

## EVENING SITTING

## COMMITTEE OF THE WHOLE

**Bill No. 56 — An Act respecting the Sale of Assets of Prince Albert Pulp Company Ltd. and Saskatchewan Forest Products Corporation and the Establishment of a Paper Mill in Saskatchewan**

**Clause 1 (continued )**

**Mr. Lingenfelter:** — Mr. Minister, I want to spend some time, and my colleague from the Quill Lakes wants to follow up when I complete here. It deals with the guarantee and this great hoop-la that you've been talking about, a paper-mill being built. And in your announcement originally, you talked about how it could be started by August of 1986. This is when we were planning an April election and a June election. What are the guarantees that the paper-mill will be built in the coming year? Have you got a written guarantee as to when the construction will begin?

**Hon. Mr. McLeod:** — Mr. Chairman, what we have is a commitment, a firm commitment from the company, that upon closing, construction will begin on the paper-mill.

**Mr. Lingenfelter:** — When you say a firm commitment, what are you referring to, a firm commitment? Is there a written agreement — signed by whom in Weyerhaeuser and by whom from the government? — that construction will begin? And what date is on that agreement?

**Hon. Mr. McLeod:** — That will be a written commitment in the final agreement that will be closed, you know, after the passage of the Bill and when the final agreement is passed. But that provision will be in that agreement.

**Mr. Lingenfelter:** — What agreement are you talking about? I imagine there will be a number of agreements signed. What agreement are you now referring to? Does it have a name? And when do you think that agreement will be completed and signed?

**Hon. Mr. McLeod:** — Well the agreement that we've been referring to, or that I would refer to, which will be called the development agreement, it will be signed some ... probably weeks away here now. And that commitment that I just suggested will be a written commitment within that agreement.

**Mr. Lingenfelter:** — And the commitment will ... We're insisting what date that the construction will begin? Bargaining from our side, our side being the people side or the government side, what are we insisting that the beginning of construction — what date that would be?

**Hon. Mr. McLeod:** — Well the way it will be, that the process will commence immediately following closing of the agreement. And we don't know what closing date is because closing date will be when all of the final negotiations are done, and at that date after the agreements are signed, several agreements, one of them being this development agreement, they'll be under way. And that's, as I say, a written commitment. And as I've

said to you before in the debate prior to the supper break, upon closing the various agreements that will be signed between Weyerhaeuser Canada and the Government of Saskatchewan, I'd be willing to make those completed agreements available to you or your leader.

**Mr. Lingenfelter:** — I wonder, Mr. Minister, if you can indicate completion date. Will the agreement include a completion date, which is more important than the beginning date because the agreement terms of the debenture indicate "prior to start-up of the paper-mill" as opposed to beginning of construction, whereby the losses that the company will incur will be written off of the debt owing up to the point of start-up.

And so, of course, the company could actually start, lay some concrete, and then not complete it because obviously it's in their best interest not to have a start-up date because all their debt is being written off against the principal of their debenture up till the end of 1989.

Have you got a date when completion of the paper-mill will be written into the agreement?

**Hon. Mr. McLeod:** — Well, there wouldn't be a date in the closing that said this is the date that it must be finished. But I would just say to you that it's expected that the completion will be about two years from the start of building. That's how long it would take to build an installation of this size.

And I'd just say to you that it would be, you know, it's in their interest as well to build it as quickly as possible and have it into production as quickly as possible because they have, you know, 166-whatever, point eight million dollars of their money in there, and they have no reason to leave that money lying fallow during that time.

**Mr. Lingenfelter:** — I wonder: I had asked you before the supper break if we could go through some scenarios.

If the company were to run the operation of these four major components — the chemical plant, and the pulp-mill, and the sawmill at Big River, and all of the areas they control — the 7.5 million acres or 8 million acres that we're talking about being part of the agreement — if they run it very efficiently and make a little bit of money, the idea is, is that any profits would go towards the debt after taxes; that any profit would go towards the debt owing?

**Hon. Mr. McLeod:** — Mr. chairman, the company would get a 20 per cent return on the \$83 million of capital, and then the government would get the interest on the debenture.

**Mr. Lingenfelter:** — And that's as I understand it. And in terms of a loss, the total amount of the loss up until 1989 would actually reduce the amount owing on the debenture, regardless of how much it was. Or is there a limit on the amount of the loss that would be deducted from the debenture owing?

**Hon. Mr. McLeod:** — No, the losses would be there for us say — or for the government, until ... not necessarily until

'89, but until start-up of the paper-mill, or with the back-up position of that December 31st of '89.

And I just should explain here what the circumstance was. In the negotiations we had a choice of one of two things: either pay the losses in this way — you know in terms of until the paper-mill and the integrated facility is in place — or don't have the debenture take effect until start-up of the paper-mill and the integrated facility, which is what is important here. And in the second scenario, the one we did not choose — the scenario we did not choose, and I think that you may be suggesting that we should have; we did not choose to continue to pay the losses on the free-standing pulp-mill that's now there in cash on an annual basis. Rather, the payment from the government now will be in paper rather than in cash on an annual basis; let's put it that way.

**Mr. Lingenfelter:** — Mr. Minister, the question I had: is there any limit on the amount of the debt that could be incurred in a year that would reduce the amount owing on the debenture?

(1915)

Like if there's a \$10 million deficit, as I understand it, that would reduce the debenture to \$238 million. If there was \$20 million, that would reduce it to \$228 million. Is there any limit on that? Or is it the bigger the deficit, the less they owe?

This is getting very, very unbelievable, that the bigger the deficit the less they're going to owe the people of Saskatchewan. It would seem to me if they're wise business men — and I know they are — that they would not build the paper plant before they got their debt written down and insist on getting as much debt every year as they could because at the end of that three-year period they may not owe anything and, in fact, may own the whole operation debt-free, simply by losing enough money each year. And that seems incredible.

I'll tell you, it's incredible. It's not the way that most governments run. It may be the way your government runs but I'll tell you, it's not the way the government should run, or the private sector. It's not the way it should run.

What I'm asking you: is that accurate, that there's no limit on the amount of deficit that they can write off against the amount owing on the debenture; and that if it were \$50 million a year in losses, that in three years they could have their \$248 million debenture written down to \$98 million? And in fact you could extrapolate that they could in fact have the whole plant paid for and debt-free simply by losing money for three years.

**Hon. Mr. McLeod:** — Well, Mr. Chairman, what I think the member is suggesting is that — if I see the scenario the way he's suggesting that it will take place — he suggests that it would be to the benefit of the Weyerhaeuser Company to run the business of the pulp-mill and so on into the ground over a period of a couple of years, and then after that period of time when the integrated facility is up and operating, to have this run-down company. I'll tell you, Mr. Chairman, it's just not the case with a

company with the reputation of Weyerhaeuser Canada. They have committed, and they will commit in the documents, to operate under established business practice in the Canadian forest industry, and that's something . . . You know, some members may smile at that, but I'll say that a company of the reputation of Weyerhaeuser, a major corporation, does not put that sort of commitment in writing or even make that commitment anywhere and take that lightly. So we think that we're well protected, and we think that we have, as I said before supper, Mr. Chairman, we have an excellent company who will be an excellent corporate citizen here in the province.

**Mr. Lingenfelter:** — You still didn't answer the question. There's no limit then on the amount of losses that they can write off against the debentures owing. And if it were 50 million a year — let me use the example of 50 million a year for three years — their debenture would be 150 million less, or they would only owe 98 million.

Well let's use the scenario if they went into northern Saskatchewan and sold off the chemical plant which is making money in Saskatoon. Let's say they sold it off; there's nothing in this document that says they can't sell off the chemical plant. Let's say they sold it off for 98 million. Let's use the scenario. They're going to sell it off. There's nothing dishonest about selling the chemical plant, and applied that against the debentures owed, because that's what they would have to do with it, and then moth-balled everything else. Not run it down, just laid everyone off and moth-balled it to keep the wood out of the market in the United States so they could run their plants in the United States at full capacity, and lost 50 million a year for three years. They would be less the chemical plant, and the 98 million would go against the debentures. The 150 million that they would have lost, the loss would be applied against the debentures; they would owe nothing. And three years from now they would come out of there with a pulp-mill, with a sawmill at Big River and seven and a half million acres of forest. And at that point in time there would be no employment. And what difference would that make to them if in their board room in Tacoma, Washington, they decided to do that. Why wouldn't they do it?

And what I'm saying to you is: what guarantees do you have that that isn't exactly what they're up against and are doing? Because remember this is the same company that is lobbying the U.S. government to impose trade embargoes against Canadian lumber; as part of that deal the free traders from the States and the — protectionist, pardon me — who are wanting the borders closed, they belong and have membership in the group lobbying the government in the United States.

But I want to ask you, Mr. Minister, you still haven't answered clearly whether or not there's any limit on the amount of losses that they could have that would actually reduce the debentures owing to the people of the province.

**Hon. Mr. McLeod:** — Mr. Chairman, a couple of things. First of all, the member begins from the premise that the company . . .

**An Hon. Member:** — Wants to make money.

**Hon. Mr. McLeod:** — No, you begin from the premise that this company will give a commitment that I've said they have, that they will continue to operate and that they will build a paper-mill immediately upon the end of closing. That commitment is in the agreements which I told you I will give to you . . .

**An Hon. Member:** — I've got the agreement.

**Hon. Mr. McLeod:** — No, you haven't got the agreement; you've got the schedule to the principles, to the principles of the agreement. You do not have the agreements. I told you that you would get the agreements at the date of closing, when everything is in place. And what I'm saying here to you, and giving you the undertaking as a member of the House, is that there will be . . . that they have committed to carry on, and that this will be carried on.

Now the thing that . . . If the losses . . . Let's take your scenario. First of all, any losses that are there must be reported in a normal practice, and they're subject to audit and all of those things, okay? So those losses will have to be real, or they won't be able to be reported; that's number one.

Now let's take the other side. Let's say this deal did not go ahead. And if those losses, in your doom and gloom scenario, which is very easy for you to call forward . . . So if those losses are real and that market is in the situation that you suggest it would be . . .

**An Hon. Member:** — No, that's not what I said.

**Hon. Mr. McLeod:** — No, if it is in that situation, who would be paying for those losses, cash up front, on an annual basis? And I'm just saying to you — and you and I will obviously agree to disagree on this — you start from the premise that the Weyerhaeuser Canada corporation . . . You start from the premise that they're dishonest. Your members did that in the House once before. You start from the premise that they will not operate. And I start from the premise that they're a credible corporation, and they have said that they will operate under the established business practice in the Canadian forest industry. I accept that; you don't; and we'll disagree on that for ever.

**Mr. Lingenfelter:** — Mr. Minister, what I'm saying about the people from Tacoma, Washington, and Weyerhaeuser, is that they're great business men. We have the documents that show their income for the past number of years, and they make a lot of money. What I'm saying here is, they have an incentive to lose money because they get their debt written down, the higher the debt is, and at the same time protect their market in the United States. In fact, more than that, they could export into Saskatchewan because you haven't proven to us that they're going to keep the plants going. You have no proof.

You say: trust us and later on we'll give you the documents that will prove what we're saying. I'm not saying that Weyerhaeuser is doing anything illegal. Obviously they're not. It's a written, signed agreement with you people. And this is no preliminary agreement. This is schedule B to principles of agreement, March

24th, '86, and there's initials on each of the pages of this agreement. This is a signed agreement. And what I would like to know is that on this schedule, whose initials are on here? Tell me who has signed this agreement for the government, and who for Weyerhaeuser? You and your people were trying to lead us to believe that this is some sort of agreement, and we're working away at it here. This is a signed agreement. Whose initials are on here for the government and for Weyerhaeuser?

**Hon. Mr. McLeod:** — Well, Mr. Chairman, if the member is under the wrong impression, I want to make that very clear now. Here's what I said at the time that I gave you the schedule, and it's true. It's the basic principles of agreement. In other words, these are the principles upon which the agreements will be based . . . (inaudible interjection). . . There's no question. There's no question, those are the basic principles upon which the agreements will be based, okay. And the agreements, as I've said the you before, the actual agreements, those initials, those initials have been signed . . . the initials on there; one is the president of Crown Management Board who sits beside me on behalf of the government, and the other initial is a representative of Weyerhaeuser Canada. Okay? So those initials are gone through there — basic principles of agreement, okay. Now the agreements, the actual agreements which are based . . . (inaudible interjection). . . that's a schedule to the agreement. Mr. Chairman, would you ask the member to ask his questions from his feet rather than his seat and we'll get into it. I'm going to make the explanation. The explanation is that it's a schedule to the basic principles of agreement, what I've given you, because that's what you asked for.

**Mr. Chairman:** — The minister is attempting to answer the question, but he can't do so if he's continuously being interrupted by opposition members.

**Hon. Mr. McLeod:** — But if we get back to the former question, Mr. Chairman, I just wanted to make that clear that what they have is a schedule to the principles of agreement. One of the things that will be in the agreement, the company will be obligated not to run the business with the purpose of benefiting them under the debenture, and if they do, we can claim damages. That's in the agreement; that will be in the agreement. We can claim damages.

**Mr. Lingenfelter:** — Well, you say that you have an agreement somewhere where this is stated. I have here schedule B to the principles of an agreement, March 24th. How many other schedules are there on that date, and can you table them now? I would like you now to table the rest of the agreement that was initialled at that time.

**Hon. Mr. McLeod:** — Well, Mr. Chairman, what the member have and what I agreed to at the time that I gave you . . . I said I will give you the schedule which is the schedule of repayment of the debenture because that's what you asked for and we were able to give that to you now. We were able to give you that now. Okay.

What I'm saying to you is that the document that you have must be done. The document that you have, they must be in place, the basic principles, the agreed upon principles

upon which final negotiations will take place. We must start from a premise of some principles, and that's what that is. And that's what that is. And it's initialled; it's not a contractually binding agreement. The contractually binding agreement — I have said to and given you the undertaking — that will be provided upon closing. That will be provided upon closing; it will not be provided prior to closing because it can't be provided prior to closing.

(1930)

We're dealing with a company in a confidential basis back and forth. What I'm telling you here is that these are the principles upon which we've agreed, because we've agreed to them on behalf of the people of Saskatchewan — these principles. The company agreed to them on their own, and we said, okay, here under these principles let's carry this forward and come up with an agreement, if we can do it, based on these principles. We've said that; that's ongoing.

This Bill will be the enabling legislation for us to enter into those agreements, and that's why the Bill is before the House today, Mr. Chairman.

**Mr. Lingenfelter:** — Well, Mr. Minister, we simply don't believe you when you say that there isn't other parts of this agreement that are signed as this one is. Obviously there are other schedules that were signed at the same time; you don't start out an agreement by starting at schedule B. Obviously there's more to the agreement that you're hiding from the committee, that you're not giving to us.

Now if you want to say there's other parts of it that I can't give to you that's signed, and I can't give it to you or I don't want to give it to you, that may be an argument that the committee would have to live with, not agree with, but have to live with. But don't for crying out loud tell us that there's no other parts that are signed, obviously there are. And I would like to know what the other sections are that were signed at this time and what areas they outline. What parts of the agreement were outlined at that time?

**Hon. Mr. McLeod:** — No, Mr. Chairman, I at no time said that there was not . . . that the principles of agreement, that that schedule it is attached to did not exist. What I'm saying to you is: that portion, the schedule of repayments of the debenture — which obviously should be and is a point for you to know about, and so on, and that's fair ball — and the agreements as it relates to the debenture repayment schedule, and so on are largely completed, and that's why I was able to give it to you now. Okay?

But the basic principles, of which that is just a part, are set out and they're initialled as you see on that portion.

**An Hon. Member:** — Did you realize these were initialled when you passed them across the House?

**Hon. Mr. McLeod:** — I knew they were initialled when I passed them across the House; of course, I did.

**An Hon. Member:** — So they have to be part of another agreement.

**Hon. Mr. McLeod:** — I have just said that they are a part of a larger agreement. What I'm saying to you is this, if the member from Regina North West would listen. What I'm saying to you is: the negotiations on many of the principles and in the final documents, the negotiations are still ongoing, and I will not and cannot — cannot in the middle of those negotiations — give you the rest of the documents.

I have said in second reading debate that I would give you

the documents that are possible for me to give during this time of negotiation. I have done that; I have given you the interest rate; I have given you what I can give you before the negotiations are complete. And I have given you the undertaking, as well, that upon closing of this agreement — of the series of agreements — upon closing I will provide a copy of the final documents to the Leader of the Opposition.

**Mr. Lingenfelter:** — Well, Mr. Minister, what we have here is one of the schedules to a signed agreement. This is a schedule which would be attached to a signed agreement. Now, you've got an agreement. There is a signed agreement . . . (inaudible interjection) . . .

**Mr. Chairman:** — Order, please. Order, please. There is a serious discussion taking place in the House this evening, and it cannot go forward if it is constantly being interrupted by certain members. And I ask them once more to please allow the debate to go forward with no interruptions.

**Mr. Lingenfelter:** — Mr. Minister, this is a signed schedule B to principles of a certain agreement. Now you wouldn't have a signed schedule to an agreement without having a signed agreement. Obviously there's a signed agreement. The agreement for this sale is signed. You can look at it in two ways. You're asking us to pass the Bill here, and on the one hand saying — which I don't believe — that there's no signed agreement, that we're still negotiating.

I don't think you're dumb enough to come here and ask for this many millions of dollars of taxpayers' money if you have no agreement. You're really expecting the people of the province to sign over the money when there's no agreement? I don't believe that part of it.

I think what there is is a signed agreement, as this document indicates that there is a signed agreement, and we're now getting a Bill passed to allow for the money to be spent. I think you're not telling the committee what the agreement is because it's too embarrassing. And if you give us this part, as embarrassing and damaging as this is to the agreement, then I can only hate to think of what the other part of the agreement is — like when I asked you, for example, what was the term of your agreement? And if the minister would think back to his answer, he said 20 years. Then he sends me a document that says the debenture, and I read from 1(a), the debenture will be a principal amount of 248 million Canadian, to be for a term of 30 years from the date of issue.

Mr. Minister, if you're as accurate in quoting what might be in the agreement as you were about this one before you gave me the document, excuse the committee and the public for being suspicious of this government, because obviously you weren't accurate. You had this document in front of you, and before you handed it over to us you said 20 years, and in the document it said 30.

I use that only by way of making a point, that we believe there's a signed agreement. Obviously there is, or we wouldn't be here dealing with a Bill that would spend the kind of money that you're calling for. And what I'm wondering is if you'd be good enough, on behalf of the

people you represent, to share the agreement with the opposition and the committee and the people of the province. Because in order for us to vote on this Bill, obviously we should know what the agreement is. Because if the agreement is good, and obviously there are certain parts of it that we don't agree with already, but if it gets worse than this, obviously the public won't want us to support it.

And I daresay that the back-benchers on the Conservative side of the Assembly haven't had an opportunity to review this document because I can't believe that many of them would be in favour of it. I can't believe that many of the back-benchers would be in favour of this if they knew what was in it.

And I say what we should have here is a sharing of the agreement. How else can we possibly spend that kind of money you're asking for in Bill 56 if we can't see the agreement. Because obviously many members, whether they're government or opposition, will want to know what the agreement is before we give consent or vote against the Bill.

And I just ask you again: is it possible for you to get that agreement so we can have a look at it?

**Hon. Mr. McLeod:** — No, Mr. Chairman. I will tell the member as I have told him before, there is no signed agreements. The agreements are not finalized.

**An Hon. Member:** — Of course they are.

**Hon. Mr. McLeod:** — No. And just one more explanation for the member. What he has in front of him . . . Mr. Chairman . . .

**Mr. Chairman:** — Order, please. Order, please! The minister is attempting to answer the question.

**An Hon. Member:** — He's misleading the House.

**Hon. Mr. McLeod:** — Mr. Chairman, the member from Regina North West says I'm misleading the House. I'll tell you that I'm not misleading the House. I resent that remark by that member. But I'll just get back to it now for a moment.

Mr. Chairman, what the members have before them, and what I sent over to the member from Shaunavon and a copy to the House Leader of the WCC Party, is an initial agreement of principles, of basic principles upon which a final agreement will be based. I've give you that portion which I could give, that portion of the agreements which are largely completed now. And that has to do with the schedule and . . .

**Mr. Chairman:** — Order, please. Once more I must interrupt proceedings to warn hon. members to allow the minister to answer the question. He cannot answer the question if he is consistently being interrupted. So please allow him to answer the question; then you can ask more questions if that's what you want.

**Hon. Mr. McLeod:** — Thank you, Mr. Chairman. The agreement, or the basic principles which the members

have before them — which I must say, Mr. Chairman, I believe those being very forthright and still believe as being very forthright in giving to them — which is the schedule of repayment of the debenture. Now that obviously was to be a point of some contention, and I believe that. And I said to them, I will provide this because those parts of the final agreements have been largely complete, and you should have access to this, and here it is.

I've also said, which is unprecedented in the House, I have said that at the closing of this agreement, final agreement . . . at the closing of the agreement, which is the only time I can give to you when you're into negotiations on such an issue, a business issue — upon closing, I will give those agreements to the member. And I have said that I would do that; now that's unprecedented here. And I would invite them to tell me what precedents they have for ever giving agreements before negotiations are complete. They did not do it. No one has done it, because it's impossible to do in terms of the business practices that must go on between the government and the company with which we're dealing — in this case, Weyerhaeuser Canada.

So I have said to you . . . And what you have there is initialled, basic principles, a list of the basic principles of agreement. They are initialled by a member — the chairman of the Crown Management Board on behalf of the government, and a representative of Weyerhaeuser Canada. And by initialling that, those basic principles, that initial document then said, go forward and come to the final agreements; and we said we would do that — company and government agreed. And that's under way now.

**Mr. Koskie:** — Thank you, Mr. Chairman. Mr. Minister, I want to go into some details in respect to this. But I wish that you wouldn't try to deceive the House, because what you have passed over to us here is schedule B, and you ask us to make decisions in respect to schedule B. And you say, that's all that exists. Well then, what we're asking is for other documents? We're asking you is, in fact, the agreement itself completed, the agreement itself, because this is a schedule to an agreement?

Let me just demonstrate the deceit that you are trying to pull on the legislature here this evening. You say that this is all that you can provide us. Well I'm going to tell you that if you look at this here schedule B, which is a part of an agreement, you can't even interpret schedule B because it refers to schedule C. All right, there you go. You have it. You have schedule C. You have schedule A. You have the agreement. Because you wouldn't be coming forward and trying to finalize with the Bill unless you knew what the agreement was.

And I'll tell you, you're going to be here for some length of time. This is one of the largest transactions in the history of this province, and I'll tell you they have a right, and we have a duty, to get the information and the best possible information that you can provide.

I want to tell you, Mr. Minister, in the previous transactions in this House at the time that legislation was being passed, the documents were tabled with the

legislation. And the records will show this; the journals of the Legislature of the Assembly, Session 1966, when Mr. Ross Thatcher, the late Ross Thatcher was the premier of Saskatchewan. The Primrose Forest Products Limited Agreement entered into since February 19, 1965; the Prince Albert Pulp Mill Agreements. And it goes on:

Prince Albert pulp-mill copies of amendments to several amendments relative to; Prince Albert pulp-mill copies of several loan agreements relative to.

When the Prince Albert pulp-mill agreement and the legislation was presented to this House previously by the late premier, Ross Thatcher, I'll tell you the agreements were tabled at that time.

(1945)

And here you're saying and you're telling the people of Saskatchewan that you're very proud of this agreement; it's really good for the people of Saskatchewan. Well I'll tell you, if it's good for the people of Saskatchewan, be proud and table it in the legislature, and this debate will end.

All we are interested in, Mr. Minister, is to determine that in fact in the agreement it is good for the people of Saskatchewan. And if you table the agreements . . . But I'll tell you, by tabling what you have here, this is the biggest give-away; this is the terms only for Weyerhaeuser. I'll tell you, by manipulation of paper and issuing paper they can not pay one single dollar. They don't have to pay one single dollar because all they can do is issue preferred shares. And the preferred shares have no voting rights; they're paper. After a period of time, all they have to do is issue preferred shares in lieu of what they owe. Not a single cent has to be paid.

Do you realize that it says 8.5 per cent on interest; and there's no provision if there's no payment of the interest or principal, that there's interest on interest and arrears. Oh no, that doesn't happen. Zero per cent interest rate.

Well I'll tell you, we had an opportunity to quickly look through this document, Mr. Minister, and I'll tell you Weyerhaeuser does not have to, and can manipulate within the terms of this schedule. Perfectly legal — they do not have to pay one single cent towards the \$248 million. That's exactly what is in this agreement. And I'll tell you, there is no guarantee in this here as to when the start-up is for the commencement of the paper-mill; there's no guarantee of that. There's no guarantee that — in fact there's the right to sell off certain assets; that's provided for in here. There is no one . . .

When you look at the agreement, you ask yourself, what is a purchased asset? And you have to ask yourself, is the forest licence a part of the purchase asset? Or can all of these other assets be disposed of, and a separate agreement exists with Weyerhaeuser that they have in fact the forest licence? We don't know that. That could be a separate part for entering into this particular agreement, that they have the forest licence separate and apart from this agreement here.

I'll tell you, Mr. Minister, we want to get on with the people's business, I'll tell you that. But you haven't come clean, Mr. Minister. You have the main agreement — there is no doubt about it — because this is schedule B to it, and it's initialled, and schedule C is referred to in here. And you can't even ask us to interpret schedule B unless we have schedule C, which you refer to.

So simply I ask you, Mr. Minister, will you in fact let us get on with the examination of it? If it is a good deal, as you have indicated — if it is — then I ask you to table the main agreement, and I ask you to table all of the schedules to the agreement and any other financial arrangements that you may have supplementing this major agreement.

I ask you, can you do that, because there's no way that we're able to, on the basis of what you have here. Because as I said, and I don't think you can deny it, and I'd like you to ask your officials: is it indeed possible for Weyerhaeuser not to pay a single cent under this agreement by issuing paper? That's exactly what could happen; there's no doubt about it.

And I ask you, are you prepared, Mr. Minister, to let us get on with the examination of it? If you will table those documents, what we will do is examine them. If they are, in fact, in order and we find nothing that would jeopardize the investment of the people of this province, then I think we're prepared to examine those and to proceed with due haste.

But I'll tell you, on the basis of this document — and we had a chance to look at it only briefly during the supper hours — but I'll tell you, not one single cent needs to be paid because they can issue preferred shares in lieu of payments. And so I ask you, Mr. Minister, will you in fact assist us here in getting on with the examination of this by (1) providing the main agreement; (2) providing the additional schedules to the agreement other than just schedule B?

**Hon. Mr. McLeod:** — Well, Mr. Chairman, what I said before and what the members refuse to want to understand . . . (inaudible interjection). . . No, they refuse to want to understand that this is not the agreement that they have. I have said to them that the final agreements are not in place; the final agreements are not in place. And all of those final agreements which I have undertaken to provide to you at the time of closing, which I would say will be in weeks rather than months from now, all of those final agreements which are being worked on are based on this agreement of principles to which this schedule B that I provided you is a part. I've said that.

This is not a negotiating forum for a half a billion dollar deal, I can tell you that. It's not the negotiating forum; it can't be; it's not possible . . . (inaudible interjection). . . Oh, I understand that; and we understand, and we'll stand before the public, at any time when this is totally finished.

But what I say to you, Mr. Chairman, and I want to make very, very clear, the schedule that they have, schedule B to the basic principles, which is an initial agreement of principles, and those agreements of principles . . . I mean,

if the members opposite think that this schedule and the kinds of things that are in schedule B are what kind of documentation that is in place at the final stages of a half a billion dollar deal, it's not the case. There is much more to be done.

The reason I was able to provide — and as I said in second reading debate when we debated the principle of the Bill — was that we would provide to you the documents that we could provide at this stage — in other words, the documents which are provided and do not jeopardize the negotiations which are still ongoing. Those negotiations, however, as it relates to this right here — the repayment schedule of the \$248 million debenture — those negotiations for that portion are largely complete and we can provide that. And I did provide that. So I was forthright in doing that with the members.

I once again say, as I did before, Mr. Chairman, this is the point, the key point here that members do not wish or want to understand; they don't want to understand that. Because they do understand. And I submit to you, Mr. Chairman, they do understand it, but they don't want to, and they're throwing a red herring in.

What I'm saying to you is that I cannot provide the documents until closing. What the NDP are saying is this: if they were in the government, doing a deal, they would sign the deal and then they would come to the legislation for the enabling legislation. What I'm saying to you is what we did — we're coming to the legislature for the enabling legislation to enter into agreements with Weyerhaeuser Canada for the purchase of the pulp-mill, the completion of the building of a paper-mill for the integrated facility.

So we're coming to the House for enabling legislation, which is what this Bill is. And what the NDP is saying is that they would sign the agreements, to heck with the legislature, and then come forward to get enabling legislation after it's been signed.

What I'm saying to you, Mr. Chairman, and to the people of Saskatchewan, is we come here, we get our enabling legislation, and we deal with the enabling legislation, and then we go to sign the agreements which the legislation enables us to sign.

**Mr. Koskie:** — Mr. Chairman, Mr. Minister, this is really the biggest piece of nonsense that you're giving to us that we've heard in this legislature for a long time. I'll tell you, Mr. Minister, what you're doing is a cover-up. Because you cannot come into this legislature and . . . And don't grin across there — the helpers. Because this is a forum of legislators; and I'll tell you it's no game, protecting the people's rights. I'll tell you that.

**Mr. Chairman:** — Order. Order, please. Order, please. Order, please. Could we please have some order in this Assembly?

**Mr. Koskie:** — Okay. Mr. Chairman, Mr. Minister, in section 5 of the schedule B, I ask you to turn to subsection k under section 5, and I ask you, what is the significance of subsection k of section 5, which says, "shall not charge or grant security interest in the fixed assets of the

combined assets, except in accordance with schedule C”?

Are you negotiating schedule C, or do you have schedule C? Because I'll tell you, this agreement has no meaning unless you have schedule C. So turn around and ask your lawyer; turn around and ask your officials. Ask them whether you have schedule C. Would you advise me, Mr. Minister, whether you have schedule C?

**Hon. Mr. McLeod:** — This is the point I made a minute ago, Mr. Chairman. The members don't want to understand the point that I made. What I have said to them is that we have this basic group of principles which is initialled, and they have various schedules related to them — various schedules. And what I have said is, schedule B, which relates . . . schedule B, which is the one that I provided to them, one portion . . . I have not said that the basic principles to agreement do not exist. I haven't said that. I say they exist. Basic principles — I say that those are principles and that initial agreement of principles exists, and there are several schedules to that, B being one of them.

B is the one in which the basic principles in schedule B are largely completed in negotiation in the final documents, and I was able to provide that, as I said I would. I did, and now they make a big point of, why are the others . . . I have already said I cannot provide all of the other principles upon which negotiation are still continuing, because I did not say to the member who yells — the bull moose from Quill Lakes who yells — I did not say to him that it does not exist. I said to him I'm unable to provide it because the negotiations are still under way.

**Mr. Shillington:** — Mr. Minister, I note, not only is this a schedule to . . .

**Mr. Chairman:** — Order, please. Order, please. Order. I must direct my comments at this time at the member for Regina North West, who is continuously interrupting the debate. I would ask him to please refrain his enthusiasm, and allow the man to ask his question. Order, please. Order, please. Order, please. There is undue disorder in the House tonight, and it's coming from everywhere; and it's coming from the member from Regina North West, who continually interrupts. And I'm asking you once more to allow this debate to go forward.

**Mr. Shillington:** — I'm waiting till the minister's done his chit-chat. Thank you, Mr. Minister. Mr. Minister, not only is this not a draft agreement, this is patently a part of an executed agreement. Mr. Minister, the document is initialled.

(2000)

I ask you, Mr. Minister, to turn your attention to the bottom of the agreement. The initials of the signatories are on the bottom of this agreement. “G.W.”, which obviously stands for George Weyerhaeuser . . . What does the G.W. . . . That's his? All right. Okay. Then your deputy has initialled it. If that is your deputy's initials, that's fine. Your deputy then initialled it. So your deputy has signed this agreement on behalf of the government.

Mr. Minister, patently what we have here is an executed agreement. It's been executed by the individual sitting to your right. So Mr. Minister, don't tell us this is a few notes written on the back of an envelope. This, Mr. Minister, is a part of an executed agreement, clearly. You just finished telling us that your deputy has executed it. I suppose it will be next Christmas before we find out whose initials are also in the corner. But if you want to tell us who else initialled it, that might be interesting, Mr. Minister.

Mr. Minister, let me just see if I understand your proposition. You're going to give us part of an executed agreement. It proves to be a bomb. And then you tell us, well, this is really nothing at all; it was never part of an agreement, and we're not going to give you the rest. Are you serious that you're going to give us this and nothing else, and you expect this to pass within the lifetime of anyone sitting in this Chamber? Mr. Minister, nobody gets away with that. Nobody gets away with that. I doubt if such behaviour would be tolerated in a banana republic or in an Iron Curtain country, much less this country, which has a history of some years of democracy. Mr. Minister, will you tell me whose the other initials are in the corner?

**Hon. Mr. McLeod:** — Well Mr. Chairman, just an example of . . . You know, I've explained what this is. I said before, and I will say to the member, that the president of Crown Management Board, Garnet Wells . . . G.W. stands for Garnet Wells on the initial. And the other one is Bill Gaynor, who I believe is the vice-president of Weyerhaeuser Canada. And those two people have signed.

**An Hon. Member:** — So it's an executed document.

**Hon. Mr. McLeod:** — It is not an executed document. What it is . . . It is not a final agreement. I have made this point so many times, Mr. Chairman; so many times I've made the point to the members. It is not the final agreement. What it is, is . . . And I think the members should understand that when you're dealing with a transaction of this size, that you must have principles. You must have the basic principles upon which you can pursue the final stages of agreement. And there must be those basic principles in place. And if they cannot be put in place, it isn't beneficial for either side to continue. That's the point.

In this case the two parties, one being the government, the other being Weyerhaeuser Canada, were able to come to a set of principles which they said, yes, we can agree to these basic principles. And so each page on the schedule that the members have has the initials of the representative of the government and the representative of Weyerhaeuser Canada to say, here's our initials to say let's pursue this. And as each page flipped, they said let's pursue this. And as they were able to come to the end of the various principles that had to be set out in this basic document, they said, now let's proceed.

We have the agreement of principle. Let's proceed with the negotiations and put our negotiators to work into the final stages. That is what is ongoing now, Mr. Chairman. That's what's ongoing now, hon. member. The hon.



members on the opposite side, Mr. Chairman, do not want to believe this. They will not believe it. But I will just have to say to them that look, we'll have to agree to disagree. What I have said, and I give you this undertaking, the final agreements are not signed, Mr. Chairman. I'll tell you and the committee and the members of this House that the final agreements are not signed.

**Mr. Shillington:** — Mr. Chairman, on the assumption that I will be allowed to complete my line of questioning when the member from The Battlefords is finished, I would yield the floor to the member for The Battlefords to introduce some students.

## INTRODUCTION OF GUESTS

**Hon. Mr. Morin:**— Thank you very much, Mr. Chairman. I appreciate the co-operation from the members of the opposition.

It's my pleasure to introduce to the Assembly tonight 52 students from McKittrick School in North Battleford. They're grade 5 and 6 students. They've spent the day in Regina. They've toured the national history gallery and the RCMP barracks and eaten a bunch of hamburgers. And we've had a good visit in room 218 of the Assembly.

They're accompanied by Heather Frank, Amy Williams, Cliff Johnston, and bus driver Marsil Van Hooren. And I'd appreciate it if all the members of the Assembly would join me in welcoming these students from The Battlefords. As you're well aware, it's a long way for them to come, and we don't get a whole lot of groups here from that far away. And I appreciate your co-operation.

**Hon. Members:** Hear, hear!

**Mr. Shillington:** — Before continuing, I join my colleague in welcoming the students here from The Battlefords. They're going home this evening. They have a long way to go, and I hope the visit is worthwhile. I hope it's worth the trip and worth the late night.

## COMMITTEE OF THE WHOLE

### Bill No. 56 (continued)

#### Clause 1 (continued)

**Mr. Shillington:** — Mr. Minister, we now have it that we have an executed agreement. I do not intend to waste my time or yours pretending this is anything else. The people the like of Bill Gaynor do not affix their signatures to draft documents. When the vice-president of a company signs a document, it's not a draft document. It's an agreement which he intends to bind his company to.

There may well be a secondary agreement which find tunes some of the details, but this represents an agreement as to basic principles. So we have that established. I don't intend to spend a lot more time on the subject. This is a part of an executed agreement. Well it's clearly a part of an executed agreement. No one's denied that. This includes the repayment terms. It's the most important part of the document, but it's only part of it.

This, Mr. Minister, is a document of such a nature that the English language is almost inadequate to describe it. Mr. Minister, as my colleague from Quill Lakes said, with a minimum of difficulty the company can avoid payment of anything at all. There is no repayment schedule for the principal. It is payable out of earnings. Earnings are defined as being the excess left over after a 20 per cent return on a grossed up basis on the aggregate of the investment.

Assuming the company pays a 50 per cent income tax return — and I'm guessing at that, and if that's not the return please assist me, but assuming it's a 50 per cent income tax rate — I calculate that unless the company had a return on investment of in excess of 13 to 14 per cent, they wouldn't have any earnings, and therefore they wouldn't owe anything on this agreement.

**An Hon. Member:** — And the average in that industry is about 8 per cent or 9 per cent.

**Mr. Shillington:** — And 13 per cent would be a high . . . I don't know that the . . . The member from Regina North East says that 8 per cent's an average. I don't know that. I do know that it is . . . that the primary industries do not enjoy a 13 per cent rate of return.

Mr. Minister, having said that, however, it isn't the earnings that are available for the repayment, it's the cash flow defined as the earnings less the deemed current income taxes and with . . . after adjustments made for sale of capital assets and depreciation. From that you deduct \$8 million, which is said to be a maintenance capital, and from that you deduct other amounts too numerous to mention, which carry on for three or four pages.

**An Hon. Member:** — Then they might make a payment.

**Mr. Shillington:** — It would be extremely unlikely. It would have to be a banner year in the forest industry before there would be anything payable under this agreement.

Mr. Minister, the terms of this agreement, if they don't embarrass you this evening, they're going to. I can tell you, Mr. Minister, you can't give away — which is what you've done — you cannot give away a quarter of a billion dollars in assets and laugh that one off. You may laugh this evening, but you're not going to be laughing when the public finally get a crack at you. And the sand is running out of the clock for you people, Mr. Minister.

Mr. Minister, you say, oh, but it's not that bad. I know this looks dreadful, and it does look dreadful, but there are other portions of the agreement which ameliorate it.

Well, Mr. Minister, if for something else . . . First of all, I assume that anything that is in the main agreement, or in schedule A — which we have not a hint of, or in schedule C which we do have a hint of — I assume it is not inconsistent with this schedule. It may add additional terms and conditions, but it doesn't contradict the plain terms of this agreement which, as I say, according to my calculation require a 12, 13 per cent rate of return on assets before anything's payable.

Mr. Minister, as further proof that it is well within the contemplation of the parties that this may never be paid back, clause 3 on page 5 goes on to say that if in the 17th year — which is getting very close to the 20th year, by which you expect it repaid — if by the 17th year there hasn't been \$60 million on interest and principal . . . And of course by the 17th year the interest alone ought to have exceeded that. I'm doing this calculation quickly in my head, but the interest alone ought to have exceeded \$60 million after 17 years.

Mr. Minister, it goes on to say that if you haven't paid 60 million, then you adjust the formula for determining cash flow so that the formula's enriched a bit. You start out with earnings, which are only earnings in excess of that formula, but that's not what you get. What you get is cash flow, which suffers further reductions. And if by the time you make it through those hoops, if you haven't got 60 million after 17 years, then this formula clicks in and suggests what's going to happen. And on the 30th year it's all washed away; thereafter virtually nothing's payable. Thereafter they issue preferred dividends.

Mr. Minister, I wonder if you would have your staff check through The Financial Post 500, or any of the other summaries that are provided of corporations. Give us a few examples of other companies which have issued dividends, or preferred shares rather, on the following terms. I've never seen . . . I've had some exposure to the securities industry. I've never seen this before.

These are preferred shares which have no right to dividends unless declared by the directors; no preference as to dividends; and dividends may be declared on other classes of shares whether or not dividends are declared on these preferred shares. The dividends are non-cumulative and, Mr. Minister, they're redeemable on a mandatory basis according to a formula in section E — on an optional basis, I should say — and after 10 years they can then simply be converted into further preferred shares, as it appears.

Mr. Minister, simplified somewhat, unless the forest industry receives profits on a rate of return which I would doubt that they have had since pre-World War 1, since the frontier days of the logging industry; unless they enjoy some enormous profits; unless Weyerhaeuser chooses to leave the profits in this company, a child could figure out a way to have these profits appear somewhere other than in Saskatchewan. And unless — and I want you to picture this . . .

This is in Tacoma, Washington, the board of directors sitting around the table deciding at the end of the year what shares, what dividends ought to be declared. There's one class of shares for which there's only one beneficiary. It's a foreign government, and it's going to be a socialist government after October, so you got to throw that into the mix. And you've got to ask yourself, Mr. Minister, what do you think those directors do? How generous do you think the directors will be with respect to preferred shares?

I'd suggest that they're not going to declare dividends on those preferred shares. No other shareholder but the

Government of Saskatchewan is going to hold them apparently.

So I say, Mr. Minister, that there's not likely to be enough profits to pay it. If there are, it is easily avoided. And if they don't pay, and that's contemplated by the agreement, then, Mr. Minister, there's arrangements made for the conversion of the — whatever it may be; it's scarcely a loan — conversion of the give-away into preferred shares which are even more useless because they depend upon the discretion of the directors to declare dividends and are not redeemable unless the directors decide to redeem them. That is the arrangement which you are putting forward.

(2015)

But you say, but oh there's something else which says that the deal isn't as bad as it appears. I would be surprised if your main agreement contradicts the schedule; if you do, you need some new draftsmen for your agreement. But if there is another portion of the agreement which does indeed ease the burden on the taxpayer somewhat, you have to give it to us. You can't simply give us this and when we are shocked, as we are, say, ah, but don't worry; don't worry; trust us. There's another portion of the agreement you haven't seen. We ask you, well, what does it say? What are their terms? Oh, we can't tell you, can't tell you. Why? Well because that's still to be negotiated, notwithstanding the fact that it's clearly an executed contract.

Mr. Minister, I don't know who you think you're playing games with. I don't, Mr. Minister, know what you expect us to believe, but if you expect us to believe that this is not an executed agreement; and if you expect us to believe that this industry is going to enjoy the kinds of profits which will be needed to make this repayable; and if you expect us to believe in the event that it isn't repaid and it's converted into preferred shares, the redemption of which, and the dividends on which, are in the sold discretion of the directors, and only the Government of Saskatchewan is ever going to get it — if you expect us to believe it on that circumstance — the good folks down in Tacoma, Washington are going to make what amounts to a gift to the people of Saskatchewan, then I say, Mr. Minister, you are dealing with the wrong opposition.

I say, Mr. Minister, if you expect this opposition to believe such a load — out of deference to the Legislative Chamber, I won't describe it for what it really is — Mr. Minister, if you expect us to believe that, then you really are dealing with the wrong people.

I am genuinely surprised to know that the members of your caucus believe that. I do not believe, Mr. Minister, that . . . There are some people in that caucus who have a background in business. One of the things you learn in business is to read a financial statement. If you can't walk through a financial statement, Mr. Minister, you aren't going to be in business long. So I suspect, Mr. Minister, there are at least some members of your caucus that can read a financial statement. I cannot understand how the members of your caucus could have approved of such an arrangement. I know why the minister and the cabinet approved of this sort of an arrangement, because you are

desperate about your pay cheque. Unless you put together a rich agreement, unless you can put together a rich agreement — unless you can put together something in the dying days of this government, you don't expect to be re-elected.

And it's obvious as well that you never expected to have to bring this Bill before the legislature until after the election. And then after the election, who cares if the Bill takes a month getting through the Assembly?

Mr. Minister, your own cabinet may have agreed to it out of desperation. Mr. Minister, your caucus may have agreed to it out of a misplaced sense of trust. I think when they hit the streets on Friday night and get home for the weekend, and they have to answer some of these questions, I think they're going to be a little less trusting the next time you say to them: trust me. Well I'll tell you, Mr. Minister, if you expect us to believe this, then you have finally carried it one step too far.

Mr. Minister, will you tell us what the terms of the balance of the agreement are which you say ameliorate the give-away provisions of this schedule? What is it in the rest of the agreement which makes this a good deal for the people of Saskatchewan? Surely if there's something else somewhere which strengthens your case, you ought to give us that.

**Hon. Mr. McLeod:** — Well, Mr. Chairman, the member opposite, when he talks about the clauses in the schedule which I provided, which he insists on calling a final agreement, which I have indicated and explained very carefully — the record will show that — just what it is that he has in hand. Okay?

The member talks about the 17-year provisions and the 30-year provisions. And if you take the most dire scenario in the forest industry — the most dire scenario in the forest industry — which is very easy for members of the NDP opposition to conjure up at any time . . . Because they're down into the dire doom and gloom all the time, regardless of what the industry they're talking about, or what sector of the economy, or what portion of the province.

But, Mr. Chairman, let's just go back as we did prior to the supper hour and think about: where did he just say the NDP is on this? What the NDP is saying is that they're against the construction of a paper-mill in Saskatchewan. And I will stand by this anywhere, and so will the people of Prince Albert, and Prince Albert people in the industry will know that a stand-alone pulp-mill will not make it. And what this paper-mill does is gives viability to an already existing industry in the province, and that's the maintenance of jobs and all of the various things that go with that.

But the NDP will say, no, we're against the paper-mill. And by saying they're against the paper-mill, they're saying, close the pulp-mill. They're saying, the pulp-mill's in serious trouble and we don't care about that; down it goes and down goes the jobs that go with it. That's what they're saying. That's exactly what they're saying, Mr. Chairman.

And let's take his dire straits scenario one step further. Let's take his dire scenario one step further, and he talks about at the point at the end of 30 years — of the term of the debenture, the end of 30 years. He takes that and talks about how the industry would lose all this money over all that period of time.

Let me ask the member for Regina Centre, or any other NDP member, or anybody else who can follow the ridiculous logic of those folks: where would the stand-alone pulp-mill, the Prince Albert pulp-mill be, given the market scenario that he just outlined? Where would a stand alone pulp-mill be? And where would the jobs be? And where would the meat and potatoes on the table be for people who are dependent on the forest industry? Where would they be with a stand-alone pulp-mill, given the scenario that he just outlined? Where would they be? Where would they be?

Well, Mr. Chairman, we are committed to the integration of that forest industry, from the sawmill operation to a pulp operation to a paper operation; and as an added bonus, and which is a very important added bonus, the use of aspen poplar, a resource in this province that has not been used in a commercial way, in a large way before.

And what we're saying to you, Mr. Chairman, and to members of the House — and I'm very surprised at the NDP, I'm very surprised at them. Initially I thought they were against this; I hoped they were against this project. I was hoping very, very much from a politically selfish point of view that the NDP would be down on this and against the paper-mill project in Prince Albert and against the people across the forested belt of this province. I didn't think for sure that they'd be against it, but I was hoping they would be. And then the Leader of the Opposition stood up and said he agrees with the principles, agrees with the way in which it's going on; and he said he and his colleagues agree with the principles. And then I thought, from a politically selfish point of view, it's too bad that they finally came to their senses.

But now, Mr. Chairman, tonight we see the real NDP. They're against the paper-mill, Mr. Chairman. They're against it, and the people of Prince Albert will know they're against it, and the people across the forested belt of Saskatchewan will know they're against it. And the spokesman for the NDP against the paper-mill is the member from Regina Centre.

**Mr. Shillington:** — Mr. Minister, I'm going to ignore that because I think the public are going to ignore all that.

Mr. Minister, I calculated it would have to be a return on assets, a return on investment of about 11 to 13 per cent before the interest is payable. If that's not accurate, Mr. Minister, what are your figures and would you explain your figures? I explained mine.

**Hon. Mr. McLeod:** — Mr. Chairman, if I understood the member's question correctly, he's asking me if 11 to 13 per cent return on assets would be a . . . What I'm saying is that I believe that that's not an unreasonable amount — 11 to 13 per cent — if your number is correct and scenario

is correct.

**Mr. Sveinsson:** — What you're saying, Mr. Minister, then, is that payment on behalf of Weyerhaeuser to the Saskatchewan government doesn't kick in until the return on assets exceeds 13 or 14 per cent. If you examine . . . And I can't recall the exact date, but Fortune magazine, I think, outlines every year based on output of assets exactly what return in the primary industries is, and I would doubt whether in the forest industry one out of the last 10 years has provided an output in excess of 12 to 13 or 14 per cent. If that's the case, how do you ever expect this particular project to be paid for?

The Saskatchewan government has all the risk in this whole venture, as has been outlined many times tonight. The only Conservative government that I can think of that has been involved in the forest industry with private investment happened in the mid-60s in Manitoba with Duff Roblin and the Consolidated Forest Industries at The Pas — Dr. Adam Kasser. This agreement basically, this part of this agreement, I think, has the makings of another CFI. And what happened to CFI? Historically where are we at today here in this House? It's because the opposition now, when they were government, overspent in the forest industry in the North. I believe they spent \$180 million to Parsons and Whittemore of New York to acquire the assets that are presently being sold.

Now to recover that investment . . . And I heard one of the cabinet ministers this evening comment that the appraisals that were made on the assets that were sold would embarrass the former government, simply because the expenditure of 180 million just does not support the current value of these assets. But I suggest it doesn't matter what the appraisal on these assets is because there is no money invested. The cash to cash return on this investment by Weyerhaeuser, even up to 12 or 13 per cent return on earnings, is gigantic. And who accepts the responsibility? I ask you, Mr. Minister: who was at the table when this agreement was drawn? Who were the players who were at the table with the government when this was drawn? Because I think somewhere down the line somebody has to be responsible, if in fact you pass this Bill, for the negotiations and the deal made on behalf of the taxpayers of this province.

(2030)

I ask you: who was at the table when this agreement was drawn?

**Hon. Mr. McLeod:** — Mr. Chairman, let's just go back with the member and with all of the members of the committee. The reason that this Bill is before the House, and must be before the House, and the reason that we're even into a negotiation to dispose of a pulp-mill and to build a paper-mill and to try to integrate an industry which needed that integration for so long . . . We're into this. This government did not buy a pulp-mill nor did we build one. That pulp-mill was there.

The pulp-mill was purchased by the former NDP government. They purchased it because they could not stand to see Canfor at that time — a private company — come in and buy it. And they stated a very good reason for

not doing it, a reason which at the time when I was in opposition I agreed with, the reason being to rationalize the forest management lease arrangements which needed so much to be rationalized across northern Saskatchewan.

But what I say to the member from North West and to all the members, as I intimated earlier today, when we took over government, and here was a pulp-mill and a chemical plant and a sawmill in Meadow Lake and whatever else that's part of that pulp-mill operation, there was no evidence of any attempt even to rationalize the forest management lease arrangements, which means — just to translate that for you, Mr. Chairman, — which means that there was no attempt being made to rationalize the way in which the forest was being managed across the North. It was not being done.

Mr. Chairman, we undertook to do that and in order to do that and in order to manage the forest in the best possible way it became very obvious, as it should have been to that other government for a long time, that the only way that a pulp-mill would have any opportunity for viability in the long term was to be integrated with the manufacturing of paper and integrated to some extent with a sawmill operation. So that, Mr. Chairman, you have saw logs going to a sawmill and you have pulp logs going to a pulp-mill and the added bonus here — and I've mentioned it before and it's lost on those members — the added bonus here is the use of aspen.

As someone has said, and I believe the Premier referred to this earlier and others in the North have said this . . . People who are familiar with both forestry and agriculture say it's a scenario not unlike, Mr. Chairman, finding a valuable use for wild oats. That's what poplar is in the forest.

And we can use that aspen and it's that forest mix, that softwood and that hardwood forest mix, which makes this a viable and a reasonable operation and which makes Weyerhaeuser look at this operation and say, we can take that loser pulp-mill, that stand-alone operation which has no opportunity for long-term viability, and we can make it into a long-term viable operation if it's integrated with this pulp-mill.

And we, as the holders of that, the government of the people of Saskatchewan, say we hold this operation with no long-term viability, not through any fault of our own but through some kind of grandiose schemes of the former NDP government who like to own enterprise regardless of the industry. And we say we must go with this because it's forward looking; because it offers the opportunity to manufacture paper in Saskatchewan.

Mr. Chairman, I'll repeat that: to manufacture paper in Saskatchewan — paper such as this that's on every member's desk — here in our province, our final product. And those members in the NDP have flip-flopped here tonight and they are now against it.

Mr. Chairman, this government stands very much behind this deal. This government is very, very committed to the building of a paper-mill in Saskatchewan. And I would say to any member — to any member, now that we go

back to why we're here in the first place — given the best choice, the choice would be that we don't own a pulp-mill in the first place, and that we can collect royalties from someone operating it. That's what we'll be doing. That's what we'll be doing.

**An Hon. Member:** — Who was at the table, George, was the question. Who was at the table?

**Hon. Mr. McLeod:** — The answer to the member from North West's specific question: the negotiations for the most part on this deal have been done by the president of the Crown management corporation on behalf of the Crown Management Board — I'm sorry, not Crown management corporation, Crown Management Board — and the president, as CEO (chief executive officer) of Crown Management Board, has been for the most part involved in negotiations, but in very close contact with the members of the board who are, for the most part, ministers of the government.

**Some Hon. Members:** Hear, hear!

**Mr. Sveinsson:** — Mr. Minister, I'd like to compliment you on your interest in divesting the people of Saskatchewan of losing ventures that were, in fact, purchased by the former NDP government.

But I think tonight the debate has turned to, and as one member earlier called it, a cover-up or misleading the House on the actual terms of an agreement to sell Saskatchewan equity to a company from Tacoma, Washington on terms that basically don't guarantee any return to the province, now or ever, if in fact they would like to manipulate the agreement. And it's certainly designed to do that.

We have before us an agreement that is initialled, and I suggest to the minister, there's only one part of this agreement left to be negotiated, and it's not uncommon in any industrial or commercial negotiation that the only condition left is the condition of financing. And that's why we're in this legislature today.

The documentation has been signed. I would suggest that even the fine print has been determined. The only thing left . . . And the signatures or the initials on this appendix B indicate the documentation has all been signed. This is just part of an executed document and trying to slide this by the opposition, I might say, is almost like trying to slide a lamb chop past a wolf.

I don't know who in the government decided to give us this information, but it certainly doesn't give us the information we need and it does suggest that all the information is in place.

Mr. Minister, I just ask you: if all the information is in place and all that's left is that subject to financing and money and that's what we're here for tonight, what have you got against tabling the documents and giving us an evening to look at, in fact, what the people of Saskatchewan can expect from this agreement?

**Hon. Mr. McLeod:** — Well, Mr. Chairman, I've explained to the other members earlier tonight, and I'll explain once

again to the member from North West. What he says is that the agreement's in place. What I'm saying to you is: the final executed agreements which those principles set out for us to go ahead and negotiate — I say "us," being the two parties — to go ahead and negotiate, those final agreements are not in place. Okay? There is an agreement of principles upon which negotiations can take place and it has several schedules attached.

One of those schedules is schedule B which I provided to you when we were in the discussion about the repayment schedule for the \$249 million debenture. It was a reasonable request and we were able to provide it on the basis that I said before. We're able to provide that one because the negotiations for the final arrangement n that portion are largely complete.

And I said in second reading debate, as I say to you here again: where that's the case, I would provide the documents that I can provide. Where the negotiations are not complete, I will not and cannot — for very understandable reasons, for fair people — I cannot provide those documents because it will tie the hands of our negotiators down into the final stages. It's not fair to our own side and it's not fair to the company to have those negotiations carried on in a detailed way in the legislature or any place else.

But further to that, I have undertaken, because I realize that it's the public's business we conduct, that once negotiations are over — and this is not a negotiating forum — that the final documents upon closing will be provided. Now I have said that; I will stand by that; and that's really all I can say.

**Mr. Sveinsson:** — Mr. Chairman, what is left to negotiate? As we know and as you know, the initial document we received tonight is part of the document that was signed by these two participants, signed in the interest of the province of Saskatchewan and the Weyerhaeuser corporation, to put this deal together. And I suggest to you that all that's left is the consideration or it's subject to financing. And if in fact that's not the case, what would be left to negotiate?

I would doubt that they even put consideration up for this offer. They haven't got any money in the deal. Are you going to have to return their consideration to them after this document is completed, subject to the financing? And consideration is just a few dollars you put up to make the document legal. I would suggest that you likely have to return that to the Weyerhaeuser corporation.

Is that the negotiation that's left? Did they get into this deal with zero? Do they not bring in one American dollar to get involved in our forest industry to the degree they have been involved and they will be involved after this agreement is completed?

**Hon. Mr. McLeod:** — Well in answer to the question of the member about what else is left and so on, like, what I'm talking about, when we say the final documents . . .

**An Hon. Member:** — They've been signed.

**Hon. Mr. McLeod:** — No. I have given the undertaking . . .

The member insists on saying they've been signed. I'm telling you, Mr. Chairman; I tell the committee: they have not been signed, the final documents. Mr. Chairman, just for the information of the committee, the final documents, I'm informed by counsel, who's involved in the negotiation of these, will run in the order . . . The documents agreements itself will run in the order of well over 200 pages; with schedules attached, will be in the thousands of pages — and is not finished.

**An Hon. Member:** — Table it.

**Hon. Mr. McLeod:** — No. What I'm saying to you is they are not finished. And each party to any negotiations will go to those negotiations and try to get as much as possible for their respective position. That's what's obvious, and we know that, and that's what is going on. And this is not the place for negotiation to take place. What I have said, and I agree with you, and that's why I said that we have the final documents as it relates to the repayment schedule of the debenture largely complete — those negotiations — and I was able to provide that. And I did provide that in a forthright way, and you have that.

But for you to think that that little document that you have in front of you is the agreement . . . What I've said before and what I will say again, there must be, before negotiations can take place on a half-billion dollar project in a serious line-by-line way, there must be some basic principles which are agreed upon by both parties, upon which those negotiations should take place.

That is what that schedule B that you have is a portion of. And what else can I say except to say that it's reasonable? It's a reasonable argument. And if you insist . . . I can tell you once again, I cannot provide the documents until final closing is done. But I will undertake, as I have done, to provide those documents at final closing to the opposition members and in fact to the people of Saskatchewan.

**Mr. Sveinsson:** — With respect to the documents, Mr. Minister, what did the signatories that in fact initialled schedule B, what was their commitment to? This is just part of a commitment and anybody, I suppose, that's ever dealt in commercial transactions, or any transactions, would agree that even after financing, things can change. But at that point there is a commitment. And it appears to me that the purchaser, who is Weyerhaeuser, is making no commitment and that the Government of Saskatchewan is making all the commitment with respect to financing and with respect to sale of the assets.

Now I think it would normally be, in a normal course of a transaction of this nature, Weyerhaeuser would have to table some money in consideration to enable this transaction to be put together. Weyerhaeuser hasn't been involved in business in Saskatchewan before. I realize they recently had a picture on the front page of Fortune, of the Fortune magazine, which certainly, I suppose, outlines their credibility. But have they put any consideration into this transaction? And what is this part of? If in fact the signatories to the original deal are not the signatories on schedule B, what is schedule B part of? And would you not admit, Mr. Minister, that there is an agreement that was signed by the signatories to schedule

B?

Can I repeat the question, Mr. Minister? Would you not admit there is an agreement signed by the signatories who are on this schedule B?

(2045)

**Hon. Mr. McLeod:** — No, Mr. Chairman. That's why I went into the explanation that I did earlier when I . . . in the member's first question. Because he says, what is Weyerhaeuser, what are they bringing to this agreement? What I'm saying that they're bringing to this agreement — they're bringing \$166.8 million to the building of a paper-mill. They're bringing that much . . . (inaudible interjection). . .

Well the member says that it can't be used as consideration . . . Just to repeat what he's saying in the to and fro here, what he says is it can't be used as consideration. What I'm saying is that they are bringing \$166.8 million to the building of a paper-mill. The building of the paper-mill will be \$250 million. One-third of that — only one-third — one-third is guaranteed by the Government of Saskatchewan, which does not mean that the Government of Saskatchewan puts up \$83.4 million as the Bill states. It means that we guarantee that portion of the debt. But Weyerhaeuser Company . . . And so the member is suggesting to the committee, and I think to the people, that Weyerhaeuser has no commitment and that they will not . . . Well I would say that \$166.8 million to build a paper-mill in the province of Saskatchewan is a commitment.

Now let's go back to that. He'll say, well no, that doesn't make any sense. They could build a paper-mill anywhere. I'll say to you that the paper-mill makes no sense and cannot operate as a stand-alone without the pulp-mill. And I'll say to you, as I did before, that the pulp-mill is not viable as a stand-alone operation without the paper-mill.

And what I'll say to you, that there — finally, after all of the attempts to finally get an integrated forest industry in this province — is a marriage made in heaven, and finally it's there for the people of Saskatchewan, and based on good forest management and based on good business practice.

**Mr. Sveinsson:** — Well this document that we have is not based on good business practice. If all the consideration the province of Saskatchewan has in this deal is a promise in the future to build a pulp-mill . . . They don't even have a promise to in fact build a paper-mill. They don't even have a promise in fact to pay off the debt, unless they in fact make a profit. And anybody that's been in business realizes that profit can easily be moved around.

So we're asking, and I think it's a very simple question . . . A suggestion has been made, and I don't want to emphasize it again, that there's a document that outlines this whole transaction. This is only a part of the document. Now if in fact you didn't want us to quiz you on the rest of this document, why did you give us any of this document? I mean, it refers to a section C; it's initialled, which is certainly not done for xerox copy

purposes considering the people who initiated the document or initialled the document. What are you trying to hide? You've give us a part of it, expecting us to sit back and agree with this Bill based on a lack of input from your side, the government, on behalf of the taxpayers. So if you've got nothing to hide, Mr. Minister, table the documentation.

I've asked you several times whether there's any further documentation associated with this package. And you know there is; there has to be. It's been said several times by the opposition. Are you denying it? Or what are you hiding if in fact there is further documentation?

**Hon. Mr. McLeod:** — Well, Mr. Chairman, I don't know how many times I've said, I don't deny that there's other documentation that that is related to. I have said that, that that schedule B is attached to a wider basic series of principles which have been agreed to. I have said that I can't provide the others. He says to me . . . The member from North West says, you shouldn't have provided us with what you did. On one hand he says, you shouldn't have given us this; and the next thing he says, don't give us this. And then he says, well why don't you give us more.

What I have said in a forthright way from the very outset of this debate is that I will give what I can give. And we have given this. And obviously I knew you would ask me some questions. I knew what I was giving you. And it's obvious, it's not some kind of a big find that you have. It's not some big deal that you find that you have initials of the president of the Crown Management Board and the initials of Mr. Gaynor. I mean, what's . . . That is the basic principle.

I have said to you . . . I explained it well. But as I said to the NDP opposition, the other opposition, is that they do not want to understand the explanation, which is a reasonable and fair explanation. They've indicated they don't want to understand that, and so they'll carry on with the debate.

You have indicated as well in your line of questioning that you do not want to understand the explanation . . . (inaudible interjection). . . No, you've said that you don't want to understand the explanation. You say: are you denying it? He's yelling: did you deny, do you deny that more exists of this? I say, no I don't deny that. And I also say that there will be a large, very large document, final documentation on this very, very large, half-billion dollar deal. I said that as well. And I've also said that I will provide that at the time of closing the deal, which is the only reasonable time to provide it and the only time it can possibly be provided. And that's where it is.

Now, Mr. Chairman, the members say, and once again the members of the NDP say, if we were in the government, they say, we would sign the documents, and then we would go to the House and say, we need some enabling legislation so that we can sign some documents. That's what they say they would do.

Well, I'm telling you, Mr. chairman, we have said we will sign documents when the legislative approval is given to sign them — which is the right way to go, which is the

right and proper way to go. And we're asking for enabling legislation. We're asking for enabling legislation, and that's what this Bill is all about, Mr. Chairman.

**Mr. Sveinson:** — Mr. Minister, that is contrary to all good business practices as they relate to buying and selling property of any kind. The deal is truck before the money is put up. And what you're saying is, you've got a loosely structured deal based on, in part, schedule B. And you're going to come to the House, you're going to have the money approved, and then go out and make the deal. I mean, that is contrary to good business sense. You're here to finalize, on behalf of the people of Saskatchewan, the moneys to be paid out on their behalf to sell this to Weyerhaeuser of Washington.

Now, Mr. Minister, why will you not give us the balance of documentation? And will you not admit that the deal is closed? it's closed. If it isn't closed, why are we here tonight?

**Hon. Mr. McLeod:** — Basic principles, Mr. Chairman, of the deal have been announced, and they have been announced on that basis of \$250 million, one-third of that debt . . . The basic principles have been announced. The deal is not closed until the final closing and signing of documents. The final closing and signing of documents cannot take place until the legislation is passed and we have enabling legislation, which we need. We need enabling legislation to say that we have the authority to enter in to a guarantee for \$83.4 million, which is the basic crux of what we're doing — \$83.4 million. And what I'm saying to the members is: we've been here; we've been forthright with the deal that we're coming with; and at the end of it all, with every t crossed and every i dotted at the end of closing and signing of documents, we'll provide those documents. Now, Mr. Chairman, that's a fair and reasonable argument.

**Mr. Sveinson:** — Will the minister not admit that both sides to this agreement have agreed that subject to financing the deal is closed? The deal is closed. If that's not the case, why aren't we here tonight with other enabling legislation that would allow maybe the purchase by another mining corporation of a potash company or anything else? If you haven't got a closed deal here, why are we in the Assembly? Will you not admit the deal is closed and what's left is maybe some fine print, but certainly financing on behalf of the people of Saskatchewan?

**Hon. Mr. McLeod:** — Mr. Chairman, let's get something very clear here. The Bill . . . we're not voting money. This is not the committee of finance. This Bill is enabling legislation to enable the government to enter into the agreement which we have announced to cover a guarantee. We've announced the amount of that, and it's in the Bill — for the guarantee. And what I'm saying is that the deal will be closed when the final documentation is signed, and the final documentation will be signed once the enabling legislation is put in place, Mr. Chairman. That's the right sequence of events. That's the sequence of events which we're following, and which we will continue to follow, Mr. Chairman.

**Mr. Koskie:** — Well I just want to get a few things straight,

because we have been getting different answers from the minister as we have been going through the questioning. We started out early in the debate and we asked him over what period of time the repayment of the \$248 million for the asset was going to be, and the minister started out by saying that it was going to be about 20 years. Then a document is slid over to us and we find out it's 30 years.

Questioning has gone on in the House, Mr. Minister, and we have asked you, is the deal in fact consummated? We were under the impression that what you were doing here is coming to the legislature and getting approval of some \$83 million for the construction of the mill. Now surely you would expect to come to the legislature here with the deal consummated and lay the deal before the legislature, have the opposition review it, and then get the Bill passed — of the money which is going to be guaranteed by the people of Saskatchewan. Now there's no doubt that's the way you go.

What you're doing here, if . . . But the other thing is that, Mr. Minister, you say that negotiations aren't complete. Well I find that absolutely hard to believe. Because the fact is, Mr. Minister, if the negotiations aren't complete, then I'm going to ask you, Mr. Minister, how long will it take until the negotiations are complete? Can you give us an idea as to about how long it will take? Because if this is the only agreement that you have, it was completed on March 24, 1986.

And so I ask you, Mr. Minister, if the negotiations, if what you're saying, the negotiations are not complete, how long will it take you before the negotiation is in fact completed? That is, when you in fact can indicate what kind of deal that you have, what commitment you have from Weyerhaeuser, what commitment on the part of the people of Saskatchewan?

We have to have the deal before we can authorize you to go forward and start spending taxpayers' money, because that's what the Bill indicates — \$83 million you're supposed to put up. But you say, but we haven't finalized the deal. Well would we be responsible? Would a bank give out the money before the land transaction is finalized and they have the title in their possession for security? And you're going to say, well no, but we aren't going to give the money until we have it finalized.

But I'll tell you that we as an opposition are obligated to know why we are giving you this money, as authorizing you to expend \$83 million. That is our obligation. I'll tell you.

Mr. Minister, I come back to the question. You say the negotiations are not complete. I ask you, how long do you expect it would take to complete the agreement? When do you expect that the agreement will be finalized?

**Hon. Mr. McLeod:** — Mr. Chairman, I said earlier in the debate that the deal will be finalized in six to eight weeks, we anticipate — six to eight weeks.

Now, Mr. Chairman, there's misunderstanding I believe, or at least they're wishing to misunderstand.

**An Hon. Member:** — The contradictions by the minister.

**Hon. Mr. McLeod:** — No, they're wishing to misunderstand. They're saying here, we're not going to vote the money and all the rest of it. I would say to the member, now look in this Bill and see where it says that there's an expenditure of money. Where are we authorizing the expenditure of money in this Bill?

What this Bill is, Mr. Chairman, and let's have it very, very clear, that \$250 million for the building of a paper-mill in Saskatchewan will be in three ways — handle the financing in three ways: 83.333 and on into, or 83.4 for easy numbers, cash from Weyerhaeuser Company. Okay? So Weyerhaeuser Company — 83 and some-odd millions of dollars from Weyerhaeuser Company; borrowed by Weyerhaeuser Company and guaranteed by the company. Okay? So that's two-thirds. Eighty-three point four million dollars borrowed by Weyerhaeuser Company from their own sources — let's say their bank — guaranteed by the province of Saskatchewan.

Now there's no transaction of money. You're not voting money. What this Bill is, Mr. Chairman, and all the members understand, is that what this Bill does is it's the enabling legislation. In other words, it gives the government the authority to sign the guarantee. It gives the government the authority to sign the guarantee. And we're here to the legislature to ask for the authority to sign the guarantee. And that's what is is.

Now we will have security for that guarantee of \$83.4 million, Mr. Chairman. We will have the security of the assets, those assets being a paper-mill in Prince Albert, a pulp-mill in Prince Albert, a sawmill at . . . Okay? But the paper-mill assets, the \$250 million assets which the members yell we own already . . . We don't own a paper-mill because there is no paper-mill nor is there any potential for a paper-mill if they were ever around and the way that they would operate. There's no potential for a paper-mill without a deal such as this in which we can integrate those two facilities.

(2100)

Now I can explain that to them many times. It's not that they don't understand. I submit to you, Mr. Chairman. Some of them don't. Some of them do understand but they don't want to understand. That's the point. And the reason they don't want to understand, Mr. Chairman, is that they have decided in that NDP caucus that they are against the paper-mill, which is what I was hoping for, as I said earlier, and which I now have confirmed and all of our members have confirmed.

The NDP is against the construction of a paper-mill in Saskatchewan and the integration of our forest industry across the forested belt.

**Some Hon. Members:** Hear, hear!

**Mr. Koskie:** — Mr. Minister, you keep talking about the opposition being against getting a paper-mill. Nothing could be further from the truth. But what we are asking you, Mr. Minister: where is the agreement which says that you're going to have a paper-mill? There is absolutely no document that has been filed here today or tonight, and



he says it won't even be signed for two months, and we don't know the terms. That is exactly what he's saying.

And to say, well, we aren't putting up any of the people's money, well, we are guaranteeing \$83.4 million. That's what we're guaranteeing. And if there's default, we pay. Now would you go and sign a note or a guarantee — you, as a business man, the member from Prince Albert — would you sign a note, a guarantee, if you didn't know the deal?

**An Hon. Member:** — For someone else.

**Mr. Koskie:** — For somebody else if you didn't know the deal? Well, I'll tell you, the minister has said here tonight, he came into the House and he said, the negotiations are not complete, the deal isn't closed. He says it's going to take from six to eight weeks before we have the final documents.

Well, I'll tell you, Mr. Minister, we're going to offer you a deal. I think that that can be prepared in less than six to eight weeks. And I'd like to know the reasons why it would take that long. Because apparently what you have said . . . March the 24th was when schedule B was drawn up, and I'm wondering what you have done in the meantime, why the document hasn't been finalized, this document that you're talking about, and why it's going to take from six to eight weeks.

I'll tell you what you're doing. You're going to delay the final transaction, and it's going to be more than six to eight weeks; it's going to be until October or whenever, after the election. I'll tell you, the people of Saskatchewan are not going to see the final document. And what you want is a guarantee by the people of Saskatchewan to a transaction that you say isn't complete. But it is complete. You know what it is, but you're afraid to put it before this legislature because you'd be turfed out of office. The people of Saskatchewan are watching your management and they're not very pleased.

You know, when this was announced, a business man came to me and he said, we'll have to get those people out because they're going to get rid of every asset in the province. And over and over they're giving away . . . (inaudible interjection). . . Well, don't laugh. Is it not true within this document, in this document here that you provided, that on the \$248 million plant, that not one single cent needs to be paid? That's the truth of the matter.

Mr. Minister, the colleague from Regina North West has asked whether negotiations were complete. You said there were some other documents. I'm going to ask you, will you in fact provide any other documents which we can get a clearer picture of this transaction? If you refuse, if the negotiations are still carrying on as you claim, then we'll make a deal with you.

I'll tell you what we'll do. Traditionally what this government has done, they do not prorogue; they just adjourn the legislature. And I'll tell you, you get that agreement finalized, Mr. Minister — and I think you can do it in four or five weeks, or two or three weeks if you want to — and I'll guarantee you that the opposition will be here.

And if you lay before us the final negotiated agreement, I'll tell you, you lay it before us, give us some time to take a look at it, examine it, I'll tell you, you'll get our support if it's in the interests of the people of Saskatchewan. But I'll guarantee you that as long as I have a breath of life in me I'll not agree to passing this legislation without seeing the agreement. You might as well get that straight. Because if we have to carry on here, I'll tell you, we're going to, because it's time to protect the interests of the people of Saskatchewan. And I'll tell you, we're going to do it.

So I ask you, Mr. Minister. WE propose that deal. All you're going to do is to adjourn the Assembly. You say you can get a final transaction together in four to six weeks, or eight weeks. Fine. I'll tell you, this is the deal. Adjourn the legislature, and I'll tell you, when you lay before the House a final document and we can examine it and it's in the interests of the people of Saskatchewan, I'll tell you you'll get our wholehearted support.

Mr. Minister, I think that's fair, representing the people of Saskatchewan, that you lay before this legislature the final agreement. We give you that offer. Will you accept it?

**Hon. Mr. McLeod:** — Mr. Chairman, I would refer all members of the committee to the Bill, which is what we're supposed to be discussing. It's what we're supposed to be discussing here. And on the first page of the Bill . . . The member over there says, where does it say . . . In his bull moose sort of way he's up there roaring away once again, the member from Quill Lakes. It must be 9 o'clock now, because at 9 o'clock he usually roars, starting roaring, and he started. And here we go.

Now, Mr. Chairman . . . (inaudible) . . . Mr. Chairman, here it is on the front page of the Bill. He says that there's no suggestion that a paper-mill will be built in Saskatchewan. Now in clause 3(1) on the front page of the Bill, in the enabling paragraph at the bottom — the last paragraph in subsection (1)(c) it says, this guarantee . . . what I'm talking about is the guarantee here:

. . . in respect of a Saskatchewan project which will include improvements to a pulp mill and the development of a paper mill at Prince Albert.

The enabling legislation we're asking for is for this legislature to enable us to enter into an agreement with Weyerhaeuser Canada, to build a paper-mill. Okay.

And it says, specifically in the actual Bill, in clause 3(1)(c), “. . . which will include improvement to a pulp mill,” which we talked about earlier with the member from Athabasca, “and the development of a paper mill at Prince Albert.”

So what we have here, Mr. Chairman, is the NDP in opposition on a big stalling tactic because now in their flip-flopping on this issue they say, oh, just a minute, we're still not sure what position we should be in. Yesterday we were for this. In second reading we were for this paper-mill project. And now, today, we've locked ourselves into being against this paper-mill project.

And now the member from Quill Lakes will stand on his

feet and say, here's the big idea for a delay tactic in his roaring bull moose kind of a way. And he says, here we go. Let's have a big delay tactic here. We won't give you the enabling legislation to do this.

And I say to the member from Quill Lakes, he can rant and he can roar as long as he wants to — as long as he wants to. But his government stand four-square behind the development of a paper-mill in Saskatchewan. Those wafflers over there decide that they're now against the paper-mill in Saskatchewan, so be it. Let them go out and tell the people they're against the paper-mill, after saying . . . First of all they said they were against it. Then they said they were for it. Then they said they were against it. And now once again, they're confirming that they're against it.

Mr. Chairman, this government and my colleagues stand for the building of a paper-mill and we will always stand for that and it will take place.

**Some Hon. Members:** Hear, hear!

**Mr. Koskie:** — Finally, Mr. Chairman, we've got to the issue now because the minister has lost his cool. He cannot put before this legislature a finalized agreement because he knows that we would expose what is in that agreement. Why else wouldn't he? I'd like to ask the minister if he would turn to his counsel and ask his counsel whether or not he could negotiate a final agreement subject to the approval of the guarantee by the legislature. Ask him if you could.

**Hon. Mr. McLeod:** — Mr. Chairman, just a point that I forgot. The member said in his opening remarks here, now we're to the point, he said. I quote him fairly closely I believe — now we're to the point here. That's right, we're now to the point — the Bill which I refer to, Bill 56, An Act respecting the Sale of Assets of Prince Albert Pulp Company, etc., etc. Now we're for that; now we're to the point.

And the point that I made is that the Bill clearly states that there will be a paper-mill or there will be no guarantee. That's in the enabling paragraph of this Bill, clause 3(1)(c). That's what it says, and it says that very clearly.

Now, Mr. Chairman, that member from Quill Lakes and those other NDP members bought this pulp-mill; they bought this pulp-mill. They bought it from Parsons and Whittemore when an offer had been made by Canfor. Let's go back to the history of this.

Canfor, a private company, had offered Parsons and Whittemore to buy a pulp-mill, but that government over there said, no way, we're going to exercise our right of first refusal, and we're going to buy it with taxpayers' dollars — a stand-alone pulp-mill — at a time when the pulp prices and the projections were gong down. But they didn't care about that because philosophically they said, the government will own it or nobody will own it, they said. That's how they think. The government will own it or nobody will own it.

Mr. Chairman, I defy you or any member of this committee to find a Bill where they came before the legislature of the day and said, we're going to buy this

pulp-mill. Where's the Bill that said, we're going to buy this pulp-mill? Not a place — no place did they come. And yet the sanctimonious member from Quill Lakes will stand here and rant and he'll roar and he'll say that we're not supposed to pass this enabling legislation.

I submit to you, Mr. Chairman, and to all members of the committee and the people of Saskatchewan, this government is committed to the paper-mill; and this government has come before the legislature with the enabling legislation, as we should do, as any government should do. And I submit to you as well, Mr. Chairman, as they should have done — as they should have done when they bought the mill — but they didn't. And we can go into some other discussions about potash and whatever.

**Mr. Shillington:** — Mr. Minister, I was absent because I took an opportunity to go to the library and check to see when premier Thatcher had filed the documents. In fact.

**An Hon. Member:** — Thatcher?

**Mr. Shillington:** — Yes, premier Thatcher. When they entered into the deal with PAPCO initially, they passed a Bill in the legislature in the 1966 session. Mr. Minister, the agreements with respect to the Prince Albert Pulp Mill were filed not in some indeterminate time in the future — which I think is your schedule — but during committee of the whole. That is when premier Thatcher gave us the agreements with respect to the Prince Albert Pulp Mill. I refer you, Mr. Minister, to the journal of the 1966 session.

I ask you, Mr. Minister, if premier Thatcher thought that appropriate — and he did and was prepared to defend it — why don't you think it appropriate and why aren't you prepared to defend the agreements?

(2115)

**Hon. Mr. McLeod:** — Mr. Chairman, if I remember back to that debate — and I wasn't here; I'm not sure if the hon. member was here — the Thatcher government was involved in the deal, in consummating the deal that built the pulp-mill in the first place. The NDP was against that; the NDP were against it all the way. Down they go against that — no pulp-mill in Saskatchewan. There shall be no pulp-mill in Saskatchewan; it won't be a reasonable asset to the people of Saskatchewan. That was their argument. There'll be no asset, and the people . . . It'll not be an asset, that's what they said.

**An Hon. Member:** — What's that got to do with the question?

**Hon. Mr. McLeod:** — He raised the question. I didn't raise the question about the history of this operation. I raised the history of this operation before. And the reason we're before this House dealing with the disposing of an asset of a pulp-mill is not because it was built here, not by this government, and not because it was purchased by this government.

So, let's go through the history of it. The Thatcher government built it; they sat here and were against it. They were against it. They bought it. The NDP bought it

because they were against a private company owning it, so they bought it.

did they give any agreements in that purchase to anybody? And I sat on the opposition at that time — no agreements from those guys, none — none!

And, Mr. Chairman, what's more — what's more — no agreements, but no commitment from them to ever provide those agreements upon closing, which is the commitment I have given to this House today, which is a forthright thing to do and I will stand by that. So . . . (inaudible interjection). . . We haven't had those agreements, never had them from them. They bought it, though.

So they were against the building of it in the first place. This is the NDP now; this is the consistency of that group over there. They were against the building of it, and then when somebody else was going to buy it, they bought it. But they always said that it wouldn't be an asset to the province. And now when we're trying to sell it, they say it's an asset to the province as a stand-alone entity which has no opportunity for viability without the installation of a paper-mill in conjunction.

**An Hon. Member:** — They're against that.

**Hon. Mr. McLeod:** — They're against that now.

Now, you tell me where there's any logic in that NDP. There is not and there never has been, and as it relates to this sort of deal and the development of the resources in the province, they cannot hold a candle to the way in which we're dealing with Weyerhaeuser Canada to build a forest industry in this province.

**Mr. Shillington:** — Mr. Minister, I just ask you to deal with the simple issue. Ross Thatcher tabled those agreements when the potash mines were taken over in 1975, the appraisals were tabled. What happened with PAPCO? You weren't even here then. PAPCO . . . (inaudible interjection). . . You were not.

Mr. Minister, Ross Thatcher tabled the agreements during third reading. Mr. Minister, during the take-over of the potash mines, the appraisal and the regulations were tabled during the committee by our government. If the government of Ross Thatcher can do it, if the government of Allan Blakeney can do it, why can't you do it? If premier Thatcher was prepared to defend his agreement as he was — he stood in that seat over there and defended it — if Roy Romanow was prepared to defend the appraisals and the regulations, why aren't you prepared to defend your agreement, Mr. Minister? You're not, because as this portion of it we have suggests, that agreement is indefensible, and that's why we're not getting it.

**Hon. Mr. McLeod:** — Mr. Chairman, the member once again says that the government of Allan Blakeney gave the agreements. I'll tell you as it relates to PAPCO, and he says — I heard him say while he was on his feet to my colleague and to me — that we weren't here when that happened. I'll tell you, when you bought PAPCO, when the government, the members of that former government,

when they bought PAPCO, when Canfor put up its offer, there were no agreements signed. There was an announcement that it was going to be done and that's it. They never came to the legislature. When asked about it, they never gave the commitment that they would put the terms of that agreement on the table.

What I'm saying to you, Mr. Chairman, in a very forthright way, is that when those agreements are signed, they will be given to the members and be made public. The documents will be made public and there will be substantial documents as you can well imagine, Mr. Chairman. So what I'm saying to you is that we'll stand on our record as it relates to being forthright with the committee, and with the legislature, and with the people of Saskatchewan, and that group over there cannot stand anywhere near us in that sense. And we can go into the history of potash, and the history of so many things in which they just announce, "We're doing this." And at no time did they tell anybody why or whatever, and no documents, nothing. So don't let them be sanctimonious, Mr. Chairman, I know I won't.

**Mr. Lingenfelter:** — Mr. Chairman, I want to, before I ask the minister a couple of questions about the guarantees that he has on the paper-mill being built, one of my staff is working on getting for me the tabling of documents that occurred during the potash take-over. The minister is absolutely wrong and misleading the committee when he says that no documents were tabled. I will prove that in a moment because . . . (inaudible interjection). . . No, he said the potash take-over; that's what he said, and I'm going to get the documents. And the member from Saltcoats also indicated from his chair that there were no documents tabled at the time of the potash take-over. They were, at that time.

And the minister is totally wrong, and we'll prove that here again, as he was when he indicated that the terms of the agreement of the debentures were 20 years, and when he handed the paper over it turns out, and I read to you:

The debenture will be the principal amount of \$248 million Canadian for a term of 30 years.

Now this will be twice in the term of about three or four hours in the committee when the minister has attempted to mislead the committee — twice. And these are with facts in front of us that can disprove the minister, what he has said. And yet even though he has attempted to mislead us on two occasions, he says, on the area of the paper-mill, trust us. Just believe me when I say that there's an agreement forthcoming. Believe me when I say that Weyerhaeuser has signed an agreement or will sign an agreement.

Whether Weyerhaeuser is committed to a paper-mill or not has nothing to do with this Bill. This Bill doesn't commit Weyerhaeuser to build a paper-mill. This doesn't commit him to anything. This Bill doesn't commit him to building a paper-mill.

What it does is commit us to guaranteeing a loan for 83.4 million, which means that if they renege on the loan the taxpayers of Saskatchewan pay the money back. That's what it means. It says right here in the minister's write-in,

clause 3, subsection (2):

The aggregate principal amount of all guarantees given pursuant to this section shall not exceed \$83.4 million.

That's what is says; we agree with that. And what that means is that if they build the paper-mill, if they build the paper-mill and renege on paying the loan, the taxpayers pick up the tab.

Now what we want to know is what the agreement is with Weyerhaeuser to build the paper plant, the paper-mill. We want to know what the agreement is. That's the issue. That's the issue. It's enabling legislation, that's right.

And what we're saying is that we want to see the agreement to build the paper-mill before we give approval to spend the money. Of course there's money to be spent here. If they renege on the loans, we pay 83.4 million. If they default, we pay 83.4 million. And the member from P.A. is saying, "if" we build the paper-mill. Now the Tories are saying, "if" we build a paper-mill.

Well I say to you, Mr. Minister, that we want the agreement on whether or not the paper-mill is being built before we put at risk \$83.4 million of taxpayers' money. That's not a little bit of money — \$83 million at risk is \$83 for every man, woman, and child in the province. For a family of five, it's a little over \$400 for one item. I'm not saying we shouldn't do it. What I'm saying is we don't have the information needed to make a reasonable decision.

Now the back-benchers say, we know that it's going to be built, we're ready to stand up and vote for it. Well I challenge them then, if they have the information and the minister won't give it to us, if you have the information needed, to pass it over to the opposition. Get into the debate.

I say to you that we don't have the information to make an intelligent decision because we don't know what the terms of the agreement are. We don't know what the terms of the agreement are. We have the minister's word. I've proven to you on two occasions already he's misled us on very important facts.

**Mr. Chairman:** — Order. According to the rules of *Beauchesne's Parliamentary Rules and Forms*, a member, while speaking, must not make a personal charge against another member in this House.

I refer you . . . that is paragraph 316. I refer you also to paragraph 322, where once again it states that "no imputation of intentional falsehood is permissible." The hon. member has stated that the member has on two occasions misled this House. I ask him to withdraw that remark.

**Mr. Lingenfelter:** — I do not intend to withdraw the remarks because I didn't say that he did mislead the House. I said he attempted to. That's what I said. He didn't mislead the House because we caught him at it. He didn't mislead the House. I'm saying, he didn't mislead the House.

**Mr. Chairman:** — I have asked the hon. member to withdraw any imputation he may have made that the member misled the House . . . (inaudible interjection). . .

**An Hon. Member:** — Point of order, Mr. Chairman.

**Mr. Chairman:** — Order. Point of order?

**Mr. Shillington:** — I was listening with care to what my colleague said. He said that the House was misled. That is not unparliamentary — it can happen innocently. I can happen innocently; it can happen through the minister's stupidity, or it can happen intentionally. The member did not say how he came to mislead, just that he did. That's not unparliamentary. It's said all the time . . . (inaudible interjection). . . It isn't. He did not say he intentionally misled the House.

**Mr. Sveinson:** — It's been said several times tonight, indicating that the minister has misled the House; and he hasn't even denied the fact. And as the member from Regina Centre suggested, it's common in parliamentary debate and it has been used here all evening. So I would ask the Chair, withdraw his request, so the member from . . .

**Mr. Chairman:** — I will once more ask the hon. member to withdraw any remark which he made which may have indicated that the member has misled the House.

**Mr. Lingenfelter:** — Mr. Chairman, I do not intend to apologize. I challenge your ruling and would ask you to call in the Speaker to make a ruling because I don't think you're right.

(2130)

Mr. Speaker resumed the Chair.

**Mr. Tusa:** — Mr. Speaker, during consideration of clause 1 of Bill No. 56, the member from Shaunavon used certain unparliamentary words. I asked the member to withdraw the remarks and he refused.

**Mr. Speaker:** — Order, please. Shall the ruling of the chair be sustained?

Ruling sustained on the following recorded division.

#### Yeas — 26

|          |             |
|----------|-------------|
| Tusa     | McLeod      |
| Andrew   | Katzman     |
| Hardy    | Schmidt     |
| Folk     | Myers       |
| Dirks    | Klein       |
| Currie   | Martens     |
| Smith    | Morin       |
| Muirhead | McLaren     |
| Johnson  | Young       |
| Hopfner  | Rybchuk     |
| Meagher  | Muller      |
| Glauser  | Zazelenchuk |
| Petersen | Swenson     |

## Nays — 10

|             |              |
|-------------|--------------|
| Tchorzewski | Thompson     |
| Engel       | Lingenfelter |
| Koskie      | Lusney       |
| Shillington | Yew          |
| Sveinson    | Hampton      |

**Mr. Speaker:** — I declare the motion carried, and the ruling of the Chair has been sustained. I therefore would ask the member for Shaunavon to withdraw any remarks of impropriety that he may have made. And that would allow the House to get back to its normal order of business.

**Mr. Lingenfelter:** — Mr. Speaker, I do withdraw those remarks as indicated by the Assembly, the decision of the Assembly, if any remarks were made. I'm not sure which ones were made, but I do withdraw whatever they might be and apologize for them.

## COMMITTEE OF THE WHOLE

**Bill No. 56 — An Act respecting the Sale of Assets of Prince Albert Pulp Company Ltd. and Saskatchewan Forest Products Corporation and the Establishment of a Paper Mill in Saskatchewan**

## Clause 1 (continued)

**Mr. Shillington:** — Mr. Chairman, what has troubled us, and I think what has troubled the public of Saskatchewan with respect to this agreement, is the likelihood, or lack thereof, that the province will ever be repaid the 250 million plus the 83 million. We have little, if any, idea what the terms of the guarantee of the 83 million are. We're getting as a result of some four and a half hours, almost five hours of debate, we're getting some glimmer of understanding of on what terms we're going to get the 250 million back.

(2145)

Mr. Chairman, earlier in the evening I indicated that there would have to be a return that, in my view, having done a rough calculation — I admit it's rough — the company would have to get about a 13 per cent return on assets in order to achieve the point where any earnings are available to pay interest. In other words, unless the earnings exceed that minimum of 13 per cent, nothing is payable on interest. Mr. Chairman, the minister then indicated my figures were about accurate, he said.

Mr. Minister, Mr. Chairman, I took an opportunity to go down to the library because I, for one, did not believe that the forestry industry achieves a return of 13 per cent. Mr. Minister, I obtained the annual reports, the summary financial statements for a number of companies . . . for Dormond. In 1983 their net revenue was 2 per cent of their assets. Mr. Minister, the other financial statements of the other companies are roughly the same. At no time, Mr. Minister, did any of the companies which I have — I have Dormond Industries; Doman Industries, MacMillan Bloedel.

Mr. Minister, I have Reid Dominion Packaging; I have Reed Incorporated; I have Crown Zellerbach; Scott Paper. At no time since 1979, which are the years those returns were given, for the years which the records go back, at no time did any of those companies achieve a return of 13 per cent.

I also, Mr. Minister, took time to get some information from Statistics Canada. In 1978 the profit as a percentage of assets was 7 per cent; in 1979, for the industry as a whole the profits as a percentage of assets was 12 per cent; in 1980 it was 6 per cent; in 1981 it was less than 2 per cent . . . (inaudible interjection). . . Well, we'll get to Weyerhaeuser in a minute. In 1982 the revenue as a percentage of assets was 9 per cent; in 1983 it was 2 per cent.

Mr. Minister, I also got the financial statements for Weyerhaeuser itself. You might be interested to know that so far as these records go back, and they go back to 1977, at no time did Weyerhaeuser achieve a return of 13 per cent on its assets. You might be interested to know, Mr. Minister, that in 1977 the rate of return was 7 per cent; '78 it was 8 per cent; '79 it was 10 per cent; in 1980 it was 5 per cent; 1981 it was 4 per cent. Mr. Minister, at no time within recent history has the rate of return on the forest industry, either as a whole or for individual companies, ever been 13 per cent.

So I say, Mr. Minister, that the public are never going to see a bit of interest. What happens if the interest isn't paid? Whatever one might call it, it's scarcely a loan since there's no real obligation to repay. I'm not sure what you'd call this. A tentative gift, I guess one might call it. The tentative gift, Mr. Minister, is then converted into preferred dividends which have no right of dividends except to the extent they're declared. When they're declared, they're not cumulative. They can declare dividends on other shares without declaring dividends on these shares.

Mr. Minister, it is difficult to imagine a circumstance under which this province is ever going to get a nickel of that \$250 million back. What you're giving away, Mr. Minister, is a quarter of a billion dollars. That is a quarter of a billion dollars in assets. That, Mr. Minister, is 2,500 for every man, woman, and child in this province. The share of the average family of four is \$10,000 — \$10,000, Mr. Minister. It is an enormous sum of money that you are giving away.

Mr. Minister, some people have charitably asked when we're going to see the freedom of information Act. I'll tell you when we're going to see the freedom of information Act. It's after your defeat. How could anyone believe in the face of this charade that we're had this afternoon and this evening, with you giving us part of an agreement, but not the whole thing — how can anyone believe that we are ever going to see anything that looks like freedom of information.

Mr. Minister, you gave us a schedule and you did not tell us with precision what it was. When we pointed out that it was a disastrous deal for the province — nothing short of disastrous for the province — you then, Mr. Minister, indicated that it wasn't the real agreement, that the real

agreement was coming.

When we pointed out that the signatures of the province and the company were in the corner of the schedule, and it was there for obviously an executed agreement, you then said, Mr. Minister, that something else was coming along, but you won't tell us what it is.

You never suggested, Mr. Minister, that any other portion of the agreement or anything which might follow it will contradict the fairly clear provisions of this agreement. Mr. Minister, this is a straight give-away; this is a straight give-away.

Mr. Minister, it is ironic that the people you are giving this to is George Weyerhaeuser, who is one of the leaders of the new right in the U.S. He is someone, Mr. Minister, who believes that people should get along on their own; they should get along without any government assistance. He comes to Saskatchewan, and he takes, for nothing, a quarter billion dollars in assets. I say that represents the hypocrisy of the Conservative element in North America. Nothing could better illustrate the hypocrisy of Conservatives in the U.S., in the Canada, in this deal. The leader of the right-wing in the U.S. comes to Saskatchewan and fleeces you people.

Mr. Minister, after spending the afternoon telling us there was no agreement and then giving us a portion of an agreement; after telling us that it was a 20-year term and it turns out to be a 30-year term; after telling us, Mr. Minister that it wasn't signed and it turned out it was; after telling us, Mr. Minister, you expected it to be repaid and then it turns out that they have to achieve a near impossible profit rate before it is repaid; then the member from Shaunavon has to withdraw a remark which said, in effect, you misled the House. All I can say with respect to that, Mr. Minister, is that the rules of this House are pretty arcane.

If, after what we have seen this afternoon, after what we have listened to this afternoon, it is then thought to be misleading, then the rules of this House are arcane and need to be changed. They really are.

Mr. Minister, there was nothing wrong with what the member from Shaunavon said. I have said it several times; I will say it again several times before my legislative career comes to an end, and it is parliamentary. So I say, Mr. Minister, that this whole affair has been a complete charade.

You have led the House into a misunderstanding of the Bill. You may have done that through incompetency; you may have done it through ignorance; you may have done it wilfully, I know not. I suspect from the point of view of the taxpayer it doesn't matter whether you wilfully led this House into a misunderstanding of the Bill, or whether it was done innocently — you did, you did.

Mr. Minister, this is a bad deal for the people of Saskatchewan. I cannot recall an agreement which comes anywhere near this thing. I can't recall anything which is anywhere near as bad.

Mr. Minister, the agreement with respect to the financing

of the PAPCO Bill in the first place was, we thought, a bad deal. We thought it was a bad deal because we thought the financing arrangements were loose. We thought, Mr. Minister, the protection of the environment was not what it should be. We thought the stumpage rates were not what they should be. But I'll tell you, Mr. Minister, that that deal, that the CCF of the day criticized so heavily, is a thousand times better than the one you've negotiated — a thousand times better than the one you've negotiated. At least, Mr. Minister, when PAPCO was financed initially, there was a clear obligation to repay a loan.

As I read these documents, Mr. Minister, if the loan isn't repaid, all you have is a right to the assets which are sold in the first place. In the meantime they have been allowed to use them, to enjoy a 13 per cent rate of return without paying anything on it and to run down the assets.

Mr. Minister, there appears to be no enforceable obligation on Weyerhaeuser Canada to repay it. Now, Mr. Minister, if that isn't a sweetheart of a deal, I honestly don't know what you expect, and I guess it's clear what you expect. What you thought was when you signed the deal that there was going to be an election. You never expected to see this agreement being subject to the questioning in the Assembly. You never expected that to happen, Mr. Minister.

Mr. Minister, I know that when you leave here you will scold the people who suggested to you that you give us the portion of the agreement you did. I know you're going to find someone to blame. All I can say, Mr. Minister, is if you think that you'd have got this Bill through the Assembly without giving us some information, you're mistaken. And having seen half of the movie, if you think you're going to get the rest of it through with no more information than what you've given us, then you've got another thing coming.

The \$10,000, Mr. Minister is what this is costing the average Saskatchewan family — \$10,000. That, even to this government, ought to be an enormous sum of money — it ought to be an enormous sum of money.

Mr. Minister, you are going to have the entire evening to think about it, and when you are thinking about it, I invite you to have a look at what happened to the member from Kindersley when he tried to stonewall this House as he did for almost three weeks in the 1985 Assembly. I see him sitting in the Assembly now . . . (inaudible interjection) . . .

I am going to give him an opportunity to think about it. He is going to have lots of time to answer. I invite you to think about what happened to the member from Kindersley with respect to a sum of money which was trifling compared to this. All that was at issue when the member from Kindersley got boiled in oil, as he did in 1985, was a mere \$28 million. Mr. Minister, that at least . . . That at least, Mr. Chairman, was a piece of abject stupidity.

This is an intentional bit of chicanery. They have intentionally given away these assets, knowingly given away these assets, doing it because they expected that there would be an election before they ever had to justify this and thinking, after the election, if they were defeated,

it never would have come to anything, and if they weren't defeated, the NDP would be too demoralized to take along time at it.

Well I say that justice has a habit of winning out. I say, Mr. Minister, and I say to you, Mr. Chairman, that we are going to get to the bottom of this. The public of Saskatchewan are going to know what the deal is. The minister has said this isn't the whole deal. Well I say, Mr. Minister, go back and get the whole deal, and come back here or come back and face the kind of thing that the member from Kindersley faced.

(2200)

**Mr. Chairman:** — Order. Order, please.

**Mr. Shillington:** — I'll save you the trouble. I move we rise and report progress.

### THIRD READINGS

#### **Bill No. 24 — An Act respecting the Licensing and Inspection of Amusement Rides**

**Hon. Mr. McLeod:** — Mr. Speaker, I move the Bill be now read a third time and passed under its title.

Motion agreed to, Bill read a third time and passed under its title.

#### **Bill No. 54 — An Act to amend The Horse Racing Regulation Act**

**Hon. Mr. McLeod:** — Mr. Speaker, I move the Bill be now read a third time and passed under its title.

Motion agreed to, Bill read a third time and passed under its title.

#### **Bill No. 60 — An Act respecting the Payment of Benefits to or on behalf of Certain Senior Citizens**

**Hon. Mr. McLeod:** — Mr. Speaker, I move the Bill be now read a third time and passed under its title.

Motion agreed to, Bill read a third time and passed under its title.

The committee reported progress.

The Assembly adjourned at 10:05 p.m.