

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Third Session — Sixteenth Legislature
40th Day

Monday, April 13, 1970.

ANNOUNCEMENT

FOREST INDUSTRY COMPLEX AT MEADOW LAKE

Hon. W.R. Thatcher (Premier): — Mr. Speaker, may I make an announcement to Members of the Legislature. I wish to announce today the establishment of a forest industry complex for the western region of Saskatchewan. I believe the complex when brought to fruition will be one of the most important developments ever to take place in Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. Thatcher: — Under the Agreement, at the earliest feasible date, Parsons and Whittemore will begin construction of a chip and saw-mill designed to produce approximately 50 million board feet of lumber and chips in the vicinity of Meadow Lake. Total cost of the sawmill will be about \$6 ½ million. The Federal Government has agreed to make \$1.8 million in grants. Equity of approximately \$1.1 million will be involved, with the province having 30 per cent. A SEDCO loan on a long-term basis will be made for the balance of the financing. It is expected that when the mill goes into operation 80 employees will be hired on a permanent basis in the sawmill and about 100 in the woods. Reasonable infrastructure support required for the sawmill will be provided by agreements between the Provincial and Federal Governments.

Parsons and Whittemore have also agreed in principle to construct a pulp mill north of Meadow Lake. Capacity will be about 1,000 tons per day. It will be the objective of the company, subject to economic interest rates, to commence construction of the pulp mill within two years. In the event the construction of the pulp mill has not commenced within five years from the date of the Agreement, the Provincial Government shall have the right to reduce the management licence appropriately.

Again the equity for the complex will be provided 70 per cent through Parsons and Whittemore, and 30 per cent through the Province, similar to arrangements established in the Prince Albert Pulp Mill Company Limited.

Total capital required for the pulp mill will be approximately \$120 million. It is expected that a Federal capital incentive grant of approximately \$12 million will be available. A long-term loan of \$70 million from lending institutions will be guaranteed by the Provincial Government.

Sufficient wood will be made available to sustain the Timber Board operations in Big river at present capacity. The development and establishment of this new industrial complex

will achieve the maximum utilization of the forest and labour resources of the western region of the province. The complex will provide employment for approximately 1,200 to 1,500 people, stimulate the development of the area, and promote the development of ancillary industries.

The Agreement will provide that a maximum number of people of Indian ancestry must be employed both in the construction phase and in the operation of the two mills. We think this is important, Mr. Speaker, because as you know a great portion of the population in that northern area — and I am talking about Dore Lake, that's roughly where the site will be — is native. Specific terms will be included in the Agreement to provide for reforestation and pollution control.

When finalized this will be the largest single industry ever established in the province.

I might say Mr. Speaker, that over the past three years 15 Canadian companies have been approached to see if they would be interested in that area. Either they lacked the courage or the imagination to proceed. Just as Mr. Landegger was the only one we could persuade to go into Prince Albert, so he is the only one we have been able to persuade to proceed in this manner into the Meadow Lake area.

I might say that there are still some difficulties that have to be overcome before construction can proceed. A railroad line of about 80 miles length will likely have to be built from somewhere in the Meadow Lake area up to Dore Lake. We don't anticipate that this will be a major obstacle. I am confident that this latest complex will contribute in a major way to improving living standards in this part of Saskatchewan.

For Hon. Members of the Opposition, I might say that Mr. Landegger and his associates are sitting in the galleries. We worked a good deal of yesterday and this morning to conclude the negotiations.

Some Hon. Members: — Hear, hear!

Mr. Thatcher: — May I also tell the Hon. Member for Prince Albert East-Cumberland (Mr. Berezowsky) that some time after this Session we will probably begin negotiations to dispose of our 30 per cent share in the Prince Albert mill. This will relieve us of all obligations if a deal is concluded. We will be able to take the commitments we had at Prince Albert, and move them over to the Meadow Lake project.

Some Hon. Members: — Hear, hear!

Mr. A.E. Blakeney (Regina Centre): — Mr. Speaker, I think Members on this side of the House will welcome any development that there may be in the Meadow lake or Dore Lake-Smoothstone area or that is presaged by the announcement of the Premier. I would hope that since he quoted rather liberally from the Agreements he would have no objection to tabling copies of the Agreements in the House. I think that many of us will be interested in the firmness of the commitment particularly with respect to the pulp mill. The chip-board mill is a relatively small operation in contrast with the other, an operation of \$1.1 million, if I understood the

figures correctly, although I may not have. The pulp mill is obviously a very major industrial development. I think all of us, including the people in the northwest area, would like to have the Agreements so that we can make an assessment of the firmness of the proposal. There is, as was noted, an agreement in principle. there are problems to be overcome. There are a number of words which are of relatively indefinite meaning. I am sure that all of us would welcome our own opportunity to assess the situation.

Certainly we welcome this indication that our forest resources may find a more productive use. We do hope that there will be enough saw-timber retained which is over and above that which is necessary for chip-board operations — which should not require any saw timber — and pulp operations — which should require a minimum of saw-timber — so that the existing saw-log operations in the area can be maintained. there was a reference to saw-log operations in the Big River area, but I think many small operators and others, farmers who work in the bush particularly in the winter time, would welcome such assurances as are available that this saw-log operation will be continued so that this maximum use of saw-timber can be made.

With those comments I would invite the Premier to table the Agreements from which he quoted.

Mr. Thatcher: — Mr. Speaker, as I indicated a moment ago or thought I indicated, this morning we signed a memorandum to proceed — a memorandum of understanding. The reason we hurried this along was to permit construction of the sawmill immediately. the Company officials will come to Regina some two weeks after the Session. It may take two or three weeks to negotiate the actual Agreement for the pulp mill. I will not be prepared to table the memorandum of understanding, but when the final Agreement is made I am sure we will follow the same procedure as we did with the Prince Albert mill.

Mr. Blakeney: — I would like to make one brief comment. that latter comment is not very reassuring because consistently in the last session and in the current Session requests for copies of the Agreement covering the Prince Albert pulp mill have been denied.

Hon. D.G. Steuart (Provincial Treasurer): — On a point of privilege, he got every Agreement he asked for.

Mr. Blakeney: — I have the floor and the Provincial Treasurer is stating a flat falsehood.

Mr. Speaker: — Order, order! I don't think a Member should say that the Provincial Treasurer, or any other Member is stating a flat falsehood. However, you may say that what he said is not in accordance with the facts as you see them.

Mr. Blakeney: — With every deference, Mr. Speaker, ...

Mr. Speaker: — I shouldn't be putting words

in the mouth of the Member from Regina Centre.

Mr. Blakeney: — With every deference, Mr. Speaker, to state that someone is stating a falsehood is merely to say that his information is inaccurate, not knowingly inaccurate, and the knowingly inaccurate is what transgresses our rules. In order to comply with your ruling I will indicate that the statement of the Provincial Treasurer is not in accordance with my view of the facts, because in Committee we asked for these, in Committee he did not provide them and he said he would, and they are not here yet. I am not complaining except that they're just not here yet. No single amendment to the Pulp Mill Agreements. I indicated in Committee that I was dealing with the 1965 Agreements and I have not received the amending Agreements either in this House or outside, notwithstanding assurances both inside and outside the House that I would get them. I don't want to pursue this point except that I would really suggest that these Agreements be made public since after all they involve very substantial sums of public money.

Mr. Thatcher: — Mr. Speaker, I don't blame the Opposition for being a bit disappointed again because this free enterprise Liberal Government has for the second time done what the Socialists failed to do for 20 years. We have got our second mill and they couldn't get any so I expect them now to start obstructing just as quickly as they can. Come on, Bill, it's your turn. You might as well get up and start now but we're going to build a mill.

Mr. W.J. Berezowsky (Prince Albert East-Cumberland): — Mr. Speaker, ...

Mr. Speaker: — We cannot have a debate arise on statements before the Orders of the Day.

Mr. Berezowsky: — Mr. Speaker, I just want to make a statement.

Mr. Speaker: — Well alright, the answer was begged from the Member from Prince Albert East-Cumberland, so go ahead.

Mr. Berezowsky: — I am always delighted as every Member in this House is and every citizen in Saskatchewan is delighted to see industry in Saskatchewan. It's about time this Government produced something but it still hasn't produced anything, only what may be at the public's expense. We'll know more about it later when you produce the Agreements. If you don't produce them we'll still get the facts. However I would like the Government to consider the people of Saskatchewan and when the Government enters into this Agreement it could consider that when it disposes of the Province's forest area that it considers that there are people in Saskatchewan who are entitled to some of the benefits of that forest. When the previous CCF Government had an agreement with Anglo-Canadian we did reserve some 20 or 30 miles along the forest fringe for the people of Saskatchewan. But when this Government made a deal with Parsons and Whittemore it gave every tree in Saskatchewan north of the mill. Now I suggest to the Government, Mr. Speaker, that, when it makes a

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new agreement, for goodness sake let it reserve some of that timber for the people in the North who may need granaries for purposes of the farm. I could give other suggestions if you would only come and ask us. I am glad you are going after a mill, I hope it comes through.

Mr. Steuart: — I know you don't want to prolong this, but when some of these statements are made, when we made the Agreement with the Prince Albert Pulp Company — the man has made a false statement — we kept out timber for the Timber Board; we kept out timber rights for the creosol plant and we'll do the same thing in the new complex. To say that when you made some agreement with some company you kept out 20, you might as well have kept out the entire North because you never got anything.

Mr. Thatcher: — Hang your head, Bill.

Mr. Speaker: — Order, order! If we are going to have any further comments on the statement made by the Premier we will be entering into a wholesale, freewheeling debate entered into by every Member in the House. The customary procedure on statements is for a Member of the Government to make a statement and for one Member of the Opposition to reply. I agree that this is probably a rather important matter that we are discussing here this morning, but we have already gone far beyond the bounds of correct parliamentary procedure and here I think the matter should end. I did allow the Member for Prince Albert East-Cumberland to comment but then, of course, I made an exception in that regard because the comment was invited and perhaps because he comes from the free state of Prince Albert East-Cumberland.

QUESTIONS

BIG RIVER AREA

Mr. G.R. Bowerman (Shellbrook): The Premier made reference to the Big River area in the statement that you made, Sir, and it was a very brief statement. What actually are you proposing for the Big River area?

Mr. Thatcher: — We will be working with Parsons and Whittemore over the next few weeks to see what kind of an operation might be worked out, which will keep the people employed there. We are looking at the feasibility of a chip=board plant or a chipping mill. All the information we have indicates that a sawmill is not feasible there, through lack of timber.

Mr. E. Kramer (The Battlefords): — Does the Premier feel now that this new complex will take the place, or help to take the place of some 160 saw-mills that have gone out of business in the last five years? I want to say while I am on my feet that I certainly welcome this and I hope it is more fruitful than the April Fool's Day announcement of Primrose Forest Products five years ago.

Mr. Speaker: — Order, order! We have passed the proper place for statements and comments on statements and we are now in the question period. The oral question period. I presume that the

Member has a supplementary oral question, supplementary to that of the Member from Shellbrook.

Mr. Kramer: — Mr. Speaker, I asked the Premier, does he think it will replace some of the employment that was lost with 160 mills going out of business.

Mr. Thatcher: — I think I explained that we expect about 1,200 new jobs in the complex and we think this will be a great asset to everyone in that area. I may tell the Hon. Member for The Battlefords that we expect to be using the Primrose Road in the process and I hope we won't hear about that again in the House.

An Hon. Member: — Don't hold your breath.

Mr. Speaker: — Order, order!

Mr. W.S. Lloyd (Leader of the Opposition): — I appreciate that the Premier is off the track at the moment, but may I ask the Provincial Treasurer (Mr. Steuart) when we may expect him to provide to the Member from Regina Centre (Mr. Blakeney) the information which he has agreed to table.

Mr. Steuart: — I thought he had it. I'll just check up, I thought it would have been given to him that same day.

MANAGEMENT-LABOUR COMMITTEE ON CONSTRUCTION INDUSTRY

Mr. W.G. Davies (Moose Jaw South): — I would like to further inquire of the Minister of Labour (Mr. Coderre) with respect to the report of the management Labour Committee on the Construction Industry, a full report of which occurred in last Saturdays' Leader Post. I would like to ask the Minister if it is not true that he had copies of this report in his office for the past week or ten days, and if so, if the House can now get copies and why indeed the House was not provided with copies before?

Hon. L.P. Coderre (Minister of Labour): — I have indicated to this House in the past that the Committee has requested me to make an official presentation to the Government. As yet it has not been deemed possible to get the representative committee of the Labour-Management Committee to make an official presentation to the Government. Yes, I have a copy but I think it is privileged information. Somebody has broken a trust to release this information to the Press prior to that. The request made to me by the Chairman of the Committee is that they would like to meet a representative committee of the Cabinet, of the Government, to make the official presentation. Until then I am not at liberty to make this presentation to the Legislature.

Mr. Davies: — Could I ask a supplementary question, Mr. Speaker. When does the Minister anticipate that the meeting will take place and the report will be provided to Members of the House?

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Mr. Coderre: — As you are aware some members are involved in negotiations at this moment and it is rather difficult to get them together. But as soon as that can be done it will be arranged.

Mr. Lloyd: — A further question in this regard. Does the Minister not think the rules have not substantially changed since the information has been made available to the public to some extent through the Press? Doesn't he consider it to be of mutual advantage to everybody that Members of the Legislature have the full report now?

Mr. Coderre: — We will keep your remarks under advisement and we will have a look at it, Sir.

Mr. Blakeney: — I wonder if I might direct a question to the Minister?

Mr. Speaker: — We have had three questions this morning already with the necessary supplementaries thereto. I think three is enough for the oral question period and we will proceed with the business of the House.

WELCOME TO STUDENTS

Mr. Deputy Speaker: — I would like to welcome to the Assembly one group of students situated in the Speaker's gallery. I believe they are from Grosvenor Park school in the constituency of Nutana Centre, represented by the Hon. Mr. Estey, the Minister of Municipal Affairs, under the leadership of Mr. Welsh. On behalf of the Members of the Legislature I wish to extend a warm welcome to these students. We hope that they will find their visit here educational and enjoyable and we hope they have a safe trip home.

Hon. Members: — Head, hear!

The Assembly adjourned at 10:00 o'clock p.m.