

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
December 6, 1985

The Assembly met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

MR. ENGEL: — Mr. Speaker, it gives me a great deal of pleasure to introduce a special guest to the Assembly this morning. It's the first time this guest has been in the Assembly, and he has already made himself known. I think the Speaker 20 years from now might have more trouble than you're having today with his father.

But I'd like to introduce Matthew Allan Lingenfelter, who's in the top row in the gallery there, and I think you've heard him already, so I wish you'd welcome him here. It's his first appearance, but I'm sure it's not his last.

HON. MEMBERS: — Hear, hear!

MR. RYBCHUK: — Thank you, Mr. Speaker, and on behalf of the Minister of Advance Education and Manpower, Hon. Gordon Currie, it is my pleasure to introduce to you, and through you to this Assembly, a group of students from a great high school here in Regina in the name of Miller Comprehensive High.

There is 12 students seated at the Speaker's gallery, and they are accompanied . . . They're grade 12 students accompanied by their teacher, Vaughan McIntyre. I say it's a great high school because a great number of my children have graduated from Miller, and, as a matter of fact, there's one attending there right now.

I want to wish the students an educational and entertaining stay this morning, and I want to inform them that I will be meeting with them right after question period. I want to ask all members to give them a warm welcome here to the Assembly.

HON. MEMBERS: — Hear, hear!

MR. SHILLINGTON: — Thank you, Mr. Speaker. I want, through you and to the Assembly, to welcome to the Assembly, a number of the employees who are on strike against MacDonalds Consolidated. They are in your gallery. I know all members will want to welcome them here today.

HON. MEMBERS: — Hear, hear!

ORAL QUESTIONS

Unemployment Situation in Saskatchewan

MR. TCHORZEWSKI: — Mr. Speaker, my question is to the Premier. It deals with unemployment. I want to ask the Premier that in so far as one of the clear messages during the recent North East by-election was that your government has to do much more to stimulate jobs and opportunities for Saskatchewan people, and yet this morning comes the news from Statistics Canada that Saskatchewan no longer has the lowest unemployment rate in Canada and slipping fast — it trails both Ontario and Manitoba — can the Premier tell us specifically how his government plans to turn around our unemployment problem in the coming months and provide the jobs and the opportunities which Saskatchewan people are so desperately looking for?

HON. MR. DEVINE: — Yes, Mr. Speaker, I would be glad to respond. Two or three points. One is specifically with respect to Regina and the north-east part of Regina. The conclusion of a world-class

upgrader that will provide something like 3,000 jobs with respect to construction, and then more and more economic activity associated with the co-op; refining oil here; upgrading heavy crude; replacing the 4 or \$500 million that is normally spent in Alberta, being spent here on an annual basis, and for 25 years.

It's a very powerful project. It's the largest project in Regina's history, and it's done with a local company. The local Co-op Refinery feels very good about it. It's a combination of things that I'm sure that you would recommend. I suspect that you would endorse the co-op upgrader as a very large project.

Secondly, Mr. Speaker, with respect to our unemployment rate, it's interesting to note, Mr. Speaker, that after a year, and particularly after this drought, that unemployment is lower now than it was a year ago. It seems to me, Mr. Speaker, that this province suffered more than any other province that you would find in western Canada as a result of drought and difficult harvesting conditions. And even with that, with all the projects that we're creating, we find, Mr. Speaker, that unemployment is down half a point compared to last year.

Similarly, Mr. Speaker, the number of people working were up 14,000 people, and I believe that's significant. In the city of Saskatoon, the unemployment rate has stayed exactly the same. When we look at the adjusted figures, it's up marginally in the city of Regina. So we put those together, Mr. Speaker, and I know, year after year, and the hon. member knows, that in '82 and '83 and '84, and '85 we will have the lowest unemployment rate in Canada, year after year after year.

From month to month, yes, Mr. Speaker, we will find some provinces doing better than others. Toronto, for example, has an unemployment rate of 5.5 per cent, which is fantastic, and I give them credit.

In terms of the recovery associated with economic activity, particularly, Mr. Speaker, if you look at the last statistics with respect to growth, the growth statistics in this quarter show that in 1985 we have the fastest growth that we've had in 11 years in this country. So, Mr. Speaker, we will continue to create jobs; we will continue to do the kinds of things that help in agriculture, particularly because of drought; and we will continue to create huge projects like the upgrader.

SOME HON. MEMBERS: — Hear, hear!

MR. TCHORZEWSKI: — Supplementary, Mr. Speaker. In light of the fact that the Premier said several years ago that Saskatchewan and that government were not participating in the recession, and we did, and in light of the fact that the Premier says there's a great recovery in employment, there are now, in Saskatchewan, 38,000 people unemployed. You can talk about all the figures and fancy figures that he puts together, but the fact is there are 38,000 people unemployed, and that's equivalent to the total populations of Estevan, Weyburn, Melville, and Yorkton. Unacceptable.

Can you honestly say, Mr. Premier, and do you really expect Saskatchewan people to believe that that's a record in which you can be proud?

HON. MR. DEVINE: — Well, Mr. Speaker, I'm sure both sides of this Assembly and people in Saskatchewan don't want to see anybody unemployed. We are increasing the number of people that are working. It's up 14,000. The unemployment rate is down from a year ago despite recession. My hon. friends know that I didn't promise a drought, and I didn't promise 22 per cent interest rates, but I will do what I can to help people cope with that and create economic activity.

Again I will go back to, if we can put together a package like the upgrader — \$650 million based on energy, based on local strength, and based on a powerful local company; that's one of the strongest things that we can do is build on the strength. And I would expect that the member opposite endorses that project as one of the most powerful job creators that we can find any place, not only in Saskatchewan, but indeed any place in Canada.

So I will continue, sir, to provide those kinds of projects and those kinds of incentives right across Saskatchewan so despite drought, and despite 22 per cent interest rates, and despite problems associated with recession, this province, year after year after year, will have the lowest unemployment.

MR. TCHORZEWSKI: — Final supplementary, Mr. Speaker. Is the Premier aware, and I'm sure he is, but in light of the fact that there are more people moving out of the province today than there are moving in, which I think reflects something — first time since 1974 we've had the slowest growth in population — does he not agree that that's a reflection of policies of his government, which are causing people to feel that they have to go, especially young people, that they have to go somewhere else to seek jobs?

He refers to the refinery. I want to say, as I've said before, we welcome the refinery. But he fails to say that that refinery is going to provide only 80 permanent jobs. Is he satisfied with that kind of a movement of people, particularly young people, out of this province?

HON. MR. DEVINE: — Well, Mr. Speaker, with respect to the population of Saskatchewan, and with respect to permanent jobs, let me just clarify one thing. I'd ask my colleague, my hon. friend here, to respond if he likes; or he can concur . . . (inaudible interjection) . . . Well, he can ask another question and he can respond.

The upgrader, Mr. Speaker, in Regina, will provides thousands of jobs in construction, and 80 jobs on site when it's there, and thousands of jobs across Saskatchewan in the oil patch because we'll be using Saskatchewan oil for the first time in history, refined here.

SOME HON. MEMBERS: — Hear, hear!

HON. MR. DEVINE: — So our gasoline and our diesel fuel will come from Saskatchewan and not from Alberta. Now Mr. Speaker, the hon. member knows, as well as I do, when we pay the Alberta Heritage Fund 3 or \$400 million a year because we don't refine our oil, but Alberta's oil, those jobs go to Alberta. For decades that's what went on in this province. We decided to build an upgrader here so 3 and 4 and \$500 million a year comes to Saskatchewan for Saskatchewan jobs and Saskatchewan communities and in the city of Regina.

Now that is a major move and a major difference. That's more than just 80 jobs, Mr. Speaker. That is jobs for 25 years, all across Saskatchewan, and it's hundreds and hundreds and hundreds of jobs.

Secondly, with respect to the population of Saskatchewan, I would ask my hon. friend to please check the numbers. You will find population growth here. It's the first time we've ever been over a million. You will find that we have been one of the fastest growing provinces in the prairie provinces. And I would ask, Mr. Speaker, where my hon. friend would recommend that Saskatchewan people might go, compared to Saskatchewan. They're coming home here. They will tell you they've been in Calgary; they will tell you they've been in Winnipeg; they'll tell you that they have been in B.C. But they're coming home to Saskatchewan, and they're happy to be able to do it.

SOME HON. MEMBERS: — Hear, hear!

MR. TCHORZEWSKI: — Mr. Speaker, question. I'm sure the Premier is aware that if he drives around some of our highways and in the oil fields that the number of non-Saskatchewan licence plates doing some of the work in this province is astronomical. And I say to him that in light of the fact of the information yesterday that almost none of the jobs in the proposed Husky upgrader project are going to go to Saskatchewan people, is he prepared to stand up in this House today and guarantee and tell us how it's going to be arranged that those jobs at the upgrader in Regina are going to be guaranteed for Saskatchewan people?

HON. MR. DEVINE: — Well, Mr. Speaker, I see that my hon. friend hasn't changed at all. When people are coming home from Alberta and from Manitoba, coming home . . . He says, Mr. Speaker,

that he sees Alberta plates in Saskatchewan, and he sees Manitoba plates in Saskatchewan, and he sees B.C. plates in Saskatchewan. That's exactly what you see when the kids come home. They come in from Alberta; they come in from Manitoba; they come in from British Columbia. Then he says, well, my gosh, I see foreign plates in Saskatchewan. Well he can't have it both ways, Mr. Speaker.

Jobs are up 14,000 in Saskatchewan. Children from other provinces are coming home here. So I would say, Mr. Speaker, he hasn't changed his tune. You can't have them coming home and the licence plates in here and say, well that isn't good.

Mr. Speaker, the upgrader here, the upgrader in Lloydminster, and other projects will mean 25 years of more jobs and increased jobs for people in Saskatchewan. And yes, those jobs will be here and you will see in Regina, you will see in the Lloydminster area, and you will see across the province, those projects are good for Saskatchewan. Those projects are supported by every political party that I know — I suspect yours; I hope so — and if they are, it's for Saskatchewan people, and Alberta and Manitoba and Ontario and B.C. plates will be in Saskatchewan because they are coming home to work.

Employment Opportunities in Saskatchewan

MR. KOSKIE: — Thank you, Mr. Speaker. I'd like to also address a question to the Premier. Mr. Premier, a little more than a year ago you made a half-hearted attempt to deal with the unemployment problem by appointing a part-time minister. You indicated that it was a high priority of your government. Today there are 38,000 people unemployed. The unemployment among young people is at 16 or 17 per cent. We find that in Ontario the unemployment rate is 6.9; Manitoba 7.2; Saskatchewan 7.8 per cent.

Mr. Premier, if you truly believed that unemployment was Saskatchewan's number one problem, which it is to the many young people and to the many people who are on part-time — 102,000 work between one and 30 hours a week — I ask you, and in light of the view of the cabinet shuffle that is contemplated and reported, will you, in fact, treat this as a top priority and put in place a minister who will look after employment opportunities for these people on a full-time basis, rather than a part-time minister?

HON. MR. DEVINE: — Mr. Speaker, I believe it would be fair just to correct the hon. member's stats with respect to youth and unemployment in Saskatchewan. Employment, working people — employment rose strongly for both youth, young people 15 to 24 years of age and older. Female workers gained most of the new jobs in Saskatchewan. The youth unemployment rate continued to fall. In November it was 2.3 percentage points lower than a year ago. So, Mr. Speaker, the youth 15 to 24 years old are now 2.3 per cent better off now than they were a year ago. And that isn't what you just said; you said that they're worse off. They are now better off than they were a year ago and it is a priority — 14,000 more people working and the youth and women and the young people have made the biggest gains over a year ago. And, Mr. Speaker, with respect to the minister responsible for employment, the record in '82 and '83 and '84 and '85 and in '86, Mr. Speaker, will be that this province has the best employment rate and the lowest unemployment rate anywhere in Canada.

MR. LINGENFELTER: — It relates to the unemployment problem we have in Saskatchewan. He has quoted a number of figures, and I would in preamble give him some facts from Statistics Canada and then ask a question based on those figures.

But in November of 1982, sir, under a Progressive Conservative government in Ontario the unemployment rate was 11.4 per cent. Today that has dropped to 6.9, or a reduction of 4.5 percentage points in the unemployment rate. In Manitoba, in November of 1982 the unemployment rate was 10.5. It is now 7.2, a reduction of 3.3 per cent. In Saskatchewan in 1982, when you birds took over, it was 6.8. It's now gone up by 1 per cent to 7.8. I would ask you, sir, I ask you, sir, why you are refusing to participate in the recovery that other provinces are now involved in.

HON. MR. DEVINE: — Mr. Speaker, I would be very glad to respond to that question. I will put it in perspective. In 1975 the unemployment rate in this province was about 2.5 per cent and by May of 1982 — by May of 1982, Mr. Speaker — it went up 2.5 per cent to over 6 per cent. From 2.5 per cent to 6.2 per cent under the NDP. They went 2.5 to 300 per cent increase in the NDP, and the rest of the country wasn't doing that, Mr. Speaker.

Now we look at the stats across Canada. We look at the stats across Canada and we see the fastest economic growth in 11 years. When we look at the province of Saskatchewan . . .

MR. SPEAKER: — Order, please. When you ask questions I think you should have the discipline in the party to listen so that the answers can be heard.

HON. MR. DEVINE: — Mr. Speaker, I just make the following point. I make the following point. The member for Assiniboia-Gravelbourg knows as well as I do there was not a massive drought in Ontario. There was not a massive drought in Manitoba. They had one of the best crops ever. Correct? That's correct. Under recession and under economic activities, provinces will do well in manufacturing and processing as we come out of recovery. This province is now better in employment than it was a year ago, despite drought, despite grasshoppers, and despite recession.

You take the same economic conditions, and you know, sir, the same economic conditions, and you plant them all across the province of Ontario, and you see what happens. You take the same economic conditions that your farm went through and you put them all across Manitoba, and you see what happens.

We in this province have gone through some difficult economic times associated with drought that you talked about — grasshoppers, and drought, and so forth. We have 14,000 more people working than a year ago; not perfect, but it's increasing, going in the right direction, and we have less people unemployed as a result of that, in the youth, than we did over a year ago. So, Mr. Speaker, given the conditions, I would say Saskatchewan will continue to lead the country in unemployment year after year after year.

Intervention in Private Prosecutions

MR. SHILLINGTON: — Thank you very much, Mr. Speaker. My question is to the Minister of Justice. It deals, Mr. Minister, with your unusual decision to have your department intervene in three private prosecutions after they had been launched by others.

I'm speaking about three criminal charges: two charges of assault causing bodily harm and dangerous driving, which had been laid against drivers of two vehicles which crossed the picket line at MacDonalds Consolidated — I assume the drivers were executives of Canada Safeway. The third charge was an unfair labour practice which had been laid against Canada Safeway and its subsidiary, MacDonalds Consolidated.

Last month, over a month after the incident, after three private prosecutions had been launched, your department intervened, saying you wanted to investigate these matters. I ask you, Mr. Minister, why you asked your department to intervene in these private prosecutions.

HON. MR. LANE: — First of all, unlike past practice to the hon. member, I have never interfered or intervened in any prosecution whatsoever since I was sworn into office. Secondly, I am not aware that there has been any intervention in the particular prosecutions to which you refer, but I will ask for a report from my prosecutors.

I have followed the practice, and I have made it clear to this House on numerous occasions, that the discretion as to prosecution is that of the prosecutors in the Department of Justice. It is not mine, nor is it my office. I have consistently maintained that, and I maintain that today. And if the prosecutors exercise the discretion, I will get the information for you and report to the House as soon as I have that information.

MR. SHILLINGTON: — New question, Mr. Speaker. Mr. Minister, the charges of assault causing bodily harm and dangerous driving were laid after some incidents on the picket line in the current labour dispute at MacDonalds Consolidated, a Canada Safeway subsidiary.

In two separate incidents, employees walking the picket line were struck by vehicles. My information is that the drivers of the vehicles then stuck their heads out the window and showed a distinct lack of remorse about the incident. And then the pedestrians were charged; a highly unusual result, to have a vehicle strike a pedestrian and then the pedestrian be charged.

This charge of mischief has been laid against the pedestrian, and the trial for that matter is set for February. That rather unusual charge has proceeded with great dispatch.

Mr. Minister, what would have appeared to have been a fairly straightforward charge of assault causing bodily harm and dangerous driving has been under investigation now six weeks later. I ask you, Mr. Minister, if you don't agree that these circumstances give rise to a most unhealthy suspicion of a lack of impartiality in the administration of justice.

HON. MR. LANE: — I, quite frankly, Mr. Speaker . . . The hon. member is a lawyer, and I expected him to preface his remarks with an apology when he made the accusation that my office and I interfered in prosecutions. That is blatantly untrue. That is false, and I expect him to apologize, not to me personally, but certainly for the reflection on the administration of justice.

Having said that, Mr. Speaker, I reiterate. I have never interfered in prosecutions, and that is the sole discretion of the director of public prosecutions and his staff. And I suggest, Mr. Speaker, to the people of Saskatchewan, to do otherwise would in fact call into great disrepute the administration of justice.

Secondly, I have indicated to the member that I will ask the prosecutors for a report and be prepared to supply it to this Assembly.

Finally, with regard to the matter of investigation of criminal offences, that also is in the discretion of the police forces responsible and the prosecutors. I has nothing to do with my office or myself. I expect, and I have no cause to believe otherwise, that the police forces in this province are investigating criminal matters or allegations properly and effectively, and this not to be done in any hurried manner, but properly and effectively.

With regard to the matter of getting issues before the courts, I have endeavoured to change the system so that we could, in fact, get serious criminal matters before the courts rapidly and fairly. And let me say, Mr. Speaker, reporting not only to this Assembly but to the people of Saskatchewan, that early in the new year we would expect that, for example, in the Court of Queen's Bench, that people will be able to have a trial within two months. And I think that's a dramatic improvement and a dramatic record in terms of the improvement in the administration of justice. I expect an apology from the hon. member.

SOME HON. MEMBERS: — Hear, hear!

MR. SHILLINGTON: — New question, Mr. Speaker, Mr. Minister, I don't need a lecture on the administration of justice, and I'm surprised that you appear to need a lecture on ministerial responsibility in a parliamentary system. You're the minister responsible, and the questions are accordingly addressed to you.

Mr. Minister, I ask you if you will also report to this Assembly at an early date on the question of the charges against the drivers of those vehicles, and report to this Assembly why it has taken your department so long to investigate them, whether or not, in fact, charges will be proceeding.

HON. MR. LANE: — Again, I expect an apology and I'm disappointed at the lack of understanding.

My department does not investigate criminal matters. That is the police force that's involved in the particular jurisdiction that does the investigation. It's not the Department of Justice; it's not the prosecutors.

Now that's rather basic, Mr. Speaker, and I believe that the hon. member has cast very serious aspersions on the administration of justice in this province. I expect an apology. There has been no interference in prosecution. I, and this government, will not tolerate the interference, Mr. Speaker, and I suggest to the hon. member, one, that he apologize, and I've indicated that I will get a report from the prosecutors. And I have indicated on three different occasions now that I will supply that report to this Assembly and to the people of Saskatchewan.

MR. SHILLINGTON: — Thank you, Mr. Speaker. Mr. Minister, the gravamen of the charge which the circumstances make in this matter is not that the courts are congested, although that has been a serious problem since this government took office, but that the charge against the pedestrian — a highly unusual charge — has proceeded with dispatch to trial and is set, I am told, for February, and some apparently more straightforward charges against the drivers has not.

The question, Mr. Minister, is not whether or not the charges . . . not whether or not the courts are congested. The question, Mr. Minister, is: why did your department intervene in these three private prosecutions? I am looking, Mr. Minister, at a judgement of His Honour, Judge Allan, in which he grants your department permission to intervene in these private prosecutions. That clearly occurred, and that is the gravamen of the charge, Mr. Minister — is that you've intervened in three private prosecutions for reasons that certainly aren't apparent to members of this opposition.

HON. MR. LANE: — I repeat again, Mr. Speaker, because I have answered now on three occasions, and now the fourth, that I would undertake to get a report from the director of public prosecutions and respond to this Assembly. But again — I say again — that this department has not intervened in prosecutions, and not stopped prosecutions.

I expect that upon investigation and a decision made by the investigating police force, and a report to the prosecutors in the normal course, that the appropriate action would be taken immediate. If an investigation is continuing, that may take longer, obviously. So I suggest to you that the hon. member is completely off base, and I have asked for an apology again, and I ask again, that he has brought the administration of justice into disrepute, Mr. Speaker. He owes the public an apology. I will get a report. I've said that three times, and now the fourth time, and I will supply it to this Assembly.

INTRODUCTION OF BILLS

Bill No. 134 — An Act to amend The Livestock Investment Tax Credit Act

HON. MR. BERNTSON: — Mr. Speaker, on behalf of the hon. member, I move first reading of a Bill to amend The Livestock Investment Tax Credit Act.

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

Bill No. 135 — An Act to amend The Mentally Disordered Persons Act

HON. MR. BERNTSON: — Mr. Speaker, I move first reading of a Bill to amend The Mentally Disordered Persons Act.

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

Bill No. 136 — An Act to amend The Legislative Assembly and Executive Council Act (No. 2)

HON. MR. LANE: — Mr. Speaker, I move first reading of a Bill to amend The Legislative Assembly and Executive Council Act (No. 2).

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

Bill No. 137 — An Act to amend The Public Service Superannuation Act

HON. MR. LANE: — Mr. Speaker, I move first reading of a Bill to amend The Public Service Superannuation Act.

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

EBill No. 138 — An Act to amend The Public Service Act

HON. MR. LANE: — Mr. Speaker, I move first reading of a Bill to amend The Public Service Act.

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

ANNOUNCEMENTS

Wishes for a Happy Chanukkah

MR. KATZMAN: — Mr. Speaker, before orders of the day, I would like to make a comment that I normally make at this time of the year. Tomorrow evening at dusk, the Jewish holidays of Chanukkah will start which will start the festive season in the province for the people of Saskatchewan, and into the Christmas season, and so forth. On behalf of the members of this side of the House, I would like to wish those of the Judaian faith, and Mr. Mark Levin upstairs in the press gallery, a happy Chanukkah and may the seven candles of life bring friendship, life, prosperity, to all those within this province, and friendship to all. Thank you, Mr. Speaker.

HON. MEMBERS: — Hear, hear!

MR. LINGENFELTER: — Mr. Speaker, the members of the opposition would like to join with our colleague and friend in the Assembly from Rosthern in wishing them the very, very best in the festive season, and as well, wishing he and his family the best during the festive season.

HON. MEMBERS: — Hear, hear!

ORDERS OF THE DAY

GOVERNMENT ORDERS

COMMITTEE OF THE WHOLE

Bill No. 119 — An Act respecting Saskatchewan Oil and Gas Corporation

Clause 1 (continued)

MR. LINGENFELTER: — Mr. Chairman, I wanted a few of the costs associated with the sale of these shares from the minister. The one point that we have debated, and I would like to know what, in your view, an itemized list of the costs associated with the sale — the underwriting fee, the cost of advertising, the Coles report as referred to the prospectus. Can you give me a complete outline of what the costs, as you see them, will be in the sale of \$100 million worth of these shares of Saskoil.

HON. MR. SCHOENHALS: — Mr. Chairman, as I have indicated in the Chamber a couple of days ago, the agreement that will be finalized with the underwriters will be competitive, somewhere in the range of 4 per cent. That will include all the preparation; and all the distribution will be split up, if you will, between the underwriting company and all the banks, credit unions, trust companies, and other investment dealers that are involved in the distribution of the shares. I indicated as well that the

costs, which even at the time of the filing of the final prospectus will still be estimated but the securities commission requires that information, will be in excess of a million dollars.

MR. LINGENFELTER: — The minister says in excess of a million dollars. What I want from you is an estimate, a detailed estimate, of the advertising, the road show that you put on across the province, the Coles Nikiforuk report, the analysis that was done on the oil properties — that will be a fairly significant Bill — and the Wood Gundy underwriting fee. I'd like a complete list of estimates that will take place there.

HON. MR. SCHOENHALS: — Mr. Chairman, as I indicated previously, even at the time that the final prospectus is filed, the costs will be estimated. I do not have broken down costs at this time. Coles Nikiforuk study, which is a routine item with most oil companies periodically, is somewhere in, again, a range between 200 and \$300,000. I indicated that the advertising costs and the town hall meeting costs, etc., things not associated directly with the underwriting, would be somewhere in excess of \$1 million. And at this time that is the most detail that we can provide.

MR. LINGENFELTER: — Well you're not being very clear here. We are figuring that on the sale of \$100 million that Wood Gundy, given your 4 per cent and a quarter per cent on either side of that, that we could be looking in the area of \$4.5 million for the underwriting fee. The road show, if I understand you correctly, is going to be a million dollars. Is that what you're saying?

HON. MR. SCHOENHALS: — Mr. Chairman, in attempting to indicate what we're discussing, the million dollars plus that I gave earlier would include the following things: printing; advertising; the town hall meetings, which will not be a significant amount — 50, \$60,000, I'm advised — would cover the cost of those ; maintenance and staffing of the toll free number that's been in place for the last six weeks; legal fees; accounting fees. All those items, exclusive of the underwriting fees, are included in that number.

MR. LINGENFELTER: — The one other point that you failed to mention is the Coles Nikiforuk report.

HON. MR. SCHOENHALS: — I repeat for the benefit of the member from Shaunavon, the Coles Nikiforuk report, while I don't have an exact, the range will be between 200 and \$300,000. Again a standard industry practice and a very reputable company.

MR. LINGENFELTER: — Mr. Chairman, just a word to the minister. Your attitude is much the same as yesterday in answering questions. You seem to think that members of the opposition, when they ask a few questions, are inconveniencing you. And I want to tell you that this process is going to take a long time given your attitude, because members of the opposition don't much appreciate the kind of responses and the arrogance that you're showing to this committee. If this is an inconvenience to you, sir, then you should let someone else take your seat, do your job, because you're not doing it.

Asking these pertinent questions about millions of dollars of taxpayers' money is very important, not only to us — important to us as individuals and as taxpayers — but we represent, given the by-election in Regina North East, 70 per cent of the population in the city of Regina. And I say to you, when I ask a question, I don't intend that you will stand in your place and act as if we are doing you a disservice to ask you a question. That's what you're getting paid close to 100,000 a year for, and if we don't get answers here, we're going to be here for a long time, and you're not helping the process.

We've been asking you questions for two days and it's like pulling hen's teeth. We spent two hours on one issue last night and never got an answer, and we're not finished with that yet; we'll go back to it. But I'm saying to you, the speed that we move through this committee is up to you. If your attitude continues on that you are above all of this, that you're above this hassle in the House and the democracy that we live by, then it's going to take a long time.

I want to be clear here. On the road show you say a million plus. Well I'll tell you, that's not good enough. I want the advertising costs. I want them individually, and I want the exact cost as close as you can estimate for each one.

I'll tell you, a million plus is not quite accurate enough for the taxpayers of Saskatchewan. We've seen the minister of Highways, who flies around the world and uses aircraft to flit here and there, and that kind of an attitude that a million plus — what's a million among friends? — isn't good enough. I want a detailed report of the legal costs. I want a report of the advertising, maintenance, and accounting, and this attitude that well, it's about a million or a million plus, that's not good enough.

(1045)

You're not being responsible. That's not your money. You're not in the private sector. You're dealing with taxpayers' money; taxpayers who are being told that they have to give away their property improvement grant, being told that they have to pay tax on used automobiles, so that you guys can spend it. Now this is the process where we find out where you're spending it, and if that's an inconvenience to you, then you shouldn't be in government, because it's your job to stand here and tell us in detail where the bloody money is going. We're going to be here till we find out.

Now I want a detailed list of all of those operations that you're spending.

HON. MR. SCHOENHALS: — Mr. Speaker, the member opposite can stand in his place and talk about arrogance but demonstrate arrogance like I have not seen in this Chamber. We may be here a long time, Mr. Chairman, but it will not be the attitudes of the people on this side of the House. It will be the attitude of the people over there.

SOME HON. MEMBERS: — Hear, hear!

HON. MR. SCHOENHALS: — Mr. Chairman, I would suggest to the committee that the NDP are clearly in a position where they do not want to see people have the opportunity to invest in the Crown sector. They do not believe in public participation. They are dancing to the drum of the left wing of their party, as Anne Smart told them to at the convention in Saskatoon, and I imagine Peter Prebble, and I imagine a number of others.

I have indicated that the expenses will be estimated at the time of the filing of the final. They are not complete. I can't give you complete numbers now. I indicated to you in my previous answer what was included in that cost of slightly more, somewhere over a million dollars. I told your leader yesterday exactly the same thing. And if you choose to stand and repeat questions, then I will have to stand and repeat answers. And I don't propose to have you stand and tell me that I'm delaying the progress of this committee. The delay is on that side.

MR. LINGENFELTER: — We'll go through this very slowly. On the printing of these pamphlets, these glossy pamphlets, what was the cost?

HON. MR. SCHOENHALS: — Mr. Chairman, to the member — we obviously do not have finalized detailed cost. This is obvious a delay. However, in the true spirit of co-operation, we will take the things I talked about — printing fees, advertising, town hall meetings, toll free number, legal fees and accounting — and we will, if you'll give us a moment, come up with an estimate. And I emphasize that it's an estimate, and it will be an estimate within a range. And that is the absolute best we can do at this time, and I trust that that will satisfy the member's curiosity.

MR. LINGENFELTER: — Well, in doing the detail I would like to know on each individual item of advertising the cost, the tendering process that took place, and who won the tendering process. And I would like that given to the committee, because there are advertising companies in this province who are saying that in the process you went through you didn't tender, that you handed it out to your friends. And I say to you that the committee will like to know — and when you're giving us the response, that one each of these items that the legal fees you would break down in terms of the firms that got the business, and how much it cost.

And we will take a little break right now and move on to another topic. But before we leave this

committee on this Bill, I am determined, and other members of this committee are determined, to get the costs. And you may shake your head and say that's not important, not relevant. But, my friend, you're dealing with taxpayers' money, hard-earned taxpayers' money that you're increasing every budget that you bring in. And it is important to this committee and to the taxpayers to know where their money is going, how the tendering process works. Because small-business people are saying to me day after day — and we met with a number of them yesterday, who are saying, one thing about this government is, is that it's not fair, that it doesn't tender properly.

And I want to just check in this area who got the contracts, and you're saying a little over a million dollars. It's not chicken feed. To many small publishing firms the kind of money we're talking about here is a good deal of money, and I want those details.

HON. MR. SCHOENHALS: — Again, Mr. Speaker, the member in his usual fashion misleads the committee. The million dollars-plus includes, and I repeat, printing fees, town hall meetings, manning the toll-free number, the legal fees and the accounting fees, as well as the advertising — as well as. And to stand in your place and say that some advertising company got a million dollars is total misrepresentation.

MR. LINGENFELTER: — Mr. Minister, I didn't say that. I said what I want is a complete list of printing costs and who got the contract; accounting costs, who got the contract; the legal fees and who did the legal work at what cost. And I want that million dollars-plus because I don't know whether it's two or three or four million. A million dollars-plus isn't very accurate. I want that list, and I want it broken down. And you can have printing on one column and who did the printing and what cost, advertising, the accounting, legal fees, and I'd like it all broke down and your estimates.

When you went into this project, you must have known approximately what it was going to cost. And then I want to know whether you tendered the projects, who applied to get the tenders, or who put bids in, and who was successful, and based on what.

HON. MR. SCHOENHALS: — Mr. Chairman, as I indicated, we are putting together estimates of those costs — estimates. They will be within a range and they will be accurate. We did not tender the legal work; we used Saskoil's legal firm. I would assume the same thing applied to the accounting firm. And we did not tender the advertising. You don't tender advertising.

MR. LINGENFELTER: — The minister still hasn't given any commitment that he's going to break down in any way the legal work that was done, and I'm sure he knows full well that all the legal work wasn't done within the department because he's already said that there's legal fees done outside that are included in this million-plus. What I want now is a commitment that before we leave this committee that we'll get that kind of a list so that we can ask further questions on it.

HON. MR. SCHOENHALS: — Mr. Chairman, I repeat. We are working on the list. It will be an estimate. It will be within ranges. It will be broken down in that area. I said nothing about any department doing legal work. Saskoil used its legal firm.

MR. LINGENFELTER: — The question that we still haven't got clear, for example on advertising, is which advertising firm for example, and whether you'll give it to me, did the pamphlet, did the placements in the newspapers, and at what cost. And if you give the commitment that you'll get that before we're done here this morning, then we'll move on to another area.

HON. MR. SCHOENHALS: — For the fourth time, Mr. Chairman, my officials are working on it. We will have the costs of advertising estimated, and a low and a high range. I trust that is satisfactory.

MR. LINGENFELTER: — The minister has given a commitment and we'll wait, and hopefully it will come soon because there are many other questions that will follow from that.

I want to move back to an issue that we were talking about last night when we left off, and that is the share option. I wonder, having had an evening to think about it, Mr. Minister, whether or not you can

tell the committee whether or not you have changed your mind and attitude as to the need and necessity.

We have already established, at least in our minds and in the minds of many people in the province, that this share option could lead to a windfall profit for a few individuals. You are telling us that there will be no profit coming to these individuals, and if that is the case, we would ask you to remove this section.

And I will tell you now in advance that we intend to move an amendment, that will help solve this problem, further on in the Bill. But I'll tell you, we're not going to move off of clause 1 of the Bill until we get a commitment that you agree that when we come to this amendment, and we'll share the amendment with you, that you give us a commitment that this share option, which could lead to a windfall profit for five individuals, would be removed and noted in the Bill.

HON. MR. SCHOENHALS: — Mr. Chairman, I will go back to this issue. The member for Shaunavon indicated last night that he spent considerable time thinking about this. I wonder if he spent considerable time reading the paragraph on page 32 that explains it. I'll try to put it in layman's terms and explain to you the reasons why this has taken place. The purpose of this is strictly for tax purposes. It's obviously not a long-term executive stock option plan. It's a tax item.

The process that has to take place — Saskoil must be changed, and that's the whole thrust of this Bill which, in my opinion, we have yet to get to, must be changed from a Crown corporation company to a business corporation Act company. In other words it must become a private sector company. To do that the first step is to continue the corporation from a Crown to a business corporation Act company. And since the government still owns 100 per cent, it is not taxable.

Step two: a business corporation Act company must then be amalgamated with a legal for life company which will allow pension funds to invest in the shares, which is obviously one of the pluses that we have talked about many times.

In order to do this it's important before the amalgamation, for tax purposes, that both the business corporation Act company and the legal for life company must be taxable. In order to carry forward the large pool of tax deductions that Saskoil has accumulated, somewhere in excess of \$300 million, the two companies must be taxable. The day that this Act is passed, that can't happen. The only way it can happen is to sell 10 per cent of it or, as we have done, to give someone the option to buy shares. And that is the reason why this is in here.

The plan has been put in place and we have received a tax ruling. The federal government will allow us to bring forward in excess, as I indicated, excess of \$300 million of available tax deductions that will flow to the corporation, hence be a benefit to the investors and to the government and to everyone else who is involved in the corporation.

It was constructed in this way to maximize Saskoil's tax position after the sale of the shares, and I can guarantee there will be no windfall profits.

MR. LINGENFELTER: — Mr. Chairman, if we were to accept, and we don't, the illogic that the minister is trying to put across, I wonder if we could accept the option be changed to one share, and that the date be changed to one day or the same day that the share offering is issued to the public.

HON. MR. SCHOENHALS: — Well, Mr. Chairman, that would not be a realistic share option. Revenue Canada would not accept that. Consequently, as I'm sure your legal friends can inform you, that's not a realistic option.

(1100)

MR. LINGENFELTER: — The minister obviously could change. I don't know about on the numbers. There may be a technical problem, and he's looking for technical reasons to protect himself now as

opposed to any reasoned argument. But of course you could have the share option for a much shorter time. You could have it for a much shorter time. Obviously you could.

I am going to allow one of my colleagues to get into this debate on behalf of his constituents. You can use your red tape and technical arguments to try to get around this one. But I'll tell you it's not going to wash if there's a windfall profit going to those five individuals.

The other way you could solve that problem is by saying that if there were windfall profits, that they would be funnelled back into the company. But none of that is taking place. Obviously there's something going on here that you're not telling the whole story about. You can say that the option has to be 50,000; it has to be for a certain length of time. But I think you're picking and choosing to cover off that argument.

HON. MR. SCHOENHALS: — Mr. Chairman, once again the fact is that the shares will be issued some time in mid-January. The length of the option has been shortened now to less than six weeks, considerably less. To ask Revenue Canada to accept some other shortening of the process is simply not reasonable. They have indicated that to us.

The member in his comments said there would be considerable political pressure, whatever, if there is a windfall profit. I am fully prepared to accept that if there is a windfall profit, because there will be no windfall profit.

Mr. Chairman, to go back to the previous question of the member if I could have his attention for just a moment, if the member would like to take these numbers, I will try to cover the expense issue that we discussed slightly earlier. In terms of the expenses, the engineering report, the Coles Nikiforuk report that we discussed, the final number is \$228,000.

The rest of these numbers will be in a range. Advertising, and the advertising agency was Dome Advertising, will be somewhere between \$325,000 and \$350,000. Printing, the cost of printing will be between \$350,000 and \$400,000. The town hall meetings which took place around the province, the costs of those will be in a range between \$50,000 and \$60,000. Legal fees will be again in a range between \$100,000 and \$125,000, and audit fees, again in a range between \$125,000 to \$150,000.

Some miscellaneous items, acquisition of legal for life company, additional actuarial reports — or annual reports, pardon me, for the town hall meetings, those types of things come to between \$100,000 and \$125,000. If you total the numbers in the two columns will come with an expense range for all these things between \$1.2 and \$1.4 million.

MR. LINGENFELTER: — The minister is now getting closer. He has given the engineering costs of the Coles Nikiforuk study at \$228,000. We see here now another company who is going to benefit from this share offering. We had the approximate 4.5 million, or pick your number depending on how many dollars are involved of the Wood Gundy costs, and some of that will be expenses, and I accept that from the minister. He says that will be shared around as the sales take place.

But obviously they're going to be making good money: Wood Gundy, 4.5 million; engineering, Coles Nikiforuk, \$228,000; advertising, good old Dome, 325 to 350; and then we come to the printing, 350 to 400,000, and I would ask you: who is getting that money?

HON. MR. SCHOENHALS: — A couple of points, Mr. Speaker. First of all, in response to the prologue, or the earlier part of the statement, the advertisement costs — and I'm sure the member knows this, but he chose not to make it clear; maybe it's my fault for not making it clear initially — Dome was the agency. Those advertising costs did not go to Dome. Those include all the costs that went to the weekly newspapers around the provinces; went to the various broadcasting outlets; went to the daily newspapers. They are not all to Dome. Dome placed the ad, but that number includes all those costs which have been distributed widely around the province, so there's another benefit of what we're talking about.

Terms of the printing: the printing firm was Centax. They were chosen by the underwriters and they were chosen on the basis of technical expertise. There are some, obviously, in printing a prospectus. There are some different qualities that are necessary than in printing a brochure, for example. The thing had to be printed in two official languages. It was not tendered. They dealt with a couple of firms and made the decision that Centax was the most appropriate for this job.

MR. LINGENFELTER: — Well the Dome Advertising, the cheque that would have went to them will be between 325 and 350,000 and the money then would be — part of it would be distributed to those newspapers as you say, the *Leader-Post* and others who carry the advertising.

I want to ask you whether other companies were given a chance for this business. What were the bids that came in for this kind of an account? We're talking about between a quarter and half a million dollars. We have a large number of advertising companies in Saskatchewan who would be interested in doing this kind of business. Everyone will know that Dome is that good old Tory advertising company, and I wonder whether other advertising companies were given an option on this job that was done here.

HON. MR. SCHOENHALS: — Mr. Speaker, again, advertising jobs are seldom tendered. This one was chosen on the basis of competence, and if the member of the opposition would care to point out some example of where his government tendered advertising contracts, I'd be prepared to listen.

MR. LINGENFELTER: — I can tell you one thing, that we didn't sell off assets of the public and use the taxpayers' money to sell those assets for them. And I want to ask you again, this \$350,000, then you're saying that there was no bidding process and no competition for this advertising?

HON. MR. SCHOENHALS: — Mr. Speaker, the member has obviously made it very clear, what I've been saying all along, that that party opposite did not and will not, and has no desire to see the public of the province of Saskatchewan invest in the Crown corporations. That is an opportunity that they are not prepared to afford the people of this province. He made that very clear.

The answer to his question is no, we did not tender; we did not ask for bids.

MR. LINGENFELTER: — Well I find that an interesting position from a government who is, on the one hand, setting up a Bill and preaching free enterprise. I find it an interesting position from a minister who stands here on the one hand, in the first part of his statement, and says, we're going to sell off this Crown corporation that made \$44 million for the people of the province, in order that free enterprise can take place. In the process we're going to hire a Conservative advertising company to do the advertising work, and we're not going to allow free enterprise to work. We don't believe in free enterprise when it comes to this kind of a contract. Oh, but we're going to let those people out there who are working and having their wages frozen, and the seniors who are having their nursing home rates increased, we want to allow them to be involved in the private sector, in the free enterprise system.

But when it comes to \$350,000 of advertising to allow the public to be involved in the free enterprise system, then the theory of free enterprise disappears. There's no free enterprise here. It's a closed shop. You're using taxpayers' money and you're paying out \$350,000 to an advertising company that has close connections with the Conservative Party.

And I say to you: does that fit with the philosophy that you're preaching on the other hand, in this Bill?

HON. MR. SCHOENHALS: — Mr. Chairman, I think that the comments of the member from Shaunavon point out very clearly what people all over the province have been telling me in the last three years and prior to the election in 1982, that the NDP do not believe in the free enterprise system, do not understand the free enterprise system, and cannot work with the free enterprise system.

The arguments last night presented by the member from Quill Lakes when he said in this House that it was imperative that his government have a Crown corporation so they could determine what policies and what taxation levels they should have in the oil industry . . . they never heard of consulting and discussing and having open co-operation in working with industries. And they don't know how.

And I think the comments made by the member from Shaunavon point that out again to the people very clearly, that no matter how much they choose to profess, this party has not changed; they have the same philosophies. They do not want the people of the province to have any opportunity to have part of this. They believe that government are the only people that can make decisions, and we don't subscribe to that theory.

MR. LINGENFELTER: — I ask you again, on the Dome \$350,000, did you allow the free market and the free enterprise system to work the way you preach? Did you allow a free enterprise system to work on the advertising or did you just pick your Tory friends to do the work?

HON. MR. SCHOENHALS: — Mr. Chairman, we chose a company that we have faith in, that has provided excellent service, and I'm sure as you would indicate, have provided excellent service on this one. The fact that you're distressed with the advertising would clearly indicate that they've done a tremendous job.

MR. LINGENFELTER: — Can I ask you to explain how other advertising companies have an option or a part in the free enterprise system under your government? Explain to me how other advertising companies who believe in free enterprise can take part in the trough. That's what I'd like to know.

Obviously here we have \$350,000 being spent and there is no free enterprise involved at all. No tender. Almost half a million dollars to a Tory advertising firm, and you're saying, we're free enterprisers; come on in, we'll all get involved. But I'll tell you, the trough is full and it's full of Tory friends and here's the first one. And I'm going to go through here, each one, and see if the free enterprise worked.

For example, when it came to the printing, who did the printing, and were there public tenders so that the free enterprise system could work as you would like to see it?

HON. MR. SCHOENHALS: — There were two questions there, Mr. Speaker. The first had to do with how other advertising agencies are contracted. The work is spread around and it's based on competence. The ones I'm familiar with, for instance the potash corporation in the work it does, uses The Marketing Den in Saskatoon, another very reputable advertising firm, and so forth.

In terms of the other part of the question about the printing, the underwriters chose the printer. They did, in fact, go out and solicit bids and expressions of interest and determined expertise and made the decision. Centax were the printers.

(1115)

MR. LINGENFELTER: — Well I would ask you, first of all, where Centax has their head office, and which other companies were notified, and what their response was, and what their bids were.

HON. MR. SCHOENHALS: — Mr. Chairman, Centax is a Regina company — operate in Regina. Brigdens and Mercury Printers were also considered. There was interest expressed by Calgary firms, but we ruled them out in our usual manner of giving preference to Saskatchewan corporations.

MR. LINGENFELTER: — When you say Brigdens were considered, what do you mean? Do you mean that you went to them with a proposal for work that you needed done, and they made an offer?

HON. MR. SCHOENHALS: — The underwriting group visited with Brigdens, went to their facilities,

inspected them, determined, in fact, in consultation with them that in their opinion, for the job we needed, that in terms of printing, including the prospectuses and so on, that they did not have the facilities to carry out this job. And Centax was consequently chosen. In terms of Mercury, they did not visit the facilities in Saskatoon. They corresponded and talked to them on the phone. The decision was that since the head office was in Regina, the work would take place here, that a Regina firm was more appropriate.

MR. LINGENFELTER: — The other printing companies, the printing companies who you refer to, will be interested in knowing that the confidence that you have in them is such that they weren't able to do the work. That's not what I'm hearing. That's not what other small-business people and engineering firms are telling me about other projects that you people carry on — building of nursing homes where there's no proper bidding process in place; for example, in Saskatoon, the nursing home that has not been tendered properly. And it's a scandal on the streets in Saskatoon what's going on there. You know about it; I know about it.

I say to you that this is only another example of how you people say one thing and do another. In the whole Bill you've been talking about allowing people to get involved in the private sector, to be free enterprisers, to believe in this rhetoric that you people have been flogging in this province since 1982. And I tell you, the results are disastrous, because you run a closed shop.

Here in the area of advertising, and now in printing, you are saying that there was no process of tendering, that there was no option for people to get involved in your free enterprise system, that you handed it out to your friends.

I want to ask you now on the auditing — the company that did it, and whether there were other firms asked to participate and compete for the business.

HON. MR. SCHOENHALS: — Mr. Chairman, two comments. There is a scandal on the streets of Saskatoon about nursing homes. It has nothing to do with the way they've been built. It has to do with the fact that there were never any built under their term in office. The nursing home that we're presently constructing was announced in 1978 by that government. In 1982, they still hadn't turned a shovel. A seven-year moratorium is a scandal on nursing homes.

As far as the auditors, Mr. Chairman, the auditors are Clarkson Gordon. They have been Saskoil's auditors and they were appointed by tender.

MR. LINGENFELTER: — Were they the low tender, and what other companies tendered on that audit that was required? You said that there was a tender. Will you please provide for the committee other groups that were involved in the tendering process and what the tenders were?

HON. MR. SCHOENHALS: — Mr. Chairman, that would be difficult. Clarkson Gordon were appointed and have been in the position since 1981.

MR. LINGENFELTER: — Well when I asked you a minute ago, you said that this project was tendered. That's what you said, not a minute ago. You said it was tendered. Now either you were wrong in your comment that you made two minutes ago, or you were wrong in the one you made 30 seconds ago, because it can't be both ways. Either you tendered it or you didn't. To stand there and say that it was tendered, and then when you're asked for the tendering process, you say that they've been there since '75 and we didn't tender it. One of them isn't accurate.

And the other thing, sir, that I would say is that on each of these items — advertising, printing and now the audit — what I believe is happening here is that there was no tendering. And you confirmed it on the audit, there was no tendering either, because I'll believe your second answer and not your first.

HON. MR. SCHOENHALS: — I will, Mr. Chairman, go very slowly so the member can follow. Clarkson Gordon were appointed by tender to be Saskoil's auditors in 1981. All right? Now there is a

statutory requirement by the securities commission that the company use its own auditors. Consequently, the auditing fees that I am mentioning here, 125 to \$150,000, will be paid to Saskoil's auditor, according to this statutory requirement, which happen to be Clarkson Gordon.

MR. LINGENFELTER: — Well then isn't it curious that in 1981 when we chose the auditor under a NDP government, a left-wing government, a tendering process took place so the free enterprise system could work. Isn't that interesting.

And under you in the two other areas that were done in 1985, no tendering took place under a free enterprise government. Isn't that interesting that we have a government in place that preaches free enterprise and how they're going to allow the people of the province to get involved in this Crown corporation, and I say to participate in the debt of the province that has been built up by these people who have run up a debt of 1.5 billion, that's what's happening here. These should be called shares in the debt of Saskatchewan as opposed to what you are calling them, because that's what's happening. There's not going to be any cheque going out to the people who are selling the shares. That's going to go to solve the debt problem.

For example, the member from Assiniboia-Gravelbourg who will have constituents who won't be buying the shares, I would think 90 per cent of them won't. That may be low or it may be high, but probably 10 per cent of them won't. And that's very high. In any other share offering that I know of, one or two may participate, but I doubt if one or two would even. In this one it may be as high as 10, and I doubt it. But for those 90 per cent who do not participate, they are selling part of a company they now own, and I say to you they're not getting a cheque. They won't get a cheque for \$100 that they should be getting. It will go the deficit of this province.

I say to you that the 90 per cent who are not buying shares are being asked to make a bigger contribution to help solve your debt problem. That's the issue here, not the fact that the 10 per cent who buy will make or not make money. I think they will. And I think the 10 per cent who already have money to invest will make more, and the 90 per cent who haven't got the money will make less. Obviously that's what's happening and that's how your free enterprise system works.

But I say here, where we could be using your free enterprise system in advertising and printing, isn't it interesting that we chose not to allow the private sector to operate.

HON. MR. SCHOENHALS: — Mr. Chairman, we've been over this ownership thing a number of times. I am prepared to suggest to the member opposite that the narrow government owned concepts and philosophies expressed in the *Regina Manifesto* and still followed by that party, are not the feelings of the majority of the people in this province at this time. And I think they've clearly indicated that.

However, I would suggest to the member opposite, I would suggest to the member for Assiniboia-Gravelbourg as well, that what we have here is free private sector companies, Centax and Dome, carrying this out. It's not like in your government where, in insurance for instance, there was one option, a crown corporation where the other Crown corporations had to purchase their insurance. That's changed. That's the private sector. These companies are the private sector. These printing companies, these accounting companies, they are in the private sector, my friend. They are operating.

MR. LINGENFELTER: — Mr. Minister, if you can't see that there's no competition in the area of advertising and printing, then there's something wrong with you, because there is no competition. You went out and hand-picked Dome to do the advertising.

You know very well that many of your MLAs get political pamphlets, for example done at Dome printing. They do. You know it and I know it. And do you not see it as a conflict of interest that the interpretation that could be made by the public and the taxpayers of this province, that this cosy deal was being handed to them — \$350,000 — so you could get a discount on political pamphlets for the next election. And I say to you that's what's happening here, that you're either looking for cheaper

work on political work or you're looking for a political donation. And that's why competition didn't take place here, even though your rhetoric would say something else.

HON. MR. SCHOENHALS: — Taken to its natural conclusion, Mr. Chairman, it would indicate that any place where we had printing done should have got part of this. MLAs have printing done all over this province. The suggestion that you make is completely false and is beneath the dignity and debate in this House.

MR. LINGENFELTER: — I say to you, sir, when it's the same company that's going to be running your political ads in the next election; that when you hand out a cozy deal of 350,000 without any competition, I'll tell you you're going to have to explain to the people of Saskatchewan that there isn't a conflict. And I say to you that comparing the printing that may be done in Herbert or the printing that may be done in Maple Creek to the printing that is being done here — \$350,000 — then you've got to be kidding. Then you've got to be kidding.

Those people out there are involved in the private sector. They compete with the next paper down the road. If the member for Maple Creek is going to get a pamphlet printed, she goes to Gull Lake, to Maple Creek, to see where she can get the lowest bid, and they compete. But here, my friend, there is no competition — \$350,000 of taxpayers money, of taxpayers money, with no bid. And this from a government that preaches free enterprise.

The other thing is that it's the major Tory advertising company that I believe will be doing hundreds of thousands of dollars of political ads within the next four months. And you say there's no conflict. Well I'll tell you, you'll have a hard time convincing the people of Regina and Saskatchewan that there's no conflict in the spending of their tax dollar.

HON. MR. SCHOENHALS: — Mr. Chairman, again the member from Shaunavon stands in his place and attacks small business, and will then tell me that he has been out visiting with them. I think that is a patent fabrication. The fact is that the underwriters chose the printer that, in their opinion, had the facilities and the capability to do the very complicated work. It's interesting to note that there are not many printers with that capability in this province, which tells you something.

The second point, in terms of the advertising firm, again the money does not go to Dome. You would leave that impression. It goes to the *Shaunavon Standard* and it goes to the daily newspapers all around the province, the broadcasting outlets, and many other places.

The advertising agency was chosen, in this case by Saskoil, on a basis of perceived competence. If you wish to slander that company and say they're not competent, or some other company should have been chosen because of its competence, that's fine, but that was the rationale for the choice and that remains the rationale for the choice, and any indication that there's some other rationale is totally erroneous.

(1130)

MR. LINGENFELTER: — Well you say that they're the only advertising company with the capability of doing this job. Now after three years of your patronage to them, there's a good chance that they are the only advertising company left with the capability of doing it, but I don't believe that. I believe there are other private sector companies that could have done the job if you would have given them a chance.

And you say that this is just a coincidence — just a coincidence that Dome Advertising, which happens to be the Tories' main advertising company, that four months before the next election would get a contract, untendered, for \$350,000. Don't ask me question about that. It's just a coincidence. No reason why we should be suspicious. You guys in the NDP, you're always bringing up these stories that aren't accurate; just a coincidence that our friends over at Dome where the, first of all, the only people that could do the job; that we didn't tender it so other people could apply, that other people could bid. And it's just a coincidence that this is taking place three or four months

before the next election.

There's no conflict that when we go to get our pamphlets printed that we're going to get a better deal. Don't try to argue that point because it doesn't make any sense, the minister says. Well I'll tell you that to many taxpayers in this province who have seen their taxes increase, used car sales tax, property improvement grant gone, a new flat tax, to see you birds give away \$350,000 — and, I say, to help you with your next election, is not fair.

And I say to you that you should given an explanation to this Assembly why you didn't tender this project.

HON. MR. SCHOENHALS: — Well again, Mr. Speaker, in his preamble, if that's what it was, he again misquoted and changed statements that I made. I did not indicate that Dome was the only advertising company that was capable of doing this job. I indicated that Centax was the only printing company. I think it's a compliment to Centax that they have done an excellent job on this work, and this will improve their capacities. They are an outstanding company and have done an excellent job for us. Normally this type of thing has to go to Calgary. This did not happen in this case.

The only comment I can make to the member in terms of where people are going to get their pamphlets printed, and so forth, we've never contested an election in power. I wished we thought of some of the things that you're suggesting that you people used to do. Maybe they'd help us.

MR. LINGENFELTER: — I want to tell you that you did contest one election. Seeing as you brought it up, you did contest one election. It was back in 1934 — 1934. You people have called one election in the history of the province in 1934. Sure you have. You did. You've called one election. You called it in 1934, and you didn't get any seats.

So I say to you, with the kind of performance that we've seen today on this bill, Mr. Chairman, a Bill where a \$350,000 contract was given out to the Conservative advertising company without any competition, I predict that the second one you call will be as successful as the first. As well it should be. Because you have alienated, not only all of the very reasonable individuals in this province, and we've seen that in Regina, but many of your business people. Many of the business people who believe that there should be free enterprise understand now that there is no free enterprise when it comes to tendering and when it comes to work in this province.

And we have met with construction companies, and architects, and engineers, and advertising companies, and printers, and accountants who say that this is only one example, and the list is as long as their arms, and they're saying that they can't afford four more years of your style of your free enterprise. They say that four more years of your style of free enterprise is going to kill them, and the list is long.

And they are coming to us, they are coming to us . . . I'll tell you, we have a stack of letters from architects and engineers, and the line is similar in every one; the line is the same in every one, that you people do not know how to bid or tender; that you don't believe in the free enterprise system. They say this is not a government of free enterprise.

They say that under Allan Blakeney they had a mixed economy. It wasn't everything they wanted. It wasn't the philosophy that they would have, in a sense, politically agreed with, but they said one thing, Mr. Chairman: that government was fair.

They're saying that these people got elected in '82 on a theme of free enterprise, but every chance that they have gotten they have practised something quite different. And this highlights it. This is but one example, not a small example, but one example of the kind of action this government has taken — \$350,000 untendered to their advertising company, Dome advertising — four months before the next election. And I say to you that the business people in this province are not impressed.

Oh, you may have a few oil executives who are turning a good profit, but they're going to have to

bring a lot of friends in within the next six months in order for you guys to win the next election. They're going to have to bring a lot of friends from Calgary into Saskatchewan and into Regina to win the next election.

And there are a few who are making money. They are a few business people, namely in the area of oil, who are making money. But the sad part is that the majority of those people are paying income tax somewhere else. And you can talk about the seismic companies that roll in with their Alberta trucks, get their salary, and then move out. The cafes make a little bit of money, and the motels make a little bit of money, but the hundreds of millions of dollars that you're moving out of the province is the reason that we're hundreds of millions of dollars in debt; in fact, 1.5 billion.

And I say to you that the free enterprise system, or the system I believe in — a mixed economy where you have a strong private sector and a strong public sector and a strong working group — cannot survive under this kind of operation. I don't care whether you're free enterprise or socialist or Social Democrat and all these words that you want to throw back and forth. The principle of fairness in awarding contracts is a principle where you people have failed the business community totally, and this is just one example.

HON. MR. SCHOENHALS: — Mr. Chairman, my response will not be lengthy. The member stands in his place and talks about his communication with small business. That is utter garbage. Mr. Speaker, members on this side of the House meet with small business on a daily basis. If you've talked to one, we've talked to 100.

Mr. Chairman, the business men in this province fully remember the period of time that the NDP was in government. They do not want it back. The insurance people, the life insurance people, had you won the last election, would have been facing competition from a public life insurance company, and on and on. They don't want to compete with people with an unfair advantage, as you have indicated.

Now I could get into a long discussion on the benefits of the oil policy that's been introduced in this province — where the money has gone, what has happened. You chose to use the argument that the Saskatchewan oil industry is based on the large, evil multinationals. The fact of the matter is, and as you well know, sir, being one of them, the Saskatchewan oil industry is comprised about 85 per cent of small independent companies, most of them located in Saskatchewan. And those benefits in the area where you live, as you well know, have been felt directly in this province.

And we could get into the fact of your give-away incentive program, the fact that the government owed \$300 million to the companies and was paying out 60 or 70 a year; the fact that our incentive program cost this province this year about \$120 million. We could go through all those numbers, and the fact of the matter is, it won't change anything. The people who are impacted completely understand, and that circle of people is growing every day as oil companies move to Regina, move offices in here, as industries start in Saskatoon, servicing that industry as pump jack corporations start manufacturing in North Battleford, in Cut Knife and Schulte Industries — all throughout this province, as people are benefiting from the benefits of the oil industry.

And now, Mr. Chairman, if the opposition will back up from the filibuster that they are putting in place to prevent the people in the province from actually benefiting from the oil sector in another way, we can get on with this Bill and allow the people of the province to make investments, if they choose, in this corporation, and again a wider range of people will benefit from the activity that's taking place in the oil sector in Saskatchewan today.

MR. LINGENFELTER: — The minister will well know that we are dealing with a Bill that will affect a half a billion dollars in taxpayers' money. We're talking about half a billion dollars. What he doesn't seem to understand is that the role that goes on in this Assembly, when you debate a Bill that affects a half a billion dollars, that when you spend two or three days is not a filibuster.

My friend, spending two or three days when you are disrupting a half a billion dollars of taxpayers' money is not a filibuster. And you don't seem to understand that your job is not just to hire advertising companies — Tory advertising companies — to make you look good, to travel around the province — but a part of this democracy is to come here and debate the principle of the Bill.

And if you're saying that three days — three days — is a filibuster, on a half a billion dollar Bill, then you're proving that you don't know what democracy is all about. If we spent a month on this Bill, if we spent a month on a half a billion worth of taxpayers' money, you could never sell the idea that the opposition is filibustering the Bill. Because it's that important. It's important that we ask these questions.

And the member from Regina North, who should be listening and should be involved after the by-election, the minister who is the minister closest to the North East by-election, he was the guy who was there on the ground. He talks from his seat and says how we shouldn't be listening to the people. He says we shouldn't be listening to the people, that we shouldn't be putting forward these ideas.

I say the minister has not listened to the public. And we will be listening over the weekend very closely to see what people are saying about this expenditure, contracts being given out without a tendering process. We will see what they think about share options going to five executive officers, where windfall profits of half a million dollars could be made. And we will see what the 90 per cent of the people who will not be buying shares are saying about the give-away of their oil company.

And you talk about listening. Well I could tell the member for Regina North who speaks from his seat rather than getting involved in defending this Dome give-away, Dome Advertising. I would ask him to stand in his place . . . (inaudible interjection) . . . No, today. You can get involved right now. There's nothing stopping you. You're in your seat; you're getting paid. I would ask you to stand in your place and defend this \$350,000 to Dome Advertising.

HON. MR. SCHOENHALS: — Mr. Chairman, the member purports to give me a lecture on the operation of democracy, and I would suggest that he look at the numbers in the House if he wants to talk about democracy and what the people think.

The member opposite has a responsibility; that is correct — a responsibility to debate the Bill. To date the member opposite has not asked a question about the Bill. He has debated the prospectus, and that is not what we are debating here. We have allowed it to . . . The only rational debate that has come across the floor has been from the Leader of the Opposition. It's too bad he's not here so we could get on with some more rational debate and get this in place.

I'm amazed that the member from Shaunavon will not simply stand in his place and admit to the people of Saskatchewan that he does not want them to have an opportunity to invest in the corporation, that he does not believe in public participation, that he believes government should make all the decisions, and he will always believe that way.

MR. KOSKIE: — Mr. Chairman, Mr. Minister, we are discussing here the general principle of the impact of this Bill. I don't think there's any doubt about that. And when we get into the prospectus, you criticize us for going into the prospectus. Well the prospectus sets out what you're offering within the framework of the Bill, and this is what we're looking at. And you have talked about the value of this to the people of Saskatchewan. You have said this is an innovative way of allowing the people of this province to better participate.

Now I want to run by you a little bit of the history of the performance in this province by the Crown sector, which you say has not served the people of this province very well. That's what you are saying. You're saying you have turn it around into a private sector corporation.

But let us take a look at the Saskatchewan economic and financial position, July of 1985, put out by the then Finance minister of this province. And if you look at the Crown investments corporation in this economic financial position, you know what you find in 1980? That the total earnings for the people of Saskatchewan, net earnings from the collective Crown corporations in this province was \$182,604,000; in 1981 the net profit, the last year that we were in government, was \$115,721,000.

Now the first year that you came into office there was a rapid turn-around, a rapid turn-around in the performance of the Crown corporation. Do you know what you dropped in the operation of the Crown corporations because your philosophy says Crown corporations have no place in the economic viability of this province? Well, you dropped \$126 million. That's the figures from the Saskatchewan economic and financial position issued in July of 1985.

I'll read those again. In 1980 the Crown sector made for the people of this province over \$182 million; in 1981 over \$115 million. Your performance — you lost, in 1982, 125 million because you don't believe in Crown corporations; in 1983 you lost \$56 million, approximately. This has been the performance under the managerial skills of your government.

And you ask, has the Crown sector paid anything to the people of this province? And again you go to a report of one of the Crown corporations. If you look at the dividends that have been declared and paid to the people of the province — and I use one example and that is the potash corporation — in 1980 the potash corporation made over \$167 million for the people of this province; dividend, \$50 million. In 1981 potash corporation made \$141 million for the people of this province; dividend, \$50 million. In 1982, after you juggled the books and changed the depreciation, do you know what you said potash made? Six hundred and seven thousand dollars — 607. But out of the retained earnings you plucked off a dividend of \$50 million for the people of this province. In 1983 when the potash corporation lost \$18 million, what did the Tories do? A dividend declared, \$62 million. And last year, a dividend of \$12 million.

I think this clearly demonstrates that what was happening is that an integral part of the economic strength of this province was private enterprise. There was joint ventures — you know very well SMDC is a system of joint ventures, and you're operating it, and you're making a profit for the people of Saskatchewan. And there are private corporations, and there are public corporations, and together we built a province that gave employment to the people of this province. We had a financial base for this province which would have allowed us to balance the budgets for 11 years of operation.

And do you know what you have done? You have destroyed the very economic base that was set up here in Saskatchewan — a strong private enterprise, a Crown participation in the economy, and joint ventures. And you say, even though the performance of the past clearly demonstrates that the people of Saskatchewan are better off under the type of economic development of private and public and joint ventures, you say that there's no place for the public involvement.

Now I want to run this by one more time. I want you to explain how the average citizen of Saskatchewan is better off, taking the performance in 1984 of Saskoil of \$44 million. And let us assume, Mr. Minister, that this coming year, after it's privatized, that you make \$44 million. Now you say you're going to divide it up, 60 per cent controlled by the Crown, 40 per cent is going to be controlled by the private investors. It seems to me that if you take the \$44 million and if you're going to have a split of share of 40-60 — you have \$44 million — and it seem to me that what you have if you divide it up proportionately, 40 per cent to the private, you get about 17.6 million of the 44 would go to the private investors. And there would be left 26.4 million to the 60 per cent shareholder, the province of Saskatchewan.

Now you tell me if that is indeed — that's the structure that you're setting up — you tell me how the 90 per cent of the people who are not going to be able to afford, or who, in fact, do not have enough sophistication of wanting to get into the speculative market of buying shares. About 90 per cent of the people of this province possibly will not be buying any appreciable amount of the bonds.

How can you say that the general population who do not invest — and when you siphon off 40 per

cent of the potential profit to only those that have money to invest this substantial amount, because you can only make substantial profits if you make a substantial investment — how do you rationalize that the general public are going to have accessibility to a greater share of the profits in comparison to what they were able to share when it was under Saskoil?

Can you explain to me how there's going to be more money available to pay a dividend, to build schools and hospitals and nursing homes and highways which have been neglected under you birds? How are we going to control the financial mess that you have placed as a burden upon the people of this province?

You realize, Mr. Minister, and you smile, \$1.5 billion of debt — that's the estimated deficit. That's \$1,500 for every man, woman, and child in three years of your administration, and you say you can manage a province.

But my essential question to you: can you stand up here and indicate how those people — the 38,000 that was indicated are unemployed today, how the 63,000 that are on welfare, how all of those who are working only part-time jobs and have very limited money, how all of the thousands that are working on minimum wage and can't afford to buy speculative shares — you tell me how they are going to benefit from the proposal that you have placed before us herein the legislature.

HON. MR. SCHOENHALS: — Mr. Chairman, a couple of points. The member opposite knows full well that the performance of the Crown corporations is a direct function of the price of potash and has little or nothing to do. Now the fact . . . (inaudible interjection) . . . And the price is going down.

Mr. Chairman, the fact is that in 1980 the price of potash was in the \$115-\$120 a tonne range. It has gone down to the \$50 to \$55 a tonne range. I would suggest to the member that had the government of Saskatchewan of the day not purchased half of the potash mines in this province, which created not one job, that this province would be a whole lot better off. That single activity has proven to be a disastrous decision on the part of the government of the day.

To have the member stand in his place and say that SMDC is an excellent example of joint venture has to be the ultimate hypocrisy. SMDC invested \$600 million of the people's money in the uranium mines in northern Saskatchewan, and that party, if ever returned to power, which is not very likely, would immediately close those mines down. And he stands and talks about joint venture. That party is against joint venture, and he stands and points it out as some example.

Mr. Chairman, I was recently talking to a small-business man here in Regina, and we were discussing the offering of shares in Saskoil, and that small-business man indicated that he didn't know for sure if he'd invest or not. He hadn't made that decision yet, but he would think it over and look at it. But he suggested that he was having trouble understanding the opposition that was coming from the NDP. He said that the mentality of the *Regina Manifesto* was well behind us. He said, the problem with these guys is they're simply not contemporary. They try to tell us they've changed and they haven't. He said, I think it's a good deal.

I think it's a reasonable investment opportunity. I think it's something that most of the people I talk to are interested in exploring, whether they choose to take advantage of it or not. It's good for the corporation, and it's good for the province. I think that gentleman probably expressed the feelings of the majority of the average people in Saskatchewan much better than I could. I would suggest that that is the prevailing mood.

MR. KOSKIE: — Mr. Minister, I asked a question at the end of my comments. I asked you to stand up and to indicate how the people who are unable to buy shares are better off by privatizing the Crown corporation, rather than having the total amount of profit be distributed for the benefits of the province.

You tell me how the individual and those that I've mentioned before — the unemployed, the 38,000; those that are on welfare, the 63,362, the highest in the history of this province; all of those that are

on minimum wage — you tell me how they are going to be better off if they are not able to take the risk. They don't have that extra money to invest in shares, Mr. Minister.

What they tell you if you take and seek advice is that it's speculative, and you should have a certain amount of money over and above what you require for your general management of your affairs before you go into speculation. That's the clear indication, the simple terms, if you go and seek advice of whether you should buy shares or not. You better have some money over and above that which you need to carry on your daily affairs.

Now let's take a look, Mr. Minister, and there's thousands of people across this province who only have enough to put bread on their table and to pay for their utilities, costs which you have increased so substantially, and to pay for their insurance and so on. And what I'm saying to you: can you stand up and indicate how all of those people who have no extra money to participate in purchasing the shares are going to be better off?

HON. MR. SCHOENHALS: — Mr. Chairman, in all due respect to the member, that is exactly the same question he has asked three times already, and I have answered three times. I will go once more. As a result of this share offering, Mr. Chairman, \$75 million, not an insubstantial amount of money, will flow through Crown Management Board to the Heritage Fund. That money — that money — for the first time in that Heritage Fund will be used to support education, to support health, to support job creation, and agriculture, and those are all key concerns of all the people of this province. That's been clearly indicated.

Compare that with the comment of the Leader of the Opposition, as I've indicated in this House before, in Saskatoon when he clearly stated that it was never the intention that the Heritage Fund would have dollars to build nursing homes and hospitals.

Mr. Speaker, as well as that, any other dividends that are declared by the corporation, the largest majority of them will flow to the government who will remain the major shareholder — the majority shareholder — in this corporation. Clearly there will be benefits for everyone in the province.

There will be increased opportunities to become involved at whatever level the individual investor chooses to become involved. And the operative word, Mr. Chairman, as has been expressed to me by many people in this province, is that for an historic first time they will have a choice whether they want to become more directly involved in the Crown corporations or not and to what level.

(1200)

And I repeat again, that the intent in the policy of the share offering is to fill all of the small Saskatchewan orders first, and people who determine that they want to make small investments — and there will be many, many thousands of them — will, in fact, for the first time become active in the activities of Saskoil in this province.

MR. KOSKIE: — Well, obviously you won't address the particular question of the 90 per cent of the people of this province who are not going to be able to participate. You won't address that question because you're trying to stonewall — you're trying to evade the very essence of what you're attempting to do here and that is to exclude, because there's 80 or 90 per cent of the people who are not going to be able to buy. And so, therefore, what you've done is turn over 40 per cent of control of one of the most prosperous oil companies in the country to 10 per cent of the people, and they take the 40 per cent profit.

You know, if you take a look at it, there's two things that are happening here. One, it's the philosophy of this party, serving their masters, those people that elected them, to do this, to turn it over. And you say potash, they took over some of the potash mines and didn't create any new jobs. You're taking over and selling now a Crown corporation to the private, and how many jobs do you project are going to be created? And what jobs couldn't, in fact, be created through the Crown corporations by

further expanding its activities?

The other factor here, Mr. Chairman, is the other reality that we have to look at. The management — the fiscal management — of this province is a disaster. It's a concern to every citizen of this province, as I go around this province, that any group could come into office with a surplus of \$140 million cash, and they have racked up in three years \$1.5 billion of debt.

And do you know what they've done? During the period of time that the potash mine, under their operation, wasn't in fact making a profit, they peeled off \$62 million to help defer some of the mismanagement so their debt wouldn't be higher.

And what else have they done in the management of this province? They had highway equipment, and they sold that off and they blew the money. There's a coal mine down in the South-west they sold off for about a hundred million dollars and blew the money. They've sold off other assets — the Intercon where we had 45 per cent, they sold that off. They've sold off drag-lines from the power corporation. They have sold off . . . (inaudible interjection) . . . That has everything to do with it, because what you're doing here is trying to bail out the inadequacy of your management of this province.

You've sold off asset after asset, and here is what you're doing again is selling to about 10 per cent of the people of Saskatchewan, who can participate, an operative oil company which has been making money for the people of this province.

Mr. Minister, there's no doubt that what you are doing here will not create more new jobs. It will not create any new investment, because if you wanted 25 million for Saskoil you could simply proceed with a participating bond, as you did before when you raised 15 million. What you're doing here is taking a corporation in 1984 that made \$44 million, and you're saying to investors in Saskatchewan and outside of Saskatchewan, we don't want this money for the people of Saskatchewan. We want to allow you from outside of Saskatchewan to buy these shares and you can have some of the profit. Because that's what's going to happen. It's not just the investors in Saskatchewan who are going to share in the 40 per cent, it's going to be across Canada.

And 90 per cent of the people of this province cannot share. And you talk about, oh, they're going to benefit, 75 million that's going to go into the Heritage Fund. Well, I tell you, use a little logic. They lose ownership of the corporation, the Crown corporation, the 75 million goes into the Heritage Fund, but who benefits from that \$75 million? Well it's all of those people that you say haven't been able to invest, that 90 per cent of the people of Saskatchewan, because you're going to put it into the four pillars under the last budget. They'll get some benefit.

But do you see, also who will benefit are the very people that have the financial resources to take 40 per cent control of this corporation, because any benefits that flow from the dividend flows to all of the people. But on one hand . . . (inaudible interjection) . . . Well, it does. Those who invest are people of Saskatchewan. Those that can't invest are people of Saskatchewan. If you put it into the general Consolidated Fund for programs, programs go to all people in the province. So the ones that are investing and taking control of it get the same benefit as those that have no financial resources in order to invest. and that happens only once.

What do you do to that 10 per cent who have also shared in the \$75 million dividend? You say to them, well, if it were exactly the same as last year in 1984, you know what you say to them? Let us assume that 10 per cent of the people could invest in Saskatchewan and buy up all the 40 per cent control. Let's say it stays in Saskatchewan. Well under the operation in 1984, the 40 per cent would peel off 17.6 million of the \$44 million profit, and what would be left for all of the people of this province is \$26.4 million.

Mr. Minister, what you're doing here is allowing those with financial resources . . . If indeed you had taken another course, if you had said to the people of the business community and those that wanted to invest, I'm going to encourage you to start up another Saskatchewan oil company, a private one.

Saskoil has a lot of information here, has a lot of knowledge in respect to the oil patch. Now if you had said to a group of business men, start up an oil company and I'll tell you we're going to help you, because we want a private-sector, home-based, started-up oil company here in Saskatchewan, there I could see, and the people of Saskatchewan could invest in that new oil company.

And what you'd have, Saskoil producing about 8 per cent and you could have another private Saskatchewan oil company where people could invest, take a chance. That 10 per cent that can invest in taking over Saskoil is a going concern. So why haven't you taken the opportunity of encouraging a group of Saskatchewan people to build a private corporation — build a private corporation? This is not free enterprise where you have a going concern and you turn it away from 90 per cent of the people and you hand it over to 10. What justice is that for the rest of the people that can't in fact participate in any meaningful way in this corporation?

I ask you again, how are the people that can't invest going to benefit over and above that long story that you said you're going to stick in \$75 million in the Heritage Fund? But that goes to everybody, including the investors. If they can't invest in it. I say to you that they're worse off, because to the investors go 40 per cent of the profits in the future — at least.

I ask you, is it normal to have a corporation set up, a private corporation, in which 60 per cent of the shares is held by one particular group and 40 by the other. To give over the total day-to-day management to the 40 per cent — why wouldn't a 60 per cent shareholder be an active participant in directing the direction of the corporation? Because, after all, you hold those 60 per cent shares for someone. And I say, you hold those 60 per cent shares for all of the people of Saskatchewan because Saskoil, indeed, was owned by the people of Saskatchewan, because when you're selling your shares, you're declaring a dividend and you're selling off \$100 million worth of shares. And you say 75 million of those goes to the taxpayers. So obviously, who owns the corporation? It's the people of Saskatchewan because when you sold it, who are giving the money to? To the people of Saskatchewan.

So I ask you, Mr. Minister, if you would explain why you have taken the basis, one of having control of 60 per cent of the shares after you go through with this deal, why you will play no active role in the act of management of the affairs of the corporation.

HON. MR. SCHOENHALS: — Mr. Chairman, the member from Quill Lakes, quite some time ago in the introduction to his monologue, drew a comparison which I wasn't quite able to follow between the potash take-over and the issuing of shares in Saskoil. I would suggest to him that the difference from a government or people point of view, if that's your association of government, is that in the case of Saskoil shares, the government is bringing money. In the case of the potash take-over, it was obviously dispensing money, and I think that's a very significant difference.

The question is: why do we not choose to play a larger role in the management of the corporation? The answer is relatively simple, since it is our intention to have people in the province look at this as an investment opportunity and to make a rational decision of it. The people are so concerned about the political interference that took place in the Crown corporations under that administration and the remote threat that they might return that it was important to make a statement that clearly indicated that the company was going to be run as an oil company and not as an arm of government.

Mr. Chairman, since the intent here is obviously to delay this and prevent the people from having the opportunity to invest in this corporation, I will once again, to put it into perspective, point out the hypocrisy of the opposition by again referring to their proposal in January 14, 1982, in which they would have taken a number of Crown corporations and sold equity in those Crown corporations.

The member opposite suggested that people outside the province would have an opportunity to invest in Saskoil, and yet in their proposal, and I read from the document, the shares would be listed on Canadian stock exchanges to provide the required liquidity. Exactly the same principle; exactly what we're talking of, and I could go through this document in some detail. And if that would help, I would be prepared to do that. But the difference between the two concepts is that they were

prepared to take a group of risky, very tenuous investments, possibly some would even say bad decisions that they had made while in office, roll them up and offer equity shares again to a small likely portion of the population.

(1215)

And I wonder if the member from Quill Lakes shouldn't ask himself, or possibly the new member from Regina North East who sat on this board and voted in favour of this, whether in fact the question that he's asking didn't apply just as well to this. The fact of the matter is that the people of this province have indicated by electoral mandate, by their reaction to the bond issues, by comment that they are very interested in having a greater involvement in the Crown corporation, and the element is again that people will now have a choice — many people may not take advantage — but people will get to make that decision on their own.

And once again, I emphasize the points I've emphasized numerous times in this House, those being availability and affordability, and if people choose to take that opportunity, and it will be a decision that they will make, that government will not make for them, for the first time will be up to them.

Mr. Chairman, I believe that the people of the province have indicated an interest in this. I believe that the opposition's sole objective here is to delay this because they cannot bring themselves philosophically to the point of letting people have a choice.

MR. KOSKIE: — In respect to the potential of investment in the shares that you're offering, Mr. Minister, I suppose it would be fair to say that to those who are seeking to purchase these shares from Saskoil, being turned into a private corporation, I would suspect that you would agree that the people of Saskatchewan have other options for purchasing shares. In other words, they may be as well to take, and certainly take, a careful look at other oil companies across the board, like Alberta Energy, or what other oil companies that are operating.

Would you agree that the potential investors, since you say you have evaluated this and that there's going to be no windfall profit in a short period on the shares that you have given to the . . . the option that you've given to the executive. What I'm really saying to you: is it a fair comment to make to the people of Saskatchewan that what you have done here is given a clear financial picture of the oil company, and that in choosing whether to invest in Saskoil, that also they should take a look at looking at other energy companies because the potential in some of the other private corporations may not be as speculative, or a company may have a better ratio of profit, or may have a broader base out across Canada, which often is of advantage.

So would it be fair to say, and have you said to the investors on your road show, that this is one oil company, Saskoil, being privatized. Pretty good record in the last two years. No doubt about it. I agree with that. But as you said was with the potash, market conditions have a lot to do with it. That's right. Okay? So don't put the ribbon in your lapel pocket yet because that's the facts. But have you said to the potential investors across the province that here we are offering shares in Saskoil to be privatized, and that if you're making — it's a speculative investment — that you should look at other options of other energy companies because they are also offering shares to the public, and the profit may, in fact, be even great in those. Have you give them that fair exchange?

HON. MR. SCHOENHALS: — Mr. Chairman, I believe that I heard the member of the opposition for Quill Lakes recommending, and I believe he mentioned the Alberta Energy Corporation . . . Once again we see the attempt to maintain the status quo.

An investor in Saskatchewan today who wants to invest, for the most part, has to look outside the province. Pension funds in Saskatchewan, who want to invest almost totally, have to look outside the province. What this vehicle does is provide a mechanism, and I would suggest, yes, that investors who are considering an investment take a look at other options, and I would suggest to you that one of the things that Saskatchewan people want is an opportunity to invest in the province; to make some things happen in the province. And this opportunity, as I have indicated, will create economic

activity, will create jobs, will make good things happen in Saskatchewan.

In fact, the Alberta Heritage Fund is going to invest in this opportunity. And to have Alberta money flowing into Saskatchewan to help activity and jobs in Saskatchewan is a brand new concept. I suggest that that is something that the people of this province appreciate, an opportunity to make a reasoned choice on whether or not to invest in a Saskatchewan entity. I believe that is one of the strengths of this offering which flows out of this Bill.

MR. KOSKIE: — You see what surprises me, Mr. Minister, is that in the development of this province you have preached across this province, and as soon as you were elected you had this great invitation and a big party for the outside investors. It was called open for business. And you said to the people of this province, outside money is going to come roaring in — come roaring into this province for economic development. And you know, Mr. Minister, I look at a project that the Premier was talking about this morning in question period, how it's going to solve all the problems, or at least help to alleviate the unemployment problem in the province.

He talks about the upgrader. And I ask you, Mr. Minister, if you've done an analysis, if you have done an analysis on the upgrader to the extent that you say it's a viable operation, then I ask you: why have the two governments, the taxpayers of this country, why have they had to put up 100 per cent guarantee of all the investment going in to the upgrader? Why wouldn't you have set up an arrangement which, indeed, would be a new industry, and allowing the private investors, there, rather than something that is a going concern, making money for the people, and divesting the people's share in that investment?

Why wouldn't you have gone that route of encouraging all of those that want an opportunity to invest? Why have they . . . On the one hand, you've used 100 per cent of taxpayers' risk for the upgrader. And here where you've got a corporation — which you said is high-flying; its remarkable performance; it can carry on; it has the cash flow to carry on with its exploration, it says in the report — why wouldn't you have set up a scheme for the public? If you say the upgrader is a good investment, why haven't you allowed the Saskatchewan people to directly participate in that?

HON. MR. SCHOENHALS: — Mr. Chairman, according to the . . . The member may have skipped a beat here. We're on Bill 119. He has obviously moved to 118, which I know is numerically lower, but is the next item in committee, and if we can get through this one, we will move one and we can discuss that. I would only indicate again the strange concern I have at the significant lack of confidence that the member suggests in the co-op movement, that they are not contributing to this project, that to put a major refinery into a project like this is not to add anything and to take on any of the risks. I think that is obviously, patently untrue, and as I indicated, we will debate that Bill as soon as we're finished this one in committee.

MR. THOMPSON: — Thank you, Mr. Chairman. I wasn't going to get into this debate, but phone calls that we have been getting in our office over the last couple of days over some of the items in the prospectus, I just can't help but getting up here.

I want to start off, Mr. Minister, by asking you a few questions about the public forums that you held around the province. Could you indicate how many of the public information meetings that you held in the province of Saskatchewan regarding the sale of the oil shares?

HON. MR. SCHOENHALS: — Twenty-seven, Mr. Chairman, was the number.

MR. THOMPSON: — And could you indicate how many of them were north of Saskatoon, not including Saskatoon. How many of the 27 were held north of Saskatoon?

HON. MR. SCHOENHALS: — Not exactly, but I would say nine was very close.

MR. THOMPSON: — Okay. And I wonder, Mr. Minister, then if we could just narrow that down and indicate how many meetings were held north of Nipawin and Prince Albert, not including Nipawin

and Prince Albert.

HON. MR. SCHOENHALS: — I don't have a map, Mr. Speaker, and I'm not that . . . I believe Meadow Lake would be the one town hall meeting that was held north of P.A., Nipawin.

MR. THOMPSON: — So it would indicate, Mr. Chairman, and Mr. Minister, that you had one meeting and that was held in Meadow Lake. I wonder if you could just give me the number of individuals that attended that meeting in Meadow Lake.

HON. MR. SCHOENHALS: — Mr. Chairman, the concept was that we would hold meetings in every town in the province over 3,000. Consequently I think you can go through . . . In Meadow Lake there were between 50 and 75 people in attendance.

MR. THOMPSON: — Okay. You indicate that there were 50 people who attended the meeting in Meadow Lake, and that location . . . Well, okay. If you want to be precise, between 50 and 75. I was told that there was 32 people there. I'm just not too sure whether . . . (inaudible interjection) . . . is right or mine, but I want to say that in the northern half of the province — and that covers just about one-half of this province — you have had one informational meeting to sell off a Crown corporation that we already own.

Let me tell you, the telephone calls that I'm getting into my office, and the rest of my colleagues, indicate pretty strongly that this is not the direction that we should be going in selling off our Crown corporation that gave back to this province last year \$44 million in profits.

I could just take a look at the legal fees that you have spent, and that would have put the lights on the airstrip at Patuanak. That's 120,000 and you spent \$125,000 on legal fees.

What I am really concerned about, Mr. Minister, and what we are getting the phone calls that are coming in — and they're coming in at a rapid pace — and it's with the share options that you have offered to your five senior officials. Mr. Minister, when the questions are asked about the five share options, you continually refer to page 32. I wonder if you could indicate if page 32, which you claim applies to the five senior officials, would that also apply to five commercial fishermen up in my constituency, and would that also apply to the 850 people that were laid off today for two months at the potash corporation? Could you just explain what this paragraph on page 32 that you continually talk about, what it really means?

HON. MR. SCHOENHALS: — Mr. Chairman, first of all, relative to the number of people at Meadow Lake, the member so far puts out one number. We heard the member from Regina Centre stand in this House and say there were 25 in Saskatoon when in fact there were 300. I think that the numbers that come from that side of the House are very often in question, and I would drop that.

However, if you are experiencing a bombardment of interest from northern Saskatchewan, and people truly want to get information about the offering, and in fact want to make that reasoned choice that we've been talking about, and I would imagine that those are the types of calls you're getting, I would suggest that you ask those people to phone the toll-free number which has been in operation, and I'll give you the number so you can write it down and pass it on to those hundreds of people who are phoning you. The toll-free number is 1-800-667-9911.

And if people do want information . . . As I indicated, the intention of the town hall meetings was to hold one in each town in Saskatchewan with a population of over 3,000 people. We would have liked to have gone to all the towns. Obviously that wasn't important.

(1230)

We did the best we could in terms of advertising — and we've talked about the expenses of that — through the weekly newspapers, through the local radio and TV, to try to make those things

available, once again, so people could have the option of attending, if they wished, and gathering the information about the offering.

MR. THOMPSON: — Well, Mr. Minister, I'm not going to argue whether there was 32 people or there was 50 people at the informational meeting in Meadow Lake. But I do want to go back to the share options and the five senior officials. And that's where I have the problem with. I really have a problem with that, and so do my constituents, and many people in Saskatchewan have a problem with that.

I don't know why the potash workers in Saskatchewan do not get the same opportunity as the five senior officials. Or I don't know why you couldn't have taken five of the commercial fishermen that I have up in my constituency and give them the same opportunity that you're giving your five senior officials.

And the sad part of it is, Mr. Minister, the five senior officials in your department don't have to worry about a job. They have a full-time job, where thousands of my constituents do not have a job. They're living on welfare or unemployment insurance or on part-time jobs, and that applies all over this province. They don't get \$100,000 a year like your senior officials.

And I want to also add, Mr. Minister, you have also added to the five senior officials, \$36,284 last year to be spent to provide future pension benefits for the men, pushing their total remuneration past the \$500,000 for the five senior officials — and that's a year. And then you offer them 50,000 shares, 50,000 shares, and they have the option at \$9 that they don't have to purchase them until February 28th.

And just assume that when this gets out on the market and it starts to flourish and it goes up \$1 on the 25th of February, they don't have to touch it. And it goes up to \$10. Just imagine the amount of money that the five senior officials in your department are going to receive if they take up that option. Yet my constituents and the rest of the people in this province will have to pay the going rate of the shares, but not your five senior officials. They will pay \$9 up until February 28th.

And I think that's highly unfair for individuals who are being paid \$100,000 a year. And I have many constituents who would just love to have \$25,000 a year, \$25,000 a year — and not getting the benefits. And I'm sure that your officials would feel the same way, that they should be treated exactly the same way as anybody else in this province. Why should they be treated any different? Why should you offer them 500,000 shares . . .

AN HON. MEMBER: — Fifty thousand shares.

MR. THOMPSON: — . . . 50,000 shares and an option to take them whenever they want. They don't have to buy them when I buy them or my children or my constituents. And I think that that's highly unfair.

And, Mr. Minister, I think it's only fair to the citizens of Saskatchewan, if you are going to sell off the shares of this corporation, that you take out the share option clause in this prospectus. Take it out, and let's treat everybody in this province as equals.

SOME HON. MEMBERS: — Hear, hear!

HON. MR. SCHOENHALS: — Mr. Chairman, I believe that the member for Athabasca is, in fact, concerned about this and does see it as unfair.

I would repeat again that the reason for offering the options is for tax purposes. It's not seen as a long-term executive stock plan. The net result of doing this . . . In order for the corporation to be taxable immediately after the Bill is passed and when it's continued as a business corporation Act company is that we have two options. We can either immediately sell 10 per cent, which we don't propose to do — that will happen through the shares — or we can offer the options — offer the

options.

We will do that, and that will result, and has resulted, in the federal tax department indicating that we can bring forward a pool of tax deductions we have that is in excess of \$300 million. That fact will benefit all the investors; it will benefit the government as the majority owner, and will obviously benefit Saskoil as a corporation.

Now I can assure you that none of the five executives, senior executive members, will realize any windfall profit from this option to buy shares. None will take place. I will commit further, that as we go through the period, as the shares have been listed and we go through the option period, I will keep you informed as to how much these people have made, if anything, and will tell you, there will be no windfall profit.

MR. YEW: — Thank you, Mr. Deputy Chairman. Mr. Minister, I want to ask you a question with respect to this Bill before us. At the present time, the Bill before us, as I understand it, is to sell a portion of the Crown corporation that we now own. My constituents in northern Saskatchewan have a particular interest in this Crown corporation. Today, as it stands, my constituents, along with all the people in the province, own Saskoil. The \$44 million profit that was made in the past fiscal year — that was valuable to the people in this province and to the people in northern Saskatchewan. It paid for the services and the programs that are essential to many people throughout the province. It paid for the education; it paid for the health services; it paid for many programs that are essential to the people in this province.

But now with this scheme that the Conservative government has come upon itself to propose through this Bill, is to sell off 40 per cent of this Crown corporation to a select few. And what is going to happen, Mr. Minister, is this: the profits that we have seen in the past, the profits . . . For example, the \$44 million that was made in the past fiscal year went to the provincial treasury to pay for very essential programs in this province. But as it stands today, my understanding, Mr. Minister, is that those profits will be cut back drastically, if there are profits, to the extent where the services and programs expected by your government, by any government will be deteriorated. So what's going to happen, Mr. Minister, is that we are losing a valuable asset in this province.

I want to ask you, Mr. Minister, just how many people in the North are going to benefit from this proposal to sell off a portion of Saskoil. I want to ask you very specifically, Mr. Minister: if the people in northern Saskatchewan will benefit, how much of a cheque, how much can an individual expect in northern Saskatchewan for selling off Saskoil?

HON. MR. SCHOENHALS: — Mr. Chairman, obviously the member's facts are a little convoluted. Maybe I could just correct some of the initial portion of it. He indicated that in 1984, when Saskoil made \$44 million, that somehow that money found its way into the treasury to be used for essential services in northern Saskatchewan.

The fact of the matter is — the fact of the matter is, Mr. Chairman, — that Saskoil paid Crown Management Board a \$6 million dividend and that money was used entirely to cover debt financing from previous years and that, I think, speaks to the expense and possibly the rationale of the potash take-over.

You asked who will benefit in northern Saskatchewan. I would suggest that there are significant problems in northern Saskatchewan of which you are obviously, on a first hand basis, at least, more aware of than I am. The \$75 million that will be realized will go to the Heritage Fund. That \$75 million will not be used up, as was last year's dividend, to cover debt.

That money will be spent on job creation, which I think is a key factor in northern Saskatchewan; on agriculture, which may not be as important in northern Saskatchewan; it will be used, as well, on health, and I believe that is a key element of the northern society; and most importantly, I think, it will go to help education. And it would seem to me that the future of northern Saskatchewan, the fact of solving those problems that exist up there, is in large part tied to education.

So I would suggest to you, no, people in Saskatchewan will not receive a cheque, but people in Saskatchewan will very likely receive some significant benefits; and hopefully I would suggest or recommend that those benefits be in that educational area, because I think that is where we can have some significant impact on improving the lot of northern Saskatchewan.

MR. YEW: — The minister will know, so as other members on either side of this House, that people in northern Saskatchewan, particularly people of native ancestry, are at the bottom scale of the social and economic mainstream of society. Many of the people that my colleague from Athabasca mentioned a little while earlier, when he talked about fishermen and trappers, people in the North, I have to endorse and agree with many of the comments he made. Because many of those people, as I understand it, because I've experienced it, because I live with those people, have hard times making ends meet. They have hard times making ends meet.

At this point in time we have unemployment. It has never been as high as it is today, in the history that I know. Today we have 85 to 90 per cent unemployment in the majority of those northern communities. People have hard times under your government. They have hard times making ends meet. There is no jobs. One of your ministers talked about a self-sufficient economic strategy several years ago. To this point in time we haven't seen any concrete proposal or program designed to help alleviate the high unemployment in northern Saskatchewan.

What the statistics before us, Mr. Minister, and they're endorsed by the Saskatchewan Association of Northern Local Governments — that's an elected body of municipal officials elected to do a job — they have endorsed and approved the fact that we have outrageous unemployment figures in northern Saskatchewan.

Now with those type of unemployment statistics and the fact that we have a hard time in the native community making ends meet, with the fact that we live in a world of poverty, how do you expect those people to benefit from this Bill in terms of dividends, in terms of windfall profits? How do you expect us to benefit? How many shares do you think the north will buy into this big scheme of yours? Do you expect us to buy those shares, and if you do, where do we get the money to buy those shares?

We have never been equal participants of your philosophy of free enterprise. Free enterprise sounds good. It sounds good and proper. But one of the things that you fail to bring out is the fact that capitalism plies on the majority of the poverty stricken people of this province. Capitalism, that is your philosophy where a select few benefit — a select few. And this example, Mr. Minister, the select few are your corporate friends, your corporate buddies.

At the moment, you have mismanaged this province to the extent of \$1.5 billion — \$1.5 billion — mismanaged by the Conservative government of the day. And now every man, woman, and child is obligated to pay back, for your mismanagement, \$1,500. That's what we're obligated with. But the fact is, people in the North haven't got that kind of money. That is a fact, Mr. Minister.

(1245)

Now getting back to my question, Mr. Minister, I ask you: how are those people that are unemployed, that are living below the poverty line, going to benefit from those shares that you talk about? How are they going to benefit from this huge corporate scheme that you're proposing?

HON. MR. SCHOENHALS: — Mr. Chairman, I believe that the member is in fact sincere about his concern about things in the North. It causes me to wonder how he remains in a party that advocates shutting down the largest element of employment in northern Saskatchewan. They have, very clearly.

I would suggest, as well, that one of the things this government has done in the area I'm involved in has put a set of policies in place that will lead to one of the largest gold investment opportunities, gold development, gold mining in northern Saskatchewan that will be another opportunity for the

people of northern Saskatchewan to find employment and to, in fact, improve themselves, and I would hope that they will take advantage of that in large numbers.

Once again, Mr. Chairman, in repeating how the people of northern Saskatchewan will benefit from the share offering which will flow out this specific Bill. The difference will be the concept to how the Heritage Fund is used in the share offering that the party you belong to had approved and was about to put in place. The money would be used to further expand government's role in the economy. The money would be put in a pool and used to expand Crown corporations, undoubtedly clear.

In our proposal, \$75 million will be put in the Heritage Fund, and as I indicated before, with the exception of agriculture, we'll go to three areas in which northern Saskatchewan, I think, does need improvement, those being education, development of health facilities, and job creation. I think your comments clearly indicate that those are areas of some concern in the North. And so I believe that that is certainly one way in which this Bill and what comes out of it will help the people in northern Saskatchewan.

MR. YEW: — A question to the minister, and I think about Albert Ross, a trapper just north of La Ronge. I can think of Matthews Morris up in Patuanak; think about Louie Bear up in Sandy Bay, and I wonder to myself . . . I've talked to several of these people . . . I wonder to myself, Mr. Minister, when you sell off Saskoil, how much money can they expect?

HON. MR. SCHOENHALS: — Mr. Chairman, I think we've been through that very clearly. As I indicated, last year's dividend went to Crown Management Board to pay off debt financing that had been incurred by the previous administration. In this case, there will be no cheque going to the people you mention. However, the benefits that would flow to them would come in terms of education, health, and job creation, from which the money that is placed in the Heritage Fund would flow. I think I've answered that two or three times, and I understand your concern, but I believe that's the answer.

MR. YEW: — You're selling off an asset that belongs to the people of this province, Mr. Minister, and that asset also belongs to the people of northern Saskatchewan.

Now you're selling off their asset and, Mr. Minister, you're also saying that they will receive \$75 million which will go to the provincial treasury. But at the same time, Mr. Minister, my colleagues are asking you: what can they expect to receive a year from now, and the following year? What can they expect to receive in the fiscal year '86-87, '88 and so on, for the next five years? Your government seems to be intent on selling off programs and propaganda on a five-year basis.

Now can you tell me, Mr. Minister, what your five-year scheme is with respect to Saskoil and the selling off of our assets?

HON. MR. SCHOENHALS: — Mr. Chairman, again I don't think that the mistake that the member makes is intentional. I think it's in terms of understanding. We're not selling any assets. We are selling equity in the corporation. The corporation will continue as an ongoing . . . in this province with its head office here.

I would hope that the benefits that we've talked about in education, if in fact you truly believe that education will have an impact in northern Saskatchewan in improving the benefits of the people; if job creation is a key element, that those benefits would be ongoing. Education is not a one-time thing. If some of the money, for instance, is used in a health facility, that benefit will flow into the future, I think clearly the benefits that we're talking about are not going to simply happen in one time; they will carry forward, and northern Saskatchewan may be an area that will benefit significantly.

MR. YEW: — Thank you, Mr. Minister. Just for the record, Mr. Minister, your philosophy of free enterprise and capitalism today benefits a select few. We are paying on that mismanagement of yours, of the Conservative government, of putting this province in the hole of \$1.5 billion we're

paying in interest payments, alone, well over \$120 million annually. And that money benefits a select few — the bond dealers, and the banks from the East.

Under your philosophy, your policy of capitalism and free enterprise, you also took out from the taxpayers of this province \$143 million last year — pardon me, \$140 million last year — to pay Manalta Coal Co., of Alberta. But you had nothing to offer to the Saskatchewan Trappers Association of Saskatchewan.

You also took from the people of this province \$390 million and gave loan guarantees to Husky Oil of Alberta. But you have nothing to compensate for the huge losses to the wild rice growers in northern Saskatchewan — nothing.

And they also use, Mr. Minister, \$321,000 to help promote your government's propaganda with regards to your budget, your dismal failure, your budget of last year. But you had nothing for the food subsidy program in Wollaston Lake, Kinoosao, Stony Rapids, Black Lake, and Fond-du-Lac — nothing.

And at the present time, Mr. Minister, as it stands in the last fiscal year's operations of this government, the Crown corporation which you want to let go and give an option to a select few to make windfall profits actually made \$44 million last year. When you look at the population of this province, we have approximately a million people. It comes to a fact where the people in northern Saskatchewan, a trapper in northern Saskatchewan, actually has \$44 — each; a share — in this Crown corporation.

I ask you, Mr. Minister, after you have imposed and passed this Bill on the people of this province, can they expect \$44 million in dividends each?

HON. MR. SCHOENHALS: — Mr. Chairman, that was again quite an interesting preamble, I would only suggest that a substantial amount of that deficit that he attributes to our mismanagement could be attributed to ill-advised investment decisions made by your administration in areas of the economy where the government had no business.

I find it interest . . . (inaudible interjection) . . . I think I struck a nerve, Mr. Chairman.

MR. CHAIRMAN: — Order, order! We're just about getting to adjournment. If we could restrain ourselves for five more minutes then we will adjourn; otherwise we won't make any progress.

HON. MR. SCHOENHALS: — Want to continue to make progress here, Mr. Chairman. I find it interesting, as well, that the member raises some objection, if you will, to the fact that the government has become involved in some loan guarantees to Husky Oil. The whole party treats Husky Oil has some evil entity. Possibly we were convinced by the words and actions of one of Husky Oil's directors, Tommy Douglas, who happens to sit on the board of directors of Husky Oil. Again, an obvious inconsistency in the statements and the actions of the party opposite.

As I indicated before, Mr. Chairman, as I've answered this same question a number of times, people of northern Saskatchewan that will not get a cheque. People of northern Saskatchewan will get benefits by the expenditures that are made with the money in the Heritage Fund.

I wonder if the people of northern Saskatchewan would contrast that concept of taking Heritage Fund money, and using it in health and education, with the Leader of the Opposition's clear statement that there was never any intention for Heritage Fund dollars to be used for building nursing homes or hospitals. And I think the people in northern Saskatchewan, when they consider that, will realize that this concept, the results of this Bill, do, in fact, have benefits for them; but they will not be receiving a cheque.

The committee reported progress.

The Assembly adjourned at 12:58 p.m.