

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Third Session — Seventeenth Legislature
42nd Day

Friday, March 23, 1973.

The Assembly met at 2:30 o'clock p.m.
On the Orders of the Day.

WELCOME TO STUDENTS

Mr. R. Gross: — (Gravelbourg) Mr. Speaker, I should like to introduce to you and through you, 18 Grade Seven and Eight students from Glen Bain. Today, they are accompanied by Mr. Norman Hymers, the principal at Glen Bain. I am sure that Members on this side of the House recognize what Glen Bain would mean to me. It is my home town. I had the honor of being a student of Mr. Hymers for many years. I would hope that they have a good day and that this may be an excellent learning process.

Hon. Members: — Hear, hear!

Mr. D. H. Lange: — (Assiniboia-Bengough) Mr. Speaker, I should like to introduce 72 Grade Eight students from the town of Assiniboia. They are accompanied by their teachers, Mr. Powrie, Miss Williams, Mrs. Hunt and Mrs. Ermel and drivers, Mr. O'Neill and Mr. Richards. They are, among other things, students of history and I think it is significant that students from the town of Assiniboia should be visiting the Legislature, because there is probably no other word that represents a territory that has come up as often in this Chamber, as the word Assiniboia.

The town of Assiniboia was named, incidentally, when the Canadian Pacific Railway went through, after the territory of Assiniboia which was part of the old district of The Northwest Territories. And the word Assiniboia itself is a very poor English derivative of the Indian word Assiniboine. Assiniboine is a Cree word which means Stoney Sioux. The Stoney Sioux Indians were Indians who had settled around the Assiniboine area of southwestern Manitoba, along with the Assiniboine Indians. So it is a very complex word and it is extremely significant that students from that area should be visiting the Chamber.

I predict a very exciting afternoon for them and when they leave the Chamber we are to meet in the caucus room of the Leader of the Opposition to discuss some of the less controversial bills, such as The Hog Marketing Commission.

Hon. Members: — Hear, hear!

Mr. I. W. Carlson: — (Yorkton) Mr. Speaker, I should like to introduce to this House on behalf of the Minister of Agriculture (Mr. Messer) a group of 40 Grade Eight students from Porcupine Plains. The Minister is in Porcupine Plains this afternoon and therefore is not able to be in the House to introduce these students. They are seated in the Speaker's Gallery and when they leave this afternoon I intend to meet them and answer any questions they may have. They are accompanied by their principal, Mr. Lozinsky and

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teachers, Mrs. Luke and Mrs. Wichorek. I am sorry if I pronounced that wrong. I have this in handwriting and I am not sure how it is spelt. Also their bus drivers, Mr. Graham and Mr. Kwiatkowski. I want to welcome you here and I am sure you will have a very enjoyable afternoon and I hope you have a good trip back home.

Hon. Members: — Hear, hear!

Mr. W. A. Robbins: — (Saskatoon Nutana Centre) Mr. Speaker, I wonder if I might just add a word of welcome to the group from Glen Bain. I have known Mr. Hymers for a long time. A year or two ago I had the privilege of going into that school and teaching a class in mathematics. I hope they won't hold it against me.

Hon. Members: — Hear, hear!

QUESTIONS

Establishment of an Alfalfa Cubing Plant at Outlook

Mr. E. F. Gardner: — (Moosomin) Mr. Speaker, before the Orders of the Day I should like to ask a question of the Minister of Government Services (Mr. Brockelbank). I should like to read one sentence from a Press release and have him comment on it.

This is from the Cabinet Press office, dated March 21st and it says:

The Liberals are masters of misinformation.

This is in a speech that he gave to his constituents.

It is our responsibility not only to inform people about what the Government is doing, but to correct false impressions.

Now later on in the release he goes on to talk about the cubing plant at Outlook and he talks about what the Government is doing and he says:

In fact, we are spending almost \$750,000 on an establishment of an alfalfa cubing plant there.

Now I should like his comment. Is this correct that the Government, "in fact, we are spending almost \$750,000 on an establishment of an alfalfa cubing plant." Would he comment on this?

Hon. J. E. Brockelbank: — (Minister of Government Services) Mr. Speaker, the area of financing in this instance is Government guarantees as well as cash. For further details I suggest that you check with the Minister of Agriculture.

Mr. Gardner: — Is it correct then that the NDP Government of this province, in effect, is buying one share for cash with \$500, and that \$500 is the total cash commitment that you are making to this plant?

Mr. Brockelbank: — I would suggest for the details that you speak to the Minister of Agriculture.

STATEMENT

The Final Report of Task Force on Workmen's Compensation

Hon. G. Snyder: — (Minister of Labour) Mr. Speaker, before the Orders of the Day I should like to make a brief statement concerning the final report of the Task Force on Workmen's Compensation which I will be tabling.

This Task Force Report represents, I believe, the most comprehensive study of Workmen's Compensation which I will be tabling.

This Task Force represents, I believe, the most comprehensive study of Workmen's Compensation that has been undertaken since the Workmen's Compensation Plan was introduced. I am sure that all Members of the House are aware of the fact that the system of the Workmen's Compensation is by no means a new idea.

A system of Workmen's Compensation, much as the one that we know today, with minor amendments has emerged over the years and has been in existence in this province for decades. To put it as simply as possible, Mr. Speaker, Workmen's Compensation is the compulsory mutual employer insurance plan administered by the state under which injured workers suspend their right, or relinquish their right, for damages against the employer and in turn the employee receives the entitlement to compensation as a right without the necessity of proving negligence on the part of the employer.

Before the introduction of our system of compensation many years ago, a worker who met with an accident on the job could only claim from his employer in accordance with the common law of England by bringing action against the employer in the courts of the land. Some type of negligence had to be established, either negligence in the sense of defective machinery or negligence on the part of some responsible person in the work place. And while an action was pending in a court, the workman who had been injured faced a delay in which he was without resources to meet his medical or hospital expenses, not to mention, of course, the normal costs of living. Even if the injured worker was successful at the trial, more than often he was faced with an appeal to a superior court. Employers were financially able, in many cases, to pursue this matter in a way that employees were not able. And accordingly, employees were inclined either to surrender or compromise.

Under the system of common law, it was estimated that under 30 per cent of all employees that were injured at work actually received some compensation.

I think that the advantages to both employers and employees are outlined, Mr. Speaker, by a statement which is contained in the report which points out the advantages to employers as well, in order that they may not run the risk of losing the wherewithal with which to run their business.

Mr. Speaker, I want to take this opportunity, today, to express my gratitude to the members of the Task Force who worked very diligently and submitted to us an interim report over a period of some 15 months. The chairman of the Task Force

Mr. Allistair Muir, who is now a judge of the Magistrate's Court in Moose Jaw was one of the members of the Committee. Also serving on the Committee was Dr. C. Dennis who is now the director of Occupational Health and Safety in the Department of Labour. Mr. Edward Hlasny the personnel superintendent at the Potash Company of America and Mr. Nels Thibault the labor representative of the United Steel Workers of America, as well as Mr. Dick Fowler who is now chairman of the Workmen's Compensation Board.

Now, as I announced earlier this week, it is our intention, my deputy and I, to see to it that the report is given the fullest possible distribution and we shall be touring the province sometime in May, we trust, if the Legislature has adjourned by that time. I am sure that there will be a large number of people, individuals and organizations, who will want to make a considerable input.

I want to make it clear that the Report of the Task Force is not a statement of Government policy. It is a report by an independent commission presented to the Government and our Government will be considering the report in detail and taking advantage of all the comments that will be offered during the intervening months.

When we have had a chance to discuss the report with all of the people who wish to make any presentations, then we will decide on a course of action and the Government's policy will be announced.

It gives me a great deal of pleasure, Mr. Speaker, to table the Report on the Task Force on Workmen's Compensation.

QUESTIONS

Major Legislation Still to Come Before the House

Mr. K. R. MacLeod: — (Regina Albert Park) Mr. Speaker, before the Orders of the Day I should like to direct a question to the House leader, or in his absence, the Hon. Premier.

This is the 42nd sitting day of this House and there are some of us on this side of the House who believe that the business of the House is proceeding along like a herd of turtles. We are still awaiting much of the major legislation which has been promised in the Throne Speech.

I wouldn't want my question to be misinterpreted as request for this legislation, some of which we would prefer never to see, but if we are to see it, I wonder if the Hon. Premier would tell us how soon we might expect to get the legislation such as, The Labour Standards amendments, the legislation dealing with the Crown corporation for oil and gas, the rest of the Education legislation, Crown Corporation for Housing, the legislation which the Throne Speech refers to as pace-setting legislation with respect to elections, and so on.

It seems unfair to the House that these should come so late if they expect us to give adequate attention to it. I wonder if he could tell us how quickly he could get this to us?

Hon. A. E. Blakeney: — (Premier) Mr. Speaker, first, I don't think anyone can make any judgments as to whether it is late or early in the Session without knowing when the Session is going to end. It may well be that we are less than half way through the Session, because there is still a great deal of business to be moved, and some of it is moving very slowly.

I need only remind Hon. Members that I can think of some Bills which have been adjourned as many as eight times by Members opposite.

Some Hon. Members: — Hear, hear!

Mr. Blakeney: — So it is then not, perhaps, only the responsibility of the Government to decide how quickly a Session goes.

To respond to the particular question which the Member asks, it is anticipated that within the next three or four days much of the legislation which he has referred to, will appear on the Order Paper. Particularly, I would anticipate the The Elections Act and The Labour Standards Act will be down very quickly and most of the other major legislation — legislation relating to snowmobiles and that type of legislation. There will be some legislation in that regard. I am not sure that was in the Speech from the Throne, but there will be. There will be other major Bills which are now either at the printers or in the final stages at Legislative Counsel.

I anticipate, therefore, that there will be on the Order Paper and for debate, much of this legislation long before we finish the Second Readings, Committee of the Whole and other items which are now on the Order Paper. I don't anticipate any bare patches at all except those that may be caused by Members opposite in the tedium of their debate.

Mr. MacLeod: — A supplementary question, Mr. Speaker. I wonder if the Premier is using the fact that he doesn't know when the Session will end as an excuse for delaying the introduction of Bills, which we ought properly to have had by now? Surely to goodness, Mr. Speaker, it is reasonable to expect the Premier to have given it sooner and I invite the Premier to deny that he is using that as an excuse, when it is apparent that he is.

Mr. Blakeney: — I don't deny part of the thrust of what the Member is saying. These Bills should be brought to the House as soon as we possibly can. We have run into a few unexpected delays but I anticipate that much of the legislation will be on the Order Paper very shortly.

MOTION FOR RETURNS

Return No. 249

Mr. C. P. MacDonald: — (Milestone) moved that an Order of the Assembly do issue for Return 249 showing:

The total cost for all beds in Special Care Facilities as of July 1, 1971.

Hon. Mr. Taylor: — (Minister of Social Services) Mr. Speaker, we are most anxious to provide the Hon. Members with the information which he has requested.

Unfortunately in its present form the question does cause a little difficulty. I am sure, however, that the amendment which I will present in a few minutes, will provide all the information that he is asking for.

May I explain concerning the total cost of all beds in special care facilities. There is no way in which we can tell what the total cost was in a commercial facility in 1971. We have no budget review and no way of telling what was profit or otherwise, and so I shall, as part of the amendment, ask that this be changed to, in non-profit homes. There are only, as the Member is aware, some 6 or 7 commercial homes in the province.

I shall also, in order to supply him with additional information, ask for the total number of beds in operation so that he can have a comparison. This, what I am saying, will also apply in a later question and at the same time a third part will ask for the Government's financial assistance on both dates.

I would, therefore move, seconded by the Minister of Finance (Mr. Cowley) that:

The Motion for Return No. 249 be amended so that all the words after the word "showing" be deleted and the following substituted therefor:

For the operation of licensed non-profit Special Care Homes; (a) the number of beds in operation for the month of July 1971; (b) Total cost of guest care for the month of July 1971; (c) Total amount of Government financial assistance for care for the month of July 1971.

Mr. MacDonald: — (Milestone) Mr. Speaker, just a comment. I think this amendment gives me most of the information.

I am not sure, I can't remember correctly whether or not commercial homes supplied us with a rate. Certainly I knew the rates and was very familiar with them.

The Information that I am interested in is if this would be the total number of beds in operation for the month of July 1971. I am interested in the total number of beds in the Province of Saskatchewan, the total cost, so that your (c) part does make some sense in the question following. It would make more sense if we did know the total number of beds including commercial homes. I am not sure, I can't recall, whether or not the Minister does, but I can talk that over with the Minister and maybe submit a secondary question.

Amendment agreed to.

Motion as amended agreed to.

Return No. 250

Mr. MacDonald: — (Milestone) moved that an Order of the

Assembly do issue for a Return No. 250 showing:

The total cost for all beds in Special Care Facilities according to the approved rates as of April 1, 1973.

Hon. Mr. Taylor: — Mr. Speaker, once again I merely reiterate what I said on the previous Motion. One or two additional comments. The question of the cost of operation is what has caused us part of the difficulty. We could tell the rates charged by a commercial facility, but not the cost of operating the facility. In order to answer the question accurately, we have suggested the change. It should also be noted that instead of saying on a particular date we are saying for a month. This, I think, provides the same information and is much easier for us to provide. With reference to the total number of beds, I would be happy to provide the information.

So it is, therefore, moved by myself and seconded by the Minister of Finance (Mr. Cowley) that:

The Motion for Return No. 250 be amended so that all the words after the word “show” be deleted and the following substituted therefor:

For the operation of licensed non-profit special care homes: (a) The estimated number of beds for operation for the month of April 1973. (b) The estimated total cost of guest care for the month of April, 1973. (c) The estimated total amount of government financial assistance for care for the month of April, 1973.

Mr. MacDonald: — (Milestone) Mr. Speaker, I just want to ask one question and I hope that the total amount of Government financial assistance for care in the month of April, 1973 also includes the Saskatchewan Assistance Plan

Motion agreed to.

Motion as amended agreed to.

RESOLUTIONS

Resolution No. 15 — Irrigation Project Near Outlook

Mr. E. F. Gardner (Moosomin) moved, seconded by Mr. Loken (Rosetown):

That this Assembly express its regrets at the cancellation of the Irrigation Project on the west side of the South Saskatchewan River, near Outlook and further that this Assembly urges the Saskatchewan Government to reconsider its decision to cancel this project.

he said: Mr. Speaker, I believe that very few people in Saskatchewan were prepared for the recent announcement by the Minister of Agriculture (Mr. Messer) that he was cancelling the irrigation project on the west side of the South Saskatchewan River near Outlook. Who would have predicted that this potentially great project would be dealt a death blow by a Minister and a Department which are supposed to be dedicated to the promotion

of diversified farming? It is obvious now that this NDP Government is not sincere when they speak of diversification.

Water is a magic word to farmers and especially to farmers in that area of the province. Water is needed to grow grain crops, to grow feed for livestock and to water livestock. Water also brings the promise of new types of crops, such as sugar beets and vegetables. Farmers know that nature does not always provide sufficient water in the form of rain. For this reason, most rain-deficient areas of North America have developed some sort of an irrigation program.

It is no answer for the Minister to say that getting started in irrigation is expensive. Of course it is expensive. It was expensive in Alberta, California, Arizona and in other places that have successful irrigation programs. It takes time, it takes money to develop the skills, the works and the equipment and the auxiliary industries and the markets. It takes research and it takes imagination.

Alberta, many years ago, faced a situation that we face today. They, too, had their doubts about irrigation but they had men of vision and determination and they now have a prosperous irrigation economy.

The Minister must surely be aware that in stopping the works on the west side is putting the kiss of death on the present development on the east side of the river. A successful irrigation project must be of sufficient total size to attract auxiliary enterprises, such as canneries, or sugar beet plants.

Technical, advisory and research facilities cannot be economically maintained for the small east side project. If the east side farmers find themselves in difficulty in the future, and it is possible that they will, it will be largely due to the actions of Agriculture Minister Messer in shutting down the works on the west side.

Some Hon. Members: — Hear, hear!

Mr. Gardner: — Mr. Speaker, a wave of pessimism and depression is sweeping over the irrigation community in our province and the Minister of Agriculture is responsible for it.

This entire area has planned for many years in the development of an irrigation economy. People have changed their places of residence. They have changed their way of life, they have invested their money because they believed in the future of irrigation. They have faith in irrigation, but apparently this Government did not. They pulled the rug out from under the irrigation people by cancelling the project.

I am sure that everyone knows that there is a vast difference between dry land farming and irrigation farming. Irrigation is intensive farming as opposed to the extensive type we are used to. Those who did not choose intensive farming have sold their land over the past ten years because irrigation is coming. Others who wanted to farm in this way moved into the area and acquired land. Both of these groups believed that all governments would honor commitments to go ahead with irrigation plans. No one ever dreamed that a government, or an Agricultural Minister would ever come along and scuttle a

program that so many had worked so hard to initiate.

The Minister's order means that great canals and reservoirs will be abandoned, in many places only half finished. This cancellation means that towns and villages which have looked to this project for future water supplies will have to look elsewhere.

Mr. Speaker, a recent letter to the editor of the Saskatoon Star-Phoenix, dated February 27, expresses the sentiment of a good number of people and I should like to quote from this letter for the record. I will then table this so that the contents will be available to all Members.

Mr. Mostoway: — Did you write it?

Mr. Gardner: — You'll see who wrote it in a minute. I am reading from a letter to the editor, Star-Phoenix, February 27. It is headed, "Almost Unbelievable."

The decision of the Saskatchewan Government to stop further extension of the Saskatchewan River Water Development and Irrigation Project is almost unbelievable. As a member of Public Works Minister John Brockelbank's executive in the Mayfair constituency, I am shocked that our Government has been so short-sighted. At this time, when many people are leaving Saskatchewan to find work elsewhere and many others are on social aid or unemployment insurance both paid by the taxpayer, wouldn't it be smarter to use some of these funds to complete this project?

And she goes on to say:

Our constituency executive has been asked for an emergency meeting on this issue. We will ask our Member of the Legislature to report and explain.

And it goes further, the second last paragraph:

It seems true democracy in the present New Democratic Party is somewhat lacking. Who does decide the policy and program of our moves? We, the membership, or some super braintrust in Regina? Are our own elected Members too afraid to tackle the real issues or are they merely 'yes' men for someone else?

This is signed by Mrs. Eva Phelps, Executive Member, Mayfair constituency, New Democratic Party.

Some Hon. Members: — Hear, hear!

Mr. Gardner: — This, Mr. Speaker, may have led to the meeting that we had a few days ago in Mayfair constituency where the present Minister of Government Services got up and told about what they were doing and he said:

You know, the Liberals are masters of misinformation. It is our responsibility, not only to inform people about what the Government is doing, but to correct false impressions.

So then he goes on to give a bit of a false impression of his own. He said:

We decided that the best course was to proceed with farm programs that create the greatest good for the greatest number. In addition we did not abandon the South Saskatchewan Irrigation area, in fact, we are spending almost \$750,000 on establishment of an alfalfa cubing plant there.

Now if you look into the facts of this alfalfa cubing plant, you will see, that, true it does cost \$750,000, that a group of local people out there have established a co-operative to build it — the Government is not going to build it. Loans were obtained from several sources, including The Co-op Loans Guarantee Act, \$85,000 from the Department of Agriculture, and the members of the Co-op each put in \$500 and also the Government has become a member of this Co-op and they have bought one share worth \$500. So when Mr. Brockelbank says that 'We are spending \$750,000 on establishment of an alfalfa cubing plant' the truth is that they are spending \$500 and this is the total cash contribution of the NDP Government. They saw fit to announce it in the Budget Speech, they talked a great deal about how they are building this cubing plant and we find now that their contribution is \$500.

Mr. Speaker, if you might note that the original agreement for this project, this irrigation project, was signed by an NDP Government in Saskatchewan and a Conservative Government in Ottawa.

People from all political parties are greatly concerned about the cancellation of irrigation on the South Saskatchewan River. The Honorable John Diefenbaker, refers to it as a gross betrayal by the NDP Government of Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. Gardner: — Federal Environmental Minister Jack Davis says that all necessary action is being taken to see that the Saskatchewan Government upholds an agreement to irrigate southern parts of the province with water from Diefenbaker Lake.

Now we are not too sure to what extent the contracts with the Federal Government are being broken. We do not know whether the NDP Government is living up to its legal responsibility or whether it is not. We do know that they are not living up to their moral responsibility to the people of that area or to the people of the province and I think the letter that I quoted from to the editor expresses a view of a good number of people.

The Minister of Agriculture, Mr. Messer, sent a letter to all households in the area in an attempt to justify his decision to halt the irrigation program and I have a copy of his letter here from the Minister of Agriculture, to the householder. He talks first of all about the extreme cost involved. He says that priority must be placed on developing markets for irrigation products and securing processing facilities.

Now surely, Mr. Speaker, he is not suggesting that markets will be available and processing facilities will be built when there is no land being irrigated. Surely no one is going to

build a sugar beet plant or a cannery, or some other facility when no land is available to grow sugar beets or vegetables. The Minister also says in his letter that deferring the west side does not violate the 1958 Federal-Provincial agreement. Now this is the statement that he makes in his letter, but it is certainly open to question.

For example, on page 3 of his letter he says, "That the agreement calls for the province to develop works for 50,000 acres." But on page 1 he said, "That the construction works are completed to serve 40,000 and that only 17,000 are actually being irrigated at the present time." I believe it would need a thorough study by legal experts to determine if the agreements have been broken and to what extent. I certainly don't feel qualified to make a judgment on this, and I don't think the Minister of Agriculture, Mr. Messer, is qualified either. Although he seems to have made this judgment in spite of this in his letter.

In his letter the Minister of Agriculture speculates on the cost of bringing land under irrigation and he does indicate that this is perhaps speculation. These costs are certainly open to questions. Costs can vary widely depending on the type of soil, drainage problems, distances, type of distribution systems, headworks, structures and so on. They can also vary widely from year to year. But most important, these costs can be vastly different depending on where the capital costs are charged and this is the key point. Water available from irrigation canals and reservoirs may also be used for municipal water supplies, industry, processing, recreation and many other uses. It is, therefore, obviously unrealistic to charge all capital costs to irrigating a certain number of acres of land. Proper allocation of these capital costs can only be done after extensive studies and surveys of a particular project. There is no indication that studies of this nature have been done, or are planned in the Outlook area. I have obtained copies of studies done in Alberta, and I appreciate that they are complicated. But they are also absolutely necessary. It is also very important that studies be made to show where the benefits of an irrigation program accrue. Alberta, again, has made extensive surveys in this regard and these independent surveys in Alberta indicate that the Federal Government, the Government of Canada, benefits by about 35 per cent of the total benefit derived from an irrigation community. The province benefits by about 30 per cent, the local community or municipality about 30 per cent and a small balance, perhaps 5 per cent to the person who is actually doing the farming.

Negotiations are under way between Alberta and the Federal Government involving a very large federal grant to rehabilitate irrigation works in that province and you will recall that some of their irrigation works were started in 1919 and 1920 and some of the original works, the capital works, need rehabilitation and they are in the process of negotiating with the federal people.

Because of the benefits accruing to the Government of Canada, such a grant is certainly justified and for the same reason, a grant of this nature would be also justified in Saskatchewan. Now we have no evidence to indicate that this Government has asked for substantial financial assistance to complete the irrigation works at Outlook and to sum up, Mr. Speaker, I should like to emphasize the following points:

1. The Province of Saskatchewan has about 40 per cent of the total arable land in Canada, but essentially it has no irrigation and no canning industry. One of the few provinces with no canning industry of any nature.
2. Alberta has about 600,000 acres irrigated — we at the moment have only 17,000 irrigated. Experts agree that the potential in Saskatchewan should about equal that of Alberta. The potential for irrigation here is certainly equal to that of Alberta.
3. Cancelling our irrigation program would be a mistake at any time. It could become a major disaster, if we encounter dry years like we have had in the past.
4. People of the immediate area, people of all political faiths throughout the province, are concerned and disappointed at the action of the Minister in cancelling this project.
5. When money is spent on irrigation, no government should expect immediate returns. The main benefits could well be felt five, ten or twenty years from now, in both the provincial level and the federal level. Immediate benefits, of course, should be available to the local area as the irrigation community is being established.

It appears, Mr. Speaker, that the cancellation decision was made by the Minister of Agriculture on the spur of the moment. It is not yet too late to correct the mistake that he has made. We call on the Minister even now to initiate long-range feasibility studies and evaluations to truly determine the benefits of our irrigation program. I, therefore, Mr. Speaker, move this Resolution.

Some Hon. Members: — Hear, hear!

Mr. P. P. Mostoway: — (Hanley) Mr. Speaker, I should like to speak briefly on the Resolution proposed by the Hon. Member from Moosomin (Mr. Gardner).

First of all I think attention should be focused on his use of the word ‘cancellation’ which is misleading. In my books the word ‘cancellation’ implies striking out into oblivion, never to be recovered again. Now I ask the Hon. Member where he got the idea that such will be the case with the west side development or did he deliberately distort the wording? Did he wish deliberately to mislead? Well, I ask him these questions because I am of the opinion that this halting of the west side development is only temporary, not to be forever scrapped as suggested by the Member opposite. But then one has to realize that word-distortion is a forte of his when he can use it for cheap political gain. You know, I should like to tell you that it has really got out of hand lately, this distortion. It has been so bad that even capital “S” Sparrows have been shooting off their mouths lately. No, Mr. Speaker, the project is not cancelled, it is only being temporarily halted until all parties can have an opportunity to appraise the situation realistically and for the benefit of all.

Another point that I want to make, Mr. Speaker, is the fact that if the Members opposite would only get their facts from the people most directly concerned, they would be in a better position further to bridge the vast credibility gap that they have created

between themselves and the people of this province. Now to whom did they run when they heard of postponement plans? Did they go out and ask the west side farmers? Oh, no, they didn't, and why didn't they? Well, I'll tell you, because the vast majority, Mr. Speaker, of west bank farmers agree that the project should be temporarily halted. I know this because I have talked to farmers from the Outlook area recently. Then why is it that this point was never brought to the attention of the public and the Media? Why have the Liberals neglected this most interesting point? Could it be that they never even bothered to survey the farmers directly concerned because deep down they knew these farmers back the Government almost 100 per cent? Then, Mr. Speaker, to whom did they go for guidance in coming up with their pronouncements? Well, I'll tell you, they went to a few businessmen.

Now, I or rather this Government, respects the business community of Saskatchewan. This has been proven time and time again even when some Members opposite have openly criticized certain Saskatchewan businessmen. If our businessmen do well, more power to them, but they should not be the judges used in determining policies which most affect primary producers. Mr. Speaker, I sympathize with those businessmen who may lose some business as Government respects the desires of west side farmers. But isn't this synonymous to the gamble other businessmen participate in? Is it not comparable to the chance that was taken by the employees of Quaker Oats in Saskatoon? Or the chance taken by most citizens of this province at one time or another?

Mr. Speaker, I also want to mention something on the closure of a rather large grocery store in Outlook. It is a well known fact that this store has not done well for quite a long time prior to the announcement that the west bank development would be temporarily halted. In no way did this announcement affect the closure of this store although there are some who would suggest this.

Mr. Steuart: — . . . closing out, here it is right here.

Mr. Mostoway: — You're closing out? Well it's about time you closed out. One may wonder why the vast majority of west bank farmers breathed a sigh of relief at this postponement. Now let's look at the situation these farmers may have found themselves in as east bank farmers did in the recent past. Here they were, east bank farmers, with very high costs for installation of irrigation equipment. If they planted cereal crops they found their expenses terrifically high, yields high but quotas very low, thanks to the lunacy of the Lang plan, which in the past forced the farmers of this province to have to knuckle under to the Federal Government's inability to sell our farmers' grain. It is with this in mind that I say to Opposition Members, if you are concerned with the situation, and I have no real reason to believe otherwise, ask the Federal Government for a realistic selling and production farm products policy.

Mr. Speaker, certain Government employees find themselves in a position where they aren't too sure about where they will be working in the future. I don't like it, the public doesn't like it, nor does this Government like it. However, it should be pointed out that this Government has indicated it will use every means possible to place these people in other areas of the

province. Surely all Members will agree that no government, not even a Liberal or a New Democrat would not like to see these employees placed in other positions. I ask Members opposite, were you as vocal as you now are when giant corporations laid off employees in Saskatchewan recently and there was little effort spent in trying to find other jobs for these employees on the part of these giant corporations? Where were you then?

Mr. Speaker, I am confident that this Government will spare no effort to place these people in other positions. At this point, Mr. Speaker, I should like to say that when development resumes in this area I hope that Saskatchewan will make every effort to help see that markets are available to all irrigation farmers, west and east bank. It is my hope that should these markets not be there, the Government might consider actively promoting the establishment of such plants as sugar refinery, a vegetable processing plant and possibly a starch plant whereby potash companies would use the starch in conjunction with the potato industry in that area. When I refer to Government involvement, I mean involvement in the initial stages, involvement which will lead to eventual people control in these ventures through such things as possibly co-operative.

Before I sit down, Mr. Speaker, I want to mention a few points that the previous speaker had touched on. He read a letter by Mrs. Phelps. Well, I just want to point out to Members opposite that it is only in this Party where you will find dissent within the Party. You won't find it in your Party because the opportunity is never there for dissent in your Party. I also want to mention something about the Alfalfa Cubing Plant at Broderick. Sly inference by the Members opposite lead me to believe that he thinks that there is something shady in that whole deal. Well, I will tell you one thing. I know most of the Members who are involved there, and I don't think they are going to be too pleased when they hear that he has implied that there is something shady on the part of their actions in the past. I consider that a slap in the face to the farmers in that area who are involved in that cubing plant, and I am quite sure that they will be hearing about that.

Mr. Lane: — You wouldn't go and tell anybody, Paul.

Mr. Mostoway: — Oh, certainly not.

Mr. Speaker, I will vote against this Resolution which shows disrespect for the wishes of the Outlook west bank farmers.

Some Hon. Members: — Hear, hear!

Mr. W. A. Robbins: — (Saskatoon Nutana Centre) Mr. Speaker, I am going to make a few brief remarks with respect to this particular Resolution. First of all, I think the Resolution is incorrectly worded. Quite frankly it should not say 'cancellation' and the word 'cancel' should not appear in the last line. It should read 'deferment' and 'to defer the project' in the last line. It is obvious that it is only businesslike and reasonable for the Government to take a hard look at the situation with respect to that irrigation project simply because the area which has been developed to date has been very, very expensive and it does not look, at the moment, as if it could even pay off its capital costs. There is a

vast difference between cancellation and deferment and I know that there would be no reason to explain that to the Members opposite, they wouldn't believe it in any event. Even the Members who introduced the Resolution talked about stopping the development and obviously if you stop something you may well start it again. There is an obvious sequence here of stopping and starting. If the Member for Lumsden (Mr. Lane) would put both feet in his mouth at the same time and keep quiet I would be able to get finished with this a little more quickly.

The Member for Moosomin (Mr. Gardner) who introduced the Resolution made some comments with regard to the cubing plant and he talked about misrepresentation with respect to the money that the Government was involved in. He also tried to imply that all the Government was involved in with respect to this cubing plant, Mr. Speaker, was some \$500 in the form of shares. He later admitted that \$85,000 was available with respect to the project from Government sources. He also neglected to mention that there is approximately \$250,000 of working capital being advanced by the Department of Agriculture in relation to the cubing plant.

He also made some reference about unfinished canals. Mr. Speaker, there are no unfinished canals in this irrigation project. I know that area well and there are no partially completed canals. They are completed in total.

It is logical and reasonable for the Government to take a good hard look at this project. The whole project is not being cancelled. Obviously it creates some disruption, we are well aware of that fact, but it is in deferment. I obviously, therefore, will oppose the Resolution.

Some Hon. Members: — Hear, hear!

Mr. Owens: — (Elrose) Mr. Speaker, I am not directly concerned with the end that the water comes out of the spout they are talking about but I am on the end where it starts. It happens to be in my constituency and I should like to have a few words to say on this at a later time and I beg leave to adjourn the debate.

Debate adjourned.

THIRD READINGS

Mr. D. G. Steuart (Leader of the Opposition) moved third reading of Bill No. 04 — An Act to amend An Act to incorporate The Northern Saskatchewan Co-operative Stock Yards, Limited be now read a third time.

Mr. F. Meakes: — (Touchwood) Mr. Speaker, I am only going to speak a minute or two on this Bill to say what I said in Committee of the Whole so that it may go on the records. I am going to support the Bill.

When this Bill was before the Private Bills Committee, and the witnesses appeared, I asked the lawyer, Mr. Harradence whether the co-operative association, the word co-operative was in it, whether it was actually following the traditional rules of the co-operative philosophy. His answer was that it really was not. Most co-operatives in this province (except for four or five which are not registered under The Co-operatives

Associations Act) as such must follow those rules and bylaws, the standard bylaws of co-operatives. If they are not, the Registrar has the power to cancel them off the books. With this Association which was formed under a Private Bill of 1919, there is no way that this can be enforced.

Further, since the Bill was before the Private Bills Committee, I have had further discussion and further investigations and although I am still not happy doing it in this way but because there are many old shareholders who need these amendments so that they may be paid off, I am prepared to support the Bill. I would ask that the Department of Co-operation in the next 12 months might consult with the Northern Saskatchewan Co-operative Livestock Yards and either request them to start acting like a co-operative or that they might consider coming before the Private Bills Committee again and straightening out the word 'co-operative'.

With those few words, Mr. Speaker, I will support the Bill.

Some Hon. Members: — Hear, hear!

Mr. W. A. Robbins: — (Saskatoon Nutana Centre) Mr. Speaker, I should like to make one or two comments with respect to this Bill as well. I have some objection to the use of the word 'co-operative' in the title. I realize that when the organization was set up back in 1919 it probably was fitting to have the word 'co-operative' there. It obviously is not operated as a co-operative now because the seller of livestock to the organization does not secure a proportion of the earnings in relation to his patronage.

The earnings are distributed to shareholders. I could comment on the fact that one thing very much in its favor is the fact that it permits only one vote per shareholder. They do not vote in relation to the number of shares the individual holds. I, like the Member from Touchwood, have some objection to the word 'co-operative' in the title. Although I will support the Bill, I should like to place a reservation on it as well. I think the Department of Co-operation definitely should have a look at the operation of this organization within the next 12 months and do one of two things. Make sure that the operation does become co-operative in nature or conversely that the word 'co-operative' is taken from the title.

With that reservation I will support the Bill.

Some Hon. Members: — Hear, hear!

Mr. D. G. Steuart: — (Leader of the Opposition) Mr. Speaker, I think the comments of the Members opposite are well taken. I won't repeat why these amendments are necessary to put that company in good order. They probably were a co-operative back when they started. It has been so long and the original stockholders, shareholders, have passed their shares on, in fact, it would be great difficulty finding many of the original shareholders right now. There probably are other companies or business enterprises in the province, there may be, I don't know if there are any or not, but there may be some that have the title co-operative in their name or use the name co-operative in their title.

I think that a look into this might be quite appropriate by the Department of Co-operative Affairs. But I appreciate that the Members tend to support this and I ask the House to support it. So then this company can put its affairs in proper order and then if the Department of Co-operatives wants to sit down with them then that is another question. But I don't disagree with the Members who spoke, that came out very clearly when we brought the Bill before the Committee. And I do appreciate the fact that I hope most Members will support this so that they can get on and then if they make any changes from now on it can be dealt with at a later date.

Motion agreed to.

ADJOURNED DEBATES

MOTIONS FOR RETURNS

Return No. 237

The Assembly resumed the adjourned debate on the proposed motion by Mr. A. R. Guy (Athabasca) for Return No. 237 showing:

- (a) The total amount of loans received from the Provincial Government or any of its agencies by Intercontinental Packers Limited to March 1, 1973 and the terms of any such loans. (b) The total amount of the loans and interest outstanding as of March 1, 1973.

Mr. Thorson: — (Minister of Industry and Commerce) Mr. Speaker, the Assembly will recognize that this is a most unusual request that confidential information about one of the clients of the Saskatchewan Economic Development Corporation should be made public by becoming the subject of an Order for Return in the Assembly.

Members of the Assembly will be well aware that people who come to SEDCO must divulge all kinds of information about their business affairs in order to have their application for a loan properly evaluated. And it has been the practice of SEDCO ever since it was established away back in the early 1960s to deal with applicants and clients on the same basis as a customer in a chartered bank or a shareholder applying for a loan in a local credit union. There is therefore, confidentiality between the borrower and the lender in the operations of SEDCO. Now that is a good practice to follow if SEDCO is to carry out its obligations under its legislation.

Because this notice of Motion for Return asks for something so unusual in the practice of SEDCO, I took the trouble to have some extensive discussion with the management of Intercontinental Packers Limited. And because the management of the company has agreed that this information should be made available, I wish to inform the Assembly that I have no objection to the Order passing in the wording which exists on the Order Paper. But in doing so, I want to make it abundantly clear, that this is not to be taken as precedent, that other information about this particular borrower of SEDCO will necessarily be made public. And I especially want to emphasize to all of the people who now have loans from SEDCO and all of the people who are applying for loans and who will apply for loans in the future, that they will continue to deal with SEDCO on the basis of confidentiality.

And that SEDCO, its officers, the members of the board, will treat as privileged any information which they receive from any such people in the course of carrying out their duties in the operation of SEDCO.

So I want it abundantly clear, Mr. Speaker, that while I have no objection to this Order passing in the wording that appears on the Order Paper (because I have the assurance that this particular client of SEDCO has no objection) it is not a precedent. But it is not to be taken that such information will in any way be made available or made public on any future occasion.

Mr. Steuart: — Mr. Speaker, I am pleased that the Hon. Member has informed the House that they intend to give us this information. I was somewhat startled and surprised that the Premier said stand on the first Order for Return on the adjourned debate which was to ask for the complete financial statement of Intercontinental Packers for the years 1970-71 and 1971-72. It has been now some three weeks since — or two weeks or a long time — since the announcement of the purchase of the Government of 45 per cent of the shares of Intercontinental Packers for \$10.2 million was made. And there has been nothing, absolutely nothing, to hinder the Government without waiting for these to be debated in this House, to have made public in this House, or public in a statement, the conditions under which they bought this company, at least what they based their price on.

I have here a copy of a Dun and Bradstreet report . . .

Mr. Speaker: — I should like to remind the Leader of the Opposition, No. 1 is standing, we are debating No. 2. I hope the Hon. Member will not get the two mixed up.

Mr. Steuart: — I am not getting the two mixed up, Mr. Speaker. I am talking about information from SEDCO. I am talking about information generally.

The Hon. Minister said this is normally privileged information and I agree it is. But as I say I have a statement here from Dun and Bradstreet that was for February 1972 concerning Intercontinental Packers Limited, Pacific Meat Company and Payway Feeds. Now I don't know whether this is for the entire company that the Government of Saskatchewan paid \$10.2 million for 45 per cent. But this shows that the net worth in that year of that company was \$4.5 million to \$5 million for the whole company. Now obviously when the Government paid what they did for less than half of the company, they valued this company at something better than \$22 million.

An Hon. Member: — Which motion is he on?

Mr. Speaker: — He is discussing the Motion for Return No. 236 where he is asking for the financial statement, not on the next one which is now before the House, asking for loans. I believe the Leader of the Opposition has got his motions mixed up.

Mr. Steuart: — I'll discuss it under the next motion, Mr. Speaker.

The next motion, unless the Government wants to stand it and avoid discussing this whole question, is on who conducted the audit, the financial statements and so on.

But let me say this to the Minister of Industry. We recognize that this is a different deal and we are not suggesting that every loan SEDCO makes should be made public. On the contrary we recognize the confidentiality, the necessity of the confidentiality, of their dealings with individuals and with corporations. But, surely he is not suggesting that SEDCO on behalf of the people of Saskatchewan pay out over \$10 million for 45 per cent for very many corporations because they don't. I am aware that SEDCO has owned equity shares and has taken equity shares in several corporations and may still keep this practice up. A very minor position may be in a corporation so they can put people on the board of directors and keep their finger on the pulse of the company to which they have lent money. I have no objection to that, I think that in many cases it is a sound practice. But this is a totally different departure. So we recognize that this is not a precedent, all we say is that it should be a precedent any time you pay out this kind of money and become this large a shareholder.

So, Mr. Speaker, I won't continue with the line of debate I have in concerning this statement but I will on the next resolution which I think is broad enough to cover it.

Motion agreed to.

Return No. 238

The Assembly resumed the adjourned debate on the proposed motion by Mr. A. R. Guy (Athabasca) for Return No. 238 showing:

(a) Whether the Government of Saskatchewan conducted an audit of the financial statements of Intercontinental Packers Limited prior to its purchase of shares of the company. (b) If so, who conducted the audit. (c) A copy of the audit.

Mr. Thorson: — Mr. Speaker, I should like to move, seconded by my seatmate the Minister of the Environment (Mr. Byers) that Order No. 238 be amended by deleting all the words after the word "showing" and substituting the following:

(a) Whether or not the Government of Saskatchewan had available to it audited financial statements of Intercontinental Packers Limited prior to the Government's purchase of 45 per cent of the shares of the company. (b) If so, who conducted the audit.

Mr. Steuart: — Mr. Speaker, of course this amendment absolutely denies the information that we want. All the Government would answer on there is yes, they had it done and they had it done by Clarkson and Gordon or somebody else and that would be all. We also asked for a copy of the audit. I think we can talk then — we wanted their financial statement, we wanted their audit. It is obvious now that the Government has no intention of giving to us, or to the public, the material, the background on which they based this deal. I don't blame them. It is beginning to look like some of the information we have received

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may be true or closer to the truth than they will admit. As I said before, I have a copy here of a Dun and Bradstreet report, dated as of February 2, 1972, just a little over one year ago. It indicates the net worth of that entire operation is \$4.5 million to \$5 million.

Now we paid \$10.0 million for less than half. So when I made the statement that it would come out if the truth ever came out, if we can get the truth from this Government on this deal that they paid at least twice too much. It begins to look as if they may have paid four or four and a half times too much. When I said that this could be a public scandal, I think I am closer to the truth now than I was then. And if it is not a public scandal and if you did not pay too much, then why are you refusing to give to this House and to the public, the background of the deal and the financial statements? Don't tell me that the financial statements are not in the best interest of the public. Don't tell me that when we made deals involving Prince Albert Pulp Mill, Meadow Lake Pulp Mill, that we didn't put the entire deal on the table because we did. You may be 45 per cent owners of bologna makers but we can recognize the kind of Government bologna, how thin you are slicing it.

We laid every document on the table, except some correspondence between Parsons and Whittemore and ourselves. We laid the studies on the table, we laid the evaluation, we laid the entire deal and so we should have.

The present Premier, at that time when we made the Prince Albert Pulp Mill deal public, was the financial critic. I think he was the Leader of the Opposition when we made the proposed deal with the Meadow Lake sawmill and the Meadow Lake Pulp. The Opposition had all the information that we had and they asked about their right and their responsibility. I didn't agree with their criticism but we gave them the information as we should have done for their information and criticism.

This report goes on to say that the sales of that company are about \$100 million. That would be their sales probably for 1971. This information is what I remember about Intercontinental because I was Member of the Government when Intercontinental borrowed money from SEDCO. As a result SEDCO have their statement. And you have their statement. You have their last year's statement, the year before statement, you probably have statements for the last three year or four years of Intercontinental Packers. And I say that you have a moral obligation, you have a moral obligation ever since you announced that deal to make those statements public, give to the public of this province the information on which you based that.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — Now, I think last year they probably increased that by their sales about \$30 million. But if my memory serves me right, when we were the Government and Intercontinental Packers borrowed money of SEDCO, they were doing less than \$100 million a year. I expect that 1972 saw them do maybe as high as \$120 or \$130 million.

I have a statement from Burns and Company which is their annual report for 1971. It is a public company and, of course, their statement is public as is that of Canada Packers. So to

say that to make their statement public would interfere with their position or would do harm to Intercontinental Packers, of course, would just not stand up.

But it is very interesting to note that in 1971, about the same year for which we have this Dun and Bradstreet report, Burns and Company which is a much more diversified company did \$359 million worth of business. And they made a net profit of \$3.133 million. They made a net profit of about .85 of sales. A little under one per cent. Now Burns and Company is a much more diversified corporation than is Intercontinental Packers. I think it is a well known fact that the profit of Burns and Company percentage wise would be probably somewhat higher than Intercontinental Packers. Based on figures that we have from the Dun and Bradstreet report and what we know has happened to Burns and Company and Canada Packers, I would estimate that Intercontinental would probably make somewhere between .5 and .6 per cent net income on their gross turnover. Which would give them a net profit of that year of anywhere from \$500,000 to \$600,000. Again, checking with people who are experts in the field of evaluation of the worth of corporations, I am informed that a multiple of 10 to 12 times net earnings is reasonable for a corporation engaged in the packing house business such as Intercontinental Packers. So taking that multiple of 10 to 12 times of their profit of anywhere from \$500,000 to \$700,000, we find that again the value of the corporation comes out anywhere from \$5 million to \$8 million. That is for 1971. For 1972 it could be higher. It could be maybe as high as \$10 million.

Mr. Speaker, I don't know whether this report is accurate or not. I don't know if you can compare, very closely, the financial operations of Intercontinental Packers and Burns. I am confident of one thing, that Intercontinental Packers is about one-third the size of Burns, that I am confident of. Burns, in 1971, did \$359 million worth of business and made about \$3 million. I know that a multiple of 10 to 12 times earnings is fair and reasonable. And so if you work backwards from what you people obviously evaluated or placed on the total value of Intercontinental Packers you placed a value of about \$23 million.

This means that they must have had a net profit in the last year of something over \$2 million, probably approaching \$2.5 million. I just can't believe, in fact, no one can convince me that a company which is about a third the size of Burns and Company and not nearly as diversified could show a net profit within a third of what they did in Burns and Company. I say this to the Premier, and I say this to the Government, again, I don't know whether this information is accurate, I don't know if we can base a judgment on it, it is so far out and quite frankly there has to be more to it. I have to believe there is more to it.

Maybe Dun and Bradstreet are giving a report on only one part of the company. Maybe when the Government of Saskatchewan, through SEDCO made a deal, they bought much more than appears in the report of Dun and Bradstreet. For example, did you buy their feedlots, they have one or maybe two feedlots in my understanding in the name of Mr. Mendel himself? I understand there is a considerable amount of property that surrounds the land at Saskatoon, property that would be very valuable. Now, at one time that was not in the name of Mr. Mendel, maybe it is now and maybe you bought it, or maybe you bought 45 per cent of it. I

say this very sincerely and very seriously, that this report and the knowledge we have of Intercontinental Packers when we were the Government, that is only 19 or 20 months ago, indicates that the value of this company is nowhere near \$22 or \$23 million. In fact our information and our knowledge from what we have here indicates that the value of the company isn't even \$10 million. I say the Government has a most serious responsibility because when a person goes on the board of directors of SEDCO, and he is also on the board of directors, the senior financial officer of Intercontinental Packers, at the time when the deal was very obviously being made sometime between last January and March, when the deal was announced it would appear that that would very probably be a time when this deal was coming to a climax, coming to fruition, again I say the Government has a serious responsibility to explain.

We have some evidence where we present seriously to this House to indicate that the value of this company appears to be far, far less than the Government paid for it, then I say to the Government very seriously, give us the facts. I don't think you have the right, you may have the legal right, you can vote down the resolution, you can stall on the answers. But I say to you, I don't think you have the moral right to deny to the people of Saskatchewan this information. So I ask the Members in this House, on both sides of the House, to defeat this amendment and force the Government, if they are not prepared to do it, and I am talking to Members on both sides, not just in the Government, to force the Government to give to us, and what is more important to the public, this information. I say to the Premier when this comes up again, I hope they won't ask to stand the first resolution which asks for the complete financial statements for the years 1970, 1971, 1972. If they haven't got them for 1971, they must have them for 1972. The 1973 fiscal year isn't completed. I understand their fiscal year used to end in June, maybe it is still in June so they wouldn't have the statements for the 1973 fiscal year. Give us what you have, lay before this House and the public of Saskatchewan, the hard facts on which you committed \$10.2 million of the public's money and involved this province in a major way in Intercontinental Pork Packers.

Some Hon. Members: — Hear, hear!

Hon. A. E. Blakeney: — (Premier) Mr. Speaker, I just want to add a word or two to what my colleague the Minister of Industry has said. He had made clear, I think, the information which we believe is in the best interest of the Government and the public. He has indicated the reasons why we are not able, as we see it, to accede to the request of the Opposition that all financial statements of Intercontinental Packers be made known. The Leader of the Opposition has referred to some information. I am sure I don't know the details of the Dun and Bradstreet statement. I do know that Dun and Bradstreet statements are traditionally made up on the basis of the financial statements of the company. There is no real relationship between the book value of a company's assets and their actual value, if the company has been in business for a good number of years. We all know that one can look at the book value of the assets of any number of companies and find them very, very much less than the actual value. I invite all Hon. Members to pick up the annual report of let's say, Saskatchewan Government Printing Company, that has been around for a while, and look at the book value of those assets and ask

whether any Government acting properly would sell that company for the book value or twice the book value. I invite you to look at, let's say, the statements of the Saskatchewan Fur Marketing Service and ask whether any government sold that company for three times the book value, they would be selling it for too little . . .

Mr. Steuart: — How about 12 times the net profit?

Mr. Blakeney: — Or 12 times the net profit, and that's not too bad a multiple.

I do want to make this statement, Mr. Speaker.

I would ask the House that since this is a private company and this kind of information would be of great interest to the competitors of the company, I don't think it is in the public interest, and I would ask the House to defeat this motion . . .

Mr. Steuart: — You are quoting me!

Mr. Blakeney: — I am quoting Mr. D. G. Steuart, in 1970 with respect to a request for the net profit of the Prince Albert Pulp Company Limited for 1969, a company in which we had invested in 1965 and in which at that time we had a risk not less than \$50 million. At that time in a request merely for the net profit of the Prince Albert Pulp Company in 1969, and for the part if any of the profit which was paid to the Government in 1969, we heard the then Provincial Treasurer say:

Mr. Speaker, I would ask the House that since this is a private company and this kind of information would be of great interest to the competitors of the Prince Albert Pulp Mill, I don't think that this is in the public interest and I would ask the House to defeat this motion.

Mr. Steuart: — All right give us the other facts, keep . . .

Mr. Blakeney: — that is precisely what you said. I am quoting from Hansard, page 960 of the Debates and Proceedings.

May I then go in this same debate and quote:

We are not going to give our competitors information that will be useful to them and perhaps harmful to the Prince Albert Pulp Mill. I suggest again, Mr. Speaker, that this motion should be rejected.

I am now quoting, not the Member for Prince Albert, but rather the late Member for Morse, the Hon. Premier. That was his view of the matter. This is on page 961.

May I make a couple of points. May I make it clear that Intercontinental Packers is a private company, it is not a public company and never has been a public company. May I make it clear also that for many years it had been, in effect, a family owned company and it would be to the interests of that

family to minimize the profit which would be declared for tax purposes. They have no shareholders to satisfy, no need for profits to be generated for dividends. They have, in fact, every interest in minimizing their profits in their financial statements.

They are competing with companies like Burns. The Leader of the Opposition suggested that since their competitors are public companies it couldn't hurt to make this information known about Intercontinental. I wonder why he didn't say that with respect to the Prince Albert Pulp Company Limited. "We are not going to give their competitors information which would be useful to them." Who would be the competitors of Prince Albert Pulp Company Limited? You know and I know that it would be MacMillan Bloedel, Domtar and the others which are public companies. You can get the statements of those companies. Surely if it is logical as I think perhaps it was, not to give out this information about Prince Albert Pulp Company Limited, where the public had a risk of \$50 to \$60 million, because it might cause damage to that company, surely I would think that it ought equally to be logical to say that if we are advised by the management of Intercontinental that they believe this information would be damaging in a commercial sense that we ought to accede to that advice, ought to recognize it, ought to take it into account. Therefore, we feel it is logical to give this House as much information as we can, which will not jeopardize this company and our stake in it, but not to give this House and, therefore the public, information which will be prejudicial to the best operations of the company. This is the choice we have to make. No one suggests these are easy choices.

We have already agreed that we will change the SEDCO rules and make that information available. We are now going to give the House the assurance that there were audited financial statements available. We are taking the position, because we believe it is the right position, that we ought not to make available the full financial statements of this company because it will not be in the economic and financial best interests of the company. That is the information they have given us, it is the information that the previous Government received from the management of Prince Albert Pulp Company Limited when they had a 30 per cent interest, and the information we received from the senior management of Intercontinental when we have a 45 per cent interest. There is no difference in principle whatever. I can only rely upon the position previously taken.

Mr. Steuart: — What were you quoting from?

Mr. Blakeney: — The 1970 Debates, at pages 960 for the Hon. Leader of the Opposition, the Member for Prince Albert on March 17, and at page 961 for the Hon. Member for Morse, Mr. Thatcher. I could give you equally well worded quotations, if you wish, in respect to other requests for information, for example, the request for financial statements of Woodland Enterprises. "A copy of the most recently audited financial statements of Woodland Enterprises." That one was voted down in 1969. "A copy of the most recent audited financial statement of Saskatchewan Pulpwood Limited." That was voted down on Division in 1969. This practice was very clearly established by the then Government opposite. I don't want to go back over all of that ground.

May I ask the Members opposite to be as consistent as they

were when they recorded their votes on March 18, 1969.

Mr. Steuart: — How about your position when you were here?

Mr. Blakeney: — Be that as it may, we obviously have to make a judgment. Members opposite made their judgment on Woodland Enterprises, on Saskatchewan Pulpwood Limited. We have to make a judgment, we believe that to give the information requested would be prejudicial to the interests of Intercontinental. Again, using the words of Mr. Thatcher, we do not think this information should be given. In his words, and I quote:

We are not going to give their competitors information that would be useful to them and perhaps harmful to the Prince Albert Pulp Mill.

So I suggest again, Mr. Speaker, that this motion should be rejected. If I may paraphrase and ask the House to adopt the logic of the former Premier, we do not think we should give the competitors of Intercon information which would be useful to them and perhaps harmful to Intercontinental Packers. So I am suggesting to this House, Mr. Speaker, that this motion should be rejected.

Some Hon. Members: — Hear, hear!

Mr. C. P. MacDonald: — (Milestone) Mr. Speaker, using the logic of the Premier, may I also give a quotation taken from the Debates and Proceedings for March 17, 1970.

I am just saying that under these circumstances I suggest that the profit and loss picture of the Prince Albert Pulp Company Limited is a matter of great public concern particularly if we may be faced with a \$50 million contingent liability.

Not an outright investment, only a contingent liability!

I understand that the profit and loss statement of the company would be available to the Government. I can't imagine a circumstance under which it would not be available to the Government nor could I imagine a circumstance under which it would not be in the interest of the company to make known its profit picture.

However, Mr. Speaker, I don't think that that is the real issue. The NDP has changed its skirts, but the issue . . . That's right, Mr. Speaker, this is a different situation than that request. When we made an investment of \$1.5 million in the Prince Albert Pulp Mill we unveiled everything. This is a moment, Mr. Speaker, when the Government is investing \$10.2 million of the public's money, not the profit and loss statement next year or the year after, then I think their argument might be more justified. This is a moment when they are making the decision to go into the bologna business and investing \$10.2 million.

Mr. Speaker, I should also like to remind you that the Premier said, when he became the Leader of the Government, we are going to have an open and frank government. I should like

to tell them why this is so important. This Government has all of a sudden announced its intention to go into business in a major way. Not only the bologna business, but they want to go into the timber business, they want to go into the oil business; they have already invested in the steel business; they have announced they are going into the mineral business. Mr. Speaker, they are going to announce their specific intention of investing perhaps millions and millions of the taxpayers' money. Surely the people of Saskatchewan at this time have a right to ask the question. Have they the responsibility, have they the ability to enter into the business picture in the Province of Saskatchewan in a reasonable way and in a way that is not a bad deal for the people of Saskatchewan? The indications of Dun and Bradstreet and all the information that we have been able to get, Mr. Speaker, indicate that it isn't just a bad deal, but a very, very, very bad deal. If this is true, Mr. Speaker, if this is true, then surely the Premier would be the first to get on his feet because I say that this Intercontinental picture and the refusal of the Minister of Industry and the Premier to grant this information will put a cloud over every attempt they have to enter into any business venture in the Province of Saskatchewan in the future. It will put over a serious cloud, Mr. Speaker, to refuse to give us the audited statement. The amendment that the Minister of Industry made is just an outright denial to the people of Saskatchewan to give any information whatsoever. He has given us the name of the company and he has answered, Yes. Mr. Speaker, I say that if they are going to invest millions of dollars of the taxpayers' money into every kind of business venture in a major socialist way then they have a very serious responsibility to stand on their feet and give the people of Saskatchewan complete assurance that they have the sense of responsibility, that they have the business judgment, that they have the business acumen, that they can run this kind of business and that this has not been a deliberate waste and going down the drain of \$5 million, \$6 million or \$7 million.

Do you remember, Mr. Speaker, a few years ago when we talked about Choiceland? They knew the ore was in the ground, they knew the quality of the ore, the only thing was they questioned was the payout. They questioned the payout period, when they could pay for the shaft and the investment, because of the investment in the shaft. And they said that the risk was so great. And now they are putting \$10.1 million of the taxpayers' money into an investment that looks to be a very bad investment.

I would say, Mr. Speaker, that the people of Saskatchewan will demand that this — and I am not saying that it is corrupt, I am just saying that their judgment is poor — and that they have the responsibility of proving that that judgment is correct. I hope, Mr. Speaker, that the Members of the House, on both sides, will recognize their responsibility to the public and recognize that it will put a cloud over every venture that they have entered into, and every venture that they will enter into, because the people of Saskatchewan are already saying that Intercontinental is a bad deal. This is going to prove it, and unless they can disprove and are willing to put the facts upon the table, I suggest to you that there will be the same reaction to every other venture that they have.

Mr. Speaker, I urge the Members of the House, I plead with them, make known the information that is requested here. No harm can come to Intercontinental. Every public company in the Dominion of Canada publishes its financial statements. There is

no way that it is going to be damaged by its competitors by giving this information.

Some Hon. Members: — Hear, hear!

Mr. G. B. Grant: — (Regina Whitmore Park) Mr. Speaker, having been a chairman of SEDCO I can appreciate the importance of confidentiality, the handling of loans, etc. And I think the suggestion made by the minister is practical in their case. I don't know how helpful it is to us. I doubt the assistance that it is going to give us.

I think what the Member for Milestone has said is so true that the business interests of Canada and the Province of Saskatchewan are pretty suspicious of the Government opposite, because actions speak louder than words. They keep saying, oh, we are friends of the businessman and people don't have to worry. But we have seen so much evidence in the last 19 months that this is not really true, that their actions indicate that business people do have something to fear.

The Government has no intention of stopping at the Intercontinental Meat Packers business, and I should like to quote from a publication called, "Saskatchewan Business Journal, winter and spring 1972." And it is an interview, "Premier Blakeney Talks Business," Saskatchewan business. The interviewer had asked the Premier if he had any more schemes up his sleeve such as Medicare, Hospitalization and Auto Insurance and his question was: What about the new programs? The Premier, and I am quoting from the article:

Right. I think there are a fair number of other areas that one can experiment with. I have in mind really an idea for a sort of Government sponsored mutual fund, which would be an attempt to offer to people who wish to invest in mutual funds — and a very large number of people do — an opportunity both to invest in mutual funds so that they may have an inflation hedge and also an opportunity to participate in Saskatchewan investments, in Saskatchewan industry, and an opportunity to get some measure of guaranteed return by reason of the Government offering some guarantees both as to capital and interest.

Now, that is a fairly elaborate package and if it will be done, it will be the first one that I know of anywhere in the world where you have an equity security essentially which has a government guarantee. I think that Canadians are looking for an investment vehicle which has some measure of security because many of them don't have enough of an investment portfolio that they can gamble on.

Mr. Speaker, this is an investment by the people of Saskatchewan in an industry here in Saskatchewan, and I think they are entitled to know whether it is a good buy and whether the returns, the dividends that they hope to get in the future, are based on a sound purchase. I think the Premier is absolutely wrong when he said it was not in the interest of the people of Saskatchewan to know this information and I hope that he would make it available because as indicated previously, it casts just one more cloud over the respectability of the present Government in the eyes of the business people in Canada.

Some Hon. Members: — Hear, hear!

Mr. D. F. MacDonald: — (Moose Jaw North) Mr. Speaker, the Leader of the Opposition made some statements. He said that he really didn't know how true they were and so on. I wonder how many of the caucus Members opposite know how true or how good a deal Intercontinental Packers is. I think the only thing that the Members opposite have to base their opinions on are what the Premier and the Minister of Industry has told them. Maybe the Leader of the Opposition had some doubts as to the validity of the information, but I think that none of us should have any doubts as to that validity right now.

I have seen the Premier of the province, Mr. Blakeney, get up on many occasions and he always puts on a great show in a debate. He always does quite well when he knows that he has some leg to stand on and he really gets going. But, today, was the weakest performance that I have ever seen the Premier put on in this House.

Some Hon. Members: — Hear, hear!

Mr. MacDonald: — He knows the Leader of the Opposition is right. He didn't deny one of the things that the Leader of the Opposition said. He weaseled around and then quietly sat down. That proves that all of the statements that the Leader of the Opposition has made are absolutely true. I think if the information was important before the Premier spoke, it is twice as important now.

You know he referred to the logic of Mr. Thatcher and he said that the information would be prejudicial to the interest of Intercontinental Packers. The truth of the matter is that the information will be prejudicial, it will be prejudicial against the NDP, not Intercontinental Packers.

Some Hon. Members: — Hear, hear!

Mr. MacDonald: — He knows that information is going to sink the NDP to the lowest level they have ever been. This information is vital to the public and it is also vital to the Members on this side of the House. The information that we have proves that the Government has paid two, three or four times too much for that. But what is even so much more important, is that this is such a terrible deal for the Province of Saskatchewan, but in one more respect it is terrible.

Saskatchewan is capital poor. No one will deny the fact that we don't have capital. Here we have paid two, three or four times too much for an industry that employs over half of the people in that industry, outside of the Province of Saskatchewan. We need to spend our capital a little more wisely than what we have done.

I urge all Members opposite to defeat the amendment.

Some Hon. Members: — Hear, hear!

Mr. K. R. MacLeod: — (Regina Albert Park) Mr. Speaker, I should like to echo some of the comments made by the Members on this side.

The Government is obviously playing silly games with us in connection with this Motion. They are quite prepared to provide any amount of information as long as it does not give the Opposition or the people of Saskatchewan any opportunity of any kind to judge the merits of this transaction at all.

The book value, of course, is not a real measure of the worth of a company. If anyone over on the other side of the House had been listening to the Members on this side of the House, you would have observed that we recognized two or three very valid ways in which to judge the real value of a company.

The company valuation, according to the reports that we have, and these reports are fairly reliable in the sense that very seldom has any person successfully challenged a Dun and Bradstreet report. These people know more about your business than you would care to believe.

The fact that this business is probably worth somewhere between \$4.5 million to \$5 million for 100 per cent of the business. This probably means, this means in fact, that the Government has probably paid for half the business, or less than half, an amount which should have bought two businesses of that kind. That \$10 million should not only have bought 100 per cent of the company, it may well have had \$5 million left over to invest into something else.

Some Hon. Members: — Hear, hear!

Mr. MacLeod: — It is quite clear that the arguments are foolish and I have no intention of getting into this battle of quotations from one side of the House to the other. It is quite obvious that despite the information and the fear that we hear from across the way, inviting me to sit down — oh, yes you would be glad to have us all sit down and not raise this question — the Government is rather hopeful that the Opposition will assume that the Government knows what it is doing. Well I can assure them from the experience that we have had of this Government up to now, we are quite convinced that you don't know what you are doing.

Some Hon. Members: — Hear, hear!

Mr. MacLeod: — The situation with the Prince Albert Pulp Mill was entirely different. There is no question about it that at the time the investment was made, full and complete disclosure was made to the Members of this House.

What could it matter two and three years later, that information be made available. The decision to invest had been made, the judgment and the vote had been taken in this House. The decision had been made to invest upon all the information provided through the Government at that time, and that information, the feasibility studies and everything else was made available to the Opposition at that time too.

That is the big difference. The Government which prides itself on being open and above board, in fact, is dealing everything under the table. They will not make anything available to this Opposition. They will not make it available to the people of Saskatchewan and I concur with my worthy friend from Moose Jaw North, I doubt that the Members of the Government,

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the caucus, the backbenchers on that side of the House, have any clue about this, and they too, must take on faith the question of whether this was a good deal or bad deal.

I suggest to the Members across the way, the private Members who sit so tamely in their seats, I suggest to them that when the truth is known you will be embarrassed in your own constituencies.

I predict, that in due course when the truth come out, you will have a hard time to get re-elected, and predict that the Government will do everything it can to prevent this information from being made prior to the next provincial election. In fact, I suggest that the Government has made such a stupid deal that they will not have the courage to produce this information before election time 1975.

Some Hon. Members: — Hear, hear!

Mr. MacLeod: — Now, we have heard some dumb remarks from the Premier. He suggested that if this was made available the company would do something to minimize its net profits.

It seems to me that if the company has made a certain amount of profit the auditors would ferret this out and if the profit is a certain profit, it would be the same whether the information is made public or is kept private. Surely to goodness this company does not have the right to keep secret from the income tax department the true state of its profits. I presume that it will pay the proper amount of tax and will not be able to hide the facts and that making this public or keeping it private will have no result whatsoever, on the amount of the real net profits.

It is amazing to me that the Premier who is a lawyer and should know better should make that kind of ridiculous statement.

Mr. Cody: — . . . true . . .

Mr. MacLeod: — The hon. filter queen doesn't know anything at all except about how to move the liquor store from one side of the street to the other. That is the maximum amount of his contribution to this House up till now.

I suggest, Mr. Speaker, that these financial statements should be made public. It is quite obvious that the information is a reasonable request. The request for the information could not have been more simple and more reasonable. The request which we made was: Did the Government of Saskatchewan conduct an audit of the financial statements of Intercontinental Packers Limited before it purchased the shares? Not after it purchased it, before it purchased the shares.

Well obviously they are amending that to say, well, an audit was made available to us. It is quite obvious then that they did not conduct an audit, but they are relying on somebody else's audit. This is quite acceptable if the people are trustworthy and reliable, and I presume they are.

Why is not a copy of this audit made available? Are they suggesting that the people of Saskatchewan are so stupid that

they would not understand the audit that was produced? The fact is the Government is not trusting the people of Saskatchewan to judge them fairly. This Government which has used misrepresentation to the people, is now of the opinion that it can not make reasonable and audited information available to the public because the public would misunderstand.

The fact is that the Government doesn't trust the people and I can assure them that when the next election rolls around, the people will reciprocate.

Some Hon. Members: — Hear, hear!

Mr. MacLeod: — Mr. Speaker, there is something smelly about this deal, there is something exceedingly wrong in the state of Saskatchewan so long as this Government is in power. There is something wrong with the purchase of 45 per cent of Intercontinental Packers. I don't know what that wrongness is, but I can assure you that the Government has done something very stupid or they would be very proud to show the basis of their decision and the reasons for making the decision. If they had made a good deal they would be very proud to demonstrate to the people that they had made a good deal. The fact that they are hiding everything indicates to me, probably indicates to everybody in Saskatchewan, that they have made one of the worst deals in the country.

Some Hon. Members: — Hear, hear!

Mr. MacLeod: — Now I should like to concur particularly with the Hon. Member for Moose Jaw North (Mr. MacDonald) as to the decision to buy at all.

This Government has spent now something like \$20 million without producing one single new job. It was stated by a leader of Canada, three and four years ago, that our money would be better spent creating new jobs than to try to spend it all and throw it away by the purchase of companies already in existence, companies which are already producing employment.

This Government did not get the message. It has frittered away now on the pulp mill, on the steel plant and on this particular business, something more than \$20 million of the people's money, without creating one single new job. Mr. Speaker, I don't wonder that they are ashamed to produce this information for the Opposition. I don't wonder that they are ashamed to produce this information for the people of Saskatchewan.

Mr. Speaker, I, with great pride, will support the motion if we can get it to the floor, if the Government dares let it come to the floor, unamended.

Some Hon. Members: — Hear, hear!

Mr. J. G. Richards: — (Saskatoon University) Mr. Speaker, as the nature of governments change and as our economy grows progressively more complex the Legislature will become increasingly involved in economic matters, whether the government should be Liberal or NDP. The Government however is trying to translate the world of corporate secrecy into the world of public political debate. Rules that are applied

automatically in the corporate world, the Government is applying as it becomes involved in commercial ventures. New principles are going to have to be established about the right of the public to know, in proportion, as the government becomes more involved in economic matters.

In fact, our Party has long stood for the right of public knowledge and for increased public access to information about the private corporate world, independently of the increased public involvement which I, incidentally, approve is happening here in Saskatchewan.

We passed in last year's session, The Statistics Act. I understand revisions are going to be made with the view of updating The Companies Act in this province which is sorely needed. The Federal NDP caucus has long advocated increased reporting of corporate financial statistics. If we are to have intelligent public debate about issues, we are going to have to know the facts involved.

I must admit, Mr. Speaker, that as a backbench MLA, I find that there is distressingly the same attitude being perpetrated by the Members opposite when they were in power. In many cases the same attitude is developing as this Government becomes involved in a whole range of different commercial activities.

We have had this experience in Crown corporations committees in trying to get at facts and figures from Cabinet Ministers.

I submit, Mr. Speaker, that even if the Liberals do twist and distort certain of the figures from our own interpretation, the public does have the right to know the maximum amount of financial statistics available and information on such a large venture as the Government's purchase of shares in Intercon. I think that we need to realize this as we move forward and as governments become involved in economic activities and I hope there will be increasing involvement in the potash industry and the oil industry and the forest industry. We cannot maintain the corporate rules of secrecy.

Therefore, in one sense I find myself in agreement with the Members opposite. The Opposition does have the right to know and the public has a right to know what are the financial details of this deal. In conclusion I shall oppose the amendment and support the original motion, Mr. Speaker.

Some Hon. Members: — Hear, hear!

Mr. T. M. Weatherald: — (Cannington) Mr. Speaker, I think the point that the Member opposite has just made is a valid point but the point, I think, that he does not make simply is that the Government is applying far more secrecy than do most public corporations. For example, Burns makes public their financial statements as to what their net profit was. Canada Packers do as well. In fact all public companies disclose their net profit picture. And the Government in this case isn't even following the minimum requirements of public companies because they have failed to give it to us in the Assembly and to people of the province, what the net income was in the past year. I think the point that the Member opposite does not recognize is that the Government's

secrecy is far worse and far more prevalent than even the poorest disclosure laws in this country. I think that is very obvious to anyone who wishes to look over the profit pictures of other public corporations.

I want to deal with three arguments that the Premier made. One of the arguments the Members opposite love to give us is that they had a great program during the election and that is why they won 45 seats. Unfortunately they seem to have forgotten along the way, most of the reasons why they got them. They gave us very good reasons at various times of why we should have better public disclosure. But as soon as they become the Government, the very same man who was in the Opposition becomes Premier and completely and totally disregards everything he said before. I think that one of his arguments that the companies should not disclose their profit pictures was that the profits of Intercontinental may be understated, in order to be able to reduce income tax. Mr. Speaker. I think that, of course, the best and most charitable thing that could be said about this if it were true, that it would be nothing better than income tax evasion by the company and I think that the Premier's argument that the company was doing that is a pretty weak one.

I think his second reason, Mr. Speaker, that the company is a private company is also extremely weak. I want to deal at some length with what he said in that regard.

He said that it is a private company. I believe the company as I understand it is owned by five different people, five shareholders are in it, a privately incorporated company. Now, the province owns part of it and I think, I am not certain but I believe there are still three private shareholders, in my understanding. The thing, Mr. Speaker, that I am surprised at is that when the Government negotiated with the private shareholders, I would have thought that one of the prime requirements that they would have laid down to those shareholders was that since they were investing \$10.2 million, they would have served notice on these private shareholders that they would have discontinued negotiations unless the private shareholders were willing to disclose what the province had paid for the corporation. I would think that in negotiations this would have been one of the first things that the Government of Saskatchewan would have said to the private shareholders. If we pay you \$10.2 million you must remember as private shareholders we will be forced to disclose this to the people of Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. Weatherald: — I think that the Government if they did not do this completely failed in their duty of conducting the negotiations. And to fall back on the argument that it is a private company and therefore the shareholders should be protected, I think is the weakest of all arguments that the Premier could possibly put forward. It is very obvious that that was one of the first things when the Government was carrying out negotiations that they should have said that since the province is putting this kind of money into the corporation, then we must disclose the details to the province and to the taxpayers.

The Member for Whitmore Park (Mr. Grant) said that the business community was getting pretty tight about what the Government was doing in many areas. And that the business

community were getting pretty suspicious. Well, Mr. Speaker, I suppose that the business community is getting pretty suspicious and I don't doubt that the Member's remarks from Whitmore Park were right in that regard. But in this regard I think the taxpayers of Saskatchewan should be getting pretty suspicious too. Because the taxpayers of Saskatchewan are putting in \$10.2 million for a business where only half of the employees are employed in the province. And I think it should be noted that so far, this afternoon, the Government has not given one valid reason for really denying this type of information to all of the Members here.

I think it should, therefore, further be noted that in all probability the only reason the Government has denied information is because it is going to make them look bad, Mr. Speaker.

I think with those three comments on the reasons that the Government has been presenting to us for denying information, none of which are in our view valid reasons, it is obvious that I will not be supporting the Government's position but will be supporting the Opposition.

Some Hon. Members: — Hear, hear!

Hon. G. Snyder: — (Minister of Labour) Mr. Speaker, I am more than a little appalled at the performance that goes on every time this Resolution comes before us. We have had expressions of opinions in this House before, I think honestly exchanged on matters that we were in complete disagreement with each other on, and I think we have learned to resolve those difficulties by the free flow of debate and all of the things that are traditional in this House. I think in this particular case sight has been lost of the commitment that has been given by the Government to provide information to Members opposite at an appropriate time. It is not a denial of information, the fact of the matter is that you'll be provided with information in due course.

Mr. Steuart: — Who made that statement?

Mr. Snyder: — My understanding is that you will receive the information in due course when time permits. I think this is the expression that has been offered. All I am saying is that the situation has been one that has been used by Members opposite as a political football and not the least of these expressions was made by the Member for Moose Jaw North (Mr. MacDonald) who has succumbed to the teaching of his companions across the way in attempting to use political issues such as this. I was just thumbing through some of the clippings that I tend to keep from time to time and I recalled an extract from a Times Herald article of September 18, when the Member from Moose Jaw North was expounding after his first visit to the Legislature. Among other things he was saying that it was — I am quoting from the Times Herald:

It was, said Dr. MacDonald, a most depressing scene for a new Member. Dr. MacDonald sees an immediate need for the removal of campaign politics from the floor of the Legislature. Some Members are campaigning for an election that won't take place for four years, said Dr. MacDonald. I feel there should be an honest attempt made to debate issues without trying to take political

advantage of every issue discussed.

I just wonder what has happened to the Member in the intervening few months because he has learned his lesson very well, I think, from the companions with whom he is surrounded today.

The inconsistency is seen from remarks by the member for Moose Jaw and more especially today as the result of the earlier comments made by the member from Albert Park (Mr. MacLeod) when he was complaining about the length of the Session and asking of the Premier at what point in time he anticipated a speeding up of proceedings in this House. I think this points out rather directly the inconsistency of Members opposite.

I think the points have been made very clearly, Mr. Speaker, and at this point in time I wonder what advantage is to be gained and it is apparent that Members opposite are attempting to extract some political advantage in indicating that in the words of the Member for Albert Park, that there is something smelly about the deal.

Quite frankly the Member has nothing upon which to base his judgment. It is a supposition, it is one which is being used in a political way for an attempted political advantage by Members opposite.

Some Hon. Members: — Hear, hear!

Mr. G. Lane: — (Lumsden) Mr. Speaker, it's very unfortunate that it took the Member from Saskatoon University (Mr. Richards) to bring out the hypocrisy of the stand of the party opposite. On one hand their Federal caucus stands up and demands corporate disclosure and full corporate disclosure. On the one side this Government stands up and says we are not going to give any details, any information, on this particular sale or purchase of \$10.2 million of Intercontinental Packers.

But the interesting thing was the Minister of non-disclosure himself standing up and saying that every time this debate comes up in the House, we have to go over the same thing. This is going to be a little bit of a surprise for the Minister of non-disclosure that is the first time this has come up. And we are interested in his comments about disclosure, the man who wouldn't talk to the business community on the one side about The Occupational Health Act, The Trade Union Act and brings that in and rams it down the business community's throat now thinks he is going to talk on behalf of the business of Intercon and protect the company. The hypocrisy is obvious and needs no further discussion.

We have got a very interesting point in that the Premier has made it quite clear that it only took three weeks to negotiate the deal of Intercontinental Packers, for the Government to spend \$10.2 million to purchase 45 per cent. From Press statements made, three weeks to negotiate. The Government says that they used audited financial statements. Well, I think for the edification of the Members opposite, because obviously aside from the Member for Saskatoon University, the Members from Saskatoon are being very, very quiet about this. The rumors around Saskatoon, the feeling around Saskatoon is that Fred Mendel didn't seek out the Government, he saw them coming and that was all there was to it. And he sat back and waited for

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the money. We don't hear any discussion from the Saskatoon Members, we wonder why they are so strangely quiet about the particular deal.

But let us take a look at the full scope of Intercontinental Packers' operations and go on to a three week negotiation period and an audit as stated by the Premier.

First of all they process and wholesale a complete line of meat and meat products under registered brand Europa, Olympic, Pic and North Star. They also manufacture animal feeds. They maintain four modern plants at Saskatoon, Regina, Red Deer and Vancouver. Their sales are entirely in the Dominion of Canada of approximately \$100 million. They maintain sales offices in Montreal, Winnipeg, Edmonton, Calgary and St. John, New Brunswick. They have a plant capacity in Saskatoon and Regina of approximately 10,000 hogs and slightly over 2,000 cattle per week. They employ anywhere from 1,500 to 1,700 employees, 800 to 850 in Saskatchewan. They own plants in Saskatoon and Regina and other isolated property.

Mr. Speaker, the Government opposite went in and supposedly, according to statements from Cabinet Ministers opposite, spent three weeks negotiating on this. Supposedly did an audit. There is no way that a full audit of Intercontinental Packers could have been done in the three weeks that the Premier said it took to negotiate this deal. That indicates that the Government opposite fell over backward to try and get its hands and its clutches on Intercontinental Packers. It is a bad deal and it is a stupid deal from the way the Government acted and the way the Government handled the matter.

The hypocrisy of the Members opposite is also indicated by the statements of the Premier. We have heard since June 23, 1971, at the special Session, about the reasons why the Liberals were defeated. Supposedly the main reason was, and the NDP opposite was going to change that, is that the Liberal Government became arrogant and out of touch with the people and didn't listen to the people and didn't give the people information. What has happened since they became the Government? They have become arrogant, they have become out of touch with the people, they don't listen to the people and they are hiding information from the people.

Some Hon. Members: — Hear, hear!

Mr. Lane: — Their hypocrisy has now shown up then on three counts. One, their own party program where they told across Canada that they were going to require these big welfare bums to disclose all the information. Burns has done it. Intercontinental doesn't, owned by the Government.

The Member opposite when he wants to hide information on Intercon and talk about the business community when, in fact, he doesn't consult the business community, doesn't listen to the business community and doesn't care about the business community. But we have got a very, very shameful position of the Government opposite when the Premier of this province has accused the Mendel family of hiding income in order to avoid income taxes. And that is the level the debate has dropped to as the Government opposite tries to hide the very poor, the very bad and the very shameful deal that it has come up with.

In words of the Hon. Member for Albert Park, this deal is stupid. And the information should be given to the public, the information should be given to the people. Let them make up their own minds. You are supposed to be the open party. You are the party that was going to change everything. If it was bad then, if the Liberal stand was bad then, your stand is bad now. It is time the public had the information and it is time the public were able to make up their own minds. It matters not whether the Liberals are going to misinterpret or misinform, the people can read for themselves, if you give them the figures. And there won't be any misinterpretations or misinformation.

Mr. Speaker, I urge all the Members of this House and especially the Members from Saskatoon to stand up and vote for full disclosure, full information and vote for the motion.

Some Hon. Members: — Hear, hear!

Mr. A. R. Guy: — (Athabasca) Mr. Speaker, since it was the amendment to my motion I feel that I should say a few words in this regard.

This has been a rather sad day for the people of Saskatchewan. If we learned one thing this afternoon as a result of the attitude of the Government opposite, it is that the people of Saskatchewan have been taken to the slaughter house by the NDP.

You know the Premier stood up here this afternoon, and I have never seen a sadder looking group of people in my life as I look across the floor there this afternoon.

Some Hon. Members: — Hear, hear!

Mr. Guy: — You know, yesterday afternoon when the Leader of the Opposition (Mr. Steuart) was speaking, the Speaker had to call order three or four times in order for the Leader of the Opposition to finish his debate. They were laughing, they were talking, they were quipping back and forth. But did you hear any of that this afternoon when the Leader of the Opposition was speaking? They sat there stone cold almost as if they were in death. Because I think you will find that the actions of the Government opposite in spending \$10.2 million of the people's money will bring death to the NDP in Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. Guy: — You know the Premier then finally had to get up on his feet. The only argument that he put forth, he had to read from the Debates and Proceedings from two years ago. And then he didn't have any arguments of his own. He had to quote something that the present Leader of the Opposition said under entirely different circumstances. And that was the sole argument that Members opposite had.

They are not even honest socialists. There is only one honest socialist on that side of the House and he got up and he spoke this afternoon and we are proud of him on this side of the House. We don't agree with him always, in fact, we seldom agree with him. But at least he is an honest socialist and he practices what he preaches. The others on that side of the House do just the opposite.

Then the Member for Moose Jaw got up and he wasn't sure what debate he was talking about. He said he was appalled but he didn't say what he was appalled about. But I suspect if the truth is known he is appalled at the actions of his own Members. And he said we have always had the free flow of debate in this Legislature. That, Mr. Speaker, is the exact point that we are trying to get across to Members opposite. We want the free flow of debate on what happened in the purchasing of 45 per cent of Intercontinental Packers and we have been refused this free flow of debate.

What have they tabled in regard to Intercontinental Packers? Nothing. Not one solitary document. They refused the information that we requested. They've refused to talk about it in three weeks that they've had. They have made nothing public. You know I would suspect the Member from Prince Albert East (Mr. Feschuk) would be concerned and I am surprised that he hasn't been up here on his feet this afternoon speaking on behalf of our Motion. If there is one man on that side of the House who should be concerned it is the Member from Prince Albert East. After all, Burns is the biggest employer in his constituency and if the Government is going to go into the packing business in the underhanded method that's been shown here, every packing house and every company in Saskatchewan will fold their tents like the arabs and silently steal away because they can't trust that Government and there will be the unemployed walking the streets in Prince Albert East the same as they are walking the streets in every other city in this province. All because the Members opposite will not be honest with the people of this province.

Mr. Rolfes: — You should talk!

Mr. Guy: — The Member from Saskatoon is afraid to talk — he's afraid to talk. Do you realize what we have seen this afternoon, Mr. Speaker? We have seen a government spend \$10.24 million and tell the people of Saskatchewan that we don't have to show any responsibility as to why we spent it and on what basis it was spent. Even a Crown corporation has to come before the Legislature and justify their actions. Can you imagine an attitude like that left to flourish and to grow. They can spend millions of the taxpayers' money and never once have to be accountable to the people of this province.

Some Hon. Members: — Hear, hear!

Mr. Guy: — That's what the Premier and the Minister of Industry (Mr. Thorson) have told us this afternoon by their silence. They are going to spend money but they are not going to be accountable for spending it and it is no wonder that they sit there at this moment, grey around the ears and silent. They should be silent. They should be silent with shame by the way they are treating the people of Saskatchewan.

It is unfortunate, Mr. Speaker, that we have to stand here in this Legislature, day after day, asking for information which is the responsibility of the Government to provide the people of this province, and they deny this time after time after time.

I ask all fair-minded people on that side of the House, and

I recognize there are some who are not honest as far as providing the information that we are entitled to, to look at your conscience before you vote on this amendment and if you do it you will be like the Member for Saskatoon University (Mr. Richards), you'll do a service to the people of your province and you won't do a disservice to the Mendel family, or to Intercontinental Packers or SEDCO or anybody else, you'll be doing a service to the people of Saskatchewan and that, after all, was supposedly a New Deal for People.

Some Hon. Members: — Hear, hear!

Amendment agreed to on the following Recorded Division:

YEAS
Messieurs

Blakeney	Meakes	Wood
Smishek	Snyder	Bowerman
Thibault	Larson	Kowalchuk
Baker	Brockelbank	MacMurchy
Pepper	Byers	Thorson
Whelan	Kwasnica	Carlson
Engel	Owens	Robbins
Tchorzewski	Cowley	Taylor
Matsalla	Faris	Cody
Gross	Comer	Rolfes
Lange	Hanson	Oliver
Feschuk	Kaeding	Flasch

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NAYS
Messieurs

Steuart	Coupland	Loken
Guy	Grant	Boldt
MacDonald (Milestone)	Gardner	Weatherald
MacLeod	McPherson	Lane
MacDonald (Moose Jaw North)	Wiebe	Richards

— 15

The debate continued on the motion as amended.

Mr. Guy: — Mr. Speaker, there isn't much more to be added after what has been said here this afternoon. It has become obvious by the standing vote the Government has no intention of providing the information that we requested.

We hear the statement made by Members opposite, from time to time, that it's not in the interest of the Government or the public. Well, in this case the interest of the Government and the interest of the public are not complementary. In fact, they are diametrically opposed. The interest of the Government, as they see it today, is to deny the public the information which they have asked for and which they deserve and it's on that basis I suggest, Mr. Speaker, that the only reaction that the public can show and will show when the time comes and this is a statement that has been made by the Premier I think, on various occasions, that . . .

Mr. Speaker: — I must warn the Member about bringing in new material.

Mr. Guy: — I am not bringing in new material. This is material that was said . . .

An Hon. Member: — He hasn't got any new material.

Mr. Guy: — They laugh now after they denied the public this information. I'll tell you they didn't have anything new this afternoon, Mr. Speaker. They have never given information to the public before and they are not prepared to give information to the public today, but it has been said, that the pitter patter of ballots will beat like drums and this is what we'll see in the next few years.

You know the record of the Government, when it comes to going into business, has always been a sordid one. Even their Crown corporations find difficulty in making a profit and that is when they have a monopoly, so when you get into a business like the packing business where you have perhaps one of the keenest competition of any industry in the world, it's not surprising the people of Saskatchewan want to know on what basis this decision was made to take \$10 million of their hard-earned money and put it into the packing business. Within three weeks, as has previously been mentioned, when the decision was made and it appears there was no audit done, there was no feasibility study done by the Government, it was the whim of our socialist friends opposite who woke up one morning and said, 'today we should get into the meat packing business, because yesterday we announced the oil business and the day before that we announced the steel business.' Heaven only knows what is going to happen tomorrow when they wake up, but whatever it is if it's going into business it's going to be a sorry day for the people of Saskatchewan. And I think that the people of Saskatchewan will recognize, this afternoon, that the Cabinet who finally are beginning to crack a smile on the other side as it comes near closing time, that they have done a disservice to the people of this province and they will live to regret it.

Some Hon. Members: — Hear, hear!

Motion agreed to on Division.

Return No. 239

The Assembly resumed the adjourned debate on the proposed motion by Mr. Guy (Athabasca) for Return No. 239 showing:

- (a) Whether the Government of Saskatchewan had an appraisal done of the assets of Intercontinental Packers Limited prior to its purchase of shares in the company.
- (b) If so, the name of the one who made the appraisal.
- (c) A copy of any such appraisal.

Mr. Thorson: — Mr. Speaker, I am sure that the Members will be pleased to know that I have an amendment to propose to this Motion. It will read as follows:

That Order for Return No. 239 be amended by deleting all the words after the word 'showing' and substituting the following therefor:

- (a) Whether or not the Government of Saskatchewan had available to it any appraisals of the value of the physical assets of Intercontinental Packers Limited prior to the Government's purchase of 45 per cent of the shares of the company; and
- (b) If so, the source of such appraisals; and
- (c) The value of such assets based on such appraisals.

I move that, Mr. Speaker, seconded by the Minister of the Environment (Mr. Byers).

He said: Mr. Speaker, if I may just say a word or two. I think it will be well-known by all of the people of Saskatchewan that the Leader of the Opposition (Mr. Steuart) and his cohorts in the Liberal Party do not wish us well in our economic ventures on behalf of the people of Saskatchewan, and that they would very much like to have any kind of information from whatever source and used in whatever way, to try to convince the people of the province that we will not be successful. I just want to say, Mr. Speaker, that we are not in a position to accommodate them in their objective of casting doubts and discredit on the future of Intercontinental Packers operation in the province or outside of the province.

I think, first of all, if I may say so, Mr. Speaker, it was unfortunate that the Leader of the Opposition should make a reference to a financial report from Dun and Bradstreet, which must surely have been made to some subscriber to Dun and Bradstreet on the basis that it would be used in confidential ways only. I am sure that the Leader of the Opposition doesn't believe the statements he purports to quote from that.

Mr. Gardner: — On a Point of Order, Mr. Speaker. Is he allowed to refer to a previous debate?

Mr. Speaker: — That's one of the problems I have on these motions. He is referring to a previous debate and we should be out of order and a lot of these things are out of order if we are going to start repetition. I would ask them not to refer to previous debates. I would ask all Members to abide by my wish, as Speaker.

Mr. Thorson: — Well, Mr. Speaker, I regret that if I have strayed in dealing with this subject beyond what is permitted by the rules, I would like not to offend in that regard. I only say that on the question of the Government's dealings with Intercontinental Packers while the Leader of the Opposition and his friends were in the Government, is such that I am sure that he doesn't believe for a moment that the value of the assets of Intercontinental Packers is anything like those which he tried to present to the House today based on an outside source of information. Hence, if he had believed that, SEDCO wouldn't have made the loan while my hon. friends were in charge of SEDCO, they would not have made a loan to Intercontinental Packers Limited.

I just want to say, Mr. Speaker, that to disclose more information about Intercontinental Packers than is provided for in the Motion we have just passed, and the one we are now dealing

with, will in my view, and in the view of the Government, jeopardize the commercial position of Intercontinental Packers Limited.

I appreciate, Mr. Speaker, that we have to make a judgment along with the management of the company about questions of that kind, but it is clear that there are many competitors in the field, it is clear that some of the information would be disclosed or misused, if we tabled all of the financial statements, would jeopardize the economic operations of the company and make it easier for our competitors to put Intercontinental Packers at a disadvantage in its commercial operations.

Now, Mr. Speaker, there is nothing new or unusual about taking that position in respect of commercial operations, even when they are wholly owned by the Government. There is a great deal about Crown corporations which is not made public, even in the examination of annual reports of those Crown corporations, although it is the long-standing tradition (and one which I think is an excellent one and a good one) that full information should be made available to Members of the Legislature. But when it is information, which in the view of the Government and the management of the company, is made public and would jeopardize the commercial position of the company, then the Members of the Legislature will have to take that information on a confidential basis. For instance we often see that kind of thing happen in the case of salaries for people in some of the Crown corporations, or in the case of prices which the Crown corporations is paying for supplies or materials and that information is not made public because, as I say, in the view of the Government and the management, from time to time such information will not be in the public interest. It really means it will put that company at a commercial disadvantage in relation to its competitors. I think that's an excellent tradition and that the Members of the Legislature should, as elected representatives of the people, be able to have full information but when it is information which is not to be made public, they will have to take it on their honor that they will not make it public.

I say, Mr. Speaker, that in Crown corporation committee when it comes to the activities of SEDCO or any other Crown corporations, that has always been the attitude I have taken and I think that's one that ought to be followed in the future. There will, therefore, be a time and a place when full information can be made available to all Members of the Legislature on the activities of SEDCO and this particular instance of lending money to Intercontinental Packers Limited. But for the moment to give full disclosure of all financial statements of the company would be to the short and long-run disadvantage of the company.

Now, Mr. Speaker, may I just say that we ought to have every confidence in the future of Intercontinental Packers Limited. First of all, because there is an excellent market available for meat products in North America and outside of North America. Our main purpose in Saskatchewan ought to be to take advantage of those enlarging markets. Therefore, we have to increase our livestock production in the province and that bodes well for our rural people in our rural communities, so we can diversity our agricultural base by increasing our livestock numbers and our livestock production.

But producing the primary products alone is not good enough. We shall also have to find ways to take advantage of the enlarging markets, not only in North America but beyond North American shores, by delivering processed products. And we ought to take every step available to us in the province to see to it that that processing occurs in Saskatchewan.

Now, we have witnessed over several years the decline of the flour milling industry in the Province of Saskatchewan, the closure of flour mills and I say, frankly, Mr. Speaker, it would be less than responsible for the Government of Saskatchewan to stand by and see the same thing happen in the meat processing industry. We are not going to stand by. The facts are that there are good market prospects for meat before us and with the knowledge that the assets of Intercontinental Packers Limited, were available for purchase and indeed would almost certainly be sold within the next five years or so to someone, it seems to be wise and prudent on the part of the Government of Saskatchewan to take steps to see to it that those assets remain in Saskatchewan and are available for the processing of our primary products with our increasing livestock numbers. That is the essential justification for this investment in the successful meat packing industry located in Saskatchewan.

Now I appreciate that there are some plants outside of the province and owned by Intercontinental Packers Limited and there are also some other offices and sales offices outside of the province. All of that is essential, I think, for the profitable operation of the company and we should not be at all disturbed about that. But the main factor is that we want to keep the meat processing industry available in Saskatchewan for our livestock production and indeed we want to increase not only the numbers of livestock we are producing but the percentage of those numbers that we are processing in our meat packing industry in the province.

What value can be put upon preserving the assets and the decision-making process of the meat packing industry within the borders of the Province? Undoubtedly, Mr. Speaker, that is worth something to us. If we were to set out to achieve those objectives by setting up another meat packing plant that surely would not be in the interest of the province since there are plants here already and we would only increase what is in some ways an overcapacity to produce in all of Western Canada in the meat packing industry already. But with the knowledge that there is going to be an increase in capacity in meat packing in Western Canada, that to some extent there is already unused capacity, there is a very real risk, Mr. Speaker, that our livestock can be taken out of this province and processed in packing plants in Alberta and Manitoba and even beyond the Prairie area. There is a very real risk, Mr. Speaker, that it would be in the interest of outside meat packers to acquire the assets of our meat packing industry in Saskatchewan and in particular the Intercontinental Meat Packing Plant at Saskatoon, to acquire it and restrict the activity in it and even, one dreads the thought, eventually close it down as we saw the Quaker Oats Plant close down a year ago in Saskatchewan.

Mr. Speaker, I think it is clearly in the interest of the province that the Government take an active role in preserving what we have here in the way of industrial jobs but it is especially important in the meat packing industry that we be in a position to take advantage of the excellent market in the

future that lies before us.

Now, I can appreciate that the people of the province will want as much information as possible about the financial position of the company, the assets it has. I should like to make that available to the extent that it is possible without jeopardizing the commercial position of the company. I say to the Members of the Opposition and I say to all of the Members of the House, that is exactly what we are going to do.

I would not want any Members of the Assembly or anybody in Saskatchewan to lose sight of the key role which the packing plant of Intercontinental Packers of Saskatoon and the expansion to take place in Regina will play in the future economic development of the province both for agricultural people and for the industrial sector of our community and for all of the business people who will feel the benefit for the increase of economic activity in the future of Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. Steuart: — (Leader of the Opposition) Mr. Speaker, in listening to the Minister of Industry it is obvious that the Government had no outside evaluation done before they appear to have rushed in to buy 45 per cent of this packing plant and it is equally obvious that they intend to hand to this Legislative Assembly and the people of Saskatchewan some cooked up figures, some phony figures, a snow job, to try and justify the amount of money they overpaid for less than half of this packing plant.

I want to talk on this regard about information. There are two things that make this deal different. The first is that it was announced by the Government as a fait accompli and three weeks have passed and absolutely no information has been given to the public of Saskatchewan, no information at all about what they based their purchase on. The very lame excuse of the Premier has been that, well, you people didn't do it so why should we do it. I would point out that if you look in Friday, March 12, 1971 Returns, Reports, and Papers by the Hon. Mr. Heald, Member of the Executive Council, Return No. 1:

Copies of any agreements entered between the Government of Saskatchewan and the Government Finance Office for Saskatchewan Forest Products and Parsons and Whittemore, or any company known to be a subsidiary of or a company associated with Parsons and Whittemore, respecting the establishment of a sawmill near Meadow Lake.

That, in fact, was tabled and given to the then Opposition and given to the people of the province. On the same day Return No. 3 on the Motion of Mr. Blakeney, the following information was given:

Copies of any agreement or amendments to agreements made since February 29th, 1968 between the Government of Saskatchewan or Saskatchewan Forest Products, Saskatchewan Pulpwood Limited, the Prince Albert Pulp Company Limited or Parsons and Whittemore or any company known to be a subsidiary of or company associated with Parsons and Whittemore Incorporated respecting Prince Albert Pulp Company Limited.

It is a fact and a matter of record that before any of those deals were entered into all the information about the commitment of the people of Saskatchewan and on the facts on which that commitment was based were given to the Opposition and were given to the public through that Opposition, through this House and through the Press.

The Minister got up and talked about Crown corporation and about holding back information that it is sometimes not in the best interest of those Crown corporations if information were to be made public. Let me point out there isn't a Crown corporation in this province, even when the old CCF were in power and through the time we were in power and even since these people have come back to power, where we don't know the assets, the liabilities and the profit and loss statement every year for every Crown corporation. The only departure from that was in the days of the old CCF when they opened up an insurance company or a form of an insurance company in Montana and they refused to give us the information for years and years about that corporation because it was losing money and they dumped it in with a general statement of the insurance company operated here in Saskatchewan. With that exception and we finally found out later why they covered up. They covered up because they were losing hundreds and hundreds of thousands of dollars of the taxpayers' money in the State of Montana, but we eventually got that information.

Mr. Speaker, this Dun and Bradstreet report is a fact. It is strange and interesting that they haven't asked to have it tabled. They don't want to look at it and I don't blame them. The Minister says surely no one believes that this company is only worth \$4.5 or \$5 million. I don't think I believe it myself. I think it must be worth more than that. I can't believe that a Government would pay \$10.2 million for less than half of something that is only worth \$5 million. I say again, Mr. Speaker, there is something that makes this deal different. One, they have given us no information and two, Mr. A. Gedge who is a senior financial advisor, a member of the board of directors of Intercontinental Packers was put in January or February on the board of directors of SEDCO. So here we have a man on the buyers' side, we have him on the sellers' side and the Government then tells us they made this 'sweetheart' deal and I say it is a 'sweetheart' deal, in something like three weeks.

Mr. Thorson: — Mr. Speaker, on a Point of Privilege. I have made the statement, although it was not well reported in the Press, so it is clear if you want to take the trouble to look at the transcript, that Mr. Gedge had no influence whatever on the Government in the negotiations. That is the statement I have made and it should be accepted as such.

Mr. Steuart: — It's not a Point of Privilege.

Mr. Speaker: — A Point of Privilege must refer to what a Member said but . . .

Mr. Steuart: — I never even mentioned . . .

Mr. Speaker: — Yes, but you were mentioning the fact that Mr. Gedge was

with SEDCO. The Minister had made it plainer but the Member should, by rights, rise at the end of the speech on the Point of Privilege and make the correction then unless it is considered to be of a personal nature.

Mr. Steuart: — There is no correction, Mr. Speaker, I do not believe him. He has come into this House, he has refused to give us information. I cannot believe that Mr. Gedge, a senior comptroller and financial man at Intercontinental Pork Packers suddenly appears as the director of SEDCO and within a few weeks a deal is made that stinks to high heaven. I do not believe the Member. I say that if he wants to clear Mr. Gedge, if he wants to clear Mendel, if he wants to clear the smell that hangs over this Government, then let him or let the Premier table the facts upon which this deal was made and tell the people exactly what this company is worth. Don't let him come in here and wave the flag of mother love and say surely no one would attack the meat packing industry, it has a great future.

It might have a great future if you keep your cotton-picking hands out of the management. But if you move into the management, I would say its future is just down like this. I would ask you to check the history of this province and you will find there are more abattoirs, more meat packers who have gone broke in this province and in Western Canada than almost in any other business. It is a tough, competitive, business enterprise, a hard business enterprise and I say God help the taxpayers of Saskatchewan having you people shepherding their money into this overpriced venture.

Mr. Speaker, it is just not good enough. The Premier stood up and his only defence was to say, you didn't tell us certain information three or four years ago. He then admitted as much and said, we really couldn't use the net profit because they are a private company, the net profit probably was depressed and really wouldn't show the true worth of the company.

Mr. Speaker: — The Hon. Member is going back to the previous debate.

Mr. Steuart: — Fine, well, Mr. Speaker, I just want to sum up in saying this tonight, that once again . . .

An Hon. Member: — I am glad you are summing up.

Mr. Steuart: — Oh, well, you be glad we are summing up and I am amazed at those backbenchers who came in here so proud 19 months ago. So proud, Mr. Speaker, they had a new kind of government, an open kind of government, a New Deal for the People. A government that was going to do everything different. They stand up here and parrot and parrot, "Well you did it, Walter Tucker did it." Someone else said, "It happened 20 years ago, they're doing it in Ottawa." Lane excuses for the fact that they have twice, seven, fifteen times, I don't know how many times, refused to give the people of this province information about the Land Bank when they spent \$20 million and the Minister of Labour (Mr. Snyder) from Moose Jaw suddenly came to and jumped to his feet and said, "Every time we have this debate somebody on your side says we will give you the information." Then he suddenly realized he was on the wrong side and he looked at the Premier

and he said, "Didn't you." I noticed the Premier just looked straight ahead and never answered him. He was kind of wishing he had never heard of the old engineer from Moose Jaw just about that time. For your information Mr. Member from Moose Jaw South . . .

Mr. Speaker: — I think we are getting on to a previous debate again.

Mr. Steuart: — I am sorry, Mr. Speaker, I will get on the debate. I am just trying to straighten out the Member from Moose Jaw. No one that I am aware of has said that they will give us this financial information now or at any time. In fact, I predict that they won't. Mr. Speaker, because we want time to study this amendment that has just been put forward by the Minister of Industry I beg leave to adjourn this debate.

Debate adjourned.

ADJOURNED DEBATES

RESOLUTIONS

Resolution No. 12 — Death of the Lakes in the Qu'Appelle Basin

The Assembly resumed the adjourned debate on the proposed motion of Mr. MacLeod (Regina Albert Park):

That this Assembly recommends to the consideration of the Government that emergency action be taken to prevent the death of the lakes in the Qu'Appelle Basin: (a) by implementing immediately, the recommendations which the Qu'Appelle Basin Study Board feels will have a major impact on the management of land and water in the Qu'Appelle Basin and which should be implemented without delay, and (b) by giving immediate assistance to cities and towns, particularly Moose Jaw and Regina, to provide for the treatment of waste.

Mr. T. L. Hanson: — (Qu'Appelle-Wolseley) Mr. Speaker, before adjourning debate on Resolution No. 12 on March 6th, I discussed and argued the different viewpoints and attitudes in my constituency. I made mention of the progressive sewage disposal system used in Melbourne, Australia which has a population of over 2 million people and which converted their waste into wealth.

The use of the flood irrigation system to utilize the sewage in intensive livestock grazing on the irrigated land reduced the disposal cost to the people of Melbourne, Australia, to 62½ cents per person per year. They utilized 42 square miles of land for this purpose. With similar climate and soil I consider this to be a system worthy of study to be used for the cities of Regina and Moose Jaw. I think it is time that we reversed the politicians' and engineers' attitudes in North America which is, simply put, the solution to pollution is dilution. In order to maintain human life, Mr. Speaker, on this planet and indeed in this province at a decent health standard, I think we have to reverse this idiotic attitude.

I made reference to the advantage the farmers of the

March 23, 1973

Qu'Appelle Valley have enjoyed to contrast their hardships with flooding and possible zoning. I also suggested that the Provincial Government should not contribute more than 10 per cent as is now pledged to the cities until the negotiations with the Federal Government were clearly established with the percentage of cost sharing that each of the three forms of government should be responsible for. Strange as it may seem, Mr. Speaker, the incompetent reporting in the Leader-Post of March 7th failed to mention the positive ideas I presented with regard to the Melbourne system, and the arguments I submitted speaking for the people of the province as a whole. Instead the report said, and I quote some of the interesting misrepresentations:

The Member for Qu'Appelle-Wolseley said the Government cannot be expected to bail out Regina and Moose Jaw more than 10 per cent of the financial payments for the sewage facilities.

It also went on to say that I said:

What would other people in the province think if the Government paid more in helping them clean up their sewage?

I should just like to point out, in essence, what I actually did say if I can find the verbatim statements. After presenting some of the arguments I said:

I am wondering just whether the rest of the people in Saskatchewan think that they should be contributing more than 10 per cent to rectify the situation.

And I also said:

I don't think that you can expect the people of the province to bail the two cities in question completely out of the water.

It is this type of reporting that disturbs me a little bit when they pick a few important words out of a Member's statements and totally change the meaning of his address to the House.

The reporting that is going on, and Mr. Messer made reference to it sometime ago, the misrepresentation of his regulations under the Land Bank is really a serious problem to the people of the Qu'Appelle system. I think if we can't control this type of reporting under a press council, maybe we have to look at controlling it through the pollution of The Livestock Act, because in my opinion some of these people are simply political animals reporting to a political press.

In order to conclude on a more positive note, Mr. Speaker, I should like to throw out some of my ideas if time permits. I think that if rezoning, indeed, is necessary in the Qu'Appelle system that the Government should purchase the land and then lease it back to the farmers if it is at all possible to be used for agricultural purposes. I find that Mr. Gardner may agree with this type of policy. In one case he stated that the Government should be purchasing land next to the provincial parks and yet he is solidly against the proposals of the Land Bank because that is assembling land for the Province of Saskatchewan. After

looking at the clean-up of the River Thanet in England and looking at the results of the Melbourne, Australia, system I think that it is in the interests of the people of the province to bring over consultants from Australia familiar with the Melbourne concept which I mentioned Tuesday, some two weeks ago. I think that it would be in the public interest to bring in consultants from Britain who designed the River Thames clean-up which we have all read about. I think it is far better to bring in a few of these people, Mr. Speaker, to investigate our problems, these people who have designed successful operations in their countries that we would bring them in rather than to send our own people over there for a crash course. I think that we can move ahead on the cleanup of the Qu'Appelle system by keeping politics out of the discussions and working towards the benefits for all the people of the province. As I said earlier, I don't appreciate the type of misrepresentation which comes from the Press on some instances. I don't blame them all, but I think it is truly in the interests of the province that we must have accurate reporting on some of the major discussion in the House when it concerns all the people in the province. I still cannot support the Resolution as introduced by Mr. MacLeod, because, in essence, the Government is doing half of the things that he says we should be doing. In the other half of the instances I just don't think it is advantageous to the province at this time to rush in to unproven methods of treatment.

Some Hon. Members: — Hear, hear!

Mr. Meakes: — I beg leave to adjourn the debate.

Debate adjourned.

The Assembly adjourned at 5:28 o'clock p.m.