes that had to be finished.

Mr. Dutchak: — And what's the present status?

Mr. Lloyd: — Nearly all the homes now have been completed. We just have a few left now to finish up.

Mr. Dutchak: — Well, a final concern . . .

Mr. Engel: — Just on that note, may I interrupt so we don't have to jump back and forth? How many homes a year were you building prior to the year under review — roughly?

Mr. Lloyd: — They built . . . You'll have to forgive me for this. I've been there seven months, and I understand they were building somewhere around 200 to 250 homes a year.

Mr. Engel: — And why were there none built in the year under review — no new starts?

Mr. Lloyd: — The whole system was broken down a year or two ago and everything came to a halt.

Mr. Engel: — Is that because everybody had a house or the housing needs adequately met or why was this?

Mr. Lloyd: — They were running into this cost overrun situation.

Mr. Engel: — And so they decided, rather than correct that situation, you'd just build no houses?

Mr. Lloyd: — I guess that was the decision that probably was made.

Mr. Katzman: — Wouldn't it have been more correct to have said until they got the problem solved they weren't going to do anything, rather than say they're not going to build? They were trying to work out their problems because of the finances with the federal government and so forth. Nobody knew where they stood financially until you settled that first batch. You didn't want to get yourself down another road that was going to be the same problem over again?

Mr. Lloyd: — Yes, that's correct.

Mr. Willox: — I think, too, the federal-provincial agreement at the time had run out. That was part of the negotiations in terms of the development of the program, the approach to be taken.

Mr. Engel: — Has a new agreement been reached?

Mr. Willox: — With the take-over of the DNS housing branch by the Saskatchewan Housing Corporation the southern rural native housing agreement with the federal government would now apply across the province, so it is not necessary to enter into a new agreement for the old DNS area. It would simply be embodied within the existing agreement that is in effect in southern Saskatchewan.

Mr. Engel: — It wouldn't be under the year under review, but for this coming year then you expect some more housing starts again too?

Mr. Lloyd: — Yes.

Mr. Engel: — In the neighbourhood of 200?

Mr. Lloyd: — Not at this time, no.

Mr. Engel: — What percentage of the housing is funded from provincial sources?

Mr. Lloyd: — 75 per cent. From provincial?

Mr. Engel: — Yes.

Mr. Lloyd: — 25 per cent.

Mr. Engel: — So the province puts up 25 percent, and the feds 75, on a house that the province retains ownership. Would that be used as a rental unit then, or resale on a mortgaging?

Mr. Lloyd: — They are to be treated as a sold unit to the individual, where he'd hold the mortgage.

Mr. Engel: — Oh, I see. So it isn't a real big investment from the province's point of view. They didn't cut back because they were withholding funds. Is that what you're trying to tell me? In the year under review, there's 200 houses that didn't get built because of . . . What you're using as an argument is because there were some overruns in the time period before that. But on those 200 the province . . . (inaudible) . . . financing or funding 25 per cent of that.

Mr. Lloyd: — Yes, if they were to build 200 houses, they'd only finance 25 per cent.

Mr. Engel: — Just one more further question. Do you suppose that the amount of money we could have been using there, that 75 per cent from the feds, that we have a catch-up program in there — or is that money down the tubes? 75 per cent for 200 houses is a heck of a lot of money that we let slip by by not having that work, because . . . The point I'm getting at: we have 75 per cent unemployment, according to the minister in estimates, in the North in some places, and if that housing would have been developed, 200 housing units would have used up some people and created some jobs, and given them jobs that they could have made their payments, and we wouldn't have had that many mortgages in arrears. It seems that the department was negligent in taking a whole year to try and correct a situation just because of some funding that they lost the construction of 200 new houses. That's the point I'm making.

Mr. Lloyd: — Yes, but SHC did not take over the northern department till November 1st of 1982. So we just had this winter to prepare for summer . . . (inaudible) . . .

Mr. Engel: — What happened between April and November? I mean, who was in charge?

Mr. Bailey: — Mr. Chairman, if I might, Mr. Willox made the point a moment or two ago that an agreement expired also, and I think that was an important consideration why the program stopped. I don't know the date exactly when the agreement expired, but it was

in the period of time we're talking about here, I believe.

Mr. Engel: — Can you find that out? Could we get a copy of that agreement?

Mr. Bailey: — Yes.

Mr. Engel: — I would like that.

Mr. Katzman: — All I was going to say was the date, I understand, was prior to the last election, that that agreement expired.

Mr. Engel: — It mustn't have, because there was still 160 houses being built in the election year — that were finished in the year under review.

Mr. Chairman: — Somebody has a list of the houses built and when, perhaps that would be of some assistance.

Mr. Katzman: — They were allowed to finish, I understand, what they had started.

Mr. Lloyd: — We were finishing houses.

Mr. Katzman: — They were started under the old agreement.

Mr. Chairman: — Since the information evidently doesn't seem to be present, could you let us know when — you could do so in writing — when that agreement expired, and when it was . . .

Mr. Engel: — The principal clauses in the agreement is what I'd really like.

Mr. Chairman: — Number one, a copy of the agreement?

Mr. Engel: — Well, I don't know. If it's a big thick book I don't need it, but if you can give me some kind of a summary of what was included in the agreement, and the principal points. Is that a difficult piece of information to get?

Mr. Willox: — Do you want that in writing?

Mr. Bailey: — We could get you the agreement, Mr. Chairman, and we don't mind doing that at all. The records are in the possession of Saskatchewan Housing Corporation now. I don't know to whom you're asking that question.

Mr. Chairman: — I don't think we were quite getting . . . (inaudible) . . . We'll ask the Saskatchewan Housing Corporation to provide the date when the old agreement expired, the date when the new one was reinstituted, and the principal terms of the agreement, and a copy of the agreement if it isn't too weighty.

The member for Saskatoon Mayfair has been waiting very patiently.

Mr. Glauser: — I would just like for a minute to go back to the arrears, with the knowledge that there has been pretty severe unemployment up there, was it not a provision under the welfare system to provide for funds for housing payments?

Mr. Lloyd: — Yes.

Mr. Glauser: — So really, we can't relate the unemployment situation to the arrears then?

Mr. Lloyd: — Not really, because if they were on welfare there would be a housing allowance in there to pay their rent or mortgage.

Mr. Glauser: — Whether they were renting or whether they were paying a mortgage, it would be the same thing. Is that correct?

Mr. Lloyd: — That's right.

Mr. Engel: — Is that housing allowance made payable to you, or to the individual to pay his bill? How do the welfare people handle that?

Mr. Lloyd: — At this time, we are now talking with the Department of Social Services on correcting the situation, where we will be getting those funds to us. In the past, this was not done.

Mr. Engel: — It went to the individual?

Mr. Lloyd: — It went to the individual.

Mr. Bailey: — If I might, Mr. Chairman, just to add a point to that, social assistance payments in most provinces presumably have a housing allowance built into them, and it has been a debatable question, from jurisdiction to jurisdiction, whether that housing allowance should go directly to the housing agency or to the occupant. The past practice, and I guess the current practice, in Saskatchewan, is that the housing allowance goes to the occupant, to the SAP (Saskatchewan Assistance Plan) recipient.

Mr. Chairman: — The member for Saskatoon Mayfair had the floor.

Mr. Glauser: — I think the answer is complete.

Mr. Dutchak: — Could you tell me how large the community of Jans Bay is?

Mr. Lloyd: — I believe it's probably in the neighbourhood of 30, 40 dwellings.

Mr. Dutchak: — And how many of your department's dwellings are situated there?

Mr. Lloyd: — I believe we'd probably have 90 per cent of them.

Mr. Dutchak: — I see. And is the community largely unemployed?

Mr. Lloyd: — Yes.

Mr. Dutchak: — And for instance, it would be quite easy to spot someone that's earning \$40,000 living in Jans Bay?

Mr. Lloyd: — I believe that it would probably get to be common knowledge fairly quick.

Mr. Dutchak: — Now I asked a question two days ago regarding one example case: a

home apparently owned by one Lawrence Yew. Are you familiar with the home owned by him?

Mr. Lloyd: — I understand that he did at one time own a home, yes.

Mr. Dutchak: — During the year under review?

Mr. Lloyd: — Yes.

Mr. Dutchak: — And does he still own the home?

Mr. Lloyd: — No.

Mr. Dutchak: — Did he quit claim the home back to the government in 1982?

Mr. Lloyd: — Yes, I would say that he has.

Mr. Dutchak: — According to your records, did he own the home for approximately two years?

Mr. Lloyd: — I believe, yes, that according to the records, he did have the home for two years.

Mr. Engel: — Just on that point, when . . .

Mr. Chairman: — Order, order! Let the member from Prince Albert-Duck Lake finish, then I'll recognize you.

Mr. Dutchak: — Yes, I haven't got much more to do on this. Mr. Lloyd, was there a standard . . .

Mr. Chairman: — Order, then. If you've finished with the Lawrence Yew house, I'll let Mr. Engel go ahead then.

Mr. Dutchak: — It's in relation to this.

Mr. Chairman: — It's the same thing?

Mr. Dutchak: — Yes.

Mr. Chairman: — Okay.

Mr. Dutchak: — There was a standard application form which contains a declaration which entitles a person to apply for one of these homes. You're familiar with the declaration form. Is that correct?

Mr. Lloyd: — Yes.

Mr. Dutchak: — To your knowledge did Mr. Yew sign one?

Mr. Lloyd: — Yes, I believe that he did sign one.

Mr. Dutchak: — Part of the declaration states that 'I hereby certify that the

information provided by me is, to the best of my knowledge, true and accurate.’ And it requires the signature of the potential home-owner, and it’s generally witnessed. Is that correct?

Mr. Lloyd: — That’s right.

Mr. Dutchak: — In that statement an individual wishing one of these homes verifies that his income is of the level described two days ago in order to qualify for one of these homes. Is that correct?

Mr. Lloyd: — That’s correct.

Mr. Dutchak: — Now, have you determined that in Mr. Yew’s case an indication was made or he verified that he earned a monthly income of \$800?

Mr. Lloyd: — If that is what is on the application form — that’s a but — and for us we would try to do a verification.

Mr. Dutchak: — I see. I gather you have these documents relative to Mr. Yew’s home in your department’s possession?

Mr. Lloyd: — That’s correct.

Mr. Dutchak: — Are you also familiar that Mr. Yew was earning approximately \$39,000 during the time that the home was owned by him?

Mr. Lloyd: — I would have to take a look at the file but if it wasn’t in the file then I would have no way of knowing what his income was.

Mr. Dutchak: — I see. So your department hasn’t checked this out.

Mr. Lloyd: — No, because he is no longer in the house so it wasn’t relevant.

Mr. Dutchak: — Is it a fact that Mr. Yew did not make regular payments on the house during the period of his ownership and, in fact, owes the Government of Saskatchewan over \$7,000 in arrears?

Mr. Lloyd: — I understand that there was no payments. As to the arrears, I would have to take a look at the file in order to calculate what the arrears are.

Mr. Dutchak: — In this case, as others, is it difficult for you to provide us with accurate information as to the arrears and circumstances of the acquisition?

Mr. Lloyd: — Yes, it is.

Mr. Dutchak: — I wonder if you could provide us with the exact amount of arrears, as indicated by your department, relative to this home and any others where the arrears are greater than \$2,500.

Mr. Lloyd: — Yes, that would probably be possible. It would probably take some time. As I stated before, we are going through the mortgage portfolio and it’s going to be some time before — going through 1,600 accounts and determining the total arrears

picture — getting down to specifics in that.

Mr. Dutchak: — Getting back to Mr. Yew's house, when these verification forms were signed, where did this take place? Did it take place at Jans Bay or in La Ronge?

Mr. Lloyd: — In his case I would probably not know. I wouldn't know where it took place.

Mr. Dutchak: — It is my understanding that one year later, while Mr. Yew was earning approximately \$39,000, another verification form was filled out by two people from the northern housing branch verifying again that he earned \$800 and was self-employed. Why would a second one have to be filled out? Was there a procedure requiring that?

Mr. Lloyd: — Yes, there is a procedure of trying to do income reviews for the method of calculating the payments that the people make on their houses.

Mr. Dutchak: — Is it true that in the second verification form the two government officers sign the verification form, but Mr. Yew was not even required to sign a declaration?

Mr. Lloyd: — I would not be aware of that. I'd have to check that all out.

Mr. Dutchak: — Can you check your records and advise us by letter whether there was a second verification or any others, and whether they were signed by Mr. Yew? Because according to our information the officers seem to just fill out the form that he's earning \$800 again the following year, when in fact he was earning nearly \$40,000, and he continued to own a subsidized home. Now if in fact he was earning \$40,000 roughly, would you agree that he would not qualify for one of these subsidized homes?

Mr. Lloyd: — Yes, he would be out of the criteria.

Mr. Engel: — Can I ask a question on that particular house at this time? When was the original application signed? Have you a date on that?

Mr. Lloyd: — Yes, there would be a date on the . . .

Mr. Engel: — Can you tell me that?

Mr. Lloyd: — I believe it was sometime back in 1980.

Mr. Engel: — Would June 5, 1980, sound like it's accurate? I think it's very negligent on your part that you didn't bring the application along when his name was mentioned at an earlier meeting. You don't have that application with you?

Mr. Lloyd: — No.

Mr. Dutchak: — I don't believe Mr. Lloyd was here when I mentioned it first.

Mr. Engel: — The records indicated that — my records show that he signed that application on June 5, 1980. It was during a time when he was unemployed and was acting as a trapper. He was unemployed from December 1979 to June 5, 1980, and the interim occupancy paper was signed on March 30, 1980 for the application for that home. On June 5 he was transferred and finally got a job at La Ronge. And what time

was the house occupied, or did he sign a quit claim for somebody else to occupy that house? Do you have that?

Mr. Lloyd: — It will be in the file.

Mr. Engel: — And after he lived in it two months he never signed a mortgage paper; he was waiting for the house to be completed. Is that not right?

Mr. Lloyd: — I wouldn't know.

Mr. Engel: — Was there ever a mortgage or a paper signed other than an interim occupancy?

Mr. Lloyd: — I believe there was just an interim occupancy agreement.

Mr. Engel: — When a person signs an interim occupancy, and then two months later signs a quit claim, do you consider that he holds a mortgage on that house?

Mr. Lloyd: — No, he doesn't have a mortgage. He has the regular . . . (inaudible) . . .

Mr. Engel: — After he signs a quit claim, would you expect that he would be responsible for the people living in it, and make payments for them?

Mr. Lloyd: — No.

Mr. Engel: — Who occupied the house after he moved out, after two months?

Mr. Lloyd: — I would have to check the records to get the name of the person.

Mr. Engel: — Could you find that information for us? And did they not sign an occupancy paper and a mortgage on that house after that?

Mr. Lloyd: — They would probably sign an occupancy paper on that when the next person moved into the house.

Mr. Engel: — And after a person signs a quit claim, does he still hold some responsibility as far as making payments?

Mr. Lloyd: — Not to make the regular monthly payments, no.

Mr. Engel: — Well, then, where do you feel that he owes \$7,000 for two months?

Mr. Lloyd: — I didn't say that I felt that he owes \$7,000. I said that the records show \$7,000, and I would have to check the records to see if they were right.

Mr. Engel: — Were there not new papers signed when . . . Do you just keep the one paper on file, then put another paper on it and consider that a different house? Is that what happened? What did the department do in that case?

Mr. Lloyd: — Well, we start out our mortgage file with the house on there, and somebody moves into it. They make their payments. If they leave the house and move out, then the house is turned over to somebody else.

Mr. Engel: — Did that transfer never take place then?

Mr. Lloyd: — Yes, the transfers all take place.

Mr. Engel: — Well, would you please check those records then for some accurate details? Because I think in the case of Mr. Yew — I called up but I didn't get his file back down — but a Mr. and Mrs. Daniel McCallum had their house burn down about the same time as he moved to La Ronge, which was in June, and moved into that house, and as far as I can find, he had signed a quit claim. When that family moved in he got all the co-operation with the department, and his principal place of residence from that time on was La Ronge.

Mr. Dutchak: — I wonder, Mr. Chairman, if Mr. Engel would be willing to take the chair up there now, ask him for more information. It appears to me that if the questions are being asked of the officer, that the officer should be entitled to give the information. Really we haven't heard too many questions; basically information is being placed on the record here with no substance.

Mr. Chairman: — By both sides, I might add, by the member from P.A.-Duck Lake, as well as the member from Assiniboia-Gravelbourg.

Mr. Engel: — I was just kind of copying the form that my learned friend used in his earlier line of questioning.

Mr. Dutchak: — You may not want to copy it.

Mr. Chairman: — No, I'm not sure that that's . . . I want to ask some questions of the members . . . (inaudible) . . .

Mr. Katzman: — Mr. Shillington, just one question. Mr. Engel made a comment. I'd like to get it clarified before we . . . (inaudible) . . . Are you saying that Mr. Yew signed the quit claim in June of 1980?

Mr. Engel: — I was asking a question: when the quit claim was signed. I don't know if that . . . (inaudible) . . . Mr. Chairman.

Mr. Katzman: — I'm asking if that's what your statement was. I want to make sure . . . You made that statement. Is it correct, what you stated?

Mr. Chairman: — Why don't you simply ask the witness when the quit claim deed was signed?

Mr. Katzman: — He says he doesn't know. Mr. Engel says it was signed . . .

Mr. Chairman: — I'm not sure what Mr. Engel says is a proper subject of interrogation. I want to ask the members some questions. How many houses were there in northern Saskatchewan which . . . SHC did not own these houses? Is that correct? It was actually the DNS through the housing account. Is that accurate?

Mr. Willox: — That's right.

Mr. Chairman: — How many such houses were there?

Mr. Willox: — There was approximately, I believe, 1,650 housing units that we received or were transferred from DNS to Saskatchewan Housing Corporation.

Mr. Chairman: — What arrangements were made? Were those houses sold or leased or on what basis were they made available to the public?

Mr. Willox: — There was a combination; I think about half of them were on mortgages and half of them were either interim occupancy agreements or on a rental situation.

Mr. Chairman: — Would you describe for me how . . . Was this not crown land that they were on?

Mr. Willox: — I think there was a number of instances of that. I don't . . . Gary?

Mr. Lloyd: — I think there was probably the odd house that got built on crown land.

Mr. Chairman: — But most of them were not; they were on privately owned land.

Mr. Lloyd: — No. they were built in the communities.

Mr. Chairman: — How was the sale price arrived at for those which were sold?

Mr. Lloyd: — The sale price arrived at as far as I understand by the records was what the units cost to construct, taking in land, you know, the whole thing, land, everything, the price of the unit.

Mr. Chairman: — What kind of an arrangement does an interim occupancy agreement describe?

Mr. Lloyd: — The interim occupancy agreement is more or less much the same as the rental agreement where maybe the house is not quite finished, therefore we can't sign a mortgage. So this just gives him the right to live in the house and also it states in there what his payments will be per month.

Mr. Chairman: — Okay, so an interim occupancy agreement is not intended to be a permanent arrangement?

Mr. Lloyd: — That's right.

Mr. Chairman: — It is intended to cover a relationship which might exist during the completion of the construction of the house.

Mr. Lloyd: — That's right. It's a legal arrangement between us and the person moving into the house.

Mr. Chairman: — How long would such interim occupancy agreements normally last?

Mr. Lloyd: — We have some that are probably lasting up to five years at this point because the house was not finished, and which we're having to identify now, go back, finish the house and sort the problems out.

Mr. Chairman: — All right. So, do I take it that most houses, when they are

constructed, many of them would have been subject to interim occupancy agreements because people would move in before you were satisfied that the contractor had completed his obligations?

Mr. Lloyd: — Yes, this is what happened. And the reason for that was there was a great need for housing up there and when the house was near enough to completion that some family could move in, because they needed a house and it wouldn't really curtail the contractor to finish the house, which at that period in time was DNS direct delivery or under the local housing groups.

Mr. Chairman: — All right. How would you determine what rent you would charge a prospective occupant? What compensation . . . I'm not sure rent is a proper term for what was paid under the interim occupancy agreement. How would you determine the monthly compensation to be made to the Saskatchewan Housing Corporation for the use of the premises?

Mr. Lloyd: — Under the agreement we have with CMHC, they have a scale which is approximately 25 per cent of their income to be paid on the rent or interim occupancy or mortgage. It's 25 per cent of their income.

Mr. Chairman: — Do you know when Mr. Yew's interim occupancy agreement was signed?

Mr. Lloyd: — I believe the interim occupancy was sometime in the spring of 1980.

Mr. Chairman: — Sometime in the spring of 1980 is not precise enough.

Mr. Lloyd: — I would have to have the exact file in front of me to get the exact date.

Mr. Chairman: — All right. Then he's going to have to return with that, probably on Tuesday next, since we don't meet tomorrow. I assume there's no way you can get that file today?

Mr. Lloyd: — I may be able to get it down, get hold of it, but it would probably be too late.

Mr. Dutchak: — Which file are you talking about, Mr. Chairman?

Mr. Chairman: — Mr. Yew's.

Mr. Dutchak: — I see.

Mr. Chairman: — All right. Do you know what Mr. Yew's income was when he signed the interim occupancy agreement?

Mr. Lloyd: — Only what I've heard here . . . (inaudible) . . . But I haven't got the file.

Mr. Chairman: — Well, you'll have to get your file. I'm going to be asking all these questions again and I just sort of forewarn you that it's where we're going.

Do you know what Mr. Yew listed his occupation as when he signed the interim occupancy agreement?

Mr. Lloyd: — I'd have to read it out.

Mr. Chairman: — All right. Now this would be an agreement entered into with the northern housing advance account. Have I got that right, Mr. Willox? Is that the name? I want to get the nomenclature properly here. Who would someone who wanted a house, who would he deal with? It wasn't SHC. Who was it?

Mr. Willox: — At that time it would have been the responsibility of the Department of Northern Saskatchewan, and the contractual arrangements would have been between the applicant and the department.

Mr. Chairman: — All right. Would the local community authority, the LCAs or LACs as they're called, would they have been involved in the leasing or the leaseholds? Would they have been involved in determining who occupies them, or who might move in or who might move out? Were they involved in any way?

Mr. Lloyd: — Yes, I believe there was a method set up where the local governments did get involved in the applicant's . . .

Mr. Chairman: — Was there such an arrangement in Jans Bay?

Mr. Lloyd: — I understand there probably was.

Mr. Chairman: — What was the responsibility of the . . . Was it a local community authority, or what was the status of Jans Bay — the municipal authority in Jans Bay?

Mr. Lloyd: — I believe it's just a settlement — an LAC.

Mr. Chairman: — It's which?

Mr. Bailey: — It's an LAC.

Mr. Chairman: — It's an LAC. All right, what was the nature of the arrangement between the Department of Northern Saskatchewan and the LAC in Jans Bay?

Mr. Lloyd: — At that time? I would not know that.

Mr. Chairman: — Okay. Do you know who was involved in the LAC who might have been involved in the housing area? Do you know what the name of the people are on the LAC who would have been involved?

Mr. Lloyd: — Not in the period of time in question.

Mr. Chairman: — What was the responsibility of the LAC in this affair? In Jans Bay?

Mr. Lloyd: — To help the department, I understand in putting applicants in, the ones that needed the housing the most.

Mr. Chairman: — So, do I take it that the department, to some extent, delegated their authority to the LAC?

Mr. Lloyd: — I couldn't answer that, whether it was delegated to them or what the real

arrangements were.

Mr. Chairman: — Do the officials in DNS know the answer to it?

Mr. Bailey: — Mr. L'Heureux may be able to shed some light on that.

Mr. Chairman: — Mr. L'Heureux, do you know the answer to that?

Mr. L'Heureux: — Mr. Chairman, the agreement under the housing program was such that there were two arrangements in place, whereby the northern municipal council assisted, or recommended to the department, where the houses were to be built by area. So, so many houses per year were allocated by area. Following that the local government structure, whatever applied to a community, either LCA or LAC, once the number of houses were allocated to that particular community, the local government would then decide who these houses were going to be allocated to.

Mr. Chairman: — Okay. So would Mr. Yew have dealt initially with the DNS, or would he have dealt initially with the LAC in entering into arrangements to occupy the house on an interim occupancy agreement?

Mr. L'Heureux: — He would have been advised by the LAC that a unit had been assigned to him.

Mr. Chairman: — Okay. Would those records . . . would the Department of Northern Saskatchewan have records then, of what, of when the LAC would have advised Mr. Yew that a residence was available for him?

Mr. L'Heureux: — Of when?

Mr. Chairman: — Yes. Was the arrangement between the LAC and the DNS such that LAC would have forwarded records of who occupied the houses, and when they were made available to them? Or was that matter entirely within the competence of the LAC?

Mr. L'Heureux: — It's possible that on file or on record could be a letter or memo from the LAC back to the department indicating how the houses had been allocated, or to whom they had been allocated.

Mr. Chairman: — Do I take it you're not sure what the departmental policy was with respect to requiring those records? Or you're not sure whether or not . . . I'm not sure what it is that you're not sure of, if I could . . . (inaudible) . . . Surely, we can decide on what we're not sure of.

Mr. L'Heureux: — I'm familiar with the policy, Mr. Chairman, but . . .

Mr. Chairman: — What was the policy?

Mr. L'Heureux: — . . . but it's impossible for me to say whether a communique actually went from the LAC.

Mr. Chairman: — Whether it was complied with in his case. What was the policy then with respect to what LAC might or might not have advised?

Mr. L'Heureux: — Well, as I stated previously, once the LAC knew how many housing

units were to be built in their particular community in that year, they would go back to their rather long list of people who require housing. They would make a decision as to which of these people should receive a house and then they would advise the department of who should have these houses.

Now our normal procedure would be that that advice would be passed on not only verbally but in writing, but it's impossible for me to comment.

Mr. Chairman: — All right. Well, we'll ask you to run that one to ground, as well.

Mr. L'Heureux: — That, again, would be in the files.

Mr. Chairman: — That, again, would be the responsibility of the SHC officials. Okay. So I take it that the LAC would have been responsible for determining the initial occupancy, any changes in occupancy.

Mr. L'Heureux: — Yes, they would be involved.

Mr. Chairman: — They would be involved or they would be responsible for it?

Mr. L'Heureux: — Well, they would be responsible for it, but there are cases where the process was very informal and somebody would move out and somebody else would move in. I'm not sure that in every case the LAC gave their sanction to that process.

Mr. Chairman: — I suppose that's true. I suppose there are subleases of a sense. In a very informal way, they might sublease it for a period of time. Let us suppose, by way of a hypothetical example just to understand what the nature of this affair was, that rent was received by the LAC from someone else other than the original occupant. That would be the subject of a new occupancy agreement or mortgage, would it? Or what arrangements would have been completed or was there a standard practice for dealing with them? I'm curious, Mr. L'Heureux.

Mr. L'Heureux: — Well, the standard practice would be that the LAC would be involved if the occupancy changed in a house. The payment would not be made to the LAC, though; it would be made back to the department, Saskatchewan housing branch.

Mr. Chairman: — And do I take it that the DNS housing branch received the payments, but weren't directly involved in the occupancy? That would be the LAC and hopefully they would advise you, but not necessarily. Is that correct?

Mr. L'Heureux: — Correct.

Mr. Chairman: — All right. Do the officials of Saskatchewan Housing Corporation . . . Mr. Lloyd, do you know if there was any change in occupancy after Mr. Yew, if indeed he did sign . . . Is it common ground that he did sign an occupancy agreement? Do we know that?

Mr. L'Heureux: — Yes.

Mr. Chairman: — We know that. All right. Do you know if there was any change in possession thereafter?

Mr. Lloyd: — There is another person living in that house at this time.

Mr. Chairman: — I missed your comment.

Mr. Lloyd: — There is another occupant in the house now.

Mr. Chairman: — All right, and who is that?

Mr. Lloyd: — I believe it's a person, last name McCallum.

Mr. Chairman: — When did he assume occupancy? It's a she, is it? When did she assume occupancy?

Mr. Lloyd: — I would imagine that either she assumed occupancy after Mr. Yew signed his quit claim, or she could have moved in there at any period in time once he moved out.

Mr. Chairman: — Do you know when he moved out?

Mr. Lloyd: — As I understand it, he moved out sometime, went to La Ronge.

Mr. Chairman: — Do you know when he went to La Ronge?

Mr. Lloyd: — No. I wouldn't know other than what I heard here today.

Mr. Chairman: — Do you know when he commenced his employment with the Department of Northern Saskatchewan? That's really a question to Mr. Bailey.

Mr. Bailey: — He commenced his employment in July 1980.

Mr. Chairman: — In July 1980. Do you know when he moved to La Ronge, Mr. Bailey?

Mr. Bailey: — No, I don't.

Mr. Chairman: — What procedures were used by the Department of Northern Saskatchewan with respect to the rent? I lived in an apartment block: I've lived in several of them. On some occasions I would get a monthly notice of the rent due; on other occasions I wouldn't, unless you didn't make it, and then you obviously got a note fairly quickly. But what arrangements were taken with respect to the rent? The rent was not a set amount. I gather it was a percentage of a person's income. How often was that adjusted for changes in income? Was it yearly, monthly, or was it simply an honour system whereby — this may be a question to Mr. L'Heureux — was there simply an honour system whereby people who had a change in income would report it? What was the system for adjusting the rent?

Mr. L'Heureux: — I would have to answer the direct question to the best of my memory. If my memory serves me correctly, the income was recalculated and verified once annually, and it's an annual calculation.

Mr. Chairman: — So it was done annually?

Mr. L'Heureux: — Yes. This is with respect to the house in Jans Bay?

Mr. Chairman: — Well any houses. I assume there was nothing peculiar about Jans Bay.

Mr. L'Heureux: — Well, no. If Mr. Yew moved to La Ronge and went into staff housing, then . . .

Mr. Chairman: — That would be different, yes. No. We're not talking about staff housing.

And was that done by the DNS or was that done by the local community — the LAC?

Mr. L'Heureux: — No. The calculation would be done by DNS staff.

Mr. Chairman: — All right. And what was the procedure? Did you mail out income verification forms to these individuals? Did you call them? Or what steps were taken to obtain the statements which might indicate a change in income?

Mr. L'Heureux: — I'm aware, Mr. Chairman, of the policy in general terms as was supposed to have been followed, you know. The actual day-to-day practice, I could not comment on.

Mr. Chairman: — No. Just give me the general policy then and I'll be asking you for Tuesday then, if you're able, to give us specific details on this item. But for the moment, Mr. L'Heureux, I'm asking about the general policy. Mr. Bailey, I'm sorry.

Mr. Bailey: — I might . . . (inaudible) . . . just to clarify, Mr. Chairman, that Mr. L'Heureux, of course, is recalling operations prior to the year under review. He was not with the department in the year under review and, again, we would ask if Sask Housing, with them having now taken over the records of the Department of Northern Saskatchewan for the year under review, could assist in this questioning.

Mr. Chairman: — Anyone who can assist is welcome to try. Mr. Lloyd, do you know the answer to that?

Mr. Lloyd: — The policy, as I understand it since we've taken over, was that there was to be an income review done yearly. If the home-owner — as I understand the policy — if the home-owner was to get less income they would notify the department and adjustments would be made in his payments.

Mr. Chairman: — All right, now. Run that one past me again. Let me give you two different examples. With respect to social assistance persons, I understand they are under an obligation as soon as they receive additional income to report it. On the other hand senior citizens who receive the supplement, as I understand the situation there is no such obligation. They get a form in the mail each year and they complete that and it's adjusted. But if they receive additional income during the year, they're not under an obligation to write the federal department and tell them that. I'm wondering what the situation is here.

Mr. Lloyd: — As I understand it, the situation was that at any time that their income was to change they would notify the department.

Mr. Chairman: — So there was no monthly . . .

A Member: — Mr. Chairman . . .

Mr. Chairman: — Sorry, I want to finish. There was no monthly; there was no yearly . . . Was there an additional yearly mailing out of forms just to check, or was it strictly sort of in a sense kind of an honour system with whatever checks the department was able to do?

Mr. Lloyd: — As I understand it, the system was set up to do income verifications on a yearly point.

Mr. Chairman: — On the anniversary of a person's occupancy, or was it done in a certain time each year?

Mr. Lloyd: — I believe it was done on a certain time each year.

Mr. Chairman: — When would that have been?

Mr. Lloyd: — I believe it was near the end of the year, or the beginning, the first part of the year.

Mr. Chairman: — The end of a calendar year?

Mr. Lloyd: — Yes.

Mr. Chairman: — Okay. Then I get into the next question, which I was into before I backed into the issue of how they determined the income. What was the situation with respect to the rent? Was there monthly statements sent out? Was a person just expected to mail in his cheque, or where was the rent paid? Was it mailed into La Ronge, or was it paid to the LAC? What's LAC stand for?

Mr. Bailey: — Local advisory council.

Mr. Chairman: — Local advisory council. Was it given to the local advisory council? Was it mailed in, or was it either — depending on what the person wanted to do?

Mr. Lloyd: — The person could mail in his monthly payment. They did, and we still do have what we call collection agents in the communities, where the people can go and make their payment and get a receipt, and then that money is sent in on a monthly lump sum to the department.

Mr. Chairman: — So they could either send it to the LAC . . .

Mr. Lloyd: — No, send it to the department or they could give it to the collection agent, the DNS collection agent in the community.

Mr. Chairman: — And there would have been one of those officials . . . Was it an employee of the department or was it simply someone in the community who you asked to pick up the money and paid a commission?

Mr. Lloyd: — The person was under contract to us and he received a nominal fee for that service.

Mr. Chairman: — Who was that person in Jans Bay?

Mr. Lloyd: — I have no idea.

Mr. Chairman: — What commission were those people paid? What were the contractual arrangements?

Mr. Lloyd: — I would not know at this time what the arrangements were at that period; at this period and for the past year we pay them 5 per cent of what they collect.

Mr. Chairman: — Okay. What arrangements then were made with respect to the rent?

Mr. Lloyd: — It's not rent, Mr. Chairman.

Mr. Chairman: — Well, compensation, if you prefer.

A Member: — Mortgage payments.

Mr. Chairman: — No, it isn't, because there was no mortgage; there was never a mortgage on this house. Well, the gentleman just finished indicating that he had no record of any mortgage. If you prefer you can ask questions when I'm done. If the witness objects to my terminology, he may do so.

Let's call it compensation since that seems to be a touchy item. The compensation that an individual paid: what arrangements were made with respect to sending notices, etc.?

Mr. Lloyd: — None that I know of.

Mr. Chairman: — And what arrangements were made with respect to any arrears? Were statements sent out? Was the collection agent expected to go and pay a visit to them? Or what were the arrangements made with respect to the arrears?

Mr. Lloyd: — At the end of each year each home-owner was to receive a statement as to where he stood in his payments, and that worth, I guess a copy of his mortgage file indicating what payments he'd made and where he stood.

Mr. Chairman: — And duplicate copies of those would be kept in the records of the Department of Northern Saskatchewan . . . (inaudible) . . . statements.

Mr. Lloyd: — We would have the mortgage file, yes.

Mr. Chairman: — In which duplicate copies of the statements would be contained?

Mr. Lloyd: — I don't know if statements were sent out in that period of time, or how many. I understand this was the procedure — to send out yearly statements, and I understand there were some sent out. Now whether everyone received one I do not know.

Mr. Chairman: — I'd be interested in knowing the answer to that, and I also want to know specifically whether or not Mr. Yew might have received one.

Mr. Meagher: — Mr. Chairman, If you're attempting to filibuster we're going to insist on these people coming back, anyway.

Mr. Chairman: — I'm not attempting to filibuster. I want to be sure that on Tuesday we have the information we need to deal with this. This is the second time this matter has come up. I think it's some damage to the reputation of the member for Cumberland; that is fair ball if there's some substance to the allegation. But I think it is time we got to the bottom of this and we're not able to without the information. So I want to go over the entire gamut of this thing to make sure that Tuesday we're not met with further comments that they don't have information on. I partially agree with the member for Assiniboia-Gravelbourg; I'm surprised, since the matter was raised on Tuesday, that it's not here on Thursday, but I leave that entirely . . .

Mr. Meagher: — Before this individual goes to crown corporations, I have specific documents I would like him to bring and I'd like to ask him to bring.

Mr. Chairman: — You'll get every opportunity to do that. These officials don't have to go to crown corporations until we're finished; they don't have to be there at 10 o'clock. They're not going to walk out and leave at 10.

Mr. Young: — Mr. Chairman, there's no way we're going to be getting to the computer stuff until at least Wednesday.

Mr. Chairman: — I don't know how long we're going to spend on this Tuesday . . . (inaudible) . . . That's clear. But I don't know how . . . what . . . Other members' opinion is as good as mine, but we certainly won't get to it today. We may Tuesday, I don't know.

Mr. Yew was employed in La Ronge, was he? He lived in La Ronge and was employed in La Ronge, is that accurate?

Mr. Lloyd: — As I understand by testimony given here today.

Mr. Chairman: — Was that accurate, Mr. L'Heureux?

Mr. L'Heureux: — Sorry, could you repeat the question?

Mr. Chairman: — That Mr. Yew was employed in La Ronge and lived in La Ronge?

Mr. Bailey: — Mr. Yew, Mr. Chairman, was employed by DNS in July 1980. He did live in La Ronge. I don't know for what period of time.

Mr. Chairman: — I see. Where did he work?

Mr. Katzman: — We don't have a time that he lived there or anything, is what you've just said?

Mr. Bailey: — I don't know when he moved there; I don't know when he left there. I just know he was employed by DNS.

Mr. Chairman: — I'm curious as to the dates of his employment — beginning and end — and his duties, and whether or not they would normally be discharged in La Ronge.

Mr. Bailey: — Do you want me to review that area now, Mr. Chairman?

Mr. Chairman: — If you've got it, yes.

Mr. Bailey: — Mr. Chairman, I have some information on that.

Mr. Yew joined the department in July 1980, as a consultant to the minister, by order in council. His duties were related to local government matters. His duties included contact with DNS executive, local government officials and residents — all a part of the development of the new northern municipalities act. And his day-to-day working relationship was with the deputy minister, and he was located in La Ronge — the job was based in La Ronge.

He then took a leave of absence on March 29, 1982 to enter the election campaign. And April 23, 1982 he resigned from DNS.

Mr. Chairman: — I would probably want to know Tuesday, in addition to what statements, if any, were sent to him, what efforts were made to collect any sums which the corporation now alleges is due. It strikes me that if any sum was due from Mr. Yew it shouldn't have been a monstrosity difficult job to collect it since you'd only have to walk down the halls of the building and speak to him about it. So I want to know what efforts were made to bring any arrears to his attention after he joined the employment of the department. Am I right, Mr. L'Heureux, that there's only one office building in La Ronge; all of the officials would have been in the one office building?

Mr. L'Heureux: — No, that's not quite correct, Mr. Chairman. We occupied three or four buildings at that time.

Mr. Chairman: — Okay, I am wrong then. That's sort of the gamut of what I was going to cover.

Just one other question . . .

Mr. Katzman: — Mr. Shillington, you made a comment here. And I think there is a document that is available to us immediately to answer your question, and I suggest that . . .

Mr. Chairman: — I appreciate the assistance I'm getting from the member for Rosthern. I'd like my information from the witnesses not from the government caucus members, thanks very much. They have indicated that they don't have their documents here and that they are going to return with them. I think that is a much safer procedure then to accept evidence from government caucus members, as totally unbiased as I know they all are.

Mr. Dutchak: — Thank you.

Mr. Chairman: — You're welcome. Now when the quit claim deed was signed, what was said then with respect to any arrears? I gathered from an earlier question, that a quit claim deed was signed in September 1982. Did I understand that correctly? No, I didn't. When was the quit claim deed signed?

Mr. Lloyd: — I would have to check the file and just get the exact date.

Mr. Chairman: — Okay. I'd want to know then, as well, what was stated at that time with respect to arrears. Was a demand made for the arrears? Was there a release of any liability for arrears sustained in the quit claim? I would want to know what was said with respect to the arrears at the time the quit claim deed or whatever form the document takes was signed. Also I will be interested in knowing what was said with respect to arrears owing to the DNS at the time he terminated his employment. This is probably a proper question of Mr. L'Heureux, although I'm obviously directing to Mr. Bailey, who may ask anyone to answer. If an employee owed the Department of Northern Saskatchewan money, and terminated his employment, would any steps be taken to recover that money before his final cheque was paid to him?

Mr. Bailey: — In certain cases, Mr. Chairman, we would try to make the deduction from the final salary cheque. If that did not occur then that would become an account receivable and we would bill the individual accordingly, and pursue that as we would a trade account.

Mr. Chairman: — You wouldn't necessarily deduct it from his final cheque. Perhaps, that's not possible. Perhaps that's not legal. That's something I don't know. Okay, those are the sorts of things we'll have to take up Tuesday.

Mr. Meagher: — This particular individual's housing case, illustrates a number of problems that seem to be apparent to me throughout the whole housing program. So I would like you to bring, only using this individual's case, because as I say it illustrates a wide-spread problem. I would like to know if any person in the housing program who was renting a house or owed rent would in fact sign a mortgage agreement or a quit claim — an application for mortgage or a quit claim if he were renting.

Mr. Lloyd: — We had what we call an interim occupancy, which they would sign. Once the house was finished, and then we would go back, or our housing officer would go back and sign a mortgage with that person.

Mr. Meagher: — So then you'd be prepared to bring, on this particular end of this case, the copies of quit claims, mortgage applications, of income verifications, all the data . . .

Mr. Lloyd: — That is all in the file.

Mr. Meagher: — Also, I would like to know if it's possible, because, as I understand it, the federal government through CMHC pay 75 per cent of the subsidy, that a ledger could be opened prior to the actual completion of the house or the occupancy of the house, with the view of collecting from the federal government their 75 percent prior to the actual occupancy of the house, fraudulently?

Mr. Lloyd: — In checking the mortgage records, the system was set up that . . . Now just a minute. I'd better back up. You got three or four questions in here. Yes, there is a subsidy paid, shared 75:25 per cent, between the federal and the provincial. The way the mortgages were set up, they were done on a calendar year. Okay. If a person . . . And the way the mortgage files look to me, and we've gone through them and we found is discrepancy that a person moved into a house in June, the actual file on that was opened January 1.

Mr. Engel: — Prior to, or after . . .

Mr. Lloyd: — Prior. It was done on the calendar year.

Mr. Meagher: — So in defence of Mr. Yew, there is a possibility that this ledger file could have been opened prior to the completion of the house or the occupancy of the house.

Mr. Lloyd: — That is possible.

Mr. Meagher: — And would this information have been made available to CMHC, so that the subsidy would not have been paid to the DNS?

Mr. Lloyd: — I don't know what the arrangements were between financial services at that time and SHC, and how the officials got together and worked out the subsidies.

Mr. Meagher: — Could you get that information?

Mr. Lloyd: — I believe I'd have to go to DNS and see how they work that out. Or maybe DNS calculated the subsidy and sent it to CMHC. I'm not aware of what the mechanics were.

Mr. Meagher: — Well it appears to me that this sort of procedure supports Judge Noble's assessment in Prince Albert that the department itself is a party to a certain amount of fraud, if in fact a premise was unoccupied and unbuilt and a subsidy was being applied to CMHC. That doesn't constitute a good, ethical operation.

Mr. Lloyd: — I can probably bring some of the mortgage files with me, and I'm not an accountant, so if I could see how they were worked . . .

Mr. Benson: — Yes, I think it might help everybody if Mr. Willox could clarify the federal subsidy. I don't believe there's any cash ever changes hands on a monthly basis for the federal subsidy. That's my understanding of it and it's a paper transfer only.

Mr. Willox: — Well, with respect to the subsidy arrangements and the capital cost arrangements, the advances for the construction of the housing units are normally under federal-provincial agreements, and I am assuming the same situation would apply in the DNS area at the time, that advances are all capitalized together with interest and other expenses associated with the construction of the housing unit. Once the unit is complete and closed to capital costs, other costs then become what are called operating costs and are subject to subsidization.

I think that with respect to the flow of funds, I don't think that it would constitute any breach of the agreement to establish an arrangement that provided for funds either to be capitalized or subsidized. I think ultimately the effect is the same. Costs are shared 75:25, whether they are capitalized or whether they are subsidized costs.

The statement made by Mr. Benson is essentially correct, that once subsidies are set up, there is not a change of cash per se as far as the statements are concerned in the accounts with the federal government, in that the accounts are normally set up on a fully amortized basis which means that, for example, in the northern housing area, the total amortized payment may amount to some \$600. The applicant may be paying \$200. What that means is if there is a net cash inflow of \$200, the federal government would be eligible for their share of the \$200, their 75 per cent share. But with respect to

the \$400, each party to the agreement would write that off as a subsidy and it would simply be a book entry in essence, saying that the amortization funds were not fully received. But there would not be a cash transaction normally for the \$400 subsidy.

Mr. Chairman: — I have a suggestion for members. That is that coming back Tuesday, could we let these officials know the information we'll want from them Tuesday? If you have specific files or file numbers — it's preferable if you've got them — but if you have specific files you want to discuss with them, why don't you forewarn them? They can return with that information and we can complete the discussion, or at least get into it in a more substantial way. To put it in a more succinct fashion, what I'm suggesting is that we let the officials know what we're going to want Tuesday, and then we let them go and they can go to crown corporations who, I gather, are sitting upstairs feeling themselves violently offended because their officials aren't there.

Mr. Dutchak: — I just have a number of items or bits of information I'd like Mr. Lloyd to bring with him. I can simply list them. The chairman asked you to acquire some information regarding Mr. Yew — where he was employed and so on — in addition to that, I'd like you to investigate when Mr. Yew was an NMC councillor, what his salary was from that job, in relation to the mortgage that we are dealing with. And you can also bring any tax notices, or you can investigate whether tax notices were sent to the owner, Mr. Yew. Tax assessment notices as well. And a letter to Mr. Yew making a demand for payment of arrears. We'd like a copy of that. The application of mortgage loan, signed by Mr. Yew, and I think the quit claim was mentioned before.

Mr. Lloyd: — Mr. Chairman, I will bring the complete file as to exactly what is in there, and all records pertaining to this case.

Mr. Chairman: — All right, Mr. Lloyd. I would ask you though to review the verbatim which will be available probably by tomorrow at noon. All right? And I will have the Clerk deliver a copy to your office as soon as it's available. I'd ask you to review this morning's verbatim. Some of the information we want may not be in the department's file. I would ask you to make what inquiries you can of the LAC or anyone else who may have the information we requested. Obviously you may not be able to get that, and that may be a perfectly proper response. But if you can obtain the information to the questions asked, even though it may not be, strictly speaking, within the two walls of your file, I'm going to ask you to make some reasonable effort to obtain the information to all of the questions, even if it involves making inquiries beyond your own officials.

Mr. Lloyd: — That can be done.

Mr. Chairman: — Now, do other members have something that they want the officials return with Tuesday?

Mr. Katzman: — Are you taking about Sask Housing?

Mr. Chairman: — Sask Housing, yeah, not DNS proper. Do I take the silence to mean? Nothing that you can think of at the moment?

Mr. Dutchak: — I think Mr. Lloyd's presence will be adequate.

Mr. Meagher: — With the files.

Mr. Chairman: — With the files, yeah. Okay. With that, I guess we will excuse you

gentlemen and let you go to crown corporations . . . (inaudible interjection) . . . and you can start all over again, yes, except I suspect you'll be dealing with your own affairs and not DNS's when you get there.

Question of the members. Are we likely to finish with DNS this morning? If we were we could then have Sask Housing here with respect to DNS. Then if members want it, deal with Sask Housing's own affairs, and let Sask Housing come once and be done. There is no great reason to do that, but if we thought we were going to finish with DNS this morning we might warn these people to be ready to deal with their own affairs as well.

A Member: — Tuesday is a short day. We won't be done.

Mr. Chairman: — Okay.

Mr. Katzman: — And they're booked back Wednesday with crown corps again so.

Mr. Chairman: — Apart from Tuesday they're probably lost to us. That's right. For a period of time.

Mr. Bailey: — Mr. Chairman, I think a part of that question — and maybe we can determine this at the end of the morning — but was part of that question wondering whether DNS itself would be continuing on Tuesday with . . . (inaudible) . . . ?

Mr. Chairman: — I don't think there's any question about that. We've only got 20 minutes left. We want to spend a half an hour or so with our distinguished visitor from Sri Lanka, just to discuss how his public accounts operates and how ours do. And we had decided first thing in the morning in the in-camera session, actually, that we'd adjourn your discussions at 10:30 and have a half-an-hour go with him.

Mr. Meagher: — I think as well, Mr. Chairman, it's worthy to note there's still a certain amount of interlocking information that it would be very difficult for Sask Housing officials to supply information as it relates to the year without DNS people.

Mr. Chairman: — I agree with the member for Prince Albert, you would have to be here Tuesday morning with them in any event. That's very true.

Mr. Katzman: — I would not be surprised that you'll be required Wednesday as well. Because you've only got an hour and a bit on Tuesday, Ned.

Mr. Chairman: — I can see the pained look crossing some of the faces opposite. I don't know what to say except that it's all in the public interest, so they say.

All right we're now, obviously, off of DNS housing and on to whatever other areas there are of interest to the members. You may want a minute to collect your thoughts, I don't know.

Public Hearing: Department of Northern Saskatchewan

Mr. Dutchak: — I just want to clarify something. In the economic development branch, was there a procedure that the collections and loans officers possessed books, similar to the one I hold, which indicates a summary of commercial loans for the year under review? Was that a procedure?

Mr. Bailey: — Mr. Chairman, I take it the book you have there contains information on loans?

Mr. Meagher: — I'll clarify this. This book has been in my possession for over a year and it is marked 'Commercial Loans Summary, February, 1981,' and it deals with the west side, the northern administration district, and it lists all of the loans and the status of the loans as of February, 1981, on an individual basis with comments of loans officers at the bottom of each sheet.

Mr. Bailey: — Well, the staff of the economic development branch would have that kind of information in their possession as part of their job and follow-up on loans and so on.

Mr. Dutchak: — Well, my question was: was there a procedure by which these bound volumes were given to the officers at certain intervals?

Mr. Bailey: — Mr. Chairman, the kind of information that the member described and informed was provided to our field offices beginning in 1980, and we attempted to update it on a monthly basis to keep the local field office informed on the status of loans. We stopped that procedure about mid-1981 because it wasn't fully satisfactory, and there were other ways and means of keeping the field staff informed on the status of loans.

Mr. Dutchak: — Could you describe to us what ways and means came into effect to replace the summary system?

Mr. Bailey: — Well, primarily it was one of, as head office personnel (that is, personnel based in La Ronge) wrote to loan clients on matters dealing with their loans, we ensured that copies of that correspondence went to the field office.

Mr. Dutchak: — And was the reason . . . (inaudible) . . . summary system that I described was discontinued . . . Was the reason for that the fact that the summary booklets were getting out to the public and the public was finding out what was going on in the branch?

Mr. Bailey: — I think probably that was one of our considerations, was that we were disseminating information which was of a confidential nature between the client and the lender, DNS, and so we looked for different ways of doing that. But that would have been one of the . . . We found, as well, too, that it was a simpler matter to keep local staff informed by simply keeping them on the copy list when we communicated with loan clients.

Mr. Dutchak: — And in the summary that I spoke of, generally the name of the borrower was stated, his address, the loan description (in other words, what the loan was used for), the loan approval date, maturity date, amount approved, repayment terms, and arrears. Is that correct?

Mr. Bailey: — Well, I don't have a copy of it with me, but that sounds like the type of information that would be necessary.

Mr. Meagher: — As a result of some questions that we put to you the other day, you were kind enough to supply in writing some information, and I would like to know, in exhibit A, do you have in front of you the memorandum dated April 27, that you

supplied to us?

Mr. Bailey: — Yes, we do.

Mr. Meagher: — Okay. Exhibit 1 is repossessions in economic development loan fund.

Mr. Bailey: — Yes.

Mr. Meagher: — All right, I note that in the case of this list of loans you provided the name of the individual who received the loan and who had a repossession. It starts out with Eli Bear, Sandy Bay, on down.

Mr. Bailey: — Yes.

Mr. Meagher: — All right, you have in the right-hand column a dollar value for the repossession, whatever it was. In the case of the first individual it was a grader, \$7,600. Can you tell me if that was the value assessment of the department, or was that a real value from resale in the market place?

Mr. Bailey: — I'll ask Mr. L'Heureux to respond to that, Mr. Chairman.

Mr. L'Heureux: — The figures indicated there are not a sale value as such; because if you go to the bottom of the second page it indicates that of the total assets repossessed, 1 60,000-and-some-odd dollars were sold and there's a balance to be sold yet to date. The value assigned is an estimated value based on the best information we had by verifying or consulting with other branches or departments, but it's an estimated value.

Mr. Meagher: — Made by a loans officer?

Mr. L'Heureux: — Yes, by the people working in the loans fund.

Mr. Meagher: — Was an inspection made of the equipment by someone in the loans fund staff, in the case of equipment?

Mr. L'Heureux: — If I understood the question correctly, it was: was this equipment seen by the staff? And the answer to that is yes.

Mr. Meagher: — All right, could you tell me what the rationale was behind the determination to provide names in the case of these repossessions but not in the case of loans that were rewrites? Exhibit 2 — we have a list of some 18 loans here that were rewritten, I guess is the term, and no names were supplied.

Mr. L'Heureux: — Well, the rationale for putting names on one list and not on the other is based on a discussion we had in this room here the other day where the comment was made that once actual legal action was taken it's, in effect, public knowledge. And legal action was required in these cases and, therefore, using that logic we said, 'This is already public knowledge, so we'll put the names in.'

The second one, if I can complete the answer, Mr. Chairman, does not necessarily require any legal action that would make it public knowledge and, therefore, we felt that

In the interest of discretion we'd be best not to put the names in. If we're directed to we can provide the names.

Mr. Dutchak: — Yeah, I think our problem was we asked for loan numbers and we had a way of identifying the loans with the loan numbers, but the way you provided them we can't identify the loans. So we'd like you to provide a list of the names to us that would fit into the . . .

Mr. L'Heureux: — I'm sorry, I guess we missed the fact that you wanted the actual loan number. We didn't think that that was relevant.

Mr. Dutchak: — Yeah, I asked for the number.

Mr. Bailey: — Mr. Chairman, I think the confusion was I heard the expression, and we recalled it as being to number the loans instead of putting names. So we numbered the loans.

Mr. Dutchak: — Yeah, I realize that.

Mr. Bailey: — If they want a specific loan number — I mean if they want the specific name — if it's a decision of the committee to do that, we have that information with us today, if that's the wish of the committee, to have the names.

Mr. Meagher: — To avoid any confusion, we do not now require loan numbers. We could have a list of the names as they relate to your numbers here. Loan no. 1, 2, 3, 4 on exhibit . . . (inaudible) . . . As opposed to their loan number for the department we're under. We do not require that now.

Mr. Bailey: — Well, I've said if the member has asked for the names, we have the names. I'm not sure we have 15 copies though with us.

Mr. Chairman: — Surely the Clerk can make the copies. That'll save you sending them.

Mr. L'Heureux: — Do you want her to do that now, Mr. Chairman?

Mr. Chairman: — Perhaps — make it available to the person who is asking the question. She can make the copies later for the rest of us.

Mr. Dutchak: — Well, I'd like one.

Mr. Chairman: — All right. Give one to Mr. Dutchak, please. Well, perhaps someone else wants a copy of it. I don't know.

Mr. Glauser: — If anybody else wants copies of that, may we get them from you, Mr. Dutchak?

Mr. Chairman: — Okay. Any other questions for this morning?

Mr. Meagher: — Yes, I have a few.

Mr. Katzman: — I have one or two questions I would like answered as well.

Mr. Meagher: — On exhibit 3, you have the various loans broken into categories: loans issued, loans repaid, etc., with some comments. Comment number one is that on the loans receivable, 34 per cent are in arrears, but you do not indicate how far in arrears they are. Is it . . . I imagine they vary a considerable amount from loan to loan. I would like to know at what point, how far in arrears a loans receivable becomes a loan in arrears. Is there a . . .

Mr. L'Heureux: — The policy? The policy at that time was that . . . As I understood the question, you wanted to know when we start considering it as being in arrears.

Mr. Dutchak: — Yes.

Mr. Meagher: — Why would it be considered a loans receivable?

Mr. Bailey: — I'm sorry, Mr. Chairman, for the discussion here but we were just clarifying. The definition of a loan in arrears is after three months. Three months late.

Mr. Meagher: — So then, in fact, of the 981 loans receivable, the 34 per cent that are in arrears are in arrears less than three months?

Mr. Bailey: — Three months or more.

Mr. L'Heureux: — We don't start counting them until after three months . . . (inaudible) . . .

Mr. Meagher: — The second comment — that in the loan fund's nine-year history there have been no write-offs — I would like, probably for Tuesday as well, some specifics on individual loans. At what point . . . Well, I suppose I could ask the question: what criteria do you have for a write-off? Is there a write-off? Were there any instructions to ever write off a loan?

Mr. L'Heureux: — I can speak to that, Mr. Chairman. I believe, about three different times in the history of the loan fund, attempts were made by staff to write off old loans that were deemed to be uncollectable. For a variety of reasons — lack of staff, pressures of other work, etc. — the process was never actually completed. It's a fairly lengthy process.

We are again in the process of trying to write off uncollectable loans, and we have the documentation almost complete. Part of that process is to submit the recommendation to treasury board, and from there it goes from treasury board to the board of revenue commissioners, and from there back to treasury board and back to the department. So the answer is: there never has been any formal write-offs in the loan fund. Yes, we believe that we are quite close to doing the write-offs; we're far into the process.

Mr. Dutchak: — I caught part of what you said. Do you know as a fact that these things weren't done because there was inadequate staff?

Mr. L'Heureux: — I said that that was one of the reasons, at least on one of the occasions that there wasn't sufficient staff time available — pressures of other work, etc. — the process was not completed.

Mr. Dutchak: — What do you mean, on one occasion — on one loan?

Mr. L'Heureux: — No, no. In three different occasions an attempt was made by the department to do a formal write-off procedure, which we are doing now.

Mr. Dutchak: — You're saying that's one of the reasons?

Mr. L'Heureux: — Yes.

Mr. Dutchak: — Are you aware of other reasons?

Mr. L'Heureux: — Not at this point. I'm not sure what the member is looking for.

Mr. Meagher: — Then for Tuesday, I would just like the status of one particular loan to demonstrate a point, a Mr. Joe Durocher of Beauval. I can give you a copy of this if you would like. But it's for a boat building. The loan approval was in 1973. The amount of the loan was \$5,000. \$4,800 principal is still outstanding, and interest of 1,100 as of February '81. He is deceased, has been for some time. I would like to know if that loan has been written off, or the status of that loan.

Mr. L'Heureux: — Maybe I could speak to that in a general way. I don't recognize the particular name, but obviously in this formal process of writing off loans that are deemed to be uncollectable we have included all the people who are deceased as part of that list of loans.

Mr. Katzman: — Unless there's an estate that could pay.

Mr. L'Heureux: — Correct.

Mr. Bailey: — Part of the member's question of the committee was whether there was a write-off in this loan. We have said that there have been no write-offs at all.

Mr. Katzman: — I asked you the other day to check on the space in the co-op building. You were going to bring back a comment. You indicated it was government space where Mr. MacAuley's office was. Could you indicate if it was government space or . . . (inaudible) . . . just to clear that air?

Mr. Bailey: Mr. Chairman, I could respond to that. In reviewing that, since the member asked the question, we've determined that on September 27th, 1979, the deputy minister of the department requested the department's property management branch, which was like government services in the North, to arrange office space in La Ronge, for Mr. Art Towill who was then a special assistant to the deputy minister, for his secretary, and for Norman MacAuley.

Mr. Katzman: — Art Towill?

Mr. Bailey: — Yes. His secretary and Mr. MacAuley. And then following that, leased space for this purpose was arranged early in 1980 in the credit union building, and paid by the property management branch of the Department of Northern Saskatchewan. Paid out of its budget.

Mr. Katzman: — So Mr. MacAuley was assigned space as a Legislative Secretary in a government office, with a Mr. Art Towill. One was a special assistant to the minister . . .

Mr. Bailey: — Deputy minister.

Mr. Katzman: — Deputy minister, okay. And the other gentleman was a Legislative Secretary to the minister.

Mr. Bailey: — Yes. Mr. MacAuley was a Legislative Secretary and an MLA. The purpose for which he used the office, I am unaware, but the facts are that space was

Mr. Katzman: — No, I'm not concerned about the purpose. But I'm concerned about the fact that there was space provided, through the government budget, for a Legislative Secretary. I have no argument against it. I was just clearing the air that that has been a precedent and has been going on for years because there was some question in the House, and I wanted to clear up that it's an old precedent; it's happened before and probably will continue to happen again.

Mr. Bailey: — Yes. So those are the facts, Mr. Chairman.

Mr. Dutchak: — Mr. Chairman, I have a number of loans that we pulled out at random here, and perhaps I can just read the names of the individuals rather quickly, and the individuals here could get the verbatim later and bring the loan files on Tuesday. Would that be possible?

Mr. L'Heureux: — If we're directed by the Chair.

Mr. Chairman: — I think that was the decision this morning, was that that line of questioning is going to be allowed . . . (inaudible) . . .

Mr. Bailey: — Mr. Chairman, in the event any of these loans overlap with the 52 loans that we've provided information on, to the committee in December and January, do we need to repeat that process or . . . ?

Mr. Chairman: — No.

Mr. Bailey: — Okay.

Mr. Dutchak: — These are the names and I'll read them rather quickly. Jesse Laprice — cafe loan; — Joseph Gardiner — farming loan; Lucuis Janvier — post cutting loan; L&J Keith — handicraft business; Doreen Horichuk — logging; Maurice Morin — post haul; Gilbert McKay — contracting business; Leon Janvier — post haul; Jules Jolibois — post hauling; John Dagneault — taxi; Mervin Maurice — pool table; Ralph Corrigan — post cutting; ILX Industries — manufacturing of handicrafts; ILX Handicraft — handicraft manufacturing; Louie Gardiner — hockey school; George Lafleur — taxi; Robert Bouvier — gravel haul; Ron Thompson — service station; Northern Bakery Limited — bakery; Paul Johnson — plumbing and heating business.

In the Johnson case, if it was pulled formerly, we'd like it brought forth again.

Dorothy Petite — store; ILX Construction Corporation, working capital; Jack Thompson, mink ranch; Napoleon Johnson, tourist bus; Joe Durocher, boat building; Norman Tinker, poolroom.

Mr. Chairman: — Okay. I'll ask the Clerk to have a copy of the verbatim delivered to

you as soon as it's available. Anything else will . . . (inaudible) . . . here this morning?

Mr. Katzman: — Just a question here. These gentlemen, I assume, are going back to P.A. or something.

Mr. Bailey: — Well, most are going back to La Ronge. I'm staying and going to Moose Jaw on a productivity session.

Mr. Katzman: — My comment would be that the Clerk should take it to the office where they can put it in that special machine, so these gentlemen can have the list of names almost simultaneously in the morning, rather than mail it. They have a machine in the DNS office that photocopies and the copy comes up in the P.A. office or La Ronge office.

Ms. Ronyk: — How soon will the officials be leaving?

Mr. Bailey: — If I might, Mr. Chairman, if the verbatim is delivered to our Regina office, the Regina office will ensure that it gets to La Ronge.

Are we ending here? Because I have one last question. Does the committee believe we are just dealing with economic development from now on, because not necessarily all of these people would be here then?

Mr. Chairman: — We'll be dealing with Sask Housing certainly Tuesday morning.

Mr. Bailey: — No, I mean when DNS comes back, is the only subject area economic development? If that's the case, certain people would not need to be here, but if you're getting into other areas, then we'd have to bring them back.

Mr. Katzman: — I think there was one or two questions left. I know I have one that was not finished, which continues this credit union one.

Mr. Bailey: — Okay, that's fine. I could deal with that one .

Mr. Chairman: — Okay, so I gather the answer is no. They don't need to return.

Mr. Bailey: — So it's economic development?

Mr. Chairman: — Right. Thank you very much, gentlemen.

The committee adjourned at 10:30 a.m.