

# LEGISLATIVE ASSEMBLY OF SASKATCHEWAN

May 10, 1985

The Assembly met at 10 a.m.

Prayers

## ROUTINE PROCEEDINGS

### INTRODUCTION OF GUESTS

**HON. MR. DEVINE:** — Mr. Speaker, I would like to take this opportunity to introduce to you and through you to members of the legislature 16 students from Alida, representing the riding of Souris-Cannington; and my seat-mate the Deputy Premier is not here, so I'm introducing them on his behalf.

The 16 students are visiting here. They're accompanied by their teacher, Mr. Mervin Walker, and the bus driver is Mr. William Anthony, and I would like the Assembly to welcome them here. I will be meeting with them in room 218 after 10:30 for some pictures and some refreshments, and I hope everybody here gives them a warm welcome.

**HON. MEMBERS:** Hear, hear!

**MR. KOSKIE:** — Thank you, Mr. Speaker. I want to join with the Premier in extending a welcome to the students from Alida. My son had the opportunity of teaching there — Maury Koskie — and I'm sure that many of them will remember him and he will want to pass on to you his best wishes. So have a tremendous time here today.

**HON. MEMBERS:** Hear, hear!

**MR. THOMPSON:** — Thank you very much, Mr. Speaker. I would like to introduce to you, and through you to the rest of the Assembly, a group of students from the West Side community College from La Loche, seated in the Speaker's gallery. They are accompanied by their teacher, Marilyn Johnson, and their bus driver, Brian Morin. And I would like to ask all members of the legislature to give them a warm welcome. They've traveled close to 600 miles to get here. All the students are not here this morning, but I'd like everyone to give them a warm welcome. Thank you very much.

**HON. MEMBERS:** Hear, hear!

**MR. LINGENFELTER:** — Mr. Speaker, if everyone else is finished introducing guests, I would like to take this opportunity to introduce a group of students, their teachers, and bus drivers, from the beautiful little community of Frontier, Saskatchewan. The group of grade 7, 8, and 9 students is here, as I mentioned, with their teachers — 53 of them in total, who have traveled some 250 miles over questionable road conditions to be here in the Assembly today. I know that all members will want to join with me in welcoming the group here today, wishing them the best today, and a safe return home. Thank you very much.

**HON. MEMBERS:** Hear, hear!

**MR. GERICH:** — Mr. Speaker, through you, and to you, and to the members of the Assembly, I would like to introduce to you 23 students from grade 11 and 12 classes in Mayfair high school, their principal, Larry Steeves, and Mrs. Mary Puto, and Mr. Dan Sanders, the bus driver. They're seated in the west gallery. I hope that their trip today is educational and interesting, and I ask the members to please make them welcome to the Assembly.

**HON. MEMBERS:** Hear, hear!

## ORAL QUESTIONS

### Collapse of Pioneer Trust

**MR. KOSKIE:** — Thank you again, Mr. Speaker. I would like to address a question to the Minister of Finance. And, Mr. Minister, the question deals with one of the biggest business collapses in the history of Saskatchewan — the collapse of Pioneer Trust, and allegations of a former director of Pioneer Trust indicates questionable investments involving conflicts of interest in respect to the trust company.

Late yesterday, both the chairman of the board of Canadian Pioneer, Ross Sneath, and the president, Will Klein, the Will Klein, I think, noted on the information brochure here, “Make a date with success . . .”

**AN HON. MEMBER:** — Bob Andrew.

**MR. KOSKIE:** — Bob Andrew, the finance minister, and Will Klein.

I ask you, Mr. Minister, in view of the major collapse, and in view of the resignation — a resignation of the two senior executive officers — do you now agree that the public inquiry is in order, and will you indeed bring forward a public inquiry into this whole sorry mess?

**HON. MR. ANDREW:** — Mr. Speaker. Mr. Speaker, the same . . . Mr. Speaker, in response to the same question yesterday . . .

**MR. SPEAKER:** — Order, please. Give the minister an opportunity to answer.

**HON. MR. ANDREW:** — Mr. Speaker, in response to the same question advanced yesterday, Mr. Speaker, what I indicated, what I . . .

**MR. SPEAKER:** — Order, please!

**HON. MR. ANDREW:** — What I indicated, Mr. Speaker, is the . . . With the collapse of Pioneer Trust a liquidator was appointed by the court to go in and do a liquidation of the Pioneer Trust Company. That liquidator will go through all the details, Mr. Speaker, all the transactions, and will report back, Mr. Speaker, to the court, to a court of law, as to the winding up of that corporation, and an obligation by a professional institution to report to that court if there was wrongdoing.

Well my view is, if you have a national firm of chartered accountants going through the books of that company, Mr. Speaker, going through the books of that company, reporting it to a court of law, it seems to me that is the most appropriate and best way to get the facts before the public, before the court, Mr. Speaker, and from there we will see what happens.

**MR. KOSKIE:** — A further question to the Minister of Finance. Mr. Minister of Finance, as you will know, that you made a commitment on behalf, to guarantee preferred shared, and then subsequently withdrew. I ask you, Mr. Minister, in light of the fact that on your own revelations you had to withdraw from the commitment which you made in writing, and now you are intending to put forward millions of dollars of taxpayers' money, and in view of the fact that you wouldn't even go ahead on the previous commitment, is it not incumbent upon you now to call for a public inquiry, because you're giving out the public money? Call for it. What are you trying to hide? Are you hiding your incompetence, or are you protecting your political friends?

**HON. MR. ANDREW:** — Now, Mr. Speaker, he's accusing me. He's going back. I've always kind of laughed at the NDP. They've taken 14 different positions on this thing as it walked through. Now they're saying we're protecting our political friends. We're protecting our political friends.

**MR. SPEAKER:** — Order, please.

**HON. MR. ANDREW:** — Mr. Speaker, it would seem to me that logic would say if we were protecting our political friends, Pioneer Trust would still be in existence today. Pioneer Trust is not in existence today. The reason, or one of the reasons that we did not . . . The reason, Mr. Speaker, one of the reasons for that, Mr. Speaker, is when we looked, Mr. Speaker, when we looked at that, finally got all the details of it, we felt it was in the best interests of the people of Saskatchewan not to proceed with that guarantee. Sure, we tried to go through that business. Sure, we tried to save it if we could, and I don't apologize to anyone for that. We would try to save any company in this province. But when we looked at it, Mr. Speaker, it wasn't there, and we took the appropriate decision on behalf of the people of Saskatchewan not to back that up.

**SOME HON. MEMBERS:** Hear, hear!

**MR. KOSKIE:** — A new question to the Minister of Finance. Mr. Minister of Finance, you made a written commitment to Pioneer Trust, guaranteeing some \$27 million. You put it in writing and then you withdrew from that. And you indicated at that time that once you opened the books that it was so bad that you had to withdraw from a written agreement.

I ask you . . . You do, in fact, on your own admission, indicate that you have details of the mess within Pioneer Trust by the very admission of withdrawing. Why are you hiding the details from the taxpayers of this province, who are going to have to shell out 20 or \$25 million?

**HON. MR. ANDREW:** — I say two things. What I've indicated, Mr. Speaker, and I indicated it at February 7th, is when we looked at the books, Mr. Speaker, of Pioneer Trust, \$27 million would not have saved Pioneer Trust. A preferred share issue of \$27 million would not have saved Pioneer Trust.

I would have, in our view, Mr. Speaker, have taken more than that, and then probably down the road it would have taken more and more again. And it wasn't worth doing that, Mr. Speaker, because we would put the people's money at risk.

Now the member starts referring to some \$28 million that we have of the people's money at risk. That's not the case, Mr. Speaker. That's not the case, Mr. Speaker. That is the maximum amount of the uninsured depositors, which they called for us to help and support, and we're doing that, Mr. Speaker.

That will then be the maximum amount if they were having absolutely no return on liquidation. And everybody knows that is foolish that there's no return, Mr. Speaker. Our estimate, Mr. Speaker, is that it would be about \$10 million that we could be at risk for — \$10 million that I believe is an obligation, and I understood in the last few days that the Leader of the Opposition understood was an obligation that we should proceed with. Apparently now they're moving back the other direction.

**MR. KOSKIE:** — Supplement, Mr. Minister, if you were acting on behalf of a board of directors of a company, and if you were paying out millions of dollars on behalf of the company, if you were acting as chairman of the board and you were doing that, would you in fact come before the board and give all the details in respect to why those expenditures were being made? Would you, in fact, do that?

**HON. MR. ANDREW:** — I wonder if perhaps the member would advance the question again.

**MR. KOSKIE:** — I'm saying, Mr. Minister, if a chairman of the board was going to make millions of dollars of expenditures on behalf of a company, that he would get ratification and he would get full explanation as to that expenditure. Here you are proposing to make an expenditure on behalf of the taxpayers of Saskatchewan and you have refused to put forward even the

information that you gave when you withdrew from your original proposition. Obviously you are hiding some of the facts. What you are asking the taxpayers is to give you a blank cheque without any explanation as to the details of the situation.

**HON. MR. ANDREW:** — Mr. Speaker, let's get . . . Perhaps the member could have a lesson in how the legislature works, Mr. Speaker. Number one, Mr. Speaker, . . . (inaudible interjection) . . .

**MR. SPEAKER:** — Order, please.

**HON. MR. ANDREW:** — There was a Bill before the House introduced yesterday, that we would intend to bring into second reading today, and with the support of the opposition we would intend or hope to be able to move that into the committee stage where as everyone knows, the detailed questions are going to be asked. Now if that's what he wants — that's the parliamentary process — or does he want, like every other time something comes up, they want a judicial inquiry? They have a judicial inquiry requested every week. In the last two months, there's been a judicial inquiry, a judicial inquiry, judicial inquiry.

Mr. Speaker, the law is such that the court has been assigned to liquidate that company. It's in the court, Mr. Speaker. The court appointed a liquidator. That liquidator will report back to the court, Mr. Speaker, and they can say it's a whitewash. They can say liquidation is a whitewash. They can say the Court of Queen's Bench . . .

**MR. SPEAKER:** — Order, please!

**HON. MR. ANDREW:** — Mr. Speaker, I happen to disagree with the fact that Touche Ross liquidation is a whitewash. I happen to disagree that the Court of Queen's Bench in this province is a whitewash, and if they want to hold that view, then they're entitled to hold that view.

**HON. MR. BLAKENEY:** — Supplementary, Mr. Speaker. The minister has acknowledged that he did an examination such as to call him to renege on this commitment to guarantee. He found out facts.

I ask you two questions: one, will you disclose those facts? And my second opinion is this. You are well aware that other trust companies have gone down the drain. In Ontario, you are aware particularly of Crown and all of those flips, and Greymac, and all of those flips. Those facts were made public. Can you name one of those facts that came from a liquidator? They all came from government examinations, and none from a liquidator. Is that not true?

**HON. MR. ANDREW:** — Mr. Speaker, if you want to get into the Greymac, the Greymac information came forward in the way that matter was dealt with. Obviously there was no liquidator appointed in Greymac, so how could it be the one that brought the information forward?

But neither was there a judicial inquiry to bring that information forward. There is a liquidator in this particular case. That matter will be brought forward as that company is wound down. It's ludicrous to suggest that the information did not come from a liquidator.

**HON. MR. BLAKENEY:** — Supplementary, Mr. Minister. You say that that information didn't come from a judicial inquiry. That is true. It came from an inquiry ordered by the minister, Mr. Elgie, and he ordered it, and it came out, and it was public. None of your ministers would order that. That's why we're asking for a judicial inquiry. Will you go for one now?

**HON. MR. ANDREW:** — I indicated, Mr. Speaker . . . I indicated, Mr. Speaker, that I can assure this Assembly that that information will be made public, and it doesn't need a judicial inquiry to be made public. We have nothing to hide. That information should be brought forward, Mr. Speaker, and will be brought forward in due course and in the proper form.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. BLAKENEY:** — Supplementary, Mr. Minister. You had that information which caused you to change your mind between late November and the first of February. You refused to disclose that up to now. Will you now either disclose it to this House or, alternatively, call for a judicial inquiry? Because at least a judge won't keep hiding it.

**HON. MR. ANDREW:** — Two points, Mr. Speaker. One is that there is a judge appointed the liquidator; that information comes to the court. That's number one. Number two, we initially aid, yes, we're going to try to do what we can to keep this company going. And yes, we looked at the books, and what we found is that company was broke, and if we put \$27.5 million in it, it wouldn't have worked, and if we would have put \$35 million in it, it wouldn't have worked either. And we said, no, we're not going to do that, in the interests of the people of this province.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. BLAKENEY:** — Supplementary, Mr. Minister. You clearly said you had information about that company in January indicating that even \$35 million wouldn't have saved it. You clearly indicated, Mr. Minister — I'll repeat that — that you had, by the end of January, information that \$35 million wouldn't have saved that company. You have disclosed absolutely none of that information to the public, not any of it. There is no indication that you've given it to anybody.

Why are you refusing to disclose that information? It does not in any way harm the liquidating process and it would assist the public to know whether or not your conduct was prudent in the past and your proposed conflict in the future is prudent. Why do you withhold that information?

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. ANDREW:** — Mr. Speaker, let's talk about withholding information. What I indicate is, we looked at the thing and indicated that it would not work with the \$35 million proposal. And we made the decision that we are not going forward. As a result of that, very soon after that, a liquidator was appointed.

Now who is going to get the information and the details of why it would not work, what the financial wherewithal of that company is, but a liquidator reporting to a court? How are you going to get information better than that? How are you going to get information better than that? It's a chartered accounting firm going through it. It's going to lay out the entire problem, the degree of the problem, Mr. Speaker. That's what will come forward, Mr. Speaker. And I don't know how you could be more thorough in determining the books of that company. That's number one, Mr. Speaker.

Number two, the matter is right now in the jurisdiction of the Court of Queen's Bench of this province, and a liquidator duly appointed. I don't know what more you could do. I wish to draw that total information forward and advance it to the public.

**HON. MR. BLAKENEY:** — Supplementary, Mr. Minister. You indicate that you will not disclose this information. It will only come after the liquidator has been apprised of all the facts and given his conclusions. Will you then say that you're not asking the public of Saskatchewan to undertake any financial commitments until that information is available, or are you going to ask the taxpayers of Saskatchewan to undertake substantial commitments before the liquidator has told them anything— while you have information but while they have none?

**SOME HON. MEMBERS:** Hear, hear!

**MR. SPEAKER:** — Order please. Order.

**HON. MR. ANDREW:** — Mr. Speaker, this Bill that's coming before the House today is not designed to bail out a company. Mr. Speaker, what this is designed to do is to support uninsured depositors. That means the sisters in the hospital in Estevan; it means many farmers that are retired and have their savings in there; it means many businesses that do not have the wherewithal to keep their business, Mr. Speaker; it is local governments that have their deposits in there over and above \$60,000.

What I hear now, Mr. Speaker, is the members of the opposition have now changed their mind once again and they are saying, no, we will not help these depositors; we are not going to support this legislation; we are going to drag it on.

How hypocritical, Mr. Speaker. One day they talk about helping in interest of the depositors, and the next time they move away from it. What the members opposite, Mr. Speaker, are interested in is not depositors, Mr. Speaker. They're interested in some headlines for themselves, and that's all. And that's shameful, Mr. Speaker.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. BLAKENEY:** — New question, Mr. Minister. Is it the position of your government that taxpayers should be asked to bail out all of these depositors who are worthy recipients of a bail-out, without those taxpayers knowing any information about whether some people should be asked to reimburse those taxpayers? Are you saying that all the . . . (inaudible interjection) . . .

**MR. SPEAKER:** — Order, please. Order, please. There's so much noise in the Chamber this morning that it's impossible for a minister to hear the question that is being asked, or for the members to hear the answers. I would ask for decorum.

**HON. MR. BLAKENEY:** — Shortly put, Mr. Minister, my question is this: are you saying that taxpayers should be asked to bail out all the depositors — with which we agree — without those taxpayers having any information as to whether the Government of Saskatchewan should be going after people who caused this loss?

Are you saying that any information on which that judgement should be made should be kept secret, should be kept out of the public arena, while you are saying you are protecting depositors, which is right, but you are refusing to go after anybody who caused this loss?

**HON. MR. ANDREW:** — Mr. Speaker, as I indicated, and the Deputy Premier indicated when he made the announcement, is (a) the insiders within Pioneer Trust are being excluded from pay-out of deposits. Obviously the reason for that, Mr. Speaker, is to ensure that in fact we're not paying somebody out that shouldn't properly have been paid out. That's number one, Mr. Speaker.

Number two, by us stepping into the place of the depositor, they obviously have a right of subrogation against the company, Mr. Speaker.

What the member opposite is trying now to drive a wedge, Mr. Speaker, trying to drive a wedge so that he finds reason to keep this going, to keep this going, Mr. Speaker. He in his pompous way wants to say, yes, I support the sisters at Estevan; he doesn't.

Mr. Speaker, he is looking for headlines. He is looking for headlines, Mr. Speaker. He has no genuine concern for those uninsured depositors, for those uninsured depositors — the real people, Mr. Speaker, that were hurt by this transaction.

**SOME HON. MEMBERS:** Hear, hear!

**MR. SHILLINGTON:** — Mr. Minister, for someone who gave the province the most intelligent budget ever, you're being unusually obtuse this morning.

Mr. Minister, will you admit that the role of the liquidator is limited to protecting the interests of the creditors, and will you admit that there are far broader questions raised by this whole issue which were, I should say, articulated by Mr. Sykes? Will you admit that our responsibility is to the public and to the taxpayer, and that is why this Assembly has called for . . . we have called for a public inquiry, either legislative or judicial? Will you admit that a liquidator's role is too limited?

**HON. MR. ANDREW:** — The last inquiry that the member from Regina South ranted and raved about in this House . . .

**AN HON. MEMBER:** — Regina Centre.

**HON. MR. ANDREW:** — . . . Regina Centre ranted and raved about in this House for days and days on end, at the end that inquiry come down and indicated that your actions were irresponsible — irresponsible, Mr. Speaker.

**MR. SPEAKER:** — Order, please.

**HON. MR. ANDREW:** — Mr. Speaker, the member opposite is doing no justice to the process that appoints a liquidator to suggest that somehow the liquidator has no interest and no concern and no responsibility to report any misactions, misdeeds, by the manager of that company leading to the closure of Pioneer Trust.

That is not true and you know that is not true. That is irresponsible of you, just as it was irresponsible of you when you were yelling inquiry on SGI and all your innuendoes. You want to deal in innuendoes, my friend. You want to deal in innuendoes. That's all you live for.

We want to get to the bottom of this, Mr. Speaker, and we want to protect the uninsured depositors, and that's what this legislation is proposing to do.

**SOME HON. MEMBERS:** Hear, hear!

### **Discussions with Medical Profession**

**MR. MORIN:** — Mr. Speaker, my question is to the Premier. Mr. Premier, as you know, doctors from around the province have study sessions. In view of the discussions they've been having with the Department of Health, I wonder if you can bring the Assembly up to date on the status of those discussions and meetings.

**HON. MR. DEVINE:** — Mr. Speaker, obviously the members opposite don't want to hear . . .

**MR. SPEAKER:** — Order. Order, please.

**HON. MR. DEVINE:** — Mr. Speaker, the members opposite don't want to hear about the success of the Minister of Health, so they're talking quite loudly, but I'll provide them with some of the information.

Yesterday, Mr. Speaker, the Minister of Health for the province of Saskatchewan was in negotiations and discussions with members of the medical community, and they have reached a tentative agreement with respect to extra billing and direct billing in this province which will bring it to an end, and I provide him full congratulations for all the hard work he's done of late.

**SOME HON. MEMBERS:** Hear, hear!

**MR. MORIN:** — Supplementary, Mr. Speaker. Mr. Premier, are you at liberty to give us details on the agreement?

**MR. SPEAKER:** — Order, please. The member is asking a question. It couldn't be heard. I would ask him to repeat his question.

**MR. MORIN:** — My question, Mr. Speaker, was: is the Premier or the Minister of Health at liberty yet to give the details on the agreement?

**HON. MR. TAYLOR:** — Mr. Speaker, the member opposite asked if I was at liberty to give the details. I can give the general agreement, and that general agreement is that the medical association and the Government of Saskatchewan have agreed to . . .

**MR. SPEAKER:** — Order, please. Allow the minister to answer.

**HON. MR. TAYLOR:** — . . . end extra billing in this province, and in agreement with that, we in compliance with the Canada Health Act have arrived at a joint agreement on a way of arriving at fair compensation for the medical profession, and also of settling any dispute should they arise in the future. More details of this will be provided to the Assembly when it is written. I want to say that I think it is an historic . . . Yesterday was an historic day for the people of Saskatchewan.

**SOME HON. MEMBERS:** Hear, hear!

## **INTRODUCTION OF BILLS**

### **Bill No. 81 — An Act to amend The Workers' Compensation Act, 1979**

**HON. MR. McLAREN:** — Mr. Speaker, I move first reading of a Bill to amend The Workers' Compensation Act, 1979.

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

### **Bill No. 82 — An Act respecting Credit Unions**

**HON. MR. SANDBERG:** — Mr. Speaker, I move first reading of a Bill, An Act respecting Credit Unions.

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

## **INTRODUCTION OF GUESTS**

**MR. SHILLINGTON:** — Before orders of the day, I wonder if I might have leave to make an introduction.

I know all members opposite will want to join with me in welcoming to the Assembly the member for Regina East, a member who incidentally has been instrumental in the federal House in pressing for a full judicial inquiry into the affairs of Pioneer Trust and this government's involvement with them. So I know the members opposite will want to join with me in welcoming him.

**SOME HON. MEMBERS:** Hear, hear!

## **ORDERS OF THE DAY**



## GOVERNMENT ORDERS

### SECOND READINGS

#### **Bill No. 70 — An Act respecting the Provision of Financial Assistance to Depositors of Pioneer Trust Company**

**HON. MR. ANDREW:** — Mr. Speaker, a brief introduction on second reading to this particular legislation. Mr. Speaker, I think the story obviously is very well known in this province, of the failure of the Pioneer Trust financial institution. As is the case in any financial institution, when one is to fail, those depositors that are not covered by Canadian Deposit Insurance Corporation, of course, go without.

The history of the Canadian Deposit Insurance Corporation is as follows. The coverage was to \$20,000. A short time ago, with the Crown, Greymac matter, that amount was increased to \$60,000, and what happened with the wind-down of Pioneer Trust, some 1,800 depositors were left uninsured. As well as some 1,800 depositors left uninsured, of course, the Canadian Deposit Insurance Corporation did not cover income averaging annuity contracts that had a life of over 5 years. They also did not cover U.S. accounts, primarily, and a few other smaller ones. What then one was left with, of course, is with the law the way it sits, those uninsured depositors stood to lose a great deal of money. And the question then came, Mr. Speaker, and I suppose came all along, is the law tended to be as such that governments and governments generally and for a long period of time have tended to put money into those institutions to keep them afloat. And that's the way you kept the stability of the industry, one — so the argument goes; and two, covered uninsured depositors, very often those that had no other remedy.

What we had in the Pioneer case was a number of institutions that were not covered by Canadian Deposit Insurance: hospitals, particularly the hospital in Estevan; various municipalities and school boards; community groups — the Globe Theatre in Regina is one that obviously was in the news on it; some charitable organizations; many businesses, many of them small businesses, I think all of them what we would class as small businesses. Quite frankly, if they were called on to absorb the loss caused by the failure of Pioneer, that would have gone forward and probably caused the loss of their particular company and correspondingly the jobs they would have lost as a result of it.

Many individuals, Mr. Speaker, had placed their life savings in that particular trust company, whether it was in terms of registered retirement savings plans, whether it was in terms of an income averaging annuity contract, or whether it was just simply in a guaranteed investment certificate. They stood to lose, and I don't think government could stand by and allow that type of thing to happen. And that is basically the position with this Bill.

There will be an exemption, Mr. Speaker, for those that are insiders within the company, and that means the senior management of the company, the members of the board of directors of the company, any of those people that would have uninsured depositors. There will be a hold-back on that, pending the determination by the liquidator as to whether or not there was improper actions, improper management, improper activity within the functioning of that particular corporation. And so we would look at moving in that way, Mr. Speaker, to hold that back to ensure that money was not paid out.

Mr. Speaker, from a cost point of view, the total of the . . . The gross total of uninsured depositors — with the federal government now stepping in and covering the income averaging annuity contracts, which is some \$10 million, I believe — the gross payments would be about \$28.4 million.

Now the net cost of that obviously will depend on what the liquidation is. If one was to assume liquidation at 50 per cent, of 50 cents on the dollar, that would mean that there would be a cost

of 14.2 million. If it was recovered at 60 per cent, Mr. Speaker, that would mean a cost of about \$11.4 million. If it was recovered at 70 per cent, it would mean \$8.5 million.

Now clearly, until that liquidation is completed we are not going to know what that amount is going to be. And while we can best guess it, clearly I think the information that we have — and it's very cursory, and I think you can appreciate that a liquidator is not about to set out what that is going to be until he gets a proper fix on it, and down the road — what the best guess that we can come up with is, it'll approximately be \$10 million that we would be called on to pay for.

Mr. Speaker, the federal government would contribute, both through its treasury, who are covering the income averaging annuity contracts, and through CDIC, if you want to describe that as a federal responsibility. Clearly, it's an institution controlled at the national level. Those amounts are paid for by the premiums of the various groups that are within the Canadian Deposit Insurance Corporation. They would be paying on liquidation.

What will happen is that what I will call the federal groups — the federal treasury and the CDIC — will pick up about \$8 in costs for every \$1 that the province picks up. And I think that is a reasonable proposal that we were able to negotiate and work out with the federal government to cover this particular group.

My hope to the members of the opposition is that we will move as quickly as we can with regard to this legislation so that those depositors, many of them who have waited now for some time, would have the opportunity to have their money secured to them so they can get on with their time.

I think the members opposite have indicated, or at least publicly have indicated, that they endorse, or they support the right or the government's responsibility, morally or otherwise, to cover the uninsured deposits. I think they have also indicated, if I can judge from the reports in the media (and very often that is right or it's not right), that they were somewhat concerned that we hadn't moved fast enough.

And so I would think that one would welcome a full debate on this. I would hope it would not be unduly delayed by the members of the opposition, so that we can get on with this and pay out the uninsured depositors who have gone through, I think, a fair amount of concern over this period of time.

I think, finally, I think it's really important that we look at the whole concept, Mr. Speaker, of financial institutions. Most depositors, most people involved in this particular situation, I think people involved in a series of other institutions, whether it's Greymac, whether it's the various problems that have happened in the institutions in Alberta, we have to draw a distinction between the shareholders on the one hand and the depositor on the other hand.

The depositor comes into the bank, puts his money in the bank — certainly the unsophisticated depositor puts his money in the bank — the unsophisticated depositor puts his money in a bank or trust company with a view, I think, held rightly or wrongly, that that money should be there when he wishes to take it out. And that's quite different from let's say investing in a real estate venture or investing in shares in a company or something else.

I think the whole stability of our financial institutions requires that protection for the uninsured depositor. I think that what this case indicates to me is a need at the national level to perhaps design a better system to cover the uninsured depositor, certainly to an amount beyond, and well beyond, \$60,000. Be that covered by the present CDIC and the present premiums paid to CDIC, or through some other way of buying your own insurance, is certainly up for debate.

(1045)

But I think our society requires some security, some sense of guarantee, some sense of trust, that when their dollars are on deposit, those dollars are in fact safe and those dollars can be recovered as and when you need them.

With that, Mr. Speaker, I would move second reading of Bill No. 70.

**HON. MR. BLAKENEY:** — Mr. Speaker, I want to address some words to the House with respect to this matter. I want first to review the matters which gave rise to the Bill before us, and to indicate what positions have been taken throughout the sad and sorry history of Pioneer Trust as it has transpired in the last six or seven months.

I think we, and other people in Saskatchewan, were unaware of any significant difficulties with respect to Pioneer Trust until it was announced that the Minister of Finance proposed to guarantee an issue of shares of Pioneer Trust. This became public last fall, late last fall. We took the position then, and we take the position now, that this was entirely inappropriate for the government to guarantee an issue of preferred shares of a company, essentially to bolster up the share structure of a company.

Shareholders of a company invest; they take a risk investment. The shares may go up in value; the shares may go down in value. In fact the shares of Canadian Pioneer Management, the holding company, did go up in value. They have likely now gone down in value, but those are risks which shareholders take. They get the fruits of their risk, and they should assume the burden of their risk.

And so we didn't think the Government of Saskatchewan should guarantee the share issue of Pioneer Trust, or more properly Canadian Pioneer Management, the holding company and parent company of Pioneer Trust. We saw no merit in that. And we believe the government made an error, a grave error in agreeing to guarantee that share issue, and we said so at the time. It risked public money, and more than that, Mr. Speaker, more than that, Mr. Speaker, it led depositors to believe that their money was safe. It led depositors to believe that their money was safe. It created a false sense of security, and this is perfectly clear. We all know that this is true.

I have talked to a number of depositors who, prior to the announcement that they were going to be reimbursed, came to me and said: "Look, I had heard some rumbles. I would have withdrawn my money, but when I saw that government guarantee I said, oh, that's just street rumour and I know I'm safe."

Indeed the Estevan manager of Pioneer Trust freely admitted on national television that the letter of the Minister of Finance published in a business periodical was shown to people — shown to people who were talking about withdrawing their funds, and this, in effect, persuaded these people to leave their deposits with pioneer Trust and not to withdraw them. It may or may not be the case that he showed them the magazine. I am saying what he said. And whether or not he showed them the magazine, the form of the letter was known to me, to many, many other people before Pioneer Trust went down. Nobody denies that. Indeed, it was projected on numerous screens throughout Saskatchewan by officials of Canadian pioneer Management for a whole roomful of people to see. And I trust that's not denied. So in fact, therefore, there is no doubt that many, many shareholders — I'm sorry, depositors — were given a false sense of security.

Now it is our view, and has continued to be our view, that in the face of that guarantee, and in the face of the fact that because of failure of governments, including the government opposite, Pioneer was not properly regulated. But particularly in the face of the government guarantee, the government had an obligation to make good the losses suffered by depositors, including those who were uninsured by the Canada Deposit Insurance Corp.

I adopt some of the language of the Minister of Finance, who says that when people come into a trust company and they know that it's somehow regulated by the governments, they believe that their money should be safe. And I adopt that.

And I believe therefore that particularly in the face of the announced government guarantee we should make good . . . "we," meaning this legislature, should act to make good the losses suffered by depositors. This is again especially so because of the false sense of security which the government created.

Now we turn to the next step. It seems very clear that the losses were caused by mismanagement — by a mismanagement which decided to use trust funds and to speculate with them in Alberta and Florida and in Colorado, a management which pursued a policy of using these depositor's funds that was, at least in retrospect, reckless and certainly, in prospect, speculative. Nobody could have believed that those were investments which were firm and certain — firm and certain to provide that firm base for the repayment of depositors who had every right to believe that their money was safe.

They didn't put their money into Canadian Pioneer Trust to speculate, nor does anyone put a deposit in a trust company to speculate. And if the pay-out is to be firm, then clearly the investment of the funds by the financial agency must be prudent. And prudent it was not.

So we have this situation. We have a management of a trust company that used depositors' funds for speculative purposes. I put it no higher than that. I say this: when the government of Saskatchewan pays out taxpayers' money to cover the losses of these depositors, which it in our judgement should, it should also seek to recover just as much of that taxpayers' money as it can from anyone else and everyone else who may have caused this loss, and against who there may be valid claims. Now that's the key.

In the face of the government guarantee which led depositors down the garden path, taxpayers are asked to reimburse those depositors. With that we agree. Taxpayers, however, realize that they are paying out of their pockets money to depositors who lost their money through no fault of the taxpayer or, indeed, through no fault of any of the people who are being asked to pay out the money.

And the taxpayers are telling us this, it seems to me: yes, we will help the orders of sisters and the other people who put retirement money into Pioneer Trust believing it was safe in income-averaging securities and the like, but we expect the government to recover everything they can from anybody who may have caused this loss, and against whom there may be a valid claim. And that's seems to me a reasonable request on behalf of the taxpayer.

Taxpayers will want to make sure, and doubly sure, that any depositor who is paid out by the government hands over to the government any right that depositor may have had to go after any possible source of funds. Clearly, the Bill should say that all of the depositors' rights are handed over to the government when the government pays out the depositor. It should be very clear that any depositor who may have had any right or claim to go after anybody, when he gets his cash, hands over that claim to the government, and the government should pursue that claim on behalf of the taxpayer. That seems only reasonable and fair and, by the way, it's not in the Bill.

We have to understand that there is a particular amount of money we're going to have to pay out in this case. I invite anyone to compare this case with the trust company failures in Ontario and note how much more the taxpayers of Saskatchewan are being asked to share the load than were the taxpayers of Ontario asked to share the load down there.

And you ask: why is the difference? Well, I know one reason for the difference, and I can speculate on another. One reason is that nobody moved on Pioneer Trust for some months after the situation arose and, accordingly, time was lost in realizing on the assets.

I note there is some disagreement with that proposition. I know that that disagreement is not coming from the Minister of Finance because he knows otherwise, and he has said so. he has said publicly that the reason why he gave his guarantee was so that the federal government would not close that trust company on that day. He has said publicly that the reason why he gave that guarantee was to keep the federal regulators from closing down Pioneer Trust. He has said publicly that in his judgement, if he hadn't given that guarantee, pioneer Trust would have been closed almost immediately.

Those are hard facts, and they are on the public record. So that period from November to February was a period when the regulators did not have an opportunity to minimize their loss, and therefore will pay extra money.

And I said this. I speculate that when the Minister of Finance has gone down to Ottawa and tried to get Ottawa to shoulder some of this loss, they have said to him: you created a fair amount of that loss; you took the risk when you put that guarantee up; the purpose of the guarantee was to delay the day when Pioneer Trust would fall under the management of the regulators, the Canada Deposit Insurance Corporation, and others; this was your judgement; it was your judgement to allow the current management of Canadian Pioneer Management to run that trust company for an extra period of weeks and months. It was your judgement; now you pay.

I think that's what the federal government is saying and it's not an unreasonable position on their part. And I invite anyone who thinks that that's an unfair or an unreasonable interpretation to read some of the material that the hon. minister, the lady minister, Barbara McDougall, has made public — long letters written, long public statements — indicating rather clearly that they were viewing this as a matter in which the Government of Saskatchewan had intervened. So we're paying extra money on that account.

Now I look at the Bill before us. I see no provision in this bill to provide that, if the government pays out depositors, they're going to take over the claims of those depositors so they'll be able to go after anybody. There are no subrogation provisions in this Bill at all, if I may use the lawyer's language.

Some members will be aware, let us say, in The Saskatchewan Insurance Act, if an insurance company pays out a claim, let's say an automobile insurance claim, they are legally, by the terms of the Act, subrogated. The person who gets his claim paid hands over to the insurer all the rights that he may have had, and the insurer can go after anyone else who may have caused the loss, and that's fair, and that's reasonable. And it's in the Act.

And my short question is: why isn't it in this Act? Why isn't it in this Act? Why doesn't this Act provide that when the Government of Saskatchewan pays out the depositors, with which we agree, the depositors hand over to the government any right they may have to go after anybody who may have caused the loss so that we can gather in the money for the taxpayer. But that's not there, Mr. Speaker. It is indeed not there.

We will be attempting to introduce those provisions in committee, and I will want to know, and my colleagues will want to know from the government why, in let us saying the insurance Act, they provide that if an insurer pays out a claim, the insurer can go and try to collect from anyone who may have caused the loss.

(1100)

But in this Bill, the Government of Saskatchewan will pay out the claims of the depositors and will not have the same legal rights in the bill to go after anyone who may have caused that loss. People are going to ask why. People are going to ask why the Government of Saskatchewan has such tender feeling for anybody who may have caused this loss when they don't feel that way

with respect to insurance losses. Nor should they. Nor should they, and they provided specifically in the insurance Act to hand over these claims to anybody who pays out the claim. We should have a similar provision in this Act. Indeed this Bill is all to do with paying out of depositors and nothing to do with how the government can recoup some of its losses, and the Bill should cover both.

If we are going to say as a legislature that we should vote taxpayers' money to pay out these particular depositors who have lost money, then we should also say as a legislature, and you the government should go out and try to gather up just as much money as you can, to minimize the loss to the taxpayers, to reduce it to as little amount as possible. That's fair. That's reasonable. It should be in the Bill. It isn't in the Bill.

Mr. Speaker, we support the Bill because we do believe that the depositors should be paid out after being led down the garden path by the government. But we give notice now that we expect that amendments will be included to provide that anyone who accepts government money to pay out his claim will hand over to the government all of his claims, all claims that he might have, to go after anybody and everybody who may have caused this loss. We think that the taxpayers of Saskatchewan deserve no less. And we believe these provisions should be in the Bill.

Now I don't know whether there are valid claims against anybody, and I'm not asserting that. But I do say that it's totally irresponsible to pay out depositors so that their claim is probably, by that act, wiped out—they've suffered no loss—without seeing that the government can recover any money that the depositors might have recovered, had they not been paid out by the government. That's fair; that's reasonable.

You would have expected, if the government hadn't paid out these losses, that the depositors would have got together and tried to pursue any remedies they might have had to collect back money. You'd have expected that. If the government pays out these claims, all those rights to try to get money back should go to the government so taxpayers can have their losses cut down to as small an amount as possible.

This Bill contains no such provisions, no such provisions as are in, let us say. The Saskatchewan Insurance Act. It should contain those provisions. We will seek to have them included.

I refer hon. members to the insurance act. I could refer them to numbers of other occasions on which the Government of Saskatchewan has guaranteed amounts of money and has provided by agreement—frequently agreement ratified by a legislature—that in the event that the guarantee is realized upon and the government has to pay out, then the government can go after anyone who may have caused the loss. That should be in this Bill. We will be pressing and pressing hard that it be in the Bill.

I now raise one other subject briefly. Mr. Speaker, there is evidence—I put it no higher than that—there is evidence that there was substantial mismanagement of Pioneer Trust, substantial mismanagement causing great loss to many Saskatchewan citizens. That same management is managing an insurance company which has thousands of Saskatchewan policy holders. That, Mr. Speaker, is a further reason why there should be a full disclosure by this government of all the information they have about the management, the strengths and weaknesses of the management of Pioneer Trust, the management that brought this company to its doom.

The same managerial structure is in place for thousands and thousands of Saskatchewan people who either have shares or policies in Pioneer Life, and it seems to me they are entitled to know what the government has learned about management, about this management. Therefore, it seems to me that the government has an obligation under that heading to make known some information so that these thousands of Saskatchewan people may have their misgivings laid to rest if there is no grounds for concern, or may be advised of what they might prudently do if

there is grounds for concern.

So, Mr. Speaker, I sum up by saying this: we believe the government should make much more information available to the public before we're asked to vote on this Bill. We, however, will not hold this Bill up, and we propose to — we expect that second reading will be completed this morning, or in this session. I cannot dictate to what extent the members will wish to participate, but it will not be because we wish to delay the Bill that that doesn't happen.

We will be supporting the Bill. We will be asking that in committee the Bill be changed; changed to make clear in this Bill that the government proposes to go out and gather up all the money they can from anybody who may have precipitated this loss so as to minimize the loss to the taxpayers of paying out the depositors. We agree with paying out the depositors, but we believe that, coupled with payout of the depositors, must be a firm commitment on the part of the government to minimize the loss to the taxpayers who are being asked to pick up this tab.

Having said that, Mr. Speaker, I will be supporting this Bill on second reading. I will be, as I've indicated, pressing for changes in committee.

**MR. KOSKIE:** — Thank you. Thank you very much, Mr. Speaker. I rise today, Mr. Speaker, to say a few words in respect to this Bill, a Bill which I think is a bail out of some of the apostles and preachers of the great free enterprise economic system of this present government.

At risk here today, Mr. Deputy Speaker, are thousands of people in this province who put faith and trust in the founders of a Saskatchewan-based company — Pioneer Trust. And I concur with them that their intentions were honourable, and that they had every reason to believe that the Saskatchewan-based company would likewise be honourable and treat their investments with care, and to honour the trust with which they obtained those funds.

But this Bill that we have here was made necessary several months ago when the Devine government, and specifically the Premier and the Minister of Finance, teamed up with this incompetent management of Pioneer Trust to perpetuate the biggest business failure in the history of Saskatchewan.

While this Bill ostensibly is intended to provide, by the taxpayers, financial assistance to the uninsured depositors of Pioneer Trust, I think this Bill raises far more questions than it answers.

I was surprised at the brief comments by the Minister of Finance, for they did little to answer the many questions about the Bill, about the Devine government's failure and behaviour on which questions are being asked by the people of this province.

I say that the people of this province are fair people, and they will not be opposed to helping out some of the uninsured depositors. But I'll tell you they are also honourable people, and they will be asking this government to bring forward information on which they make any payments to protect the uninsured depositors. And this government to date has absolutely, totally refused to come forward with any information.

The Minister of Finance entered into an agreement, a letter — and I have a copy of it, dated November 21st — and this is what it says: “Dear Mr. Klein (one of the principal officers of Pioneer Trust): — Please be advised that the Government of Saskatchewan will . . . (inaudible interjection) . . .

Dear Mr. Klein: — Please be advised that the Government of Saskatchewan will guarantee the \$27.5 million preferred share offering of Canadian Pioneer Management Limited.

This is what the first . . . one of the most powerful ministers in the government decided to do.

They made a guarantee to this company. And then when they said they looked at the books, and the facts were so startling and shocking, that they withdrew a mere guarantee in comparison to what they're offering today. They said the risk was too high for the taxpayers even to guarantee 27.5 million.

And so today what they are doing is asking, in this Bill, to allow the Minister of Finance a blank cheque, write a blank cheque on behalf of the taxpayers of this province to bail out the inappropriate actions of the Minister of Finance.

I hope, since the Premier is certainly involved in the initial decision, the guarantee letter of \$27.5 million — no doubt it was discussed with the Premier — I hope that he will enter into this debate, will address those questions that the people of this province are asking, and will at least attempt to answer them.

As Mr. Deputy Speaker will know, that we have urged a public inquiry into this whole affair in order that these many questions can be properly investigated and fully answered.

And I therefore again invite the Premier of this province to rise in this debate and not to duck out, as he has on so many occasions, and to either provide full and satisfactory answers to the public's questions, or to appoint an independent judicial inquiry into the failure of Pioneer Trust and the government's role in that affair.

For let there be no mistake about what is the issue here in the Bill now before us. The government is asking the Legislative Assembly to issue a blank cheque, to give a free hand to the Minister of Finance to spend tens of millions of dollars of taxpayers' money to cover up for its incompetence and the incompetence and the greed of its high-flying friends who are the executive officers of Pioneer Trust. That is the issue — tens of millions of dollars of taxpayers' money to be paid out under this Bill, and this government has refused to come forward to justify the need, indeed, the need for paying that amount out.

But I say, Mr. Deputy Speaker, when the people of Saskatchewan look at this Bill and they find it really does raise more questions than it answers . . . And I ask all of the back-benchers on the Progressive Conservative government side — all the back-benchers — to look at this Bill that's been prepared by the Minister of Finance, to remember this Bill was prepared by the same Minister of Finance who, on November the 21st last fall, wrote an unequivocal loan guarantee of \$27.5 million to his friends at Pioneer Trust, the Will Kleins of the world.

And I imagine that many of the people who watched *W5* the other night — *Fifth Estate*, rather — and watched the wealth with which these people have lavished upon themselves — the Will Kleins of this world — down in the Phoenix, in the mansion. As somebody from Saskatchewan who was selling securities on behalf of this company said, the front room was large enough that you could turn a small car around. They lived on the savings of people of this province, and I think that they should be accountable, and I think that every cent that they have taken from that company should be turned over.

(1115)

I do not believe that the executive officers of this company should be allowed to lavish in wealth and turn over the mess to the taxpayers to bail them out. I don't think that they should be allowed to have part of the empire in place and allow the taxpayers to pick it up. I think that the Minister of Finance has to come clean in respect to the facts here.

I'll tell you, the people are going to make a decision on the competence of this government, and one of the issues, I'm telling you, that is going to weigh heavily on them is the way in which they so incompetently handled this or, in fact, were a party to the bail-out of their political friends.

I say people are asking me many questions in respect to this Bill. It says, does this Bill permit the



directors and the senior managers of Pioneer Trust to receive taxpayers' dollars as uninsured depositors? Because it says, "and make payments to all uninsured depositors." If these mismanagers have some invested, say, are they going to be covered as well? Well, perhaps that could be explained.

Does this Bill contain any provisions requiring that the Devine government will, in fact, pay out 100 per cent of the uninsured depositors' fund? I don't see that.

Does this Bill require the government to be fair and even-handed and consistent as it pays out tens of millions of dollars in taxpayers' money? Perhaps the Premier, when he enters the debate, if he hasn't ducked, will answer those questions.

Does this Bill require that the government table the federal-provincial agreement which they say they have entered into? No, it hasn't. And the Minister of Finance says he has an agreement, will not even make public. Asked how much the taxpayers would pay, and the Deputy Premier, all he would do is say, "percentages."

A week or so ago, the Devine government announced it had reached, as I say, agreement with Ottawa. And we ask, and the taxpayers ask, does it really exist? What possible excuse could the Premier give for not tabling that agreement? Does this Bill set out any maximum amount of taxpayers' dollars which are to be paid out because of the Devine government's incompetence? No. We can only assume that the minister intends to pay out about \$20 million.

That's about \$100 from every single farm family — every single working family in the province. But how do we know it won't be far more than \$20 million? We, in fact, don't. Are we to believe the assurances of the Minister of Finance? Does the Premier really expect us or anyone to believe the assurances of the Minister of Finance? Does the Premier really expect us or anyone to believe the assurances and the estimates and the guarantees of the Minister of Finance who, through his action, has indicated a great deal of incompetence in the handling of this matter? After all, as I said, and I repeat again, he is the one who may have cost the depositors, unnecessarily, millions of dollars by the very nature of having signed, on November the 21st, a letter to the Pioneer guaranteeing a taxpayer loan of \$27.5 million.

Certainly the signing of that letter and the publishing of that letter, certainly indeed, what it did is delay the liquidation or the declaration of insolvency of the company.

And what about the biggest question of all? Does this Bill require any payment at all, any payment whatsoever from Canadian Pioneer Management to these uninsured depositors? Does the Bill call for any payment from the directors and the senior officers of Pioneer, the ones who were responsible for the incompetent management that broke Pioneer Trust and put depositors at risk?

I remember in watching *The Fifth Estate* the other night, Mr. Ron Sykes, who has a great deal of experience in the area, represents the board of directors on Marathon Real Estate, the CPR empire counterpart of realty. And during that time, one of the things that the former director of Pioneer Trust indicated, he said that the directors should not go off scot-free. A thorough examination has to be made in order to determine whether they have siphoned off, for personal gain, moneys from this corporation. I say that this is the key question, and that's why we have called for a public inquiry.

No, Mr. Deputy Speaker, with this Bill we finally see what the Devine government's "open for big business" plan is all about. Canadian Pioneer Management is still open for business with all its assets. Pioneer Life is still open for business with its assets still intact. And I would like to know whether there's going to be any examination in respect to whether the people who have invested in other companies of this group, with the same management, whether this government is going to look at the incompetence to see whether or not there is a need to protect the insurance holders who may be the next that, because of the incompetence, are let

down and destroyed.

We have to look and see whether there has been any money drained off. We have to see whether they sold off their shares, knowing the company was going under, and enrich themselves with confidential information. I'll tell you the people of this province don't mind helping other innocent investors of this province who have been taken in. But I'll tell you they want a full and thorough examination, and I don't believe any government investigation would be sufficient, because I think the people of this province believe that the government is implicated.

I think that the closeness of the Pioneer group and executive officers and this government were so close that any actions taken or investigation by the government themselves or the Premier would be insufficient. And therefore, we are calling for a full and thorough examination.

And finally there is the imperative need in this whole affair to clear the air, to get to the bottom of the sticky, unanswered questions. The Premier has already called for a mini-inquiry of one of his own ministers in the conflict of interest perceptions regarding the PC member from Prince Albert. Surely this Pioneer affair, or Pioneer Trust affair, warrants an inquiry. A full independent judicial inquiry into at least the following matters: first, the collapse of Pioneer Trust and the extent of which Pioneers officers' and directors' imprudent or self-interested actions precipitated the collapse; the role of the Government of Saskatchewan and its regulatory responsibilities with respect to Pioneer Trust and other Pioneer companies; the role of the Government of Saskatchewan in deciding first to provide a written commitment for 27.5 million loan guarantee and its subsequent abandonment of that commitment and the consequences of those actions as taken by the Minister of Finance; the extent to which any of the Pioneer officers or directors or other insiders have benefited personally and improperly from inside knowledge of Pioneer's affair or government's actions during the last 12 months.

We therefore ask the Premier of this province to enter this debate on this Bill, to give a full and detailed answer to the many questions that the public is asking about this Bill. Moreover we ask the Premier to agree today to a full and independent judicial inquiry into the Pioneer affair, for we are talking, not about a few dollars, but millions of dollars.

The impact, if you look at it, \$20 million probably as a minimum is what they're asking. Somewhere in that neighbourhood is the calculations. I'm telling you that is a very, very substantial amount of money . . . (inaudible interjection) . . . And the member opposite says, compare the bail-out of Pioneer Trust with the purchase by the former government of the potash mines.

That is the intelligence on the other side. I say the Devine government is asking us here today to issue a blank cheque to the Minister of Finance, a blank cheque to a man who, on November 1st, entered into the transaction and precipitated the biggest mess, business mess, in the history of Saskatchewan.

I say that if the Premier will today forthwith indicate his willingness to answer fully the questions that are being raised by the taxpayers who are being called upon to pay millions of dollars out on behalf of Pioneer Trust mismanagement . . . if the Premier will indicate that he will, in fact, correct the several serious deficiencies in the Bill, will order a judicial inquiry, I am confident that this Bill can be passed quickly through the legislative stages.

In conclusion, Mr. Deputy Speaker, I want to say that this is not a Bill that should be passed quickly and without serious consideration. And just imagine, just imagine that this government is coming forward and saying, pass it in the same day that they table it, before we even saw it.

Oh, I'm going to tell you that we are not going to become a party of the incompetence and the mismanagement by the government opposite. I tell you, we'll do what is right, but we are going

to have an accounting of the government's action to the taxpayers of this province.

The member opposite is chirping from his . . . (inaudible interjection) . . . I can assure the members opposite that in the incompetence that has been demonstrated by this government during this session have been so major . . . I was talking to a constituent today, and he said, "The problem is not very difficult for you guys. Those Tories are handing it to you faster than you can absorb it." That's what they said. And the one thing they asked me to do — and I was here early in the morning, late last night, and I was getting phone calls. And they were saying: what is this government up to? Twenty or \$25 million, and you're going to let that go without getting an accounting? Are you going to allow the perception that the public have that the directors and the executive officers have, in fact, taken off with large amounts of wealth — are you going to allow that cloud to continue to exist?

They said, demand from this government an inquiry — demand from this government to file the information that they have to date. And I'll tell you, we will, in fact, be protecting the taxpayers of this province against the incompetence of the Devine government.

Thank you, Mr. Speaker.

(1130)

**MR. SHILLINGTON:** — Thank you very much, Mr. Speaker. Mr. Speaker, I had not anticipated this Bill coming before the House. Indeed, Mr. Speaker, I had not anticipated being in the House this morning. My remarks, therefore, will be somewhat more disjointed than they might otherwise have been.

I do, however, want to make a few comments. I do want to make a few comments about the government's behaviour on this Bill. Mr. Minister . . . Mr. Speaker, rather, even before the W5 program, there were some questions that needed to be answered.

One of the questions is whether or not this tragedy would have ever occurred had it not been for the manner in which this government handled this matter. We will never know whether or not Pioneer Trust might have been saved by a more competent approach and a more competent government, but the possibility exists that it might have been.

To put it mildly, Mr. Speaker, there were other approaches which the government might have used last November. Mr. Speaker, they might have taken the approach, I suppose, of their right-wing friends and simply said, our responsibility is to the depositor; we have no responsibility to bail out these companies, and, therefore, there will be no guarantees. That is what the government of Ontario did with the trust companies in Ontario.

Mr. Speaker, another approach — and I think it might have been one that we might have adopted — might have been to see if there was some way in which this Saskatchewan business might have been saved, some competent way in which it might have been saved.

And there are a number of options which I have raised before, both in question period and otherwise. To put it mildly, Mr. Speaker, the method used by this government was the worst of all possible ways: guaranteed the destruction of the company — might have happened anyway, we'll never know — guaranteed the destruction of the company, and at the same time has exposed the government to the largest possible risk.

Mr. Speaker, I don't think any party has ever been as unprepared to take office as this party opposite. And I think this shows up time and time again. No party, I think, in the history of this province, and probably the history of the country, ever took office beset with the myths that this party did. The Premier said during the election campaign that Saskatchewan was so wealthy that you could mismanage the province and still survive. What is amazing is that (a) he said it, and

that (b) apparently members opposite believed that.

Members opposite apparently believed that you could be as profligate as you like with the public treasury and it would never catch up to you. Well to put it mildly, Mr. Speaker, members opposite are finding out that the opposite is true. If there is a place on the face of the earth where you can mismanage the economy and still survive, it certainly doesn't exist in Saskatchewan, and this government's proving that. And their incompetence and their mismanagement is catching up to them daily.

The member opposite said that you're handing it to us faster than we can use it. That's very true. There are more issues than we could competently deal with as a legislature. They roll forward so fast that no opposition could keep up to them. And while I might say the members opposite — members opposite may save it — the members opposite may save it.

Mr. Speaker, in the history of a government which has been profligate spenders, this Bill marks some sort of a high-water mark. It really does, Mr. Minister. It is not the largest sum of money this government's wasted — that is a very stiff race to get into. But, Mr. Speaker, this Bill represents a new degree of irresponsibility that I don't think I have seen, even from a government which believes that it apparently has no responsibility to the taxpayers, and the wealth of the province can never be so seriously mismanaged that it's going to catch up to them.

Mr. Minister, they're asking us to vote on a sum of money which has not been detailed to us. We have listened to members opposite say, oh well don't worry — in this condescending fashion — oh, don't worry, we'll probably recover most of what we've put into it. There's not going to be much of a loss; we're going to recover it back. I've heard members say this time and time again. I've heard ministers state that it doesn't matter because we're going to recover it all back, and there isn't going to be much of a loss.

All I can say, Mr. Speaker, to the people of Saskatchewan is that not everybody apparently believes that — not everybody apparently believes that. One of the doubters is the federal minister, Barbara McDougall, who doesn't believe we're going to recover everything back. I want to read, Mr. Speaker, from the House of Commons debates. I don't know quite how these are cited: Monday, May 6th, 1985, page 4447, in an answer to a question put to her by Mr. Gauthier, she states:

As I understand it, Saskatchewan is paying off 24 million immediately, whereas the payments to the income averaging annuities will be paid over time. It will be paying off the non-income-averaging annuities immediately. We're covering about \$10 million of income averaging annuities, and our assessment of that is 5 million . . . and our assessment is that 5 million, conservatively, will cover that.

Then she goes on, and this is the pertinent part to our debate:

It is covering 25 million, and it is expected the ultimate cost to Saskatchewan will be 10 million.

Then she goes on, and this is the pertinent part to our debate:

It is covering 25 million, and it is expected the ultimate cost to Saskatchewan will be 10 million.

She only expects to get about 15 million back. The Hon. Barbara McDougall's figure is 10 million.

I say to members opposite, you have a responsibility to give us your figure. Given the history of mismanagement, no one is going to believe it, but you at least have a responsibility to tell us what your figure is.

And these inane brush-offs which you're giving members opposite, and the public who want to know what this incompetence and this fiasco of yours is going to cost us — that it won't cost us much; don't worry, we're going to get it all back. I say to you that is dishonest. It is patently so.

You have apparently told the federal government something else. I assume that the figures used by the Hon. Barbara McDougall came from you people. So I assume that you're telling them one thing and us another.

I say that heretofore, before you people wrote the rules of legislative democracy, that was something that wasn't done — misinformation was not freely given in the House the way it is now. You people have rewritten the rules. You table information which is false, and you have done it so often that the rules of this Assembly have been virtually rewritten.

One of the faults with this. . . (inaudible interjection) . . . Members opposite seem to be a little touchy about this Bill, as well they ought to. As well they ought to. This Bill does not set out a specific sum. At least the federal government had the integrity to put their figure in the Bill, the \$5 million.

The Minister of Finance, in a speech which was wholly inadequate in introducing this Bill . . . You're introducing a Bill on a serious matter involving a fair sum of money to anyone else. I know that to pass off \$10 million means nothing to you people. But to other governments, and to other political parties, it's real money. . . (inaudible interjection) . . . And to the taxpayers, it's real money.

I know it means nothing to you people. But to the taxpayers, for whom you are supposed to represent, that's cash. And they think the 10 million might be used elsewhere if you people weren't squandering it at every turn of the bend. So I say, Mr. Minister, that you had a responsibility to give us a little more of an explanation than you did.

You may have felt yourself badly beaten up by the question period. I say, Mr. Minister, you're getting beaten up by the issue, not by the question period. And if you haven't got that figured out, you're in for a rough ride over the next few days. It is the issue, Mr. Minister, which is catching up to you, not the particular questions.

So I say, Mr. Minister, that your Bill is inadequate. It ought to have set out a sum. Your explanation is wholly inadequate, and we'll be dealing with that at greater detail.

A serious issue arises as to what the responsibility of the directors, the shareholders — the major shareholders and the current shareholders — of Pioneer Management is. And I know the members opposite are close to them. That is obvious to anyone with a smattering of knowledge about the Saskatchewan political scene. It was stated again, I think rather painfully to members opposite, in the W5 program. But it was obvious to anyone with any knowledge.

But there are a number of issues which have to be answered before this matter is put to rest. One of them is the degree of mismanagement. To what extent did it contribute to the demise of Pioneer Trust? To what extent was the mismanagement a contributing factor in the failure? To what extent was the mismanagement something that might have been avoided by a closer regulation?

There's a second question beyond the mismanagement, and that is, what of the conflicts of interest? I think that is something that was not well known before the W5 program, before Mr. Sykes, to his . . . (inaudible interjection) . . . *The Fifth Estate*. I'm sorry, *The Fifth Estate*.

Before Mr. Sykes, to his credit, decided to make a clean breast of this matter, there were apparently some serious conflicts of interest. There were apparently directors, obtaining interest-free loans, directors investing those, the proceeds of those loans, in risky ventures, and pulling Pioneer Trust in after them as a partner.

That would be questionable behaviour, Mr. Speaker, if it was done by a real estate development company. That kind of behaviour by the directors of a trust company, which in this country are

banks for all purposes, is, to put it mildly — to put it mildly — behaviour which we just simply shouldn't be seeing.

Beyond mismanagement and the conflict of interest, there is a third issue which needs to be resolved: was the government vigilant in regulating the company? I say to the Minister of Consumer and Commercial Affairs that there are some very serious questions with respect to the firing of Ken Stevenson that have not been dispelled. Indeed, they have been fuelled. They were raised last year in the House, and I'm going to read back to that minister in due course, at the appropriate time on the appropriate day, the answers which I got to those questions. Because they were, to put it mildly, not very candid.

I say to members opposite, you want to tarnish the name of Ed Childs. You're going to get that opportunity, so just hang on. You're going to get the opportunity to make a full explanation.

The fourth issue . . . The third issue which needs to be resolved, beyond mismanagement; beyond the second — the conflict of interest; the third — was the government vigilant in regulating the company? The fourth issue is the legal responsibility of the directors of a company and the major shareholders. There is a question of legal responsibility. No one who has any familiarity with the law in this area would attempt to give a quick answer off the cuff; suffice it to say, it is a difficult area of the law. In practical terms it is most unlikely that a liquidator will have an opportunity to pursue such questions. And in practical terms it won't happen.

But there is a third question, raised by Rod Sykes, and that is the moral responsibility of the directors and the major shareholders. What is their moral responsibility for the mess they created? As the member from Quill Lakes put, I suppose, in layman's language: are they entitled to continue to own houses big enough to drive automobiles in when they have left people in Estevan with nothing more than the — with no deposits alone, and an inane comment from the Premier to — “keep your chin up, kiddo”?

(1145)

Is that fair? Is that morally proper that the Kleins and the Sneaths should retain that wealth when some of the smaller depositors, the people in Estevan, have lost their life savings and owe loans which, for them, are very, very large?

Not one of those questions, not one of the four questions I have raised are going to be answered by a liquidator. I say to members opposite: if you really believe that's the case, then enjoy it because before this matter clears the legislature I believe you're going to be disabused of that notion.

The Minister of Finance was apparently able to convince you that what happened on April 10th was the most intelligent budget ever. So I assume he can convince you of anything. Any minister which can convince you that that disaster was the most intelligent budget ever . . .

**MR. SPEAKER:** — Order, please. You're dealing with the debate on a specific Bill and not dealing with the budget.

**MR. SHILLINGTON:** — I was referring, Mr. Speaker, to the money which we're being asked to vote with this Bill. And I say to members opposite . . . this indeed is a budgetary Bill. I say to members opposite that the minister has now convinced you that the liquidator is going to answer all these questions. I tell you, enjoy it, because you're going to be disabused of that notion as surely as you have become disabused of the notion that on April 10th you brought down the most intelligent budget ever.

I say to members opposite: you have a responsibility which goes beyond protecting you and your friends and your interests. You have a responsibility to the taxpayer of this province. And I

join the member in Quill Lakes in saying that I'm going to do my part in trying to ensure that you realize that responsibility, and you meet it, because you have avoided it to date in the administration of this province's affairs, and you are surely trying to cover up and avoid it in this affair.

We will be voting, Mr. Speaker, in favour of this Bill on second reading. Given the major role played by the Minister of Finance in toppling this trust company, surely the government has a responsibility to make good the money that those depositors put in. Nobody's arguing with that.

The member from Quill Lakes referred to some of the comments in his riding. You know what they're saying in my riding? You want to start a small business in Saskatchewan, start a big one and then ask the government for help. And what do you wind up with? Canadian Pioneer Management — a small business.

Mr. Speaker, I say to members opposite that clearly, given the incompetent fashion that the Minister of Finance handled this matter . . . You have handled it incompetently from November to date. Mr. Minister, you may have distinguished yourself in other areas, but throughout, every time this matter has raised, you have made the situation worse.

I ask you now to turn over a new leaf. Begin by making a full disclosure of this matter to the House and to the public because this opposition, Mr. Minister, are going to be pressing you for it. And if you don't think the public are interested in the answers to the question which we're asking, then I tell you, Mr. Minister, you're not in touch. If you think there's only eight people who are interested in the answers to the questions that are going to be asked of you in the committee of the whole, then you are pretty badly out of touch — far worse than I thought.

So I say, Mr. Speaker, we will be voting in favour of this. We are going to have a very vigorous debate, however, in committee of the whole because we believe when we go and pick up our pay cheques, or get our pay cheques delivered as they just were five minutes ago, there's a responsibility goes with that. We are here, paid to look after the taxpayers' interests.

And you people opposite may believe you can avoid that, and you may believe, Mr. Minister, you may believe, Mr. Speaker, that your only responsibility is to yourself, your comfort, and your friends, but I'll tell you that that isn't the case. The public doesn't believe it.

I say we're going to be pressing for a full public inquiry. None of those questions which I referred to are going to be answered by a liquidator. If the minister has convinced you of that, I guess he can convince you of anything. So enjoy it because I don't think it's going to last very long — any more than your belief that this was the most intelligent budget lasted very long.

We'll be voting in favour of it, Mr. Speaker, but we're going to have some very hard questions and some very, very vigorous debate in committee of the whole when this matter comes up.

**MR. LINGENFELTER:** — Mr. Speaker, I would just like to add a few comments to what my colleagues have so aptly put in the area of Bill 70, and the concerns that they have raised in terms of the Minister of Finance and his agreement that he has made with the federal government to bail out the uninsured depositors.

And I noticed with interest when he was giving his speech that he did with great ease include the money that CDIC would be paying out as part of the federal government's contribution, and this is a neat trick that the minister has done since day one where he tries to include the moneys that has already been paid out as if it were part of this new agreement that he has signed with the federal government.

But there was a reason for this, Mr. Speaker, and I think it becomes obvious because in this agreement — and I would ask the minister, where is the agreement and why hasn't it been

tabled? — that in this deal that you arranged with the federal minister you got taken to the cleaners, my friend. The federal government did not pay out the same amount in percentages to this operation as they did to Ontario, and you know that full well. And we will be following that up.

And there's a good reason why the federal government, when they were negotiating with you, didn't treat you the same as Ontario when the trust companies went down there. I want to say that Barbara McDougall, when she was dealing with you, knew she didn't have to deal very much because she knew that you had made commitments that left you hanging out in the wind.

Mr. Speaker, I want to read into the record the full and complete letter that was sent by the Minister of Finance on November 21st to Mr. Will Klein. When I'm completed reading this letter I want it tabled so it becomes part of the record of the Assembly. This letter is dated, and it's from the Minister of Finance, November 21, 1984, and it's addressed to Mr. Will Klein, executive vice-president, Canadian Pioneer Management Ltd., 1920 Broad Street, Regina, Saskatchewan, S4P 3G7:

Dear Mr. Klein: Please be advised that the Government of Saskatchewan will guarantee the \$27.5 million preferred share offering of Canadian Pioneer Management Ltd. Details of the guarantee are now being reviewed by officials. You may expect the guarantee to be ready in time to allow your new equity to be placed prior to December 31, 1984. Yours truly, Bob Andrew, Minister of Finance.

Now having this letter on record, when you go to deal with the federal minister and ask for some money to help with this pay-out. I can well understand why Saskatchewan taxpayers are being treated differently than the taxpayers in Ontario and why the Saskatchewan taxpayers are being called on to pay more.

And I say to the Minister of Finance, who has left the Assembly now, that he is on very thin ice with the people of the province. When he came into this position of Minister of Finance and gained the early support of the people of this province promising over the term of his office to balance the budget, to not increase taxes, and to run a fair and even government, Mr. Minister, you have disappointed very severely the people of this province. You have run this province into debt to the tune of \$1.2 billion. You have run this province into debt to the tune of \$1.2 billion. You are now asking this Assembly to pay out \$20 million without any reasons and solutions being given to the problem.

I had a group of students from Frontier. And these were not grade 12's or university students; they were grade 7, 8, and 9 students, Mr. Minister. And they were asking questions that you were unable to answer in the House today. Now that means one of two things: either you are incompetent, or you're hiding something. You can take your pick. You can take your pick. Either you are an incompetent minister and don't understand — and I find that hard to believe — or you're hiding certain facts.

And what the students were saying is: where does this money come from? They were asking that question when we had our pictures taken and had a snack. They were saying: where does this \$20 million come from? And what I very clearly told them — and what other people are telling their friends and neighbours — is that it comes from one area, it comes out of our jeans' pocket, as Grant Devine would say. It comes out of our pocket in terms of taxes.

And I say to you, Mr. Minister, for this 20 million, a family of five will pay \$100 extra in taxes this year. Add this to the other major tax increases, and I believe the people in this province are very disappointed in you, Mr. Minister.

What we have here is a Bill which will pay out and protect the uninsured depositors without giving any of the background as to why we got into this position. And yesterday we saw the two



people who were most directly involved in Canadian Pioneer Management fly the coop. And there are many people asking: where did the money go to?

And Mr. Minister, this is the question that we have to ask while we pass the Bill, and not leave it up to some liquidator to answer at a future date after you are off the hook. And I think that question is being put to you today is, where has the money gone? Because what the taxpayers are demanding that when they pay out the 20 million — and they are the ones paying it, not you — when they pay out the 20 million, they want to know where did the money go to that they are being asked to replace. And that's a fair question.

The member from Regina Centre has talked about the huge, massive houses that these people are still living in who ran this company into the ground. And they find it hard to believe that the money has just disappeared. There are many people who think that money still may be somewhere and that you have an obligation, on the part of the taxpayers, to try to get every cent that you can back, because \$20 million, believe it or not, doesn't come easy for the taxpayers of this province.

And I want to go back to 1982 when this whole scenario started, and I remember a business conference in 1982, in the fall of 1982. It was called open for business. And the cheerleaders, the Minister of Finance and the Premier, went around the province with their cheerleading saying, we're open for business and we're so rich here that we can mismanage this operation and still make money. That was the line they were using. And I think they convinced a number of people in Saskatchewan that they were going to be good business managers. Well, I think maybe you did have them convinced for about six months. I think they believed you.

But I want to tell you today that you go out into the Main Street of Shaunavon and you talk to the small-business people who are going broke, who have half the income they had in 1982, and who are being told that we now have a deficit of \$1.2 billion, and now because of the actions of the Minister of Finance we need another 20 million to bail out a Saskatchewan company which has gone bankrupt — at least in part as a result of this government's mismanagement — that they are not impressed with you over there who claim to be good business people. Because what farmers are saying is, if we ran our farm like the Minister of Finance is running this province, we wouldn't be in business. If we ran our small business like the Minister of Finance runs this province, we shouldn't be in business.

And Mr. Minister, I want to give you a word of advice. If you're serious about your future and wanting to run a Crown corporation somewhere in Canada, you're going to have to pull up your socks very bloody quickly, because I want to tell you that the way you've run this province, the way you've run this province, and the way you've mishandled this Canadian Pioneer Management, you have a long way to go to redeem yourselves in the eyes of any company or any Crown corporation because you have failed and failed miserably. And I say to you, Mr. Minister, if you were an honourable Minister of Finance, you would resign along with the others who have resigned in the past two days and fly the coop with them.

And I want to tell you that when we vote for this Bill, we will be doing it upon the idea that you will be moving some decent amendments and calling for a judicial inquiry to clear up this mess.

**HON. MR. ANDREW:** — Mr. Speaker, I would like to address, Mr. Speaker, I'd like to address a couple of questions, Mr. Speaker, first of all to the questions raised by the Leader of the Opposition. Some of those, Mr. Speaker, were legitimate questions. And then I will address with some of the trash that came from some of his disciples a little bit later.

First of all, with regard to the question raised by the Leader of the Opposition, Mr. Speaker, about the Estevan manager who showed the magazine . . . The argument of the Leader of the Opposition was to refer to *The Fifth Estate* show where the manager of the company in Estevan was supposedly to show the depositor . . .

Mr. Speaker, I wonder if the folks would just pipe down a mite and I can try to advance. You notice, Mr. Speaker, that the Leader of the Opposition is now one of the guys chirping. I was trying to address his question. If we could get to this question and they can raise . . . (inaudible interjection) . . .

Anyway, the Leader of the Opposition . . .

(1200)

**MR. SPEAKER:** — Order, please. It's impossible to carry on the business of the Assembly with the amount of shouting that's occurring.

**HON. MR. ANDREW:** — Mr. Speaker, the one point raised by the Leader of the Opposition was that in the show, Mr. Speaker, that the manager of the Pioneer Trust Company in Estevan had showed depositors who wanted to withdraw their money from that particular institution, this magazine. Now the problem is, is the magazine that was being referred to was the April edition of *Saskatchewan Business*. It was published late in March of 1984 — at least a month after, at least a month if not six weeks after the Pioneer Trust, in fact, collapsed and was shut down. So I don't think that's a very legitimate argument as to keeping people within and having their deposits held within Pioneer Trust.

The second argument advanced by the Leader of the Opposition, Mr. Speaker, is that the only reason that he would support this Bill is because depositors could have taken their money out. Now if that is to be held true and if that is a valid argument only by the Leader of the Opposition, then would he subscribe to the fact that the government should only cover those that had the right to withdraw deposits or investments in Pioneer Trust, a guaranteed income certificate, an RRSP, that could not be withdrawn prior to a given time?

Is he saying that those people should not be covered? And that's the logic and the reason, it seems to me, of his argument.

With regards to the hold back to the insiders, we have made it very clear, Mr. Speaker, that there will be a hold back to any insiders. The manager . . . (inaudible interjection) . . . I will come to that in committee of the whole as to the details of that and the legality of that.

Mr. Speaker, what there will be, and how this will be worked — as follows: is that there will be a waiver required of every uninsured depositor to be covered, a waiver signing those rights, his rights as it relates to the deposit to the Government of Saskatchewan just as it relates to his deposit.

That same individual if he, in fact, has also shares in Canadian Pioneer Management, those would not be waived, or the rights under that shareholder situation would not be waived. That enables the shareholder, if he wants to then further mount action against the management, or against that company, that he has a right to do that. What we then . . . By being assigned the right, or the individual's rights as a depositor, we then have all the rights at law to commence action, to pursue that action to insure that, in fact, we do recover as much money as we possibly can. That is clearly our intention, always stated to be the intention, and we'll get into the legal argument of the legal advice with regard to how we have to cover that.

With regards, Mr. Speaker, they raised a question about a federal-provincial agreement. The federal-provincial agreement, Mr. Speaker, which is . . . (inaudible interjection) . . . The agreement was being made very clear — agreement was not a large written agreement. What the federal government agreed to do, Mr. Speaker, was being made very clear. They agreed to cover the costs of income-averaging annuity contracts over five years, up to a maximum of \$60,000. That's what they agreed to do out of the treasury.

The Minister of State for Finance made that announcement in Regina. Clearly, that stated and set out — and if you're to follow, the member was referring to *Hansard* — clearly that's what it said in *Hansard*. If he was wanting to be open with this Assembly, Mr. Speaker, and advance those facts to this Assembly, Mr. Minister, then he would have, in fact, done that, Mr. Speaker. But obviously he's not interested in . . .

**MR. SPEAKER:** — Order, please.

**HON. MR. ANDREW:** — . . . (inaudible interjection) . . . the further absurdity of the minister, of the member from Regina Centre, because what he is saying, Mr. Speaker, what he is saying is this — what he is saying is this: we will not vote for this, Mr. Speaker. We can not vote for this until you tell me exactly how much money it's going to be. Exactly.

Now what is he really saying? What he is saying, if you're to follow the logic of that, Mr. Speaker, is don't pay any money out until you exactly know what the liquidation will come back, and that means hold this off for another year, or six months, or however how long it takes to liquidate. That is what the member from Regina Centre wants. That is exactly what the member from Regina Centre wants. He would have us wait; he would have the depositors wait.

But isn't that really what it's about, Mr. Speaker, if you look at the arguments advanced by the member from Quill Lakes and the member from Regina Centre. Did you hear once them saying anything about the depositor — once? Did you hear them say once that they had any concern about a retired farmer or a widow that has their money in there and can't get it out? Did you hear him once saying anything about a business man that has his money in there and would go bankrupt without that support? Did you hear him say once any kind of support for the sisters' order in Estevan through the hospital fund? Did you hear him have any concern about that at all, Mr. Speaker? Not once.

But what did he talk about? What did the member from Regina Centre talk about? Do you know what he talked about? He was rubbing his hands and saying, boy, this is a good political issue for us. That's all he said. That's all he said, Mr. Speaker.

And then you ask yourself, come on isn't the Assembly, isn't elected members more than saying: hey, I've got a good political issue here; can't you read the polls out there, folks? That is what he is saying, Mr. Speaker. That is shameful; that is a shameful activity for any member of this House to advance, and that's all he's advancing, Mr. Speaker.

Then he's saying, Mr. Speaker: oh, yes, but we're going to vote for this. Nothing about it that he likes — nothing about it that he likes. But he's going to stand up and vote for it. Where are his principles, Mr. Speaker? If he's against something, he should stand up and vote for it. He hasn't got the courage to stand up and vote for it, Mr. Speaker. He hasn't got the courage to do anything.

All the member from Regina Centre can do is this: I want an inquiry. Once a week he calls for an inquiry, because he hasn't got the responsibility, and he hasn't got the ability to raise an issue himself in this House.

Mr. Speaker, I move for second reading of this Bill.

**SOME HON. MEMBERS:** Hear, hear!

Motion agreed to on the following recorded division.

**YEAS — 37**

Muller	Currie	Hampton
McLeod	Sandberg	Gerich
Andrew	Dutchak	Schmidt
Lane	Embury	Meagher
Taylor	Martens	Glauser
Rousseau	Domotor	Zazelenchuk
Duncan	Muirhead	Weiman
Katzman	Hodgins	Swenson
Pickering	Parker	Blakeney
McLaren	Smith (Moose Jaw South)	Lingenfelter
Garner	Rybchuk	Koskie
Baker	Caswell	Shillington
Hepworth		

**NAYS — 0**

Bill read a second time and referred to a committee of the whole at the next sitting.

**HON. MR. McLEOD:** — Mr. Speaker, I would ask for leave of the Assembly to revert to private Bills, and what I propose to do is deal with Bill No. 04 in committee, to take second reading of Bill No. 01, in second readings of 01. The reason for this, Mr. Speaker, by way of explanation, is that we would ask that the member from Saskatoon Mayfair be allowed by yourself to carry these Bills on behalf of the member from Saskatoon Eastview, who is unable to be here as having contracted pneumonia. I have a letter here from the member for Saskatoon Eastview, Mr. Speaker, which I would table now to that effect.

So with that, Mr. Speaker, I'm asking for leave to revert to private Bills.

Leave granted.

**PRIVATE BILLS**

**COMMITTEE OF THE WHOLE**

**Bill No. 04 — An Act to amend AN ORDINANCE TO INCORPORATE THE ASSINIBOIA CLUB**

Clauses 1 to 3 inclusive agreed to.

The committee agreed to report the Bill.

**THIRD READINGS**

**Bill No. 04 — An Act to amend AN ORDINANCE TO INCORPORATE THE ASSINIBOIA CLUB**

**MR. GLAUSER:** — I move that Bill No. 04 — An Act to amend AN ORDINANCE TO INCORPORATE THE ASSINIBOIA CLUB be now read a third time and passed under its title.

Motion agreed to and Bill read a third time.

**PRIVATE BILLS**

**SECOND READINGS**

**Bill No. 01 — An Act to incorporate the United Community Funds of Saskatoon Foundation**

**MR. GLAUSER:** — Mr. Speaker, I move that this Bill now be read a second time and referred to the Standing Committee on Private Members' Bills.

Motion agreed to, Bill read a second time and referred to the Select Standing committee on Private Bills.

The Assembly adjourned at 12:34 p.m.