

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**May 15, 1985**

The Assembly met at 2 p.m.

Prayers

**ROUTINE PROCEEDINGS**

**PRESENTING REPORTS BY STANDING, SELECT AND SPECIAL COMMITTEES**

**Standing Committee on Private Members' Bills**

**DEPUTY CLERK:** — Ms. Zazelenchuk, from the Standing Committee on Private Members' Bills, presents the ninth report of the said committee which is as follows:

Your committee has considered the following Bill and agreed to report the same without amendment:

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

Your committee recommends under the provision of Rule 58 that fees be remitted, less the cost of printing with respect to Bill 01.

**MS. ZAZELENCHUK:** — Mr. Speaker, I move, seconded by the member for Quill Lakes:

That the ninth report of the Standing Committee on Private Members' Bill be now concurred in.

Motion agreed to.

**INTRODUCTION OF GUESTS**

**MR. SHILLINGTON:** — Mr. Speaker, I know you and other members of the Legislative Assembly will want to join with me in welcoming to the Assembly 40 students from St. Theresa Elementary School, Regina.

It is a particular pleasure — I know members will want to join with me as well in welcoming to the Assembly a distinguished member of this Assembly, one who has served in many posts, including finance minister.

I ask all members to join with me in welcoming this group to this Legislative Assembly.

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

**MR. RYBCHUK:** — Thank you, Mr. Speaker. As Regina Victoria borders on to Regina North East, and as being the representative representing Regina North East now in the absence of an MLA, I want to take this opportunity to welcome those grade 8's from St. Theresa.

I hope that their stay here is educational. I would hope that they would get an unbiased view of what's happening here, but I'm sure, as intelligent grade 8's, they will formulate their own opinions. Thank you very much.

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

**MR. ENGEL:** — Thank you, Mr. Speaker. I would like to, through you, to extend through this House a special welcome to 24 grade 11 and 12 students from Mossbank, with their teachers,

Mr. Ward and Mr. Tauh, and their bus driver Mr. Eppy.

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

**HON. MR. PICKERING:** — Thank you, Mr. Speaker. I would like to join with the member from Assiniboia-Gravelbourg in welcoming the Mossbank students. I understand that some of them come from the good riding of Bengough-Milestone, but attend school in Mossbank.

I will be joining with my hon. colleague with you for pictures and drinks immediately following question period, and I would like all members to welcome them to the Assembly and wish you a safe journey back home.

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

**HON. MR. HARDY:** — Thank you, Mr. Speaker. It's a pleasure for me to introduce through you, and to this Assembly, 19 students from the Archerwill Elementary School. They are accompanied here today by their teacher, Mr. Darrell Paproski, chaperoned by Mrs. Dora Slind, Mrs. Fay Maslin, Mrs. Roberta Ewen, Mrs. Dorothy Klettberg, and Mr. Bob Wilson, all from Archerwill. They're also with their bus driver, Mr. Jim Haggard of Quill Lake. I'd like to welcome these students here today. I hope they have an enlightening and informative afternoon here in question period. I'm sure they'll have a learning experience of what goes on in this Legislative Chamber.

I'd also like to mention that these students next year will be attending a brand new school in Archerwill, and I'm sure they are going to enjoy their new school and new gymnasium there. I ask all members to join with me in welcoming them to this Assembly.

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

## ORAL QUESTIONS

### Collapse of Pioneer Trust

**MR. SHILLINGTON:** — Thank you. My question is to the Minister of Consumer Affairs. It deals with the largest business failure in Saskatchewan history, the collapse of Pioneer Trust.

What has become apparent throughout this fiasco, Madam Minister, is that your government failed to adequately regulate Pioneer Trust. We said so some months ago. Rob Sykes said so a week or so ago. And the public are now saying so. And the tragedy which has become apparent in the last few days is that with proper regulation many of the excesses which resulted in this unprecedented collapse might have been avoided.

My question, Madam Minister, deals with Pioneer Trust's sister company, Pioneer Securities. Can the minister deny that when Pioneer Securities applied for a licence in July of 1982, the Saskatchewan Securities Commission chairman, Ken Stevenson, expressed concern about registering a company which was directly related to other financial institutions, specifically Pioneer Life and Pioneer Trust. Can you deny that?

**HON. MRS. DUNCAN:** — Yes, I can. I wasn't minister of consumer affairs in July of '82, and Mr. Stevenson didn't express those concerns to me when I became Minister of Consumer and Commercial Affairs.

**MR. SHILLINGTON:** — Well I wonder, Madam Minister, if you have taken an opportunity to familiarize yourself with the orders which are public documents. And I want to just, by way of background, read one sentence out of the order given by the securities commission:

The commission concluded at this time it could not accept the policy statement

drafted by the commission staff to pass new guide-lines for the registration of this dealer.

I ask you, Madam Minister — that order was published on August 6, 1982. I ask you, Madam Minister: have you taken the time to in any sense familiarize yourself with the orders, which are public documents?

**HON. MRS. DUNCAN:** — Yes, Mr. Speaker, I have read some of the orders . . . (inaudible interjection) . . . August 6, '82 — I'll take notice and go through the whole document.

**MR. SHILLINGTON:** — Well, Mr. Minister, supplementary. Can you deny that Ken Stevenson — it was reported publicly — can you deny that Ken Stevenson, in fact, felt that Pioneer Securities could not be registered as a dealer-broker in Saskatchewan without a major change in policy and a new guide-line for the industry, which he, in fact, prepared for the Saskatchewan Securities Commission in 1982? Can you deny what was published in the *Leader-Post* of the same period?

**HON. MRS. DUNCAN:** — As I said, I will take notice. I do know that you people tend to exaggerate things at times, so I will take notice, and I will reply to you tomorrow.

**MR. SHILLINGTON:** — One supplementary to the minister. A new question, Mr. Speaker.

I want to read for the benefit of the minister, who is apparently a complete novice about this subject, the following sentence:

The commission stated in its decision of July 22, 1982:

The commission wishes to clearly indicate that, in permitting the registration of Pioneer Securities, it is granting an exemption from its stated policy on the basis of the very unique circumstances of this particular application.

So registration was granted with that statement.

Madam Minister, will you admit that there are no unique circumstances, apart from the notoriously close political ties between Canadian Pioneer Management and this government?

**HON. MRS. DUNCAN:** — Mr. Speaker, I can just reiterate to the member . . . He may have trouble understanding. This concern was never raised with me by Mr. Stevenson while he was chairman of the securities commission while I was minister.

If those things happened in July of '82, I was not Minister of Consumer Affairs. And when I took over the portfolio, Mr. Stevenson did not see fit to raise that matter with me.

**HON. MR. BLAKENEY:** — Mr. Speaker, I'd like to direct a question to the Minister of Consumer Affairs. And since the period during 1982 does not seem to be within her knowledge, I will move on to a later period.

And can the minister confirm that just eight months after Pioneer Securities opened its doors, and this would be a later period now, under this special exemption referred to by my colleague, an audit of the procedures of Pioneer Securities found 24 separate violations of The Securities Act and resulted in a special hearing into whether or not Canadian Pioneer Securities should have its registration cancelled?

Do you deny that there was such an audit? Do you deny that there was such a hearing? Do you deny that the subject matter of that hearing was whether or not Canadian Pioneer Securities should have its licence cancelled?

**HON. MRS. DUNCAN:** — Again the Leader of the Opposition, by innuendo and veiled allegations, talks about this incident with Pioneer Securities. An audit was done by the request of the commission by the Vancouver Stock Exchange, and I was told at the time that such an audit is quite usual with a new company. And there were violations, and they were of a very minor nature, and most of them were remedied. They were auditing procedures, things of that nature, and most of them were corrected prior to the hearing of the commission which, I may say, is also public. It was reported in the *Leader-Post*, I believe, in February of '84 or '83, when the hearing was held.

**HON. MR. BLAKENEY:** — Supplementary, Mr. Speaker. With respect to the minor violations referred to by the minister, will the minister agree that among the violations referred to in the audit were the following: a \$237,000 shortfall in reserve of capital; an allegation that the company was taking the side of the market, rather than the side of its customers; an allegation of an attempt to manipulate the market price of Canadian Pioneer Management shares; an allegation of trading Canadian Pioneer Management shares in British Columbia, Alberta, Manitoba, and the Northwest Territories, in United States and in England, without being registered in those jurisdictions.

Does the minister believe that those are minor matters, minor matters which should not have engaged the attention of the commission?

**HON. MRS. DUNCAN:** — Well I suppose I could read into the record and take up all of question period the five-page report of the auditor from the Vancouver Stock Exchange.

He says (this is dated February '84):

The examination of Canadian Pioneer Securities Limited was conducted on August 30 to September 1, 1983, and encompassed not only financial statements and joint regulatory financial questionnaire and report of June 30, 1983, but also the rules and regulations of the industry, internal control, and miscellaneous items.

1. *Financial Report. (a) Clients accounts — line 7 Statement A - \$17,199.* This amount is incorrectly stated. The actual amount should be \$18,631. Due to netting of accounts. The difference of \$1,432 should be added to Line 55 — Clients Accounts. The effect of this change does not change liquid capital on Schedule B; however, adjusted liabilities are increased on Schedule C by \$1,432.

(b) *Margin requirement on securities owned.* The margin requirement on securities owned is the difference between the market value and loan value. Due to the fact that the shares of Canadian Pioneer Management is not a listed security . . .

**MR. SPEAKER:** — Order, please.

**HON. MR. BLAKENEY:** — Mr. Speaker, a supplementary, one short question. Does the minister acknowledge that at the time of the decision of the securities commission to which she referred, and which she was reading at length, the commission which consisted of Gordon J. Kuski as chairman, Alan W. Wagar — somewhere I've heard that name before — Alan W. Wagar as a member of the commission, and Herb J. Dow formerly of Pemberton Houston Willoughby — was that the composition of the commission?

**HON. MRS. DUNCAN:** — That is correct. I think it states on the order issued by the . . . Gordon Kuski, Q.C., chairman.

Now I say, Mr. Speaker, that the Leader of the Opposition, through innuendo, veiled allegations, is up to his old tricks. This is a public document that anybody can have access. The hearings are

open. Now I could read what the chairman and the commission ordered, but it was very minor, as I said.

**MR. KOSKIE:** — Mr. Speaker, I'd like to continue a question to the Minister of Consumer and Commercial Affairs. And I ask the minister, in respect to your policies to protecting consumers through adequate regulations, as you know, we have seen the major collapse of Pioneer Trust. We have seen the irregularities of Pioneer Securities. I ask you, in light of the fact that now, as a result of proper regulations and care and protection of the consumers, your government is now asking the taxpayers to pay \$28 million to bail out some of your political friends; I ask you, Mr. Minister: will you, as minister responsible for the protection of consumers, now do the honourable thing and join with others who are calling for a full public inquiry into this whole mess that has been bestowed upon the taxpayers of this province?

**HON. MRS. DUNCAN:** — I think that is a repetitious question that we've heard for the last three or four days, and it was amply answered by the Minister of Finance. We shall wait for the liquidator of Pioneer Trust assets to file his report with the court. And I'm sure that any deficiencies, etc., shall be filed in that report. And you being a lawyer, I'm surprised you'd ask a question like that.

**MR. KOSKIE:** — Well I just wanted to say, Mr. Speaker, her being a minister, I'm very surprised at the answers.

But I ask you, Madam Minister: can you in good conscience, as a protector of the consumers of this province, can you in good conscience join with your government and refuse to have a public inquiry in light of editorials calling for it, for senators calling for it, for the opposition calling for it, for the taxpayers calling for it? Why won't you, in fact, support a public inquiry into this mess that is costing the taxpayers \$28 million.

**HON. MRS. DUNCAN:** — Because I feel that the world unfolds in an orderly fashion, and we shall wait until the report is filed back with the courts by the liquidator. And yes, I can, in good conscience, support the stand taken by this government.

**MR. SHILLINGTON:** — New question. Madam Minister, the information which you just gave to the Assembly is simply not accurate. You stated that the matter had been largely cleaned up at the time of the hearing. I want to remind you, Madam Minister, of the results of that hearing.

The results of the hearing . . . and Madam Minister might remember that Ken Stevenson raised the issue and he was fired. Some five or six months later, in February, a Gordon Kuski, acting chairman, heard the matter and the following was the result — Mr. Hepting was placed on probation. He was the general manager of Pioneer Securities. And as a result of the hearing, the commission was . . . the Pioneer Management group was ordered to make a number of administrative changes.

Madam Minister, in light of the fact that you come into this Assembly not even knowing what happened, and you come into this Assembly giving us inaccurate information, in light of all that has gone on, how can you deny the public a public inquiry? Not even the government opposite is clear about what happened. Does that, if nothing else, does that not convince you of the need for a public inquiry?

**HON. MRS. DUNCAN:** — Well perhaps you should turn to page 5 of the document. I'm sure it's similar to the one that I have. Okay.

Where it states that:

The members of the commission have been assured by CPS that those discrepancies outlined in the report of Ross McLennan, exchange examiner for the Vancouver

Stock Exchange, dated September 19, 1983, have been addressed and remedied by CPS.

And yes, it is true that Mr. Hepting was put on probation, and that is not unusual with a new trust company when they are monitoring the situation . . . (inaudible interjection) . . .

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

**HON. MRS. DUNCAN:** — They were also ordered that:

In the event of any trading in shares of CPM by insiders of CPM, CPS, PTC and PLAC, there shall be filed with the commission within 7 business days, any such trade, a Report (Form 15, with appropriate alterations) . . .

They complied to the order of the commission.

### Safe Grad Report

**HON. MR. BLAKENEY:** — Mr. Speaker, I'll direct a new question to the Minister of Justice. And my question to the Minister of Justice deals with the Safe Grad report. And it deals with the unfortunate circumstances surrounding the Sheldon-Williams Safe Grad party at Craven on April 27.

Two weeks ago the minister promised a full report on this incident and what action he would take to deal with similar problems, or to avoid similar problems. Can you provide us with that report now, including what action has been taken to make sure that this kind of problem does not rise again?

And can you tell us whether anyone in an official capacity — the provincial Safe Grad committee, or anyone else — has tendered any sort of an apology to the parents or students of Sheldon-Williams?

**HON. MR. LANE:** — I'm not aware of any apology. I have not yet received a report. I do not know if an apology would be warranted.

The action taken to date, when we received calls from other Safe Grad committees, we simply advised them that there had been no change in policy. And I understand that since the particular incident, several other Safe Grad graduation ceremonies have gone on without incident.

**HON. MR. BLAKENEY:** — Supplementary, Mr. Speaker. Mr. Minister, you will have received a detailed written report on the incident from the parents who helped organize the Sheldon-Williams Safe Grad.

And they have some very strong criticisms of public comments that you and other government officials made following the incident — some very strong criticisms of the attitude displayed by the RCMP. These are the parents of the students at Sheldon-Williams.

In the light of their report, have you made any attempt to get all the groups involved together to talk about how this incident arose so as to avoid similar problems in the future?

**HON. MR. LANE:** — Well, so far our response to other Safe Grad committee, as I have indicated, would show that other Safe Grads have gone on without incident. And so there has been no recurrence of such incidents.

**MR. KOSKIE:** — Mr. Speaker, a question to the Minister of Justice. Mr. Minister, the written report to you from the Sheldon-Williams parents ends with these words:

The students' graduation was ruined. The time and effort invested by the parents and the students, wasted. The expenses incurred were not justified. This was not just an unfortunate incident, it was an indefensible betrayal of 600 responsible adults and students who participated in a program in good faith. We would appreciate an official apology.

Considering what happened at this event, I ask you again, Mr. Minister: will you have the courtesy to at least contact the group of parents and students at Sheldon Williams, offer your apologies for the lack of clarity, at least in respect to the policy, because their intentions certainly were honourable.

**HON. MR. LANE:** — Well, I'm afraid I don't intend to apologize for the RCM Police laying charges under the . . .

**MR. SPEAKER:** — Order, order.

**HON. MR. LANE:** — Mr. Speaker, I don't intend to apologize . . .

**MR. SPEAKER:** — Order.

**HON. MR. LANE:** — . . . for the RCM Police laying charges under the Narcotic Control Act, and for the opposition to ask me to do that, I frankly think, is a tremendous disservice to the people of this province.

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

**HON. MR. LANE:** — We know the New Democratic Party stand on the legalization of drugs and marijuana, Mr. Speaker, but to take that position, to take that particular position, I frankly find shameful.

**MR. SPEAKER:** — Order. Order, please. I'm going to ask both sides of the House to keep it a little quieter in here.

**HON. MR. LANE:** — I have indicated that when I have received a full report . . . I can understand why parents, if they have their view of a certain set of circumstances, may be upset. I just indicate to the hon. members, and we have indicated to other Safe Grad committees, that there have been other safe grads held since that incident that have gone on without incident, and that the co-operation between the committees and the respective police forces has been well recognized.

Having said that, I indicated to the Leader of the Opposition previously that when I have that report I will consider a course of action at that time. It may mean getting back with the parents and students. It may well be that no further action is necessary. That is a distinct possibility, given the fact that other Safe Grad committees and graduations have gone on without incident, Mr. Speaker.

**MR. KOSKIE:** — In light of the minister's answer . . . New question, Mr. Speaker. In light of your answer, Mr. Minister, you indicated that other safety grads have been held and have been a success. Are you indicating here that the responsibility for the lack of success was, in fact, to be placed on the organizing parents and students of Sheldon-Williams?

**HON. MR. LANE:** — That is precisely why I'm awaiting a report to see where the responsibility lays.

### **PCB Spill in Saskatoon**

**MR. SHILLINGTON:** — I have a question for the Minister of the Environment. It deals with the PCB spill which occurred in the Saskatoon field house on April 17th. Last month, Mr. Minister, you were unable to tell the Assembly where the contaminated soil and other debris from this PCB spill have been stored.

You took notice of the question. Can the minister please provide the information now to this Assembly?

**HON. MR. HARDY:** — Thank you, Mr. Speaker. Yes, I can give him that information. The question was asked: where is the contaminated soil being stored?

Twenty-eight yards of the soil was removed as a result of the April 17, 1985 spill of PCB liquids from a capacitor on the Preston Avenue in Saskatoon. The soil was placed in seven steel containers that were sealed and plastic lined. Steel tops were sealed on the containers.

The containers were taken to the city property at 619 Main Street, an area zoned Industrial II. An electrical substation has previously been located at the site. The area is fenced. There is one building on the property which the city has stored for a number of years, containers, 45-gallon barrels of soil since 1980 and 1981, together with other old capacitors and ballasts, etc. That's been stored there since 1980.

The soil is securely stored and does not represent a risk to health or the environment. No technologies are available to treat the contaminated soil, so it will remain in storage until facilities are available.

**MR. SHILLINGTON:** — Mr. Speaker, it would be of considerable assistance to this Assembly if ministers would learn to read the statements before they bring them to the Assembly. It's very difficult to follow a statement that you yourself . . .

**MR. SPEAKER:** — Order, please. This is question period. It's not time for the member to make statements but rather to ask questions.

**MR. SHILLINGTON:** — Mr. Minister, if I understood that disjointed and very poorly articulated statement properly, the site is, in fact, on the 600 block of Main Street.

**MR. SPEAKER:** — Order, please!

**MR. SHILLINGTON:** — It is, in fact, Mr. Minister, in the middle of a residential area. It's a couple of blocks across the street from Nutana Towers, a senior citizen's apartment block. It's a few doors away from the Catholic family service centre. It's a few doors away from the native survival centre which teaches about 50 native children, and just down the street from a 7 Eleven store.

I ask you, Mr. Minister, do you honestly feel that that is an ideal location to be storing PCB contaminated materials, and in the last month, did you not feel any obligation to tell the public of Saskatchewan, and particularly the public of Saskatoon, that you were storing PCBs in the middle of the neighbourhood?

**HON. MR. HARDY:** — Well, Mr. Speaker, in answer to the member's question, no, I don't think it's probably the best place to store PCBs.

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

**HON. MR. HARDY:** — . . . Since early 1970s, and it's a storage site that has been located by the previous government there. It is fenced there in sealed containers. They're in sealed containers,



fenced, and there is other contaminated soil on site. Until such time as we have a site location to move it to, it is the safest place to be stored because it is fenced in and in steel containers.

**MR. SHILLINGTON:** — Supplementary, Mr. Speaker. Mr. Minister, will you not admit . . .

**MR. SPEAKER:** — Order, please!

**MR. SHILLINGTON:** — Mr. Minister, will you not admit that contaminates which are this toxic should be stored away from a residential area, away from where people and children frequent? Will you not admit, Mr. Minister, that containers do leak, children do get over fences, and, in fact, these sort of materials do in fact come in contact with the public? And will you not admit that a location removed from a residential area would be a far better location, and will the minister not undertake to find such a location and move that material out of there at the earliest opportunity?

**HON. MR. HARDY:** — Well, Mr. Speaker, first of all you've got to remember they're in steel containers. They're inside of a building. The entire property is fenced with, I believe, an eight-foot fence. The gate is locked. I don't know how much more secure they could be.

And everybody agrees that there's no safe place, like absolutely safe place to store some toxic material. They've been there . . . some of that material's been there since in the 1960s and 1970s, and some extra was stored there in 1980. It's been there for a long time. So until such time . . . (inaudible interjection) . . .

**MR. SPEAKER:** — Order, please.

## MINISTERIAL STATEMENTS

### Inquiry into Commercial Bingo Halls

**HON. MRS. DUNCAN:** — Mr. Speaker, I wish to announce today an inquiry into the operation of commercial bingo halls in Saskatchewan. The inquiry is to be held under the authority of The Public Inquiries Act. The reason for the inquiry at this time . . . (inaudible interjection) . . .

**MR. SPEAKER:** — Order, please.

**HON. MRS. DUNCAN:** — The reason for the inquiry at this time is because of the public concern which has been expressed over . . . (inaudible interjection) . . .

**MR. SPEAKER:** — Order, please. It's impossible to carry on the work of this Chamber with the amount of yelling that's going on in the House. I've called for order a number of times today, and I'm going to ask that if members can't contain themselves that they leave the Chamber and give the others a chance to operate.

**HON. MRS. DUNCAN:** — Thank you, Mr. Speaker. The reason for the inquiry at this time is because of public concern which has been expressed about commercial bingo halls in general, and which has been building since the first commercial hall received approval in 1981.

This general concern may be summarized in two major points. One, the impact which commercial bingo operations have on traditional community bingo halls. This is of particular concern in smaller communities where church and community halls are commonly used for local bingo activity.

Second, there is public concern over the distribution of revenue between commercial hall operators, prizes, and the sponsoring charitable organization.

While the inquiry will focus on commercial bingos, the terms of reference of the inquiry are

broad and will allow for the review of bingo operations in general. This is essential to allow the government to assess the impact of commercial bingo operations on community, non-commercial operations. The inquiry will provide a forum for informed debate and suggestion. Some of the terms of reference which are of interest include, Mr. Speaker: (1) the role and activities of commercial bingo hall operations and licensed charities conducting bingos in both commercial and non-commercial halls; (2) the feasibility of establishing some procedure for allocating bingo event opportunities in commercial halls; (3) the role of the provincial bingo licensing unit within the Department of Consumer and commercial Affairs; and (4) the need for specific licensing and regulation for commercial halls within the province, for example, where commercial halls should be located within communities or perhaps possible size restrictions.

We must look very seriously at the whole question of the distribution of gross expenditures in commercial bingo operations. This must be seen in balance with the revenue being generated for the charitable organization which is holding the bingo. The time has come to make some judgement about who should be getting how much, to put it bluntly.

We cannot lose sight of the fact, Mr. Speaker, that the Criminal Code clearly intends that the primary beneficiary of any bingo operation shall be the charitable organization conducting the bingo.

This inquiry may identify further issues. I will look forward to considering the options which the inquiry suggests for dealing with the issues in Saskatchewan.

There are currently 24 commercial bingo operations in the province. Some of the charities which traditionally have used community bingo facilities, especially in smaller communities, have expressed concern about the proliferation of commercial bingo operations since the first hall was approved in Regina in 1981. A moratorium on additional commercial bingo operations is now in place pending the outcome of the public inquiry and report.

The public inquiry will provide a vehicle for all members of the public to make their concerns known to government. There will be ample opportunity for all interested parties to make their representations. The inquiry will include public hearings at major centres throughout the province. Written submissions will be welcome from people or organizations who are unable to attend the public meeting in their local area. The terms of reference of the inquiry provide for a comprehensive analysis of the existing regulations and procedures, including comparisons with other provinces.

My chief concern, Mr. Speaker, as always, will be to see that a fair balance exists in the market-place. For example, there may be a need identified to restrict or limit the number and size of commercial halls in the province. I am confident that the public interest is such that the inquiry will provide some answers to these and other basic questions. Based upon this information, government action will follow which reflects the public wish. Thank you, Mr. Speaker.

**MR. SHILLINGTON:** — Thank you, Mr. Speaker. I can imagine members opposite not applauding very vigorously to that statement.

Madam Minister, I don't know whether to laugh or cry when I hear your statement. It is incredible, and Madam Minister, it drips with contempt, contempt for public opinion. The government, including this minister, has spent months stonewalling a public inquiry into the Pioneer Trust fiasco, and a public inquiry has been called for, not just by this opposition . . .

**MR. SPEAKER:** — Order, please. We're dealing with a ministerial statement that had nothing to do with Pioneer Trust. If the member . . . Order, please! If the member has something to say with regard to the statement we'd be pleased to hear it.

**MR. SHILLINGTON:** — I am suggesting, Mr. Speaker, to Madam Minister and this Assembly that

if they're not prepared to call a public inquiry into Pioneer Trust, but are prepared to call a public inquiry into bingo palaces, then your priorities are very badly askew.

It may be, Madam Minister, that the industry needs regulations. It may be that service clubs and non-profit groups who benefit from bingos need to get a fair return. It may be that those who play bingo need to be assured that the games are being played fairly. But you could have accomplished all of that, Mr. Minister, by sitting down with those groups and talking to them.

You stand there, Madam Minister, and say that the government can't get the goods on what's happening in the bingo halls of Saskatchewan. I note one particular statement in your statement that you read, and that is that we need to make "some judgements about who should be getting how much, to put it bluntly."

I wonder, Madam Minister, if you've considered the necessity, the desirability, of deciding who should get how much with respect to the matter before this Assembly — Pioneer Trust. I suggest, Madam Minister, you have lost all sense of perspective. You've lost all sense of judgement. But what is worse, you have lost all sense of what is right and what is wrong.

Today the taxpayers, Madam Minister, must be shaking their head in disbelief. To deny the need for an inquiry into a \$28 million fiasco when the taxpayers' money is at stake — the equivalent of a 2 percentage point increase in personal income taxes — that, apparently, is not important enough to investigate, but problems with bingo palaces are.

The taxpayers, Madam Minister, not only need to know who should be getting how much, to put it bluntly, with respect to the bingo palaces. The same question needs to be answered, Madam Minister, with respect to the \$28 million fiasco for which your government is knee-deep.

Madam Minister, the Saskatchewan taxpayers have a right to know why they're shelling out \$28 million.

**MR. SPEAKER:** — Order, please. I cautioned the member before about referring to other items than what is in the ministerial statement. I'll take the next speaker, if somebody wants to say something.

### **TABLING OF ANNUAL REPORT**

**MR. SPEAKER:** — Before orders of the day, I'd like to lay on the table the annual report of the Commonwealth Parliamentary Association for the year 1984.

### **ORDERS OF THE DAY**

#### **ROYAL ASSENT TO BILLS**

At 2:44 p.m. His Honour the Lieutenant Governor entered the Chamber, took his seat upon the throne, and gave Royal Assent to the following Bills:

(1445)

Bill No. 41 — An Act respecting the Consequential Amendments to Certain Acts resulting from the Enactment of the Canadian Charter of Rights and Freedoms

Bill No. 55 — An Act to amend The Municipal Tax Sharing (Potash) Act

Bill No. 56 — An Act to amend The Department of Social Services Act

Bill No. 57 — An Act to amend The Tax Enforcement Act

Bill No. 58 — An Act to promote Regulatory Reform in Saskatchewan by repealing Certain Obsolete Statutes.

Bill No. 59 — An Act to amend The Alcoholism Commission of Saskatchewan Act

Bill No. 32 — An Act to amend The Mortgage Interest Reduction Act

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

Bill No. 02 — An Act to amend An Act to amend and consolidate An Act respecting Saskatchewan Co-operative Credit Society Limited and Saskatchewan Co-operative Financial Services Limited

Bill No. 05 — An Act to incorporate the Saskatchewan Baptist Association

His Honour retired from the Chamber at 2:47 p.m.

## **GOVERNMENT ORDERS**

### **COMMITTEE OF THE WHOLE**

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

##### **Clause 5 (continued)**

**MR. ENGEL:** — Thank you, Mr. Chairman. Mr. Minister, I haven't entered into this debate yet up until this point. But when we're looking at clause 5 and paying out:

The Minister of Finance shall pay out of the consolidated fund any sums required for the purpose of this Act.

I had several constituents contact me in the past and again this morning with very, very serious reservations. Basically they're saying this: Mr. Minister, you're prepared to give a blank cheque to people that have . . . (inaudible interjection) . . . He wants us to give a blank cheque, then. Okay. I'll agree to my colleague's phraseology there. But you're prepared to give a blank cheque and take any amount of money that's required for depositors, for shareholders, for mismanagement, because of mismanagement by the company directors.

The people that talk to me, in particular 12 constituents of mine that are senior citizens from Assiniboia, Mr. Minister, said that in the past when they were contacting you and the Premier, the minister in charge of Tourism and Small Business — every avenue they could — they said, please help us; we invested in a company; we thought we were going to get a tour. They were going to take a little holiday after a long life. They invested in a company, and what did you do? You says, tough luck.

The Premier wrote them a letter back and said, we haven't got money to back you, and we'll see that we change it so it doesn't happen again. And you know, Mr. Minister, not three weeks later another group of people got hurt with another tour company and lost their deposits that they made for a trip.

And yet when somebody's got lots of money, you're prepared to back the supporters, the people that have mismanaged their funds to the tune of 150 or 200, we don't know how many million dollars. They have beautiful homes.

I looked at Davey Stuart's (and I appreciate reading his articles once in a while), and I looked at Davey Stuart's comments on that, how that they have houses in Arizona and fancy estates. Also public is a rumour that Mr. Will Klein and some of his associates who resigned have been given very large pensions, he said.

So they walked out, or it looks like they walked out. They may have walked out with their pockets full and the people of Canada are left holding the bill. And you haven't got \$2,380 for a senior citizen who lost every cent when he wanted to go on a tour and he wanted a vacation. You don't have money for that kind of thing.

**MR. CHAIRMAN:** — Order. The question before the committee is clause 5. I would ask the member to keep his comments on clause 5 of the Bill.

**MR. ENGEL:** — Mr. Chairman, if you can't understand that, "The Minister of Finance shall pay out of the consolidated fund any sums required for the purposes of this Act" . . . that's what I'm talking about. I'm talking about paying out "any sums."

The Hon. Davey Stuart says that they took pockets full of money with them — pockets full, walked out with suitcases full of money. I can remember when Bob Andrew, I mean, when the Minister of Finance was sitting over here and he talked and worried about somebody up north that had some money in a shoe box. I can remember that. Well, this wasn't a shoe box, Mr. Minister. This wasn't a shoe box. This was a suitcase. This was a suitcase.

And all I'm saying, Mr. Chairman, all I'm saying is that some senior citizens don't have a suitcase full of money. They don't even have a shoe box full of money. They had a measly \$2,000 they scratched together to go on a vacation, but no money for them; no money for them, but lots of money, lots of money out of the Consolidated Fund, a blank cheque. No amendments were accepted by this minister, not one amendment to protect my and your interests, and protect my and your constituents, Mr. Chairman. And I think that we've seen the epitome of stupidity today, the worst I've ever witnessed in my life — when we made a joke of this House, to have an inquiry into regulated bingo.

**MR. CHAIRMAN:** — Order. The question before the committee, as I've said before, was clause 5. It has nothing to do with ministerial statements, and I would ask the member to keep his comments on clause 5.

**MR. ENGEL:** — Mr. Chairman, I'm making my remarks about the minister giving a blank cheque. "Pay out of the consolidated fund any sums" — any sums. And when I'm talking about "any sums," those "any sums" are made at the expense of that same money, those "any sums" — if I've got to relate it that close, if you can't follow what I'm saying.

Instead of using those "any sums" a blank cheque, why didn't you use some of those "any sums" to help out some taxpayers that really need it? Why help out the fellow that has a vacation home in Arizona with the swimming pools, and two more in Saskatchewan? Why help out that person with "any sums", a blank cheque, and not give \$2,836 to 12 of my senior citizens that were going to go on a tour?

Those are "any sums" that they could have used, this "any sums" right on the first line on page 2. Look at the first line on page 2, and it says: "pay out of the consolidated fund any sums." Those "any sums" could have paid those bills. Those "any sums" could have paid those bills, and that's what I'm saying, Mr. Speaker.

I think it's a disgrace that you have money for those that don't need it, but the person that's hurting, you don't have any money. Sorry, the cupboard's bare. Sorry, you lost; you didn't have a full card. You didn't have a full card. You didn't win on this bingo game. This "any sums" — you've got to have a full deck, and that full deck means you're either the president of the Conservative Party, or you're directly related to the party's financial institutions, or the financial collectability of your party — and that makes it sing, that has put money into the funds to run an election. You've got money for those "any sums," a blank cheque, but you don't have any money for the people that really need it. And this is why I think this Bill is out of order. I think this Bill is going too far, because why can't you accept some restrictions on this "any sums" and save a little money for the senior citizens that are hurting?

There's only 150, there's only 150 people bought into that tour package, Mr. Minister. You didn't have "any sums" for them. But you had a blank cheque, you had a blank cheque for those — you had a blank cheque for those that are friends of yours. Here you had the blank cheque.

You wouldn't put into this Bill an amendment that your friends are going to have to give an account as to how much, according to Dave Steuart, the large pensions and the amount of money they took in their pockets and walked out — you don't have any accountability. There's no question to bring those into account because, after all, they're friends of the PC party. They don't have to give an account of their expenditures. They don't have to give an account of the large sums of money they took out.

But boy, a senior citizen that's saved \$2,800 and wanted to go on a vacation, lost it — lost it, and his family and everybody is trying to fight, and they're trying to get together and they're trying to get a message through this tight-fisted government that hasn't got money for the little guy that can't afford it. We can't get any consolidated funds for them. But you've got a blank cheque for them.

I think, Mr. Minister, you should rethink your situation and you should come clean on this one. And rather than trying to throw up a big smoke-screen to investigate bingo parlours, 24 of them.

**MR. CHAIRMAN:** — Order. That is not relevant to item 5. I would ask the member to keep his questions . . . (inaudible interjection) . . . Order, order! Order! I would ask the member to keep his questions and comments relevant to item 5 of Bill 70.

**MR. ENGEL:** — The arrangements and the agreements that are entered into by the Minister of Finance under section 4; "any terms and conditions" imposed by the Minister of Finance under section 3: these kind of expenditures are coming out of consolidated funds. There's no limit, no ceiling, nothing being brought into the question, only settling the account by an administrator to get the most possible value from him.

My colleagues have quite a few questions they want to ask. But basically on behalf of my constituents that are concerned, that don't like a blank cheque for those that don't need it, and nothing for the ones that need it, think that this is a government that is really betraying where they're coming from . . . It's really betraying your conscience.

Get after the little guy that wins two bucks in a bingo game, or \$10 at a bingo game, but let the guy get a big pension that's getting out of here without any investigation, without any accountability for the millions and millions of dollars he has hidden off in Arizona or wherever he took it, no accountability there, no bringing to reckoning, no public inquiry. But boy, if you win on a bingo game — and I never play bingo; I don't play bingo, Mr. Chairman; I don't play bingo — so I'm not talking about anything selfish but I'm talking about a principle here, that the Minister of Finance has two sets of values. He's coming at this Bill from exactly the same place the Minister of Agriculture comes from.

"We're going to shore up success," are the words the Minister of Agriculture used, and that's exactly what the Minister of Finance is doing. We're going to shore up success, but if you're not successful you'd better go and play bingo. There's nothing left; there's nothing else left.

**HON. MR. ANDREW:** — The member from Assiniboia-Gravelbourg is indicating, I think if you listen, that he does not support . . . In his comments he does not support the government paying the uninsured depositors, because that's what this Bill does; it pays the uninsured depositor and he's saying that he's against that. He's against that, and what he's really saying — if his argument is to be covered in any way, shape or form — what he is saying is that you should vote against this Bill. That's exactly the argument he's using, and I ask him: how do you square that with a *Leader-Post* article dated Thursday, May 2, 1985, headlines: "Blakeney glad depositors of Pioneer Trust rescued."

(1500)

Well if I can read from it:

Blakeney said he had a “small quarrel” with the government because he thinks the decision should have been made earlier.

As a result of the delay, uninsured depositors with Pioneer Trust could lose several months interest, Blakeney argued. They will not start making interest on their money until they can get it back and reinvest it.

Now, what you are saying is that we should not proceed with this legislation, that there should be no payment to depositors. That’s the argument of the member of Assiniboia-Gravelbourg. There should be no payment to the depositors, that’s exactly what he is saying. He is saying something diametrically opposed to what his leader has been arguing, and what his leader has been saying in the newspapers, prior to this legislation.

**MR. CHAIRMAN:** — Order. Order. Order. And I would ask members in opposition benches to allow the Minister of Finance to finish his comments. There will be all kinds of opportunity for those to ask questions when they want.

**HON. MR. ANDREW:** — Mr. Chairman . . .

**MR. ENGEL:** — Point of order. Mr. Chairman, the Minister of Finance was standing up and saying what I said and he was absolutely wrong. He was deceitful and he was trying to deceive those that are listening because I said, clearly and expressly, that I didn’t want the consolidated funds opened up to going to those people that trotted out the money in large boxes — I use suitcases, big pockets, Mr. . . .

**MR. CHAIRMAN:** — It is not a point of order.

**HON. MR. ANDREW:** — Mr. Chairman, what I say to the members opposite: why don’t you come clean and really vote to what you are arguing? And when we come to the vote on this Bill, like we did on second reading, you all voted for it. Now if you’re against this legislation, and if you’re to follow the reason of the member from Assiniboia-Gravelbourg, then stand up and vote against the legislation at the end of committee of the whole, and stand up and vote against the Bill at third reading. And I doubt that they will, Mr. Chairman. They want it both ways. They want it both ways. They can stand up and say, don’t pay any money to the depositors. Don’t pay any money to the depositors. We’re against this Bill, folks. We are against this Bill, seven of them say.

The leader stands up and says, we are in favour of this legislation. We should proceed with it as soon as we possibly can so that those people get their money back and can start making interest on it.

Now which way do you want it? And stand up and vote from what you are saying.

**MR. ENGEL:** — Mr. Chairman, I stood up in this House. I stood up in this House. I stood up in this House and I voted. I voted for:

The persons who were the directors and officers of Pioneer Trust Company at the time the company was ordered into liquidation by Her Majesty’s Court of Queen’s Bench for Saskatchewan are jointly and severally liable to the province to the extent that their gross mismanagement (according to Davey Stuart’s words, “the carrying out of money in their pockets” — the gross mismanagement) caused the loss to the depositors.

I vote that we have a public inquiry into where that money went. I voted that the guys that are getting the big bucks be stood up and be questioned what they did with it. I voted that the guys

that are ordering where that money went, and that you gave the time to, according to Davey Steuart, to take the money with their pockets full, with their pockets full, with their pockets full, and you gave them time to leave the province.

You wrote a letter and you gave them time, Mr. Minister. You are in cahoots. That's why you don't want a public inquiry, because that inquiry will point their finger right at you. You are the one that's trying to put words in my mouth, Mr. Minister.

Well I'll tell you what. I'll tell you what. There's a little difference between paying my neighbour that sold his farm and deposit his money with Pioneer Trust — there's a little difference in giving him some money than there is to Willie Klein. There's a little difference there.

And if you can't see that difference, I want to tell you something. The constituents can. The constituents can. Read the paper, or get somebody to read it for you, because the people across Canada can see the difference.

And if you can't see the difference, Mr. Minister, you're not as smart as you think you are. You're not that smart cookie that you're trying to impress people and brag, I'm the brightest budget; it's the most intelligent budget we ever had.

Well, Mr. Minister, you're not so smart. You're not so smart. Because the people can distinguish the difference between the one that mismanages, gross mismanages. That's what you stood up and voted against. You said there was no gross mismanagement. We're not even going to look. We're not even going to look. That's what you said.

Well I said, Mr. Minister, you're wrong. You're wrong. Because those people need to be invested. There's two other amendments I could read to you that you voted against. You voted against the chance to look at what's happening and see who is involved in this gross mismanagement.

And, Mr. Chairman, the minister and his little sidekick from Moosomin don't like what I'm saying. I don't blame them. I wonder why. I wonder why they're yapping. Because they know their constituents don't like what they're doing. They don't like the cover-up we've got going here, Mr. Chairman, and I think it's time we have a public inquiry into something that's important — not a bingo game.

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

**HON. MR. ANDREW:** — Well, Mr. Chairman, two points, Mr. Chairman. One, is that the amendment dealing with the public inquiry has been dealt with in this House, Mr. Chairman, has been dealt with in this House, has been voted on in this House, and I understood the rules to be that once that was dealt with, it was dealt with. Now maybe that's not, in fact, the case.

What we have in this particular case — and if I can explain it to the members of this Assembly once again — this Bill is designed to assist and to pay out the uninsured depositors, the uninsured depositors of Pioneer Trust. Now the members of the opposition asked for that legislation, asked for that protection for those uninsured depositors. That's exactly what the Bill is, Mr. Chairman, and if they want to support that, then they stand up and vote for it. If they are against it, then stand up and vote against it. It's that simple.

What this does is provide, Mr. Chairman, support for those uninsured depositors. And what do they want? They want to hold . . . Really what they're saying, really what they're saying is: they don't want any money going to those uninsured depositors. That's what they're saying. And I ask them to go out and tell the sisters in the hospital at Estevan, no, you shouldn't have your money. We don't want to give you any money. We don't want to help you.

You go out, and tell the various school units around this province, no, we don't want to give you



any deposits. We don't want to protect your deposits. We don't want to give you any money.

They go around and tell the people of this province that have sold their farm and invested the proceeds into various deposits at Pioneer Trust, no, we don't want to help you. Then take that view. Seven of them take that view. The Leader of the Opposition says clearly, yes, we support this legislation. Yes, we need some help for those depositors. That's what he says. The other ones, the member from Assiniboia-Gravelbourg says, no, no, we don't want to help them. We should not help them.

If that's the position he takes, Mr. Chairman, he should stand up and vote against it. He should stand up and vote against it because that's what really counts. What really counts is where in the end you stand in your place in this Assembly and cast your vote. That's what really counts, Mr. Chairman. You can stand up and talk and talk and talk; where the time comes to counting, where the time really counts, is when you stand in this Assembly and indicate where you stand on that Bill.

And on the second reading, they all stood in support of the Bill. They called for the Bill before it was introduced. They indicated in the media that they would support this — that it should have been done sooner, and now they stand, ring the bells five, six hours a day. For what? Because they're interested in the depositors? Hardly. Hardly, Mr. Chairman. Where's their interest in the deposits? Where's their interest in the depositors? Where's their interest to health, that hospital in Estevan? Is it very credible? Is it very credible to the farmer that's retired, that has all his money there, that goes to his son to borrow money to get by from month to month? What does he think about the bells ringing for five hours so they can go to a dinner? Is that credible? Is that very credible, Mr. Chairman? But that is what they're asking for. That is what they're asking for.

Then they proceed out, in the words of the member from Assiniboia-Gravelbourg, that this money is for the shareholders. That's what he said in his opening statement. You look at *Hansard* and that's exactly what it says. Don't tell me who is trying to mislead somebody. Clearly, he is. He is trying to mislead the people of this province that somehow that money is going into the hands of the shareholders.

Or does he tell them, Mr. Chairman, that those who are officers, those who are directors, will not have their money forthcoming? He doesn't say that. Nor does he say the power of a liquidator, to go in and investigate those people, to bring them before the court, to examine them under oath, to find that information and then to pursue those people if they have illegally and unjustifiably benefited from this. Did he tell the people that? No.

So don't tell me who is trying to mislead and who is trying to mislead what. The real issue here, Mr. Chairman, is this: are they interested in what this Bill does, and that is to provide assistance to uninsured depositors, many small people around this province who have their life savings in this? Are they prepared for that, or are they against it?

And I say, Mr. Chairman, you judge people in this Assembly not by what they say but where they stand in their place to cast their vote.

**MR. THOMPSON:** — Thank you, Mr. Chairman . . . (inaudible interjection) . . .

**MR. CHAIRMAN:** — Order. I would ask the members of the government benches to allow the member of the opposition to make his comments.

**MR. THOMPSON:** — Thank you, Mr. Chairman. I just want to say, Mr. Chairman, and to the member from Moosomin, that I also have constituents who have been getting in touch with me and are quite concerned. And I intend to stand up in this legislature and express their concerns to the Minister of Finance who has brought out this Bill.

And I suggest to the Minister of Finance that he should take a little direction from the Minister of Consumer and Commercial Affairs who got up in this House today, had the courage to stand up in the House today and by her words, she wants to make sure that everything is fair and above board — and I'm using her words. And I suggest to the Minister of Finance that maybe he should take an example from that minister, and that's all we're asking. That's all we're asking by this amendment, to make sure that everything is fair and above-board.

**MR. CHAIRMAN:** — Order, order. the amendment was already dealt with. The question before the committee is clause 5 of Bill 70. I would ask . . . Order, order! I would ask the member to keep his comments on clause 5.

**MR. THOMPSON:** — Thank you, Mr. Chairman. I want to refer to the open account. The minister has the authority to write off any debts, any debts. There is absolutely . . . Here it is:

Subject to subsection (2), the Minister of Finance may, in his discretion and subject to any terms and conditions that he may prescribe, make any payment to or on behalf of any depositor of Pioneer Trust Company.

And I tell you, I want to make sure when he talks about the sisters, that we're voting against the money that the sisters have in there, and we don't want that money to be paid out — well yes, we do, Mr. Minister. But why should they have to pay twice? They have that money in there. They're entitled to that money. That money should go back to them. But why should they, as taxpayers of this province, have to once again foot the bill for \$28 million that there may be some irregularities?

All we're asking for, Mr. Minister, is for you and your department to call an investigation and to make sure that there was no irregularities.

**MR. CHAIRMAN:** — Order. I reiterate, the question before the committee is clause 5. I would ask the member to keep his comments on clause 5.

(1515)

**HON. MR. ANDREW:** — The member from Athabasca raises the point that he, along with the Leader of the Opposition, does support the payment of the various depositors. And he said, the sisters in Estevan. I take it that you would agree with paying out the farmer who is retired and put his money into a deposit; that you would agree that a business man who has his account in there should be covered. And that's what the legislation does.

Now you go back and refer to section 2. Now you should read section 2 and who the depositors are. Now what I indicated, because I don't think you were here, hon. member, and so I'll take time to go back and explain it to you. When we were dealing with section 3 of this Act — and I don't know whether it's proper, Mr. Chairman, to go back and deal with section 3 or not. But it was clearly a case where we indicated . . .

**MR. CHAIRMAN:** — Order. The question before the committee, as I've said before, is clause 5. I would ask the minister to keep his comments to clause 5.

**HON. MR. ANDREW:** — My response would only be that the hon. member did not raise a question I suppose relevant to clause 5, and so therefore it's difficult to give him an answer.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, I want to respond to a good number of the matters raised by the Minister of Finance, and some of them, all of them, I think, are highly germane to clause 5, but clause 5 is the guts of the Bill. We're paying out of the Consolidated Fund this money.

Now I want to refer to some of the statements made by the minister about who is standing where and who is voting for what. And I want to remind the minister what he already knows, that we're in committee stage of this Bill. We've already had two opportunities to vote on the principle of the Bill, on first reading and on second reading, and those are on the record. And everyone on this side of the House voted for the Bill on each of those stages. So we don't really need to know how members on this side of the House propose to vote on this Bill.

But there are many other aspects to this matter which the minister is unwilling to concede. He is unwilling to concede that here's any other issue involved over and above the payment of the depositors. We on this side of the House take the view that there are other issues involved.

There is the matter of the payment of the depositors, correct. There is the matter of whether or not that should be paid by the taxpayers. That is answered by this Bill. There is the matter of whether or not the Crown is going to try to recover that money — that is not covered by this Bill. There is the question of whether or not the public are going to get any information as to why they are called upon to pay this 28 million — that is not covered by the Bill. In our judgement it should be.

And these are the matters we are raising: the question not only of whether he should pay the depositors, but things which are strictly germane thereto — whether or not the taxpayers should have any recourse against anybody for the amount they're being asked to pay, and whether or not they should have any facts as to why they're being asked to pay this 28 million. And those issues have been raised again and again. And we are raising them again.

The minister in his remarks on this discussion this afternoon referred to my position that the minister should have acted earlier, should have acted to pay the depositors earlier. And that is certainly my view. And had he acted to pay the depositors and call an inquiry earlier, I suspect we would have saved a good bit of money. I suspect we would have saved a good bit of money.

It may not be. It may be that the other members who will undoubtedly be entering this debate will be explaining why I'm wrong. I hope they don't confine themselves to comments from their seats on why the comment we're making are in error. I hope they stand up and give their logical, cogent arguments as to why what we're saying are wrong, what our views are wrong . . . (inaudible interjection) . . . Mr. Chairman, I'll just ignore the comments from that member, and I'll talk about the issue before us.

There is no question, Mr. Minister, that steps should have been taken once you reached the conclusion, the tentative conclusion even, that you were going to pay the depositors. And you reached that conclusion some weeks ago, and you refrained from acting because you wanted to strike a deal with the federal government, and that's not unreasonable. You wanted to try to get the federal government committed to sharing part of this loss, so that you didn't announce your agreement, and I understand why.

I think that the depositors might well look to you to back-date your payment, but let's not worry about that at the moment. Once you decided to make the payment to the depositors, as you did some weeks ago, at least tentatively, then you should have acted to make sure that the public, who are putting up this \$28 million, had every opportunity to recoup as much as possible.

We don't see any evidence of that. We don't see any evidence of that at all. You are proceeding on this basis: that the public should pay out this 28 million, and you, the Minister of Finance, should take a see no evil, hear no evil view, that it isn't up to you to decide what happened, it isn't up to you to find out why this loss occurred, it isn't up to you to take any steps to recover any of that money. This Bill deals only with paying out. That's your view.

Our view is very different. This Bill should deal with paying out, should deal with getting the facts, should deal with getting recovery for the taxpayers. There is, I think, no question that there

are some very strange provisions in this Bill, and I'm going to ask a couple of specific questions because I want to pursue one or two of these strange provisions.

Can the minister tell us who are the shareholders of Pioneer Trust? Who are all of the major shareholders of Pioneer Trust? I suspect I know the answer.

**HON. MR. ANDREW:** — As I understand it, it's 100 per cent owned by Canadian Pioneer Management.

**HON. MR. BLAKENEY:** — Correct. That is my view as well. So when you say that, for example, that you're not going to pay out a shareholder loan, you are saying that you are not going to pay out Canadian Pioneer Management. If Mr. Ross Sneath happens to be a depositor, of course he can collect.

**AN HON. MEMBER:** — Sure he can.

**HON. MR. BLAKENEY:** — Well, of course. What stops him? If Mr. Will Klein happens to be a depositor, he can collect. Well, of course, what stops him? If Mr. Will Klein happens to be a depositor he can collect . . . (inaudible interjection) . . . Of course, what stops him, what stops him . . . (inaudible interjection) . . . Oh, no, no, no. Let's be clear. We're dealing with 5: "The Minister of Finance shall pay out of the consolidated fund any sums required for the purposes of this Act."

And I say that under this Act the only person who is barred from recovery is Canadian Pioneer Management, and you're entitled — indeed almost required, although the Act doesn't require you to pay out anybody — but there is no prohibition against paying out the chairman of Pioneer Trust, or the chief executive officer of Pioneer Trust, or the directors of Pioneer Trust. And if it's there, you should advise the House about it because certainly there is no shareholder loan here. You can't have a shareholder loan, a company can't have a shareholder loan except from a shareholder. I trust we'll acknowledge that rather elementary point.

A company cannot have received a loan, a shareholder loan, from anybody but a shareholder. That is blindingly self-evident.

**MR. CHAIRMAN:** — Order. The member is actually bringing section 3 back into the debate. I would ask him to keep his remarks on section 5.

**HON. MR. BLAKENEY:** — I think that you're . . . All right, I'll just rephrase it then. I am then saying that under section 5 what you're paying out from the Consolidated Fund is everything provided by the act, required for the purposes of this Act, and the only payment that is prohibited under this Act is the repayment of a shareholder loan or any other similar instrument evidencing equity in Pioneer Trust. So you're not going to equity . . . you're not going to pay off the shares. Bully! We all knew that. And the only loan where payment is prohibited is a shareholder loan. And the only shareholder is Canadian Pioneer Management. Therefore the only person who can't stand up and get his money from the taxpayer is Canadian Pioneer Management.

It is perfectly clear that the chairman Mr. Sneath, the president Mr. Klein, and every other one of those if they have a deposit with Canadian Pioneer Trust can get their money under this Bill if you want to pay them. There's certainly no prohibition.

And we're saying that's not right. We're saying that you ought to say that the senior officers and directors of Canadian Pioneer Management should not be able to step up and take the taxpayers' money. We don't think that's right. We'll want to say that again and again.

We don't know whether there has been gross mismanagement, but we think there's enough evidence so that it ought to be investigated. You say: one, we will not investigate; two, we want the statutory right to pay . . . (inaudible interjection) . . .

**MR. CHAIRMAN:** — Order. Order. The amendment was debated on Tuesday on who should be paid and who shouldn't, and I'd ask the member to keep his comments to section 5.

**HON. MR. BLAKENEY:** — Mr. Chairman, I am baffled, baffled at your ruling that where a section says, "The minister may pay out of the Consolidated Fund the sums required for the purposes of this Act," and I point out that for the purposes of this Act he can pay the president and the chairman, then I think it is strictly and 100 per cent relevant.

And I am saying . . . (inaudible interjection) . . . That's what the purposes of the Act and you have to look at the other provisions to find out what the purposes of the Act are. And I am asking the minister whether or not he believes that for the purposes of this Act that the chairman of Pioneer Trust is not a depositor. And I say I can find no provision which in any way prevents the minister from paying out every single one of those persons.

**HON. MR. ANDREW:** — Well I think that one can perhaps try to answer the question for the hon. member. The statement made in parliament by the Minister of State for Finance, and if I could quote from *Hansard*, it says:

Management or the directors of Pioneer Trust will wait until final liquidation.

And have to wait until final liquidation, or any of their relatives would have to wait until the end of it, end of liquidation.

What the Deputy Premier indicated in the press statement when this was announced was that there would be hold-backs on any deposits, uninsured deposits, held by the directors of Pioneer Trust, the officers of Pioneer Trust, or the employees of Pioneer Trust.

(1530)

Now the way the legislation was drafted was to draft it as closely as possible to the federal legislation that it gives the power to withhold that. We have stated on many occasions to the . . . publicly, and I stated in this Assembly that those uninsured deposits held by the directors, the officers, and senior employees would be withheld, or any of their relatives would be withheld, or any companies that they had a significant interest in would be withheld. And the reason for that withholding is so that the investigation that I indicated to you yesterday . . . to you yesterday, to the hon. member yesterday, through the liquidator and through section 125 of the Winding-up Act, the investigation would go there.

As you know as a lawyer the hold-back is designed to ensure that you don't pay something out and then have to go after it later. I mean the hold-back is one . . . is the most powerful option you have with regards to that money. Now if you are saying that you will not trust me for that — to do that even though I've made that statement abundantly clear here, and in the public — that you wish to have something written into the legislation that says those people shall not be or the minister shall not pay them out at this point in time and shall not pay them out until such time as their activities have been fully investigated to determine whether there's any legal action against them, and that this hold-back money should be used to pay off any of that liability, I have no problem with that.

The people that are drafting it indicated that that's a very difficult thing to draft. But I've made it clear to you, as clear as I possibly can, that that's the intention, and by taking those assignments we have the right to pay out all other people but those that do not deserve to be paid out. And that's the approach that we wish to take, and I have no problem trying to resolve this if you don't believe what I say or the sincerity by which I say it.

**HON. MR. BLAKENEY:** — Well, Mr. Chairman, and Mr. Minister, our job is not to listen to

statements from the minister, however pious or well meaning. Our job is to draft legislation which protects the taxpayer.

This legislation, and I hope you don't deny it, section 5 authorizes you to pay out every penny to every officer or director of Pioneer Trust, authorizes you to pay out every penny, without any inquiry, without any examination — I won't use the word inquiry; that may upset the chairman — but any examination into their bona fides, any examination into their previous course of action, any examinations into any other dealings they may have had with Pioneer Trust or Canadian Pioneer Management. And I say that this is the effect of this law.

I say that you're asking for the blankest of blank cheques. You say, trust me, You say, oh, I have got a discretion here. And you have under the Act. You can refuse to pay people who have red hair. You can refuse to pay people who are not residents of Canada. You could refuse to pay New Democrats. You could refuse to pay directors and officers of Pioneer Trust. And the discretion is exactly the same — exactly the same.

And I say that we, who are being asked to vote this money and to pass a provision which says pay out of the Consolidated Fund the sums required by this Act, should be in a position to know that the directors and officers of Pioneer Trust will not get their money — will not get their money — or, alternatively, will not get their money at this time.

And we don't have that. We just have the minister's statement that: Oh yes, trust me. True, I have a discretion. I can pay who I like and not who I like, and I will decide that I will not be paying these particular people.

Well these particular people are well known to a lot of people in this province, and these particular people are known to have been warm confederates of the minister or his colleagues at one time. We'll not pursue that point, but it's a public fact and everybody knows it.

If we can see on *The Fifth Estate* pictures of the immediate past president of Pioneer Trust, Mr. Klein, and our current Premier embracing each other on election night, and at least holding up banners or whatever . . . (inaudible interjection) . . . yes, well I don't know. I don't know whether the Minister of Finance is appreciating those interjections from the Minister of Energy. As a matter of fact . . .

But let me say this: there is no question about a certain affinity between those same senior officers of Pioneer Trust and the party opposite. And let's not pursue that further. It's been established as a matter of public record. All right.

**HON. MR. ANDREW:** — The officials are trying to once again come to that question. I have no problem with writing that into the legislation but for one thing, and that's the legal question. And I would hope and trust that you would appreciate it as a lawyer.

When you draft those things into the legislation, you have to be very careful that they're not drafted in a way that you point your fingers at A, B, C, and D that could trigger a prejudging of them before they come to a court of law. And if the law was done in that way, it could then be ruled — the whole Bill — as being improperly drafted.

Now what we're trying to do, if you could give me a moment, is . . . And perhaps if your amendment that you are advancing today would deal with that, then we would certainly be prepared to look at it. I have no qualms of making it clear that we do not intend to pay any of the money out to the directors, or to the senior officers, or all the officers, of that corporation. We have no problem with that at all.

The only problem — and I trust that you will appreciate it — is it has to be drafted very, very carefully; that it doesn't create a larger problem than it's designed to solve.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, I frankly don't see the nature of the problem. Just as surely as the Government of Saskatchewan can decide to pay all of the depositors, they can decide to pay some of the depositors. So long as we don't attempt to put a test on them which say gross mismanagement, or something, but simply says that anybody who was an officer or director of Pioneer Trust is not a depositor and that's the end of that, they will obviously be able to share in the pay-out because they're still creditors. We don't cease making them creditors. And if somebody at some later time feels that they ought to be paid out, the legislature can deal with that again. These pay-outs are not all going to be made immediately.

I trust that the minister himself is saying that he's going to pick and choose, and if he can pick and choose by ministerial discretion, we can certainly pick and choose by legislation — by legislative provision.

I want to pursue just a very related point. I'm going to go back to this, but a related point. This is a matter with which the minister may or may not be familiar, but the minister will be aware of the stories on the street which say that the immediate past officers of Pioneer Trust have enjoyed some handsome settlements.

The minister will perhaps be aware of the statements by Senator Steuart, who says that also public is the rumour that Mr. Klein and some of his associates who resigned have been given very large pensions. So they walked out, or it looks like they walked out; or they may have walked out with their pockets full and the people of Canada are left holding the bill. Now that is Senator Steuart, as I understand it, in the Senate.

Can you offer or shed any light on that, as to whether or not some of the people who I think I've established can be paid by the minister for all of their deposits — 100 per cent under this Bill — can you comment on whether or not they have enjoyed any of the large settlements referred to by Senator Steuart?

**HON. MR. ANDREW:** — The only place that we would have status, as you can appreciate, is Canadian Pioneer . . . or Pioneer Trust, because that would be the only place that we would take in a stead and become a creditor. So that if you look at it from that point of view, any pay-out there would have to be approved by the liquidator, and I am advised — and again, the liquidator cannot advise of that — but I am advised that the liquidator has approved no pay-outs to those people.

Now if — and as the hon. member is aware — that those people also worked for Canadian Pioneer Management, and did Canadian Pioneer Management make some kind of a settlement with them, that settlement would then in effect reduce the value of the already reduced values of the shares of Canadian Pioneer Management, and therefore that would be taken away from the shareholder, if you like, and not the depositor. Now if we can then stand into what we are dealing with, and that is the issue of the depositor, our intention would be to prevent any payment out of the funds that we are asking the Assembly for, to those people by way of depositor, which is the only jurisdiction that we have in that regard.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, that answer, I think, is accurate and precise and revealing, and it reveals that, if payments were made to the persons referred to, they were made from some other corporate entity, Pioneer or Canadian Pioneer, but not Pioneer Trust.

And the minister makes clear that the liquidator has some control or knowledge of the affairs of Pioneer Trust, but does not have any control or knowledge of the affairs of Canadian Pioneer Management, or Life of the Northwest, or Canadian Pioneer Securities, or, or, or — the whole range of associated and subsidiary companies. And I just underline that because the minister keeps saying that the liquidator will tell us the facts, and we now know the liquidator is going to

tell us the facts, but only about Pioneer Trust and not about the other companies, because he doesn't know anything about the other companies. and if he does know some things about the other companies, and I see the minister suggesting that he will, could the minister tell us whether or not, with respect to Canadian Pioneer Management, there has been a pay-out to any of the former officers of Canadian Pioneer Trust?

**HON. MR. ANDREW:** — Well the only thing . . . What the liquidator can do and the hon. member, I think, knows, is that any dealings of the other companies with Pioneer Trust are subject to review by the liquidator. But if there is not a bridge to Pioneer Trust, in other words if another run related company of Pioneer Management does something, the liquidator has no control over it nor does the government have any control over it, as the hon. member knows. Nor can we by any legal way. But anything that touches or deals with Pioneer Trust, if the directors or the officers unjustly enriched themselves through Pioneer Trust, then those can be traced. And that, I submit to you, under the section I referred to yesterday is an obligation of the liquidator, and the liquidator further has power to call those people before a court of law, through examination for discovery, and pose any questions to them.

Now that's as far as one can go with it, and I can readily admit that. And I don't think the hon. member is asking that I go beyond that or have the power to go beyond that.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, I can assure you that the public will not be as interested in separate corporate entities and the corporate veil as you and I, as lawyers, may be.

(1545)

If it proves that the public of Saskatchewan is paying out \$28 million gross, and whatever it turns out to be net, to a company, the chairman of which was Mr. Stevenson, the president of which was Mr. Klein, and the shares of which were held by Canadian Pioneer Management, and if it proves that, let us say, Mr. Klein (and I'll pick a name) has a handsome six- or seven-digit settlement from Canadian Pioneer Management, the public will not be very impressed with the idea that, oh, this had nothing to do with Pioneer Trust.

Sure, he was the president of Pioneer Trust, and he was also the president of Pioneer Management, and, sure, the chairman . . . the companies had the same chairman, and they had interlocking directorates, and all the rest. But you understand they were separate, and you should pay out all of these deposits, and the president should get this settlement of X hundreds of thousands of dollars.

However much you and I may mount legal arguments, and say, oh my, you must understand that Pioneer Trust, which had the same board of directors, was a different company than Pioneer Management, and it's true that Pioneer Trust was wholly owned by Canadian Pioneer Management, but don't you understand they're totally separate, and when you — yes, you, the taxpayer — have to pony up this \$28 million, and someone else can take out of the other company very handsome sums of money — and we shouldn't be disturbed about that because, don't you understand, they're separate at law — I think that my constituents are not going to buy it.

Perhaps they should. Perhaps they should understand these nice little distinctions between company A and company B and company C. And perhaps they should understand that the liquidator can only look at company A or, as you say, company A as it may be affected by company B; but if the management are doing something with the other hat on, it doesn't concern us all — I don't think they're going to buy it.

And I say, if the minister is asking us, asking the taxpayer, to pay out these very substantial sums of money, including those I've tried to illustrate, deposits which may go to — and I'll use Mr.



Klein's name because it's been used, a deposit which Mr. Klein may have had; and I don't know whether he had — and if any of these public rumours are true that Mr. Klein, through another company, is getting a several hundred thousand dollar settlement, then I think they're not going to be satisfied, and they expect the government to do something about that. And I think that the minister should do something about it because I think the public are . . . You know, they're fundamentally right, never mind what the legalities are.

Members opposite are saying that I'm starting the rumours. It is patently false, since the rumours have been around a good bit. And if they are spoken in the Senate of Canada two or three days ago, I am hardly starting them here now.

Members of the government may try to hide their head; may try to say that any suggestion of mismanagement is all a dastardly rumour; that there is no basis for it; that the company just — Pioneer Trust just fell down; that the \$28 million is just an unfortunate accident and that there's no suggestion of mismanagement; and there's no suggestion that improper managerial decisions were made. They can believe that. But I tell you, the public isn't, and I suspect that some of them aren't.

And I am saying to the minister, if you can't tell us what's happening to the directors and officers and how they're being treated by the associate companies — the companies associated with Pioneer Trust — I think you should be able to tell us even though you may say it is not strictly relevant to Pioneer Trust because they got their money. Sure, there was the president of Pioneer Trust, but you understand he wasn't paid in that capacity; he was paid because he was something else, the president of another Pioneer company. I don't think it's going to wash, and I think you should tell us, at least here in this House, just how those people have been treated, whether they have walked away with very substantial sums of money. Because I think it affects our credibility as a legislature as to whether we should be picking up the debts which in many people's minds they created, at the same time that they are receiving a very handsome remuneration.

**HON. MR. ANDREW:** — Well two points. The hon. member surely must know that I have indicated publicly that I believe that there was improper management in Pioneer Trust. I don't think that comes as any surprise to anybody, and I've clearly said that before.

Number two, with regards to what the hon. member is saying — and he couches it in a way as lawyers — I think there's also another principle that perhaps, while maybe difficult to understand, is still a very important principle, and that is that we must be guided by the rules of law. And we must be guided by the rules of also federal law in this particular case because, as he knows, this is covered by the federal legislation.

What I can advise this Assembly, what I have tried to advise this Assembly of the last four days now, Mr. Chairman, is that we are going to withhold all moneys that are payable to the directors of the company as uninsured depositors; we will withhold all moneys payable to officers of the company; we will withhold payment of all deposits to employees or any company that they have a substantial holding in. I've indicated to the hon. member, the Leader of the Opposition, that we would be prepared to put that into the legislation if that's the type of satisfaction he needs. And he indicated that he would return to that question.

**HON. MR. BLAKENEY:** — Well once again, Mr. Chairman, and Mr. Minister, we have heard the minister's assurances. We have noted the Bill. We have noted that no single caveat, no single qualification, no single prohibition is contained . . . (inaudible interjection) . . . Well we're working on one here because we think there ought to be one there. We had it for a section which has gone by, and we're trying to make it fit into this section because the full implications of it. . . (inaudible interjection) . . . I think my colleague . . .

I have one here which I think now needs attention. The wording which I have before us is:

That section 5(1) of the printed Bill be amended by adding after the word, the following:

Nothing in this Act permits the Minister of Finance to make any payment to or on behalf of a depositor who, at the time Pioneer Trust Company was ordered into liquidation by Her Majesty's Court of Queen's Bench of Saskatchewan, was an officer or a director of Pioneer Trust Company.

I can send over the . . . I give one to the minister and one to the chairman. And this is not prepared properly, and I will read again what I have said.

What I say is this: section 5(1) of the printed Bill be amended by adding after the word "Act" the following:

Nothing in this Act permits . . .

What is being added is exactly those words. But it's inserted in section 5(1) rather than the section 6 of the printed Bill as renumbered, because we may not be able to get back to section 5, and the chairman may call us to order, and so I will put it in here. Because the discussion might overlap, and since we're getting fairly strict rulings from . . . Not strict but fairly . . . Getting rulings from the Chair, I'll put it that way. That I'm not quarrelling with.

**HON. MR. ANDREW:** — I wonder, perhaps, Mr. Chairman, if we might have a brief three- or four- or five-minute adjournment, just so that the lawyers can read the various amendments. I would undertake once ours is presently being drafted up in those terms, adjust and we would forward it to the hon. member. And perhaps we can strike some type of an agreement here with regard to that.

**MR. CHAIRMAN:** — The question before the committee is an amendment moved by the member from Regina Elphinstone:

Amend section 5(1) of the printed Bill, be amended by adding after the word "Act" the following:

Nothing in this Act permits the Minister of Finance to make any payment to or on behalf of a depositor who, at the time Pioneer Trust company was ordered into liquidation by Her Majesty's Court of Queen's Bench for Saskatchewan, was an officer or director of Pioneer Trust Company.

**HON. MR. BLAKENEY:** — Mr. Chairman, I think the nature of the amendment is clear. In our opinion, the provision which allows the Minister of Finance to pay out of the Consolidated Fund any sums required by the Act, and which would permit him to pay the officers and directors of Pioneer Trust under that provision, is not acceptable to the taxpayers.

We believe that the public is saying what I've said on many previous occasions that, yes, they will see the depositors paid, but if I may attempt to characterize that, not the inside depositors, not the people who were on the inside, not the people who had it within their power to guide this company and to decide by their decisions whether or not it made money.

And while we cannot know, because we do not have the facts, just why this company did not prosper, but why it failed, I think that there is substantial evidence that mismanagement was part of it. There is substantial evidence that because the directors and officers made wrong decisions and perhaps very wrong decisions, the company failed. If that be so, then I think it's not reasonable to ask the taxpayers to reimburse those people.

They will not necessarily lose all their money, although that may be a matter that will later be decided in law. This amendment which we're moving doesn't necessarily have them lose all their

money. We don't know that. All we're saying is we don't think the Government of Saskatchewan should pay them. We don't think the taxpayers should pay them. If Mr. Sneath or Mr. Klein had some money on deposit in Pioneer Trust and it went and it failed, which it did, then I don't think the taxpayers of Saskatchewan are called upon to pay their deposit. I don't believe for 30 seconds that 5 per cent of the public would believe that was fair, and accordingly, I think that we have to provide in this Bill that it should not happen, and we're attempting to do that. And you will note, Mr. Chairman, that this Bill says, very simply, that nothing in the Act permits the minister to make a payment to a depositor who was an officer or a director of Pioneer Trust at the time it went under.

It's fairly simple. It doesn't attempt to judge. It doesn't attempt to say who or what. It just says: they were the directors; they were the officers; it must be their responsibility, and they must face the music to that extent. They can't come and knock on the taxpayers' door and say: our decisions caused this trust company to go down the drain; I had \$100,000 there in deposit; please pay me.

I don't think that we would be doing our job if we passed an Act which permitted that, and we, therefore, believe that this perdition should be in the act and have proposed it in this way.

I want to say again, that so far as I understand the set-up, the only person who couldn't get their money under the Bill as it now stands is Canadian Pioneer Management Ltd., the holding company, and there is no suggestion by anybody that they ought to be paid, because it was their company; they owned all the shares.

But we go one step farther than that. Canadian Pioneer Management was operated and directed by the same board, substantially the same officers and the same board as Pioneer Trust, and we think that these people who made the decisions which led to the downfall of Pioneer Trust should not now be able to say to the taxpayers; it's all an unfortunate mistake; we made some terrible errors; the company has gone down the drain; I have lost my deposit; please pay me.

I think that that is not acceptable. We think the Act should prohibit it, and we have moved the amendment which we believe does that.

**HON. MR. ANDREW:** — Mr. Chairman, I would advise the members of this Assembly I have no problem with that particular amendment. I would encourage all members of this House to support that amendment.

This amendment simply sets out a definitive power for section 3 of the Act which allows the minister to withhold. In fact, section 3 goes further, and if I could explain to the Assembly why I think it's satisfactory to support this amendment — under section 3 I would have discretion as well to withhold, to withhold deposits for companies that are substantially owned, or partially owned by those directors or officers. And therefore we would have the power to catch a wider net, and that's the intention that we have to catch the wider net. I have no problem with this amendment, and I would indicate that we should also forward it.

Amendment agreed to.

**HON. MR. BLAKENEY:** — Mr. Chairman, we're now on section 5 of the Bill as amended, and I don't propose to go over the ground covered by the amendment, but to deal with section 5 to go beyond people who are covered by this amendment.

And give me the 30 seconds of leeway here. The amendment is narrowly drafted because we did not have the information which would allow us to apportion praise or blame, as you might say, and attempt to say who else ought to be included in the amendment.

I now stop talking about the amendment and go back to section 5 as amended, and ask the

minister what steps he believes he can take to find out the facts about the associated or subsidiary companies associated with Pioneer Trust which might enable him, in the exercise of his discretion under section 3, to limit payments out.

(1615)

Basically I'll just try to rephrase that again, Mr. Minister, before . . . If I understood the minister's earlier comments, he said: we don't intend to pay the officers or directors; we may well not pay out relatives of the officers and directors; we may well not pay out companies in which officers and directors were major shareholders; we will be looking at this area.

And I advance it a little farther. Can you indicate where you might, or whether there might be information about associated companies, associated with Pioneer Trust, which would allow you to exercise your discretion under section 3?

Put this way . . . I'll put it one more time. Suppose it were true; suppose you had the facts with respect to a person who wasn't an officer and a director but was a senior administrative officer of Pioneer Trust, who was also a senior administrative officer of Pioneer Management, or Pioneer Securities, or several of others, and you had the news that they had received a very, very handsome settlement. I don't know. I ask you: would this influence your discretion under section 3, and where is this information likely to come from?

**HON. MR. ANDREW:** — Well what we would do, I think, with regards specifically to the question of a settlement on a termination of employment contract, we would simply catch that on the assignment.

The hon. member would recall, yesterday in the debate our view was that for amounts of perhaps \$1,500 or less we would just have an assignment on the back of a cheque that would be endorsed. All those over and above that would have to sign an assignment of their interest. And in assigning that interest to us, one of the clauses would be a declaration that they were not a director or an officer or a relative of an officer. In the case of a company, you would have to check it out through The Companies Act to determine who, in fact, the shareholders were, so that none of the officers or shareholders of that company had significant holdings by the directors, the employees, or the officers.

So we would catch it on the assignment where they would have to make that declaration. They would, from the books, have a list of — and from the annual reports — would list who the directors were, who the officers were. And I think in a small town like Regina you know who the senior employee-type people are. We could cover those by names, cover the companies by a search of the record.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, I appreciated that information. I make the point — I think it's a reasonably obvious point — that there is support in the public mind for reimbursing the "innocent" depositors. There is no support or scant support for reimbursing any who were insiders, however that may be defined.

We're all aware that people don't run around with signs saying they're insiders, and they don't run around with signs saying they're innocent. But none the less, that line has to be drawn. We don't pretend that we have drawn it necessarily here with officers and directors, and you are telling us, in effect, that they are certainly regarded as insiders, and who could doubt that? There may well be other insiders, and you will cause some examination to be made and be able, by the use of discretion under section 3, to limit the pay-outs under section 5 to other insiders.

I think that that is important because I think that there is a good deal of interest in this in the public mind and a good deal of feeling that, if I may descend into the vernacular, there's no damn way I, as a taxpayer, should pay out any of the insiders of Pioneer Trust who brought this upon

themselves. You can hear that phrased even more trenchantly in a fair number of coffee shops and other refreshment houses in this province any day of the week.

**HON. MR. ANDREW:** — I agree with that, and I've maintained that position all along if it wants to be delineated to the directors and officers, and we will use section 3 as the net to catch the rest of them.

**MR. KOSKIE:** — Mr. Minister, just in respect to what you have been saying to the Leader of the Opposition in using your discretion in not paying some, I want to ask you, how are you going to attain that information? Where is your source? Are you going to be doing an investigation on behalf of the Minister of Finance before you make these payments? Or again, is that totally dependent upon the liquidator? And I doubt very much if the liquidator will go beyond movements from one company into the other. And as has been pointed out, there is some concern here. And so I'm wondering where you will obtain that particular information.

**HON. MR. ANDREW:** — Well what you do is you . . . As I indicated to the hon. member and the Leader of the Opposition, that nobody will be paid out the uninsured deposit until such time as they file and sign with us an assignment of their interest. When they sign that assignment of their interest, they must make a declaration that they are not a director or an officer or a senior employee of Pioneer Trust.

We would go further than that in the case of a corporation. In the case of a corporation it would be that none of the directors or employees or officers of that corporation have been employees, directors, etc. And that can be traced through The Companies Act.

So what we would do is clearly our own investigation there. We can identify who those people are. The only one you'd maybe have some trouble with would be relatives. But you can appreciate that you can't throw relatives, all relatives, into that basket. There could be a third cousin, and does that qualify as a relative? So you have to have that discretion.

But it's probably a case of a wife of one of the officers, which seems to me to be close enough to be caught by the net from a discretion point of view. And the same with the company, or let's say a brother, this type of thing that's been in partnership or know to be in partnership. That would be the way that we would cover it.

**MR. KOSKIE:** — Just in respect to section 5 yet, it says:

The Minister of Finance shall pay out of the Consolidated Fund any sums required for the purpose of this Act.

And this I guess is yet another stumbling block that we have because as we understand it, you are totally dependent upon the report of the liquidator in so far as to what sums you will pay out, the subsequent amount that you're going to pay out. And I guess there seems to be an awful lot of confusion as to the thoroughness of the work of the liquidator in dealing with these things.

And I note where the Senator Steuart — they were discussing it, I guess, in Ottawa — and Senator Steuart has called for a public inquiry. And he went on saying, telling the Senate it was necessary to ascertain whether they have mismanaged the company or if there has been any malfeasance in this whole question. The basis of the request is that the trustee, Touche Ross, will look into it in a superficial way, he goes on. The job of Touche Ross is to wind this up as quickly and as soon as possible. And they go on, and the senators discuss it.

And then Senator Duff Roblin, one whom you might be familiar with, said he didn't agree that the trustee would only look superficially into the matter. He says a good deal depends on what their terms of reference are, what they were asked to do.

So what I'm saying is, in respect to the liquidator and the examination by the liquidator, I take it that you're indicating that the terms of reference are essentially set by the Act and are constant in that view.

But what still comes back to haunt the whole situation, as I mentioned yesterday, is your government was a player in this whole affair. Sometime in November you got into the act. And it was that time that you changed the normal process of liquidation, and you delayed that liquidation. And what the public is asking now here is that we need some form of an inquiry to determine whether . . .

**MR. CHAIRMAN:** — Order, order. The inquiry was debated on Monday. I've asked members to keep their remarks to clause 5 of the printed Bill. Order. The amendment has been passed to clause 5. I would ask the member to keep . . . Order. I would ask the member to keep his comments to clause 5 of the printed Bill.

**MR. KOSKIE:** — "The Minister of Finance shall pay out of the consolidated fund any sums required . . . " And what I am saying here is that that is a discretion so wide that the people of this province can't accept it. And I'm saying that they don't want to leave the Minister of Finance with that total discretion. And I'm talking about what he is able to do under section 5, to pay out of the consolidated Fund any sums in his discretion.

And what I'm saying, Mr. Chairman, and I'm on point, is that the people and the taxpayers of this province are not satisfied that they have all the information. They don't want to give the Minister of Finance unqualified discretion to make payments out of the Consolidated Fund.

And this is a major concern, and the concern that arises is that the Minister of Finance has been an actor in it. He delayed the liquidation of it, and he hasn't explained to the people of the province for whom he intervened. Was it for the directors and the shareholders — not the shareholders, but the directors and the executive officers, to give them an opportunity to fill their suitcases and go off to Phoenix? That's the question that's being asked by the people of this province. I'm not making these allegations.

I'm making the statement that there is major concern because the Minister of Finance, never in the history of this province, Mr. Chairman, has the Minister of Finance intervened, made a commitment in writing, and then withdrew and refuses to make a public statement into the actions and for whom it was of benefit.

So what I'm saying, Mr. Chairman, is that the cloud continues to hang over the whole issue — it hangs over the whole issue, of giving this Minister of Finance an unqualified discretion to pay any sums that he feels like out of the Consolidated Fund.

And what we have been saying is that this is a concern and will continue to be the concern. And I'd like the minister to indicate how he can allay the fears of the Saskatchewan taxpayer who have a potential \$28 million, which averages out to \$28, and he won't even put that in as a limit. He wants an unqualified amount. He says it's \$28 million on the dollars that he has to pay out. He won't put it in the Bill.

And I think the taxpayers have a right to know the information on which he bases. He goes around saying, oh, it will only be 10 million. The next day he says it's going to be 13 million. He says, oh, there'll be liquidation and it will be 50 cents on the dollar of their investments they will get back. This is an incredible statement that a company went under with — it was going to get back in recovery, 50 cents on the dollar.

(1630)

And so what we are saying here, Mr. Minister, there's certainly . . . A lot of cloud hangs over the

action of you, as the Minister of Finance. The liquidator certainly isn't going to go back and look into your actions and to determine how that affected the whole due process of liquidation. He's not going to do that. Of course not. And I can see why when we mention inquiry that you didn't want to because you might be looked into.

And so what I'm asking, Mr. Minister of Finance, in view of the fact that you are saying on one hand that the \$28 million has to be potentially paid out . . . that averages out to \$28 for every man, woman and child in this province, many of whom haven't had any dealings whatsoever with Pioneer Trust and the high-rollers, your friends. And these people, the taxpayers are saying, why do I have to make a contribution without, in fact, having a full disclosure? And that's the problem.

And they're concerned, Mr. Minister, with your unqualified discretion to pay out any sums without putting forward any documentation before this House. You haven't even put forward — you start talking about recovery — you haven't even put forward an inventory of assets. You have put nothing forward. Everything is taken on trust of this minister who has bungled so badly that he has lost the confidence of anyone in the financial world. His career is hanging on the ropes.

He says, trust me, after the biggest blunder that any minister ever made. A minister who made an agreement with Pioneer Trust and then withdrew it and said, I shouldn't have done it . . . (inaudible interjection) . . . You still have problems from last night.

So I'm saying, Mr. Chairman, the people of this province who are going to pay out \$28 million, all of those people who are going to be called upon are asking: don't give that Minister of Finance the discretion, unqualified discretion, because he can't manage the affairs of this province. He's run us into billions of dollars of deficit and now he's going to add on another \$28 million.

Any expenditure of the magnitude that you're asking this legislature to make — we have estimates and we have an opportunity to know how it's being spent — you have absolutely refused to file any of the investigation which you say made you to renege on the deal that you have.

So I ask you, Mr. Minister, how do you assure the people of the province, all of those taxpayers who knew nothing probably about Pioneer, the young people who had no investments, who are going to be called upon as taxpayers to make a contribution, how are you going to explain to them that this is a good investment?

Take a family of five sitting around a table — \$28 from every one of them — a husband and three children, over \$130. And you bring absolutely no information. And the people feel that on your actions that you're implicated and that there's a cover-up. And they say, don't give this Minister of Finance that unqualified discretion. I ask you: allay their fears, if you can.

**HON. MR. ANDREW:** — Well there's only two . . . There's only one new issue that the . . . I suppose two, is (a) the member said, you know, you have this wide discretion. We just voted for amendment that clearly put that discretion in. That's number one. Otherwise he has stated only the things he said yesterday. Otherwise he's . . .

**MR. CHAIRMAN:** — Order, order. I would ask the member to allow the Minister of Finance to respond.

**HON. MR. ANDREW:** — Otherwise, Mr. Chairman, otherwise, what he is saying is the same thing he said yesterday. What he's trying to get at is that we shouldn't support the Bill.

But the other opinion, the other option is what he is alleging, what he is alleging, Mr. Chairman. What he is alleging, Mr. Chairman, is this: that here is criminal activity by the officers of the

corporation. What he's saying is that they have taken money out between November and February, that there is criminal activity. Now that's the allegation he is making.

And the member from Shaunavon say s. . . The member from Shaunavon is saying there is criminal . . . there is criminal activity, Mr. Chairman. They're saying that there is criminal activity.

Mr. Chairman, there are ways to deal with criminal activity, to indicate that the liquidator who found any of those people . . . (inaudible) . . . withdrawing money during that period of time, clearly is incumbent upon that liquidator to report that to the police authorities.

Now if they're making an allegation of criminal activity, and the member from Quill Lakes is exactly saying that . . . (inaudible interjection) . . . Well, I mean, that's easy to say. People are telling me. What the member of Quill Lakes is, is alleging criminal offences. Now if he is alleging a criminal offence, then sure there is an obligation on him, as there is an obligation on anybody to report that criminal offence to the proper authorities.

**MR. LINGENFELTER:** — Mr. Chairman, the minister is obviously defending or covering up what others are suggesting. And I say it's not only the members of the opposition here, the eight members of the opposition, or the public in Regina. And I quote again from the article that many have talked about today: "Steuart calls for a Pioneer inquiry."

And he says, and I quote . . .

**MR. CHAIRMAN:** — Order, order, order. The inquiry was dealt with on Monday. It was debated and dealt with on Monday. I would ask the member to keep his comments to clause 5 of Bill 70.

**MR. LINGENFELTER:** — Mr. Chairman, I'm quoting from an article. I'm not talking about the inquiry. I'm quoting from an article that is titled, "Steuart calls for Pioneer inquiry."

I'm quoting from it. I'm not going to refer to the inquiry.

**MR. CHAIRMAN:** — The member referred to an inquiry, besides quoting from it. I ask the member to keep his comments to clause 5 of Bill 70.

**MR. LINGENFELTER:** — Mr. Chairman, I will repeat my question. We are talking about the taxpayers' dollars. We are talking about accusations that are being made — rumours, people making statements — and you say the Minister of Finance of this province has no responsibility to check them out, to find out about them, and let the public know. And I quote from an article titled, "Steuart calls for Pioneer inquiry." And in it he says:

Now we have accusations that these people had inside deals, that they borrowed money and bought houses down in Scotsdale, Arizona. (He says) We do not know what happened in the closing days, but we know that they sold property in the United States.

Now Mr. Minister, what I'm asking you is, if you feel you have no responsibility to the public as minister, earning whatever you earn — and I don't say you get paid too much as a minister for the work you do — but I'm saying, do you feel that you have no responsibility to make public, and to allow the public to know? And you're going to say, that's not my job, that's the job of the liquidator, but my job as Minister of Finance — who I used to think collected taxes and paid them out, and let the public know how and where and why the money was going out — you're shrugging your shoulders and saying, I have no responsibility.

It's up to you guys. If you know something, tell us. It's up to the liquidator, but don't look at me, don't look at Mr. Minister of Finance and say I have any responsibility. I'm out of it. I just wrote the letter promising \$27.5 million to them so they could hold on for a few months.



And the member from Quill Lake says, why? Why did you write that letter? Why did you allow, and who did you allow a breathing space? Well it's Senator Steuart says very clearly. "We do not know what happened in those closing days, but we know they sold property in the United States." And I say to you, it's not good enough for you to stand here and say, I have no responsibility, because if you're saying you have no responsibility, then why are you still a minister? How can you stand here in this Assembly and say, I have no responsibility to make public what went on, as Mr. Steuart says, in the dying days?

And he refers to the houses in Scotsdale, Arizona. And you say that there's no cloud of suspicion over this matter. I say to you, Mr. Minister, you have not only a responsibility because of the economic situation surrounding this, you have a moral obligation as a minister of the Crown to make public what you know and allow the public to find out what is behind the collapse, and how the company collapsed, and why we are now being called on to pay this money out — which I want to say to you is not collected easily.

The taxes in this province are not collected easily. We have seen what you have announced in your last budget, massive tax increases, and I . . .

**MR. CHAIRMAN:** — Order. The debate is not on the budget. It is on clause 5 of the printed Bill, and I would ask the member again to keep his comments on clause 5.

**MR. LINGENFELTER:** — Mr. Chairman, I refer to clause 5 of the Bill that says, "The Minister of Finance shall pay out of the consolidated fund . . ." That is money collected through tax increases, I assume. And I want to say that it is directly related to this Bill. And I would like a ruling on that, why you are saying that it isn't.

**MR. CHAIRMAN:** — It is my decision it is not relevant.

**MR. LINGENFELTER:** — Well, Mr. Chairman, I would like to know why the money that is being paid out, the 28 million, and referring to taxes, is not relevant, because it's obvious. We're talking about taxpayers' money. We've been talking about taxpayers' money all day, and now you're saying that taxpayers' money is not relevant, and I don't understand it.

**MR. CHAIRMAN:** — That is not the issue being debated. The issue before the committee is clause 5 of the printed Bill, and I would ask the member to keep his comments to clause 5 of the printed Bill.

**MR. LINGENFELTER:** — Well, Mr. Chairman, I will talk about what is in the Bill, I will read the Bill as part of my statement. "The minister of Finance shall pay out of the consolidated fund any sums required . . ." And I say, "any sums required." There's no limit put on it. We're still writing the blank cheque. And I say that the money that you are paying out of the Consolidated Fund has been paid by my voters, by my families in my constituency.

And I go back to the fact that \$500,000 will come out of the Shaunavon constituency to cover up for your errors; \$500,000 will come out of the pockets, the jeans pocket of my farmers, of my working people, to cover your tracks, your tracks and the friends of the Conservative Party: the Al Wagars, the Will Kleins, the guy who did the polling for you — Ken Waschuk of Tanka resources. Now who are these people? Who is Ken Waschuk who owns Tanka resources, who was paid out of this Consolidated Fund? Well he's a fund-raiser for the Conservative Party as well. And he was paid for, and you admitted to this the other day, Mr. Minister. Out of your department — not by the PC Party, but out of the government funds.

And I say to you that this web and this cloud that hangs over this whole issue is very clearly needing an explanation from you, Mr. Minister. And shrugging your shoulders and saying, we're not involved, we're not involved here, we'll leave it up to the liquidator to solve it — that isn't

good enough. And we're not going to let you get away with it.

(1645)

**HON. MR. ANDREW:** — I think the hon. member from Shaunavon is, I take it, in support of paying out the uninsured depositors — less those that are employees, are directors, are officers, or are relatives, or are companies owned by them. I take it that point is clear, that you agree that we should pay out those uninsured depositors. Okay? I think that part is clear.

To say that we are doing nothing, is that you have the Winding-up Act that we must work through. That's the federal law that says that, that in the winding-up of this trust company you must operate through the Winding-up Act. That allows you, through the liquidator, to investigate, to bring before the court on exam for discovery, all of those people that could be related to that institution, and to cross-examine them under oath. And I indicated yesterday that that's fully what we intend to do, and fully what we intend to do through the process and the due process of law, which I think you would subscribe to.

So if (a) we agree that we should be paying out those uninsured depositors, the innocent uninsured depositors, those that have not connected with the company either directly or as a relative or through a company, that we agree with that. And that's what this is calling for.

Now you ask: is there a lid put on that? There is a lid put on that and it's only for those that are uninsured through the liquidation process. That's the only way we can get that information. That's the only people that are covered, is those with deposits at the time of the collapse that had uninsured deposits. Those are the people that we would pay out. And I think you subscribe to paying those people out, so we're agreed on that part of it.

That is restricted by that amount. I indicated to you it was \$28 million, less any hold-backs for those people that are insiders, any hold-back for those people that are insiders that will not be paid out. Now how much that will reduce it, I don't know. It will reduce it some.

The reason I don't know is because I have not made inquiry into who those people are, who all the individual people are, and I don't think I should. And I don't think anybody in this Assembly should be knowledgeable of every person, because then it becomes a personal-type decision. I don't think you want to do that. So that is the way we're doing.

You support the Bill, the restrictions are there. The liquidation process will take place. The investigation will take place through the process as set out in the law. And we follow the law in the due process.

**MR. LINGENFELTER:** — Well, Mr. Minister, I understand your little lecture very well — that we're paying out to the uninsured depositors. I understand that — 1,800 of them.

But on the other side, I have concern as a representative of a constituency that is having a tough time economically right now, on the other side — that being the votes and taxpayers of my constituency. I understand what you're doing, covering all the 1,800 uninsured depositors, and I support that. But what you're having a difficult time understanding — and I don't know whether you're pretending or you just don't understand — is why the taxpayers are wondering why they have to be called on to bail you out.

What they're being called on is not to bail out the uninsured depositors alone. They're being called to bail you out. What I would like to know is: who is going to investigate your actions?

Now you say the liquidator is going to study what happened in Pioneer Trust. And we say on the other hand the uninsured depositors are going to be paid out, and the taxpayers are going to pay \$28 million in taxes to cover that off.

Now who is going to do the investigation that says, how did it come about that the Minister of Finance wrote a letter that was an integral part of the collapse of Pioneer Trust? When do we get to that point?

I ask the minister, I say: who is going to look into your actions in the dying days of Pioneer Trust? At what stage do we get a possible chance to look at that? We may get a chance in 18 months through public accounts, I don't know. I doubt it. But when do we get to scrutinize your actions? Are you going to be subpoenaed to be brought before the liquidator? Is that part of it? When do you account for your actions?

**HON. MR. ANDREW:** — Politicians account for their actions in the political way.

Mr. Speaker, when you're dealing with section 5, it's paying out uninsured depositors. I indicated to the member opposite (a) we're dealing with three things here. We're dealing, one, with paying out the uninsured depositors, which we all agree should be done: two, we agree that we should withhold and I have agreed to an amendment this afternoon to withhold anybody that's insiders; and three, we will argue politics. We can argue politics between now and the next election, and we'll argue politics after the next election. We will continue to argue politics.

Now that's what this institution is about. So if we want to argue politics we'll argue politics, but it has nothing to do with this particular section of the Bill.

**MR. LINGENFELTER:** — Well, Mr. Minister, I'm not going to dwell on this, but I think that I'm voicing what my constituents are telling me when I ask about accountability.

For you to say, look, we're going to pay out the 1,800 uninsured depositors, and we're going to allow the liquidator to look into it and check out what went wrong, and that the Minister of Finance has no responsibility . . . If that's where you want to leave it, I don't agree with it. I agree with the public and the taxpayers who are saying there should be some forum where the Minister of Finance is called on to explain his actions.

That's the missing piece of the puzzle to date that isn't there. And that's what I think that if everything was above-board, if there was nothing to hide, why would you not do that? That's what I can't understand.

**MR. SHILLINGTON:** — Mr. Minister, I want an opportunity to pursue the conversation: that you don't have any idea how much you're going to pay out. That's the only conclusion which can be placed upon that display last night. You may do better this afternoon.

I'll be frank with you, Mr. Minister, and tell you that I've come to the conclusion: that you don't have any idea how much you're going to pay out. That's the only conclusion which can be placed upon that display last night. You may do better this afternoon.

My question . . . (inaudible interjection) . . . Thank you. Glad to know the minister is so receptive. My question, Mr. Minister, is: what are the assets of the company which you expect to realize? What are the assets of the company? What do you expect to realize from them? And therefore, what is our share? How do you arrive at the figure of \$18 million which you say you're going to get back?

You said last night you'd no list, no idea what the assets were. You didn't explain where you got the figure from. I don't know whether you saw it on the wall of the wash-room downstairs, whether you saw it on the back of an envelope, whether you saw it on television or where, Mr. Minister.

But, Mr. Minister, that is what I want to know: I want the list of assets; I want to know what you

expect to realize from them; and I want to know how you arrived at the \$18 million, Mr. Minister.

Mr. Minister, you are capable of asking this House to pass a Bill with no idea of what you're going to recover. But I don't think Michael Wilson's capable of doing that. I can't believe that the federal government . . . you got the federal government into this without a list of the assets, what you expect to realize on it, what our share is, Mr. Minister.

I ask you for that now. I want to know how you arrived at the figure of \$18 million.

**HON. MR. ANDREW:** — Okay. In response to the member from Regina Centre: first of all, I think it's clear — and we have stated on several occasions, and the liquidator's indicated on several occasions — that the total liabilities of the company are \$240 million.

Now if you are to go to the affidavit of Mr. Bell that was filed at liquidation and are to follow the values as put down by Mr. Bell in the affidavit, which I'm sure you have a copy of, it indicates that the capital base as reported was 16.1 million, so that we were \$16 million above liabilities.

Now their interpretation was the writing down of those assets. You went through the Denver property, the Clearwater property, the shopping centres. It brought it from a positive 16.1 to a negative 12.5. Now obviously that evidence of the liquidator would indicate that the return on liquidation would be some 95 per cent. I don't think that's probably too accurate at this time.

Now we have therefore somewhere between there, and the liquidator has not yet filed a statement, and will not indicate at this point in time. Perhaps in two weeks time there will be, following the mortgage sale — that will be filed into the court for an interim payment out. Then you will get at least a little better fix on what that is going to be.

Now CDIC who have more access than we have, having gone through as a major creditor paying out those uninsured deposits, is confident that there will be more than 50 per cent received. And our view is that between 50 per cent and 95 per cent, I would guess — and you have to appreciate you have to guess, as you're going through selling properties and selling mortgages. And when they're sold we'll find it out.

Our best guess that we can come up to — and I can only give you a best guess and you can appreciate why — is maybe about 65 per cent of the uninsured deposit. There'll be a recovery of about at least 65 per cent on liabilities.

Now that's what I've consistently said though. And that would bring it down to about \$10 million. In other words, 18 received back on the 28, leaving a short-fall of \$10 million which would be paid out of the treasury. And that's how we arrive at it.

Now I can send this over to you if that would be of an assistance. But that's what Mr. Bell's affidavit, at the time of liquidation, would show 95 per cent. We think that's high. We think that the write-downs are assessor's write-downs, and when you got to sell the property you're probably going to take less on it.

But I would guess it at 65 per cent, and I can't be any more specific than that. And when this Bill passes and we become the creditor to go into the liquidator, we can perhaps find more detail than that, and we'll report back to you when we have that detail.

**MR. SHILLINGTON:** — I gather, Mr. Minister, then, that you don't know in essence what this little caper is going to cost the Saskatchewan taxpayer except that it's going to be somewhere under \$28 million. That's really all you can say for sure. Well it's a startling admission.

I gather what you're saying is that it's going to cost something less than \$28 million if you get a zero per cent recovery, but it all turns out to be dust, so it cost us \$28 million. If you get 100 per

cent recovery, it's going to cost us a million dollars or something like that. And the actual cost lies somewhere in between, and you don't know what it's going to cost us. Is that the admission I just heard you make — you really don't know?

**HON. MR. ANDREW:** — The only way I could ever make it clearer than that would be to delay this Bill and therefore delay the payments to the depositors until such time as liquidation was completed or substantially completed.

And if you want, we could delay the Bill for another two weeks or another three weeks till that mortgage package is sold, and then you'll get an idea of what that was sold for. That's one of the major assets of the company, \$100-and-some million. Then we'd get a fix on that and go from there.

**MR. SHILLINGTON:** — Well that's interesting, Mr. Minister. That figure of \$10 million is in the highest sense, speculative and a mere guess.

Given what was said, Mr. Minister, with respect to the value of some of the assets . . . I don't have a copy of Mr. Bell's affidavit. I don't know the individual. But given the comment made on *The Fifth Estate* with respect to the value of some of the assets, I suggest that 65 per cent may indeed be somewhat high.

. . . (inaudible interjection) . . . Well, I do still want that. I gather the only list of the assets you got is the one by Mr. Bell. That's all we're relying on. Is that correct?

**HON. MR. ANDREW:** — Well that and any financial statements which you would have as much as I would have with regard to Pioneer Trust.

**MR. SHILLINGTON:** — Well before you committed the federal and provincial . . . Before the federal and provincial governments committed themselves to anteing up, was there no attempt to determine what a correct valuation of this is? Was there no attempt on your part to determine whether the taxpayer was in for 10 or \$28 million?

I would have thought some sort of an investigation would have been possible and you might have had some independent idea as to what the value might be. I'm just amazed that you're coming forth with this Bill without any attempt to determining what the figure is — whether it's 1 or \$28 million.

**HON. MR. ANDREW:** — The only . . . The comment I make to the hon. member is this: the only way I can answer that and respond to that would be to delay the Bill for three weeks and then come back with it at that time, if that's your wish.

The committee reported progress.

The Assembly adjourned at 5:05 p.m.