

EVENING SITTING

COMMITTEE OF THE WHOLE

Bill No. 52 — An Act respecting Labour-sponsored
Venture Capital Corporations

Mr. Chairman: — Would the minister please introduce his officials.

Hon. Mr. Lane: — Thank you, Mr. Chairman. To my left is Mr. Jack Vicq, associate deputy minister, and to my right, Kirk McGregor, assistant director, taxation and economic policy branch.

Clause 1

Mr. Shillington: — Mr. Minister, I want to know whether or not it's possible for an investment to be made in an existing company. Section 2(b) defines corporation: "means a corporation incorporated, continued or registered . . ." Later sections suggest that a company must not have had any previous investors to qualify. And I wonder what the situation is here.

Hon. Mr. Lane: — Yes, they can. Under the definitions, the objective on the existing companies is to maintain or expand the operations.

Mr. Shillington: — Investments may be made in new corporations or in existing corporations. I take that as the minister's answers.

Hon. Mr. Lane: — But on the existing corporations it's a little more narrow. The objective with the existing corporations is either to help them expand or to in some circumstances maintain jobs.

Mr. Shillington: — Okay. And is there any limit on the amount which may be claimed as an eligible deduction under the existing corporations?

Hon. Mr. Lane: — Well the maximum investment for an individual would be \$3,500 with the amount claimed \$700, as a maximum.

Mr. Shillington: — Is it possible for employees of an existing company who own shares in the company to qualify for the deduction?

Hon. Mr. Lane: — As long as an employee doesn't own more than 10 per cent of the existing company and 10 per cent of the venture capital company.

Mr. Shillington: — So existing investors, people who are now investors of a corporation but not exceeding 10 per cent, who are also employed by the company, can land this windfall even although they are not labourers in the ordinary sense. It seems to me that this might be used by existing investors to put more money into a company, and by so doing gain an income tax advantage. And it doesn't strike me that that's what you're attempting to do here; you're not attempting to reward existing investors who may want to increase their investment in the company.

Hon. Mr. Lane: — Well first of all, they have to be employees. To the hon. member, first of all they have to be employees. And secondly, we put those limits on the 10 per cent limits that I identified earlier, to prevent the type of activity that you alluded to.

Mr. Shillington: — Would the minister define for me what is meant by an eligible investment.

Hon. Mr. Lane: — The eligible investment provisions . . . I have difficulty giving you precise definitions of a specific example of a company, but the definitions are in 2(1)(g), which is what constitutes an eligible investment. It must be equity capital. We have the type A corporation, which means that that's the type of corporation that could invest in several different businesses; or type B corporation, which is the single-enterprise type of corporation — which is similar to the differences which exist under the venture capital corporations generally.

Mr. Shillington: — Well I'm sorry. I frankly don't follow that explanation, and I doubt that anyone who didn't know a great deal more about it than you would, Mr. Minister. I wonder if you could put that in understandable language.

Hon. Mr. Lane: — Well let me go through. If you will turn to sections 9 and 10, they have some rather lengthy definitions of the eligible investments. If you'll take a look at 9 and 10, the section 9 pertains to eligible investments to be made by a type A corporation, and this subsection provides that a certain percentage of the corporation's equity capital must be invested in the equity shares and debt of eligible businesses at the end of certain stipulated periods.

The Act contemplates three types of investments: first of all, equity shares of eligible investments; secondly, secured debt of eligible businesses; and thirdly, marketable securities. Again, I can go into considerably more detail, but the definitions of eligible investments are generally defined in that section 2 that I referred to, and more specifically detailed in sections 9 and 10.

Mr. Shillington: — For the purposes of 2(f) then, an eligible business, what number is contemplated to be defined in the regulations? I'm trying to get a grip on what you're doing here.

Hon. Mr. Lane: — There are some negotiations with the Government of Canada, but the expectation is that we will end up with maximum sized businesses of about 300 or less.

Mr. Shillington: — Okay, businesses larger than . . . Is that the only criteria? Does it matter whether they're doing business in Saskatchewan, employing people in Saskatchewan? Is the number of employees the only criteria? Could I incorporate a company in Saskatchewan, do most of its business in Alberta and B.C., and still qualify for this?

Hon. Mr. Lane: — No, they have to be primarily Saskatchewan, and the objective must be to create jobs in Saskatchewan, or to maintain jobs in Saskatchewan.

Mr. Shillington: — Does it matter whether or not in fact any jobs are created? I gather that's not a criteria. If they chip in some money to retire existing debt, I gather that's not . . .

Hon. Mr. Lane: — No. There may be situations where it may look like the company may be in financial difficulty, and in order to maintain jobs, to restructure debt for equity investments. So again I reiterate that it's not only create new businesses, but there may be circumstances where the employees may wish to maintain the jobs. That is, they are eligible in those circumstances.

Mr. Shillington: — Mr. Minister, there also is a reference to a . . . I'm trying to find it — the section which deals with a labour organization, a labour association. I'm wondering what is . . . section (o), to be precise. I've now found it. Labour organization means:

(in) a labour organization as defined in The Trade Union Act;

All well and good.

(ii) a corporation incorporated . . . pursuant to The Non-profit Corporations Act . . .

All well and good.

(iii) an investment co-operative; or . . .

Now I'm wondering what is contemplated by (o)(iv).

Hon. Mr. Lane: — We left it open for further consultation with the trade union movement, but we could foresee, for example, perhaps a group of teachers could well fit into that category.

Mr. Shillington: — The teachers, however, would have to be employees, I gather, of . . . I guess they would not have to be employees of the association. And they don't have to invest in the company of which their employer is in either, I guess, if teachers are . . . Is that correct?

Hon. Mr. Lane: — That's correct. But they're an association of employees.

Mr. Shillington: — Those are the primary questions I had. We don't have any serious objection to this, and I'm not going to delay its passage.

I am not convinced that it's going to produce very dramatic results, actually, as it's now structured. In some ways I hope it does. It would be nice to see employees with an ownership, with an interest of an owner in the business — the sort of industrial democracy. I'm not sure that's going to happen. It certainly won't happen under the kind auspices of this government which has done what it can to make the role of working people as difficult as possible. But even under a more benevolent government I doubt that this is going to have dramatic results. However, we don't as such have any objection to it and don't intend to delay its passage.

Hon. Mr. Lane: — Well, perhaps we're a little more

optimistic than the hon. member.

We've had a fair amount of interest from some of the trade unions and some of the co-operative associations in the operation of the legislation. Certainly I don't expect results overnight with this. This is a new direction that the province is taking; it will take some time. If we recall, the venture capital concept itself was slow getting off the mark, but has now accelerated to the point where last year it was 32 million.

So I believe that as employees become more and more familiar with the program and as the program expands, that it will meet with a fair degree of success, I believe. The results in the province of Quebec are in a not totally similar type of operation, were well received, and I think that ultimately this will be well received by the employees of the province.

Mr. Shillington: — I'd be interested in knowing who you have consulted with for drawing this up, Mr. Minister.

Hon. Mr. Lane: — We have talked, or my officials have talked with the Saskatchewan Federation of Labour, the International Brotherhood of Electrical Workers, the steelworkers, CUPE, the union of nurses, Department of Co-operatives, etc.

Mr. Shillington: — On one or more of those groups you didn't make much of an impression, because I spoke to them and they hadn't heard of it when I called them. So the impression was not a deep and lasting impression. As I say, Mr. Minister, we don't intend to delay the passage of this and we're prepared to let this pass.

Clause 1 agreed to.

Clause 2

Mr. Chairman: — Clause 2 has an amendment which reads as follows:

Amend subsection 2(1) of the printed Bill:

(a) by relettering clause (i) as clause (g);

(b) by relettering clauses (g) and (h) as clauses (h) and (i) respectively.

Clause 2 as amended agreed to.

Clauses 3 to 9 inclusive agreed to.

(1915)

Clause 10

Mr. Chairman: — Clause 10 has an amendment which reads as follows:

Amend section 10 of the printed Bill by striking out "eligible businesses":

(a) in clause (1)(a);

(b) in clause (1)(b);

(c) in clause (2)(a); and

(d) in clause (2)(b);

and in each case substituting “an eligible business”.

Clause 10 as amended agreed to.

Clause 11

Mr. Chairman: — Clause 11 has an amendment which reads:

Amend subsection 11(1) of the printed Bill by striking out “prohibited investments that are prescribed in the regulations,” and substituting, “investments that are prescribed in the regulations as prohibited investments”.

Clause 11 as amended agreed to.

Clause 12

Mr. Shillington: — With respect to section 12, the “eligible investor may apply to the minister on the form prescribed by the minister for a tax credit . . .” Is that a form which is going to come with the income tax form and is the income tax form going to get this much worse? I remember counting the pages of my income tax return this year. The income tax return and related document was 49 pages long. I wonder, Mr. Minister, how much more complex this document can get.

Hon. Mr. Lane: — Well there’ll only be an additional line on form 21C and the T2C form, which they already have.

Clause 12 agreed to.

Clauses 13 to 16 inclusive agreed to.

Clause 17

Mr. Chairman: — Clause 17 has an amendment. It reads as follows:

Amend section 17 of the printed Bill:

(a) by striking out subsection (3);

(b) by striking out “subsection (4)” in the second line of subsection (5) and substituting “subsection (3)”; and

(c) by renumbering subsections (4) and (5) as subsections (3) and (4) respectively.

Clause 17 as amended agreed to.

Clause 18

Mr. Chairman: — Clause 18 has an amendment which reads as follows:

To amend subsection 18(3) of the printed Bill by

striking out “them” in the second line and substituting “him”.

Clause 18 as amended agreed to.

Clauses 19 to 21 inclusive agreed to.

Clause 22

Mr. Chairman: — Clause 22 has an amendment as follows:

To renumber section 22 of the printed Bill as subsection 22(1).

Clause 22 as amended agreed to.

Clauses 23 to 27 inclusive agreed to.

Clause 28

Mr. Chairman: — The amendment to clause 28 is as follows:

Amend subsection 28(1) of the printed Bill:

(a) by striking out “assets” in clause (1) and substituting “equity capital”;

(b) by striking out “21” in clause (q) and substituting “22”; and

(c) by repealing clause (r) and substituting the following: “(r) prescribing any other matter or thing required or authorized by this Act to be prescribed in the regulations”.

Clause 28 as amended agreed to.

Clause 29 agreed to.

Clause 30

Mr. Shillington: — I wonder, Mr. Minister, when you contemplate this being proclaimed into law.

Hon. Mr. Lane: — My preference would be at the earliest moment, but we do want further consultations with representatives of the trade union movement to make sure that there are no particular difficulties caused them. We will have further consultation with them before the Bill is proclaimed

Clause 30 agreed to.

The committee agreed to report the Bill as amended.

Bill No. 58 — An Act respecting The Saskatchewan Pension Plan and Providing for the Payment of a Minimum Monthly Pension

Hon. Mr. Lane: — To my immediate right is Mr. John Wright, executive director of tax and economic policy; to my left Lorelle Schoenfeld, Department of Justice, legislative services; Mans Crozier, superintendent of pensions, Department of Labour; and Adil Sayeed, tax

and economic policy; and Mr. Bill Shupe, assistant deputy minister.

Clause 1

Mr. Shillington: — Mr. Minister, do you anticipate that GIS (guaranteed income supplement) will be reduced by the amount of any pension income received under this scheme?

Hon. Mr. Lane: — Consultations are going on with the Government of Canada. The expectation is that these will not be ruled as income for GIS purposes.

Mr. Shillington: — What is the basis of that belief? By every criteria used so far with respect to the income for the purpose of determining GIS, this would qualify as income. On what do you base that expectation? Certainly not the existing definition of income under the scheme as set down by the Parliament of Canada.

Hon. Mr. Lane: — Well it's a new program. It is obviously unique and to date . . . You ask on what we base our belief — that we have received a great deal of co-operation from the Government of Canada and its officials. We expect that it will not be included as income for GIS purposes, and it's just based on discussions with the Government of Canada.

Mr. Shillington: — Mr. Minister, it certainly fits the existing criteria of income for the purposes of determining the amount of GIS a person is entitled to. What discussions have led you to believe that this scheme will be exempted from the operation of the legislation? Because that is in fact what you're seeking. By the existing criteria, this certainly qualifies as income and therefore would go to make up the income which determines whether or not a person is eligible for GIS.

Hon. Mr. Lane: — Well we have the same optimism which led us to give the opposition the advice on the Saskatchewan heritage grant program for seniors which, under the traditional definition as you indicate, would be taxable for GIS purposes. They are not included in income for GIS purposes, and we expect the same thing to happen in the case of the Saskatchewan pension plan.

Mr. Shillington: — I don't think there's any comparison, Mr. Minister. This is said to be pension income, is like all other pension income in that part of it is paid for on a monthly basis by people who then have that money available to them when they retire. I do not understand the basis for your optimism, Mr. Minister. I don't understand why they would give you an exemption unless they have some special interest in seeing this government re-elected. Given the amount of damage you did to them in the last federal election, I wouldn't understand that motive either unless they were complete fools.

So I wonder, Mr. Minister, if they've given you anything specific, or is this more high hopes and optimism on the part of this government, who traditionally looks before it leaps, and generally winds up getting itself into difficulty as a result.

Hon. Mr. Lane: — I've indicated now on three occasions that we expect that the uniqueness of the program and the fact that we have had co-operation with the federal government will mean that the Saskatchewan pension provisions will not be included in income for GIS purposes. Having said that, again I believe that there was some indication from the opposition in the past that the Saskatchewan heritage grant would be included in income. That was found to be unfounded — and I say that politely. It was found to be unfounded, and they are not included for the purposes of calculating the guaranteed income supplement.

We just expect that . . . Although this is new legislation, it is unique legislation, there is an understanding, certainly within the federal government, as to the need for some type of legislation. I believe that the federal government would much prefer that it work as cause problems. They see the advantages to initiatives which encourage people to save for their retirement, initiatives which will at least begin the process of getting adequate pensions.

So one may differ from time to time the best way to achieve the objective. But as I say, there has been a great deal of co-operation with the federal government. And our expectation is that these will not be income for the purposes of guaranteed income supplement. And I've given you that on three occasions, and we are quite confident.

Mr. Shillington: — Without any evidence on which to base such confidence, I think it is clear. The minister has answered the question three times, and each time he said, based on previous co-operation, we're confident. I gather . . . I take it from that you've received no assurance from the federal government that it won't be. You are just simply flying on blind optimism as you have in the past.

Did it ever occur to this government to seek a decision from the federal government in advance of launching the scheme? This is an important point, Mr. Minister, because if GIS . . . if it is income for the purpose of determining GIS, then the pension scheme makes even less sense and is going to be less attractive to low-income people. It will of course still be attractive to upper-income families as a good investment. So if indeed this scheme is intended to do anything for lower-income people, it's essential that it not be income for the purposes of the GIS.

And I wonder, Mr. Minister, did it ever occur to you to seek those assurances in advance before leaping into this scheme.

Hon. Mr. Lane: — Well the member doesn't understand the process. Obviously the provincial government made a policy decision as to proceeding with a provincial pension plan. Having made that decision, once you initiate changes to the tax system, there are informal discussions at the officials level with the Government of Canada. That is the standard practice in all initiatives by provincial governments that are changing the tax system, or changing the income system. And so there is that informal process. That is traditional. It was certainly begun, in this case, at the officials level in the traditional matter. And again, we are quite confident that the benefits will not be income for the purposes of guaranteed income.

supplement.

(1930)

Mr. Shillington: — Well I think your income is . . . I think your optimism is without much in the way of solid foundation.

Mr. Minister, do you anticipate that the income received under this pension scheme will be taxable under the Income Tax Act?

Hon. Mr. Lane: — Well, again, the consultations have been on going and to further reiterate, we do have support from the federal Minister of Health and Welfare, in terms of the home-maker's pension. So again, we have some confidence for our views.

Certainly, once the benefits begin to get paid to an individual, if the individual is in a taxable income level, like any other RRSP (registered retirement savings plan), it would fall within the taxation provisions, like any other RRSP. So it would depend at what level of income the individual has, but it's similar to any RRSP.

Hon. Mr. Shillington: — Well, Mr. Minister, if you think this is going to be taxable income under the Income Tax Act and yet not be included as income for determining GIS, I think that's going to require some skilled advocacy to persuade the federal government of that position.

What you are saying is: this is going to be taxable income for the purposes of the Income Tax Act but won't be income for the purpose of determining GIS. And unless that latter point is accurate, it's not going to be very attractive for low-income people.

So I say, Mr. Minister, that . . . (inaudible interjection). . . Yes, of course it is. The member should know that. So I say, Mr. Minister, I think you are dreaming, and I think it's a point you ought to have . . . I know the minister will stand up and repeat his optimism that this is not going to be taxable, but, Mr. Minister . . . I'm sorry, you did not say that. You said you thought it was going to be taxable.

I know the minister will stand up and repeat his optimism that this will not be income for the purpose of GIS. I think that's not likely to be. If it's income under the Income Tax Act, it is very likely to be income under the GIS scheme as well.

Hon. Mr. Lane: — No, that is totally incorrect. There are two different programs involved. No one getting the GIS is paying income tax. I mean, it is a senior supplement. If at that income level, they are getting GIS, then — and this is not income; we've discussed that — you get someone at a higher income that may have other sources of income in addition to their pension income. If they receive the benefits of their RRSP, and they're in a taxable category, they will pay income tax. So there are two different programs involved and two different policies involved. So to try and equate the two, they don't work together; they are not designed to work together. One is an income supplement; the other is based on people who have taxable income.

Mr. Shillington: — Well, Mr. Minister, I don't intend to pursue it. I guess time will tell.

Mr. Minister, I don't intend to take a long time in dealing with this Bill. We had a debate this afternoon of an hour and three-quarters in length — of an hour and one-quarter in length; it's not necessary to repeat that.

There are, Mr. Minister, two shortcomings that I see with this Bill. Let me say in the beginning, and I will repeat it in the end, I saw members this afternoon go to considerable lengths to describe our position. I will give them some assistance in doing that. We voted for the Bill on second reading, vote for it again in the third reading.

We wished however that you had expanded your vision somewhat. This Bill is a great deal less than it might have been. One of the difficulties with this scheme is that it is a provincially funded scheme. It therefore lacks portability. Some changes to the federal pension scheme would have been a great deal better for Saskatchewan people, indeed for all Canadians.

So I express the regret, as I have before, that this is a provincial scheme. It is I think unwise for provinces in this country to be setting up pension schemes. They lack portability, and the poorer regions of the country are unlikely to enjoy this quality of pension schemes that richer regions . . .

As well, Mr. Minister, I think the voluntary nature of this scheme is going to mean that those who need it most are unlikely to take it up. That is particularly true if it's not exempt income for the purpose of determining the GIS. But even if you do achieve that, it is still, Mr. Minister, I think unlikely to be taken up by lower-income people. When single parent families, and so on, struggle as they do to put food on the table, to pay the rent, to put decent clothing on their children to send them to school, never mind such things as hockey equipment and musical instruments, they are unlikely to be putting lumps of money into this scheme. That's unfortunate, but I think that's the way our society is.

While the member from Morse, I believe it was — it may have been the member from Regina Victoria — wonders why it is that those people squander all their money. I say that is a heartless remark. There's little squandering of money at the welfare level at which you people provide, and I say that is a heartless remark.

Mr. Minister, it therefore, I think is going to . . . And as well, I think it may well be abused by upper-income families where all the income falls into the hands of one person. For those people, who will probably not lack adequate reserves in their retirement years, this is a form of investment. It's a very good one, since someone else pays half the cost of the investment.

I think it would have been a sounder scheme and would have provided more assistance to those in need, had the criteria of the guaranteed income supplement been used, and that is, you would have used family income instead of an individual's income. This, as I said earlier in the day, makes it possible for spouses of high-income people, often professional people but sometimes senior

executives in corporations, to take advantage of this scheme. And they're often affluent families who, as I say, will not lack for savings or reserves in their old age. This is an investment for them, and a very good one. I'm not sure, however, such upper-income families are an appropriate target for public funds. A more appropriate target for public funds are those on the other end of the income scale, and I don't think it's going to do a great deal for them.

Having said that, Mr. Minister, I say in conclusion, as I said in the beginning, that the pension scheme undoubtedly will assist some people, and we therefore do not intend to vote against it.

Mr. Minister, I do have one other concern which is unrelated to anything which I've said so far this evening, although I touched on it this afternoon, and that is that there would appear to be little in the Bill which establishes guide-lines for the sort of investments the government may make in this scheme.

The minister will know as well as I do that for many years funds in the hands of the official guardian were lent out at rates which were below the market rate. And I do not wish to impute anything other than the highest of competence and integrity to this government; but frankly, I suspect that others who are less generous than I might suspect that the government is going to borrow these funds for its own purposes at rates which are not equal to the market rate.

I look back not only upon our experience in years gone by with the official guardian; I look back as well, Mr. Minister, on SaskPen, an investment that I think is becoming increasingly suspect. And it appears that in some cases, SaskPen moneys have been used to provide funds for developers who are friends of the government. So I suggest to you, Mr. Minister, that there ought to be strict criteria for . . . (inaudible interjection) . . .

Well the Minister of Revenue and Financial Services did not answer the questions last night. I listened to the member from Regina Elphinstone ask you repeated questions; I saw the minister repeatedly avoiding answering those questions.

So I say, Mr. Minister, that there ought to be some strict criteria in this legislation which would govern the kind of investments that these funds in this pension fund can be utilized for.

Hon. Mr. Lane: — Again, I remain, like most of the public, absolutely amazed at the NDP position on the Saskatchewan pension plan. For the first time a government is recognizing the individual contribution of home-makers in this province, and when that is done, the NDP takes a position that no, we should not look at their individual contribution, we should look at the family income levels as opposed to what the home-maker has contributed or the position of the home-maker.

I'm sorry, and I advise the hon. member we are not going to stand here and apologize for treating home-makers as making full contribution in society and that they should have some opportunity for a pension plan. We considered and rejected your proposals that the

home-maker should not have the opportunity to make her own decisions and to make her own contribution and have a pension plan in her own right.

We have a fundamental difference, and what difficulty I have is that is fundamental to the concept of the Saskatchewan pension plan. And every time you have objected to the fundamental core concept of the Saskatchewan pension plan, you have criticized it, but some of your members say you're going to vote for it. But this afternoon the hon. member knows that the member from Regina North East stood up in this House and said that he was going to vote against the Saskatchewan pension plan — and that is precisely what he said. He said it on two or three occasions this afternoon.

Now certainly the Leader of the Opposition has said that he would vote for it, and you have said you would vote for it. But this afternoon the member from Regina North East made it abundantly clear on a couple of occasions that he was opposed to this pension plan and was going to vote against it. Everybody is wondering how on the one hand you can say you're opposed to the fundamental core concept, which is that home-makers should have a pension plan in their own right, and then you say, oh well you're going to vote for it anyway. That's amazing a great number of people in the province.

With regard to the question of portability, the Act makes provision that if other government have similar compatible plans, that we can enter into reciprocal agreements. Certainly if the Government of Saskatchewan and the people of Saskatchewan are making a contribution to the pension plan, there should be some realization that that, as much as possible, should stay in the province. And if someone elects to move, why should we be making that contribution beyond the borders unless there's a reciprocal arrangement?

Certainly with making that contribution, we believe that there are a couple of obligations: one, that as much as possible the money stay in the province. Obviously if someone retires and is receiving benefits and moves out, they still get their benefits. Secondly, it is totally portable within the province of Saskatchewan. As people move from employer to employer or from community to community, the pension plan will go with them.

Finally, with regard to investments. If you take a look at section 17 of the Bill, section 17 sets out the investing rules for the pension plan. They are quite specific and they are laid out similar to virtually all other government pension plans. Certainly the one criteria that we would wish is that if it is a good investment in the province of Saskatchewan, that that should be seriously looked at by the board of trustees. I don't think that is unfair, and I know that the people of Saskatchewan don't think that's unfair. If there are opportunities for good investments in the province, I would hope that all Saskatchewan pension plans — not just the Saskatchewan pension plan itself that we're debating tonight, but all people investing in the pension plans — I would hope that they would want to see their investment funds, if there's a good opportunity in Saskatchewan, that they be taken seriously. I think that's only fair.

(1945)

I think it's only fair that some of the moneys, if at all possible and they're good investments, be utilized in the province. I strongly suggest to the hon. member that most people in the province would agree with the government's position on that. Again, we have a fundamental difference on a very core principle to the Saskatchewan pension plan, and that is that home-makers should be treated as individuals in their own right and should have the opportunity to save for a secure retirement.

That is a principle that we are putting forward. It's one that you've opposed, and I know much to the concern of many organizations out there, but it is fundamental to the position of the government, and let me assure the hon. member that the decision to look upon home-makers as individuals in their own right was a very easy decision for this government to make.

Clause 1 agreed to.

Clauses 2 to 22 inclusive agreed to.

Table 1 agreed to.

The committee agreed to report the Bill.

Hon. Mr. Lane: — If I may, Mr. Chairman, take the opportunity to thank the many officials, some of who are here tonight, for their work, not only in drafting, but in review of the many policy decisions that had to be made in the preparation of this legislation and the program.

There's been a tremendous amount of dedication by the individuals and a great amount of work, and I, on behalf of the government, would like to thank them for a very professional job under some time constraints. But they did a superb job, Mr. Chairman.

Mr. Shillington: — Thank you. I also want to extend my congratulations to the officials. This is one of the few programs and Bills this government has brought forward which has not been an utter and complete flop and a disaster and an embarrassment.

To that extent I assume the officials must be capable and competent because they're working with a government which has proved to be just the opposite.

Bill No. 59 — An Act respecting the Establishment of Ambulance Districts and Boards, the Licensing of Ambulance Operators and Emergency Medical Personnel and the Provision of Ambulance Services in Saskatchewan

Mr. Chairman: — Would the minister like to introduce his officials.

Hon. Mr. Taylor: — Yes, I would, seated beside me is Jim Simmons, the executive director of the ambulance unit, the Department of Health; and behind me, administrative co-ordinator, Michael Littlewood; and Linda Zarzeczny is coming in in a minute. She isn't here just yet. She's one of the Crown solicitors for the Department of Health.

Clause 1

Mr. Lingenfelter: — Mr. Chairman, I had wanted to ask the minister a couple of questions about the advanced training program of the ambulance operators and some of the people who work with ambulances. Can you give me an update on where that program is at? As I understand it, the first class has now graduated and there's no subsequent training taking place. Can you bring us up to speed on where that's at at the present time?

Hon. Mr. Taylor: — Yes, I'd be pleased to do that. I was present just last week at the graduation of the first 15 graduates from the advanced medical technologist course. I think they will add a very good dimension for the training to our people who are working in the ambulance field. I believe the course is quite well constructed and in talking to the graduates the other day, they were very, very pleased that they were the first graduates of this course, and looking forward to entering the ambulance service.

This was rather a pilot course; we're evaluating it. I feel very, very positive that we will continue with the course in this next year. Of course it is sponsored by the Minister of Advanced Education and Manpower, but . . . The one thing I was a little concerned about, and I think you would share my concern, is that you don't want to turn people out if there isn't employment for them. But certainly of these 15, I believe four of them are going out into the rural areas, which we will both appreciate. I certainly feel that there's room for another class and probably subsequent ones down the way. I think they're well trained and I think they're going to add an extra dimension to the service in this province.

Mr. Lingenfelter: — How many people are presently in the training course? You say 15 have graduated. Is there another group of them now in training? And or is that program now under — I suppose — review, awaiting whether or not these 15 get jobs?

Hon. Mr. Taylor: — The 15 all have jobs. And they're the first ones out of the course. As I said, we wanted to take a look at it and see how it was going to be accepted. It's been very, very positive. I feel certain . . . You'll have to ask my colleague when he would institute the course, but from our point of view, from the service end, we would like to see another enrolment of say another 15 or a dozen or whatever it is in this coming year. Whether that would be September or January, you'd have to ask the minister, but certainly I feel we'll see more of them coming up.

Mr. Lingenfelter: — I know that there was some complaints from ambulance operators about the fact that the program wasn't going ahead quick enough, and that the training program wasn't ongoing — and this was earlier this spring. And they were saying that it's never a lack of whether or not there are jobs for them, but whether or not the funding is there from the provincial government to allow for ambulance operators to hire people who are better trained.

And I suppose it's a bit of a Catch-22. Whether or not ambulance operators can hire these individuals is a

question of money; whether or not there is funds available from the provincial government to hire more qualified individuals. And if the money isn't there then they can't hire them and you don't need the training program.

But it doesn't necessarily follow that if you trained them and had a proper funding of the ambulance program, that of course I'm sure that all the ambulance operators would want to hire higher trained and better trained individuals if they thought they could afford to do it.

And I would just encourage your government to continue on with this program because I think it's well accepted by the public and by the hospital boards where they see the result of better trained and more qualified people in the ambulance bringing people in. And I just urge you to carry on in that area and not, I suppose, fall to the urgings of some of the bureaucrats in the Finance department who say in order to cut spending that this is one area that we can give up. And I well know how that process goes. I would just urge you as the minister responsible to stand up and fight like hell to make sure that the money is there for that.

I want to ask as well, in the area . . . in Moose Jaw, the issue of the ambulance operator there changing. And I don't pretend to be asking these questions for a supporter of our party, because Dwayne Hayter is the furthest thing from a supporter of our cause, as you'll realize knowing the 1982 role that I believe he played within the ambulance operation.

But I want to know whether or not a consideration was given to some type of an inquiry into the complaints that Mr. Hayter was making at the time that that change took place. I believe he approached you personally to see whether or not an investigation or a public inquiry or an inquiry of some type could be instituted. And if he didn't approach you directly, I understand that he approached your MLAs in Moose Jaw and through them, to you.

But is there any thought now about a review or an investigation or an inquiry into that situation?

Hon. Mr. Taylor: — Certainly on the whole aspect of the employment of the EMA-2 people, certainly we see that as an integral part of ambulance services. As you will recall, when I took over as Health minister, ambulance services were scattered throughout government departments. It was in Urban Affairs — more a transportation system than emergency medical treatment. So we had a report done.

And I should say . . . And I give congratulations to my colleague of a number of years, the member from Moosomin, Mr. Birkbeck, who did a very exhaustive study into ambulance services across this country, and I think came up with a report that certainly has been the corner-stone for an improved service delivery in Saskatchewan. And of that, certainly upgrading of units, of equipment, is an integral part. Certainly the development of further trained personnel is an integral part which you see taking place.

And there's no dispute that those things . . . If you're going

to have better equipment and better trained personnel, funding has to keep pace with that. And I think the record over the last four years of ambulance services, with an ambulance unit created within the Department of Health where I believe it should have always been — it is a health service — and with an ambulance advisory board made up of a cross-section of people from the medical community throughout Saskatchewan, I think we're certainly on the right step to making this perhaps one of the finest ambulance services in the province, and I thank you for your encouragement. And certainly I realize, as a minister . . . and I think you said something like, fight like hell. Well I think you know from my past operation in this House with you that I can stand up and fight for what I believe is correct, and I will certainly do that to get the money for the ambulance unit.

The second part of your question was in regard to the Royal Ambulance of Moose Jaw. Certainly the board, for various reason that they felt were justified, thought to go on a bid for another supplier of service and selected a different ambulance company other than Royal Ambulance. The owner did make representation to me, and through some of my colleagues to me. I had members of my ambulance unit take a very close look at it to see that the board was operating within the mandate as set down. They found no discrepancies. I asked Mr. Birkbeck, the author of the report, and my legislative secretary, Mr. Lloyd Sauder, to go and visit and report back to me their findings. Both groups came up with the same finding that there was no impropriety in the operations of the board, so based on those findings I did not ask for any special inquiry.

Mr. Lingenfelter: —Can you outline to the committee what led to the changes taking place where one ambulance operator was removed from the position and another one hired. Was it lack of service or improper equipment? What was the main reason that the change was made? Or was it a saving to the department? How did the change take place, and what were the reasons behind it?

(2000)

Hon. Mr. Taylor: — There had been some dissatisfaction over a period of years with the board. I think financial accountability, certain costs — I wouldn't deny that there was even some personality conflicts that maybe had entered in there a bit. There was numerous factors that led the board to decide, and I believe almost unanimously, that they should look for another operator.

I think Mr. Hayter also had the opportunity to bid, of course, on it, but their decision was to go with another operator.

Mr. Lingenfelter: —Well I'm not going to spend any more time in this area, just to say that I know there were hard feelings. And I suppose regardless of the individual's political background it's unfortunate when a small-business man, an entrepreneur, leaves a position where he felt he was doing a good job. I think in all honesty he felt that way and simply can't understand how the government allowed this to take place. Far be it from me to make the defence for him.

I would just say in closing that we're a little disappointed that there isn't more money for ambulances. And I understand that there has been some marginal increases. But what I'm saying is that with what is happening with the cut-backs from Ottawa in transfer payments through the EPF (established program of financing) funding, where we have seen a good deal of money being cut back, in Manitoba . . . I think most clearly at the committee stage of the federal Bill, clearly outlined what that would mean to Manitoba.

What it will mean to us, according to the Canadian Hospital Association, is a 154 million cut-back in the next five years, or by 1990-91, and I think this will lead to hard times in the ambulance service. Either it will mean restraint in the money that goes to ambulances or you will have to raise taxes in order to keep the same service because of the cut-backs of the federal government — as you have indicated in your own estimates, this year alone \$9 million to the Department of Health being cut back by the federal government.

And, Mr. Chairman, I will leave the Bill at that point.

Hon. Mr. Taylor: — Well certainly, Mr. Chairman, we've debated the idea of possible cut-backs for many weeks in this Chamber, so I don't mean to get into that debate with the member opposite at this time.

But I can assure you, Mr. Chairman, and the members of this House and the people of Saskatchewan, that it is one of the objectives of our government to have a first-class ambulance service in this province. And I believe, if you look back from the formation of the ambulance unit in the Department of Health and look at the steps that have taken place over the last three years, you will see that there have been significant increases, significant improvements.

And as I said earlier, I realize, with people who are trained better, with more expensive equipment, with building a first-class type of system, it's going to take more money each year. I can say that that's a commitment this department has and this government has, to provide the best service possible for the people of Saskatchewan.

Clause 1 agreed to.

Clauses 2 to 46 inclusive agreed to.

The committee agreed to report the Bill.

Bill No. 31 — An Act respecting the Provision of Home Care Services

Mr. Chairman: — Would the minister like to introduce his officials, please.

Hon. Mr. Taylor: — Yes, Mr. Chairman, I would. The same two officials that were with me previously are here, and joining us is the director of home care, Mrs. Lois Borden.

Clause 1

Mr. Lingenfelter: —Mr. Minister, I don't intend to take

very much time with this Bill. Basically what we're doing is setting up legislation for the home care which our government saw fit to bring in back in the late '70s and early '80s: a program I think which has been accepted throughout the province and stands as a model in Canada, like many of the other social programs that we brought in while we were in government — the hearing-aid program and the SAIL program, dental program for children.

The home care was one of the most recent ones that we brought in. And I remember very well in the House answering questions of your colleagues who were attacking the home care program continually while you were in opposition, but I think that now that you have had an opportunity to be involved with the program, you realize what a great program it really was, brought in by the Blakeney government in the late '70s and early '80s. But I was a little upset to see in the June 19, Star-Phoenix, a headline, "Home Care agency must trim services to meet budget."

The story starts out, Mr. Chairman, by saying:

For the first time in the history of the Saskatoon district of Home Care, the agency is having to trim services to deal with its operating deficit.

What we are seeing now is storm clouds on the horizon for this program which I think everyone in the province admits is a very excellent program for seniors and others who are in need of home care, whether they are people who are released from hospital or possibly people who are getting therapy after an accident and that type of thing. But what I'm hearing now from many of the home care districts is for the first time they are having difficulty with their deficit.

I wonder, Mr. Minister, can you indicate whether this is a widespread phenomena, or could you indicate how many home care districts are sharing the problem of the Saskatoon district home care agency of not having enough money from your government.

Hon. Mr. Taylor: — Well, I'm not going to argue with you over who invented the wheel, because there was a wheel invented, and probably when the first wheel was, it was like a wagon wheel and had a steel rim on it. But then as things improved, they became rubber tires, and I think for an analogy, we're putting the rubber tire on the wheel. So certainly there's been a number of improvements in home care over the last three or four years.

One of the things that I see in home care provisions . . . There are two basic groups out in society that use home care, that is the younger disabled and the elderly. The greatest preponderance of those people are the elderly. We have over the past two or three years shifted the funding formula to be cognizant of that fact . . . (inaudible interjection). . . Yes, it is and I hope you understand it, sir.

Most recently in the last budget, we have put in a factor of a \$30 extra payment for anyone over 75 years of age. We are aware that Saskatoon home care has been increasing its service at an astronomical amount. We put extra

money into Saskatoon home care last year of — well I remember the day in Prince Albert when I said there would be an extra \$400,000 for those with heavy-care clients and I think a good portion of that money went to Saskatoon. In this year, over and above the funding formula that all others receive and the extra \$30 for those over 75 years of age, Saskatoon are receiving an extra \$650,000.

So it may be true that the demands in Saskatoon are greater than anywhere else in the province, but we're certainly not neglecting them. I agree with you that if we're going to look at servicing the needs of seniors in this province, there are three or four very important aspects. One is for those people who need heavy care or special care homes, and you know our record in construction of those — 1,600 over the past four years, I think, is greater than any other government in Canada. You need also home care services. You need respite care, and you need adult day care.

But the thing that is most important, the thing that I would believe that I'm the most proud of is the acceptance by the people of Saskatchewan to the concept of district co-ordinating committees where everyone comes before the same committee and is evaluated under the same criteria. And that committee looks at that individual, Mr. Chairman, and says, I think that individual will be best served perhaps for a while in an acute care hospital. And then the day that they are going to be discharged or even before then, home care are let know, and they provide for those services. And they monitor that person, provide nursing services, meals, whatever is needed, and for some periods of time, they may go into a nursing home. And in some situations, we've explained this before — I won't take up too much of the time in the House — but in some situations, and I think you would support me on this, that there are individuals in Saskatchewan who are going into nursing homes, and after a recuperative period, going back into the community with home care and living there for three or four years.

When I listen to seniors, that's what they tell us they want to do, and certainly there is no question here that beefing up the home care, as we've done in the past three years and in future years, will be a priority of this province.

(2015)

Mr. Lingenfelter: —Mr. Minister, you indicate that development of home care has been continuous. While we won't argue about who started it because obviously we all know who started it. And there has been continuous development up till the last year. And these are the kinds of reports that I'm now getting, not from every home care board, I might add, but from a number of them — some of them rural and some of them, urban.

But headlines like this, "Home care agency must trim services to meet budget". And I suppose it's a little bit like the development of the automobile under the Conservative government, when the Bennett government was in back in the '30s, they had to take the motors out of the car and hook up to horses again. And what I'm hoping is that we don't move backward in the home care area that this headline would indicate. And as I say it might be

an isolated case and there may only be a few of them in the province.

What I also hope isn't happening is that this front that we are putting up here on Health isn't just that and that a newly re-elected government in Alberta. And there's a headline here, "Medicare services plan cuts being considered in Alberta" While a month before the election Mr. Getty was saying that there was no way that there would be any cuts to medicare, and now a month after the election, we have and quote from the Minister of Health in Alberta, "We're looking at the possibility of taking some services now covered by health care insurance right out of the plan, Moore said."

Now I just hope that the people of the province if they chose, I don't think they will choose to re-elect this Conservative government, but if they did, that they wouldn't be treated in the same manner that your colleagues and friends in Alberta are treating the residents out there with health care, and the announcement that some of the programs will be pulled out of medicare and charged the full rate. And I don't know whether he's referring to home care or not, but it could be that that is one of the things they're going to pull out of the medicare system, and as Mr. Moore the Minister of Health indicates, not include it.

And when I see these kinds of cut-backs taking place that are referred to by the people in Saskatoon, I think that raises the spectre of a Conservative government in its second term taking a run at the medicare system which — and I'm not saying this of you, sire, because I don't think that you are in that group, but there are some radical right-wingers in your party, and I've met a few of them who don't believe in medicare.

I have some in my constituency, and I know there are a few in your caucus — these radical right-wingers who think that everyone should pay for their own medicare. And these are the kinds of things that begin to creep into the medicare system after right-wingers have a chance to have a little go at it. That's why I'm a little worried about a re-elected Devine government, that it might take a vicious turn to the right.

There are other signs on the horizon — Peter Pocklington coming in, and Weyerhaeuser, a right-wing company out of the United States. And this isn't meant to be any attack on the minister; but one individual, I think, it's impossible for him to defend if there's that kind of an attack on medicare being discussed and planned in your caucus by certain people in the fringes on the right-wing.

An Hon. Member: —Who's that?

Mr. Lingenfelter: —Well I'm not sure who they are, but I know there are some.

An Hon. Member: —Me?

Mr. Lingenfelter: —No, it's not the member from Moosomin because he's not running in the next election. But I hear that the individual that's running in his place is a radical right-winger and of the worst sort, and I had

some . . .

Mr. Chairman: — Order, please. I believe the member is getting off the topic of the Bill and I would ask him to please come back to it so we can expedite the business of this House.

Mr. Lingenfelter: —I did want to refer to Public Accounts from 1984-85, where the estimate for home care spending in your budget was 17.4 million and the expenditure was 17 million. And there was about 400,000 less spent, you know, than what you estimated.

I think this is one of the reasons that some of the home care boards are running a little short now, is that you saved half a million dollars and, I believe, put it into political advertising to try to get members of your caucus re-elected. I'll tell you, that's an impossible battle in some of those cases, and I think that it would just be money better spent.

An Hon. Member: —Tell the truth.

Mr. Lingenfelter: —Well this is the truth. This is your own document that indicates that in home care in '84-85 there was close to half a million dollars less spent than what you announced in your budget.

I'm not going to spend a long time, Mr. Chairman, because I think the public is now well aware of the kind of promises that are made and then the expenditures that don't take place. We went through this with other items in Health, and I know that we can't get into those in this committee.

But I just say that a plan that is as important as home care, which we intend to expand when we get back into government to include transportation in all the home care districts as well as physiotherapy in all the home care districts, even if that means setting up an occupational therapist course at the university in Saskatoon — we've made that commitment. This argument that the department makes from time to time that there aren't therapists to go around is a phoney one because we can at the drop of a hat set up a program in Saskatoon and start getting them out there.

We have 45 home care districts. Each of them should at least have one therapist. And this is a commitment we've made to the people of the province and would intend to quickly set into place, both in the area of transportation and therapists, and extend the program to six basic items rather than the four that it stalled at, you know, after you people came into government.

Hon. Mr. Taylor: — Well, Mr. Chairman, the member opposite is concerned about the funding for home care. I would think that any reasonable person out there would realize that in this year in this budget a 14 per cent increase, a 14 per cent increase in home care services, in view of the other types of increases across this country — across this country — is rather a sizeable commitment to home care.

The member likes to go back to the old rhetoric of the NDP, to try and draw a long bow about some type of boggy

man in health care. Let me lay that to rest. Look at the record of this government over the past four years in all aspects of health care. Look at that and compare it to any other four-year program in the history of this province, and you will see that the greatest commitment to health care in the entire history of Saskatchewan came within the mandate of the Devine government.

Some Hon. Members: Hear, hear!

Hon. Mr. Taylor: — And the member opposite will stand up and he will make boast — he will make boast — he will make boast about increasing therapy. If he really believes in therapy, they were in government for 11 years, why didn't they do something about it? In this last year we've doubled the number of therapists in the province of Saskatchewan, and we will continue to do that.

And he stands here in this House and says, I promise this and I promise that. I'll remind you, Mr. Chairman, and I'll remind the people of Saskatchewan, that that same government in 1975 told the seniors of this province, we will bring in a chiropody program if you elect us. They never did. In 1978 they even went so far as to buy the chairs, and they hid them away so the seniors couldn't find them.

It was never a promise of the Devine government. But my colleague Mrs. Smith and I met the seniors about 10 days after becoming ministers and we said, what is your number one issue? And they said, our number one issue is a chiropody program. And that chiropody program is in place today in every health region in Saskatchewan. That's commitment — that's commitment to health.

And I can tell you, Mr. Chairman, as I have consultation workshops throughout . . .

An Hon. Member: —Oh that word, "consultation" . . .

Hon. Mr. Taylor: — Well you may be against it, because you wouldn't listen when you were in government. It's well-known. The member from Regina North East became one of the most arrogant ministers of the Blakeney government.

However, let me get back to the topic of the Bill. Let me get back to the topic of the Bill. As I listen to the people in the consultation workshops focused on home care, the number one priority, they say to me, Mr. Minister, is increase home care services to our people, and I believe 14 per cent in the last year indicates that.

And I can tell you, Mr. Chairman, and I'm sure you're well aware of this, after the next election, when we're government again, home care will again be a priority, and you will see continued emphasis on home care, co-ordination, and improved health services, just as we've seen in the last four years.

Mr. Lingenfelter: —I want to say that I have seldom seen such a display of arrogance, and, Mr. Chairman, I don't know what the minister is ranting and raving about. We were having, I thought, a reasonably careful discussion on home care, and I had laid out that our government had started the home care program back in the late '70s,

started up 45 home care boards and laid out some of the other programs we had done for seniors: stabilized nursing home rates at \$390 a month; had a hearing aid program for seniors; brought in other programs — a drug plan that basically helped seniors a great deal.

And the minister gets up and rants and raves about the great job he's doing and then announces that they're going to win the next election, and the Premier is afraid to call an election. These are the kinds of contradictions that the public has a very difficult time keeping up on. And I think what it shows is the wide division between the kinds of people in the Conservative party. The Minister of Health, who ran for the leadership, I think would have made a better leader than the present Premier Devine.

But leaving that alone I think it shows the nature of the Premier, who on the one hand is afraid to call an election, and the Minister of Health who is ranting and raving about wanting an election right now. I think it shows the division within the caucus and the cabinet on the important issue of calling an election to clear the air so that we can get on with the business of running the province, getting the \$2 billion deficit down, getting the proper kind of spending in home care that many seniors believe there should be.

I only indicate that the news clipping I read to the minister is not the only problem I've heard in the home care program. There have been a number of other home care boards that have come forward and said that they're having difficulty getting enough money out of the department. I'm not sure that it matters how much you announce as indicated in the Public Accounts. What is important is how much you spend. You can announce 17 per cent increases or 15 per cent increases, but if you spend half a million less than what you announced, then they've got a problem. That's the only point I wanted to make.

I'm simply not going to get drawn into ranting and raving with the minister because that serves no useful purpose or the time of the committee. And I just think that we should be making sure that the seniors of the province are well taken care of and that the home care program not only has legislation but has the proper funding it deserves and needs.

Hon. Mr. Taylor: — Well I think, Mr. Chairman, if you look back over the history of home care and see that today, tonight, we're bringing in legislation to give this very important service a legislative basis, indicates who is really concerned and who really wants to build home care. It was brought in in a very quick and swift action by the government previous hoping they could get out of building nursing homes, which they neglected terribly with a moratorium. We saw that home care as a valuable service and have built on it.

I can give you that assurance that whenever the next election is called and we beat the birds on the other side, which we will do, then I say to you, you will see improvements in home care and a continuation of the best health care system in Canada under a PC government.

Clause 1 agreed to.

Clauses 2 to 13 inclusive agreed to.

The committee agreed to report the Bill.

(2030)

Bill No. 62 — An Act respecting the Regulation of Traffic on Saskatchewan Highways

Mr. Chairman: — Would the minister please introduce his officials.

Hon. Mr. Hodgins: — Thank you, Mr. Chairman. I'm pleased to introduce to you, Bill McLaren on my right, the chairman of Highway Traffic Board; and Carl Shiels, with the safety services branch.

Mr. Shillington: — We're dealing with the traffic Bill, Bill No. 62?

An Hon. Member: — Yes.

Mr. Shillington: — Was this not one of the ones that was dealt with in the Non-Controversial Bills Committee, I ask the minister?

Hon. Mr. Hodgins: — Yes, that is correct.

Mr. Shillington: — Thank you. Thank you very much. This was one that I think the committee had no questions which weren't resolved at the end of the hearings. So, Mr. Chairman . . . If I may have the Chairman's attention.

Mr. Chairman: — Yes, I'm listening.

Mr. Shillington: — You are. Good. As far as I think the opposition is concerned, you can deal only with those sections which require amendment and complete the Bill. You don't need to read every section. To read every section of this thing is going to take a fair time, and we've done that in the committee, and as I said, had no questions unresolved. So . (inaudible) . . . No. I think the only thing you need to do is go to those sections which need amendment, and then we can agree at the end, I think, unanimously to report the Bill.

Clause 2

Mr. Chairman: — The first section to be amended is section 2, to which reads as follows . . . The amendment reads as follows:

Amend section 2 of the printed Bill by striking out "made pursuant to The Vehicle Administration Act" in clause 1 (w).

Clause 2 as amended agreed to.

Clause 20

Mr. Chairman: — The next section to be amended is section 20 on page 10. The amendment reads as follows:

Amend section 20 of the printed Bill by striking out

subsection (4).

Clause 20 as amended agreed to.

Clause 81

Mr. Chairman: — The next section then to be amended is section 81. That's found on page 34. The amendment reads as follows:

Add the following section after section 80 of the printed Bill:

Equipment standards. "81.1: No person shall operate or cause to be operated on a highway a vehicle that is not equipped in accordance with this Act and the regulations and The Vehicle Administration Act and the regulations made pursuant to that Act".

Clause 81 as amended agreed to.

Mr. Chairman: — That's the total number of amendments to the Bill. Is clause 120, then, which will represent agreement on all clauses, agreed to?

Clause 120 agreed to.

The committee agreed to report the Bill as amended.

Bill No. 63 — An Act respecting Motor Carriers

Mr. Shillington: — If I may assist the chairman, this Bill was also dealt with in committee of the whole. I think there are no amendments to this Bill and I believe — no, I gather there is one — and there were no questions unresolved at the end of the committee's hearings.

So as far as I'm concerned, if there is an amendment or so, you may deal with the section which has the amendment and that may be considered to be dealing with all the sections. In other words, the only section we need to deal with, I think, with this Bill is the one or more sections which are subject to amendment.

Clause 2

Mr. Chairman: — Is the committee agreed to that? Okay, then we will deal with section 2, which has an amendment which reads as follows:

Amend section 2 of the printed Bill by striking out "The Vehicle Administration Act" in clause (1)(m) and substituting "The Highway Traffic Act."

Clause 2 as amended agreed to.

Clause 10

Mr. Chairman: — The next clause we will deal with is section 10 on page 5. The amendment reads as follows:

Amend clause 10(4)(a) of the printed Bill by adding "or the regulations made pursuant to that Act" after "Act":

(a) in subclause (ii);

(b) in subclause (iii); and

(c) in subclause (iv).

Clause 10 as amended agreed to.

The committee agreed to report the Bill as amended.

Bill No. 64 — An Act respecting the Registration of Vehicles and Licensing of Drivers

Mr. Shillington: — Within this Bill there is one issue which I want to speak to. I have done so in the Non-Controversial Bills Committee and I want to do so in committee of the whole.

I will do so under section 1 for the sake of simplicity, and then as far as I'm concerned there's no need to deal with any other sections unless there are some amendments.

The section which I wish to deal with is the section which transfers to Saskatchewan Government Insurance — and I gather there is an amendment — the section which transfers to the Saskatchewan Government Insurance responsibility for driver licensing and reinstatement of driver licensing and suspension of driver licences.

The function is judicial in nature; it is subject to considerable abuse if it becomes a political or an administrative matter. The existing Highway Traffic Board is set up in such a fashion that it gives it some independence from the political process.

I think the problem with transferring this function to SGI is that it will be subject to interference by external forces. I'm sure the present minister wouldn't do it, but I can see other ministers interfering with the process — friends of the government getting favourable treatment in this process of suspension of licences.

The function has been carried on by the Highway Traffic Board without any difficulty for many, many years. That agency has discharged the matter well and without any interference. I don't know why it isn't being left there. To transfer what is a judicial function to a Crown corporation is an unusual move, and I think has the capacity for some considerable abuse.

So I say to the government and the members opposite that I think this particular move is unfortunate.

Clause 91

Mr. Chairman: — The amendment reads as follows:

To amend section 91 of the printed Bill by striking out "51" in the third line of subsection (1) and substituting "subsection 45(5), section 51".

Clause 91 as amended agreed to.

The committee agreed to report the Bill as amended.

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. Thompson: — Thank you, Mr. Chairman. I have a number of questions that I want to ask tonight, but first of all I want to make some comments regarding Bill 56 and the sale of the Prince Albert Pulp Company, and the sawmill in Big River, and the chemical plant, and their assets.

I think what we're dealing here now is the most important piece of legislation that has been put before this legislature in the five-year term of this Conservative government — or four years and some months. We are dealing with an issue that the public of Saskatchewan is now — and this has only come to light in the last week or so — has become enraged.

And let me tell you, it doesn't matter where you go in this province, reports are coming back. And I've seen many of them this last weekend when I went through Big River and Debden and up in northern Saskatchewan. Reports are coming from all over the province that this is the type of a Bill or the type of a sale that just cannot be tolerated by Saskatchewan. It is going to be our position to try and put a stop to this and to get some questions answered.

When we take a look at what we are faced with here today — a government that has given away the assets valued at \$248 million to a firm from Tacoma, Washington for not 1 cent down and no agreement to pay back 1 cent. This is what we are faced with in Saskatchewan. This is the type of a situation that cannot be tolerated and we in the opposition are going to do everything in our power to see that this does not go through in the form that it's in.

We are going to be asking for the document in schedule C, which most certainly is a document that's around — and I will get to that a little later — but we will be asking that you table these documents or we will be asking that . . .

As we know, the House is not going to prorogue, it's going to adjourn. That will give you time to table the documents so that the citizens of Saskatchewan will know what is going to take place and what is involved. When we take a look at a half a billion dollars at stake in our province, we take a look at the assets of the Prince Albert pulp-mill, the Big River sawmill, the chemical plant in Saskatoon, the 8 million acres of forest that the Weyerhaeuser corporation is going to take charge of — this we cannot accept, and we want some answers.

When I see a government that's prepared to give a company \$248 million and the only way they're going to have to repay it is through profits of 13 per cent . . . And that is what's in your agreement. They don't have to pay 1 cent back if they don't make profits of 13 per cent.

I see a government in its fifth year of its mandate who has taken away \$250,000 from the citizens in northern Saskatchewan for a food transportation subsidy — \$250

to supply fresh food and vegetables for citizens in northern Saskatchewan, and you cancel that program. And yet you can make an agreement with Weyerhaeuser Canada, a multinational corporation, to give them \$248 million, all our assets, and access and control over 8 million acres of prime forest in this province. And yet you would take away and deprive the citizens of northern Saskatchewan \$250,000 for a food transportation subsidy.

(2045)

I ask any member over on that side who has a conscience if they think that that is fair. And I think it's about time that some of the opposition members got up on their feet and spoke on this Bill. Because I say to the other members, the Conservative back-benchers, it's about time that you got up and spoke because let me tell you we are watching history repeat itself right before our eyes.

You're in the fifth year of your mandate. You are giving away our resources and there is not 1 cent going to be paid back. And I say history is repeating itself right before our eyes because let me tell you, the member from Shellbrook-Torch River — he takes notice now — and the two members from Prince Albert, and the member for Turtleford and the member from Redberry, and I tell you the member for Meadow Lake who has been piloting this through, you have just sold these members down the tubes and there's no . . . (inaudible interjection). . . Well that's fine. I think you should get out and do some polling, I tell the member that's chattering from his feet — from Saskatoon — who's not going to run again. But you should go out and do some polling on the sale to the Weyerhaeuser and you're going to find out, as I found out this week-end, and that my colleagues . . . And our office is burdened with telephone calls and letters coming in from citizens across this province who say, for God's sake don't allow them to sell off our assets.

And that wouldn't be bad; that wouldn't be bad, Mr. Chairman, if we were selling off the assets, if we were getting some moneys for them. But I say to you, Mr. Chairman, and to the minister who is piloting this through, the agreement indicates quite clearly that not 1 cent has been put up by Weyerhaeuser Canada. Not one red cent has been put up and not 1 cent will be put up in this agreement. It states quite clearly that the \$248 million that the government has signed for will be paid back in profits. It also goes on to say, Mr. chairman, that the profits have to come up to 13 per cent or they don't pay anything back. And this is what the members have said.

We take a look at how confusing it is and we go to the news release that was released. And we see that the government, when they made this announcement . . . And it's quite interesting. They made the announcement in March, March 25th, and I wonder why they would make an announcement like this on March 25th, with no documents. We never had any documents until three, four days ago when the hon. member from Meadow Lake passed us, across the floor, schedule C. That was the first time that we seen any documents. But I just wonder, Mr. Chairman, why, on the 25th of March, an announcement would be made in Prince Albert and subsequent announcements and dos carried on to promote this.

I suspect, Mr. Chairman, that you were expecting an election and that's why you were doing it.

The member from Meadow Lake indicates that there will be no agreement signed until September. That's when the agreement will be signed. Well I ask the members from Saskatoon: is that wrong? You check with your colleague from Meadow Lake and he'll tell you exactly that, that it will be September under any conditions before an agreement of sale is signed. And I'm just hoping that there will be no agreement signed, and I say this in all sincerity, Mr. Minister, because when we take a look at this deal, and the more we hear from the citizens across this province . . .

You want to take a look back at history. You only have to go back to 1971, when the Thatcher government was going to build the huge Athabasca pulp-mill, and that became an election issue. That became an election issue, and you know what happened to the Thatcher government on June 23rd of 1971.

That was a small agreement. That was small compared to the Weyerhaeuser deal. When we're dealing with Weyerhaeuser, we're giving up the rights to 8 million acres of prime forest land, the best forest land that we have in this province . . . (inaudible interjection). . . Pardon? The member from Saskatoon who's not running again continues to chatter from his seat. But I'm saying to you, Mr. Member . . . And I realize why you're not running because when you take a look at the sequence of events that have taken place in the five years of this government — you have watched what they done with Manalta Coal; you've watched what they've done with Peter Pocklington; and now we see what's taking place with Weyerhaeuser; then it's no wonder . . .

Mr. Chairman: — Order, please. Order, please! Could we please have some order. All hon. members will have an opportunity to get up and debate the Bill in due course. At this time I would like to allow the member from Athabasca to debate the Bill, and I would ask all hon. members in this House to please co-operate.

Mr. Thompson: — Thank you very much, Mr. Chairman. As I was saying, Mr. Chairman, that when you take a look . . .

Mr. Chairman: — Order, please. Once more I ask the hon. members to be quiet. Can we have some order in the House, please. We can waste all night with . . .

An Hon. Member: — Can you get them quiet now?

Mr. Chairman: — Order please. Order please! We can sit and waste the time of the House with idle chatter, but I don't think that's why we're here. So I ask the House once more to please allow the member from Athabasca an opportunity to make his point.

Mr. Thompson: — Thank you very much, Mr. Chairman. I have 500 miles to drive yet tonight, and I would like to get my comments off. But as I was saying, Mr. Chairman, before I was interrupted, when you take a look at the magnitude of this agreement, and the terms of the

agreement, Mr. Chairman, I can see why a lot of these members are not running again. And I can see why another member today announced that he would not be seeking re-election.

And I say to the member from Shellbrook-Torch River that he should stand up in his seat, because let me tell you this is very important to you, sir, to your seat. And if this goes through the way it is right now, and you allow Weyerhaeuser Canada to take control of 8 million acres of our prime forest in northern Saskatchewan, and if you allow Weyerhaeuser to accept the deal where they get \$248 million to take over our assets, I think, Mr. Member from Shellbrook-Torch River, that you should get up and you should speak on this and you should talk to your colleagues and say, look, this is a bad deal for Saskatchewan.

This is a bad deal. And I say with all sincerity to the member from Prince Albert that he should also get up here and stand up, because he is an individual who speaks his mind . . . (inaudible interjection). . . The member from Prince Albert. I say that you get up in this House and that you should speak on this and make damn sure that we're not going to give away 8 million acres of our prime forest land to Weyerhaeuser Canada. And I say that you should because let me tell you, a Bill like this is dragging just about all of the last remaining seats that possibly could be won by the Conservatives right down the drain. And there's absolutely no way that the citizens of this province can put up with this type of a give-away.

Here we take a look at what is taking place, Mr. Minister, and then one has to wonder why would we be selling off the Prince Albert pulp-mill and all the other assets that are being sold off when the Premier and the minister get up and they say quite clearly that we need an integrated pulp-mill. So I say fine, if you need an integrated pulp-mill, why did you not sell off the pulp-mill and why did you have to sell off the chemical plant in Saskatoon. Why did . . . (inaudible interjection). . . All right, it's part of the company then.

But why did you not sell off the other part of PAPCO (Prince Albert Pulp Company), the sawmill in Meadow Lake? That also is a part of the company. Is that not true? Yes, you bet it's true. So you say, well we've got to sell the chemical plant because it's a part of PAPCO company. Well I tell you, the mill in Meadow Lake is also a part of PAPCO and that wasn't sold off.

So one has to stop and think, why is this taking place? I think the member from Saskatoon should get up and speak in opposition to this because he's speaking from his seat continually. He's yapping and yapping. You know, it reminds me of Yvon Durelle who was talking about the yip-yaps who sat around the ring and told him how to fight. Well, that's exactly what you remind me of because you're continually yip-yapping, but you never make any sense.

Mr. Chairman: — Order, please. Order, please. Okay, let the debate continue.

Mr. Thompson: — Thank you, Mr. Chairman. But I think there are some very important questions that have to be answered here tonight, especially when we take a look at the fact that there's a half a billion dollars of the taxpayer of Saskatchewan's money, who is at stake here. And not only is it a half a billion dollars that is at stake, but there is the jobs that go with that. There is the jobs at Big River in the sawmill; there's the jobs in the bush in Big River. We have to take a look at the chemical workers who are working in the chemical plant in Saskatoon. There's all these workers.

And let me tell you, there's the spin-off businesses that go along with a continued operation such as we have today and that is the cafes, the garages, the truckers, the tree-fallers, and everything that goes with it, the grocery stores. Everything complements the other. But we're selling it off to Weyerhaeuser and we know what Weyerhaeuser's saying now.

Here's who we're selling it off to — a company in the United States who has just laid off 7,500 employees and what they are trying to do with the 7,500 employees is to put them back to work at \$6 an hour, Canadian, less than they are making right now. And the reason that Weyerhaeuser is doing that is because he says it is so that they can remain competitive in an unstable market.

So I wonder, Mr. chairman, what the mill-workers in Big River are thinking. I wonder what the truckers and the loggers and the cafe owners and the garage owners are thinking. I wonder what the employees up in Prince Albert are thinking. I wonder what the chemical workers in Saskatoon are thinking when we have a company that is asking their 7,500 workers in the States to take a \$6-an-hour cut, Canadian, in wages. This is what we're dealing with. You're dealing with a company like that that admits it's an unstable market. You're allowing them to come in here and you're giving them \$248 million to take over those assets.

I say to the member from Regina South, or whatever it is, you know you can talk from your seat but I think it's time for you to get up and speak in opposition to this. Because let me tell you, this is a serious situation because there is nothing in the agreements, there's no agreements tabled, and we want schedule C because we know that the minister has it. It states quite clearly in the agreements that schedule C is there. We are going to be asking for that.

(2100)

I say that if Weyerhaeuser Canada goes through with this deal, what we could see is the sawmills at Big River and the chemical plants and the pulp-mill in Prince Albert all shut down. They could all shut down unless there's something in the agreement that says that they can't, because they admit that we're dealing in an unstable market.

So I say to you, Mr. chairman, and through you to the Conservative members, we're dealing in a very serious situation. I think it's the most important piece of legislation that has ever faced the citizens of Saskatchewan, especially since this Conservative government took over, because it's the biggest give-away

in the history of this province. There has never been a give-away in the history of this province to the magnitude of the one that we are dealing with right now.

When one talks about 8 million acres of prime timberland, that is a lot of land. That is a lot of land, I say to the member for Moosomin — 800 million acres. And he knows; he's a farmer. He knows what 800 million acres is. And that is a lot of land, and that's a lot of prime timber. And we don't want to lose that. We don't want to lose control of that.

To say that you can have all this, plus all the other assets, and that you don't have to pay 1 cent down, you don't pay 1 cent down . . . And it also goes on to say in the agreement that if they don't make any money in the first four years that the money they lose will be deducted from the initial price.

And we take a look at the figures that were put out by the department themselves, indicated in writing by the Premier of this province, that in the next four years the Prince Albert Pulp Company and the Big River sawmill and the chemical plant will lose \$100 million.

I say to you, members in the Conservative caucus, that that is down in black and white, and that is the department's analysis. And they claim that that operation is going to lose \$100 million in the next three and one-half years. It's right here; I got it right here. I will show it because we've got lots of time; we've got another hour that we're going to be going. But in your own statement you say that \$100 million is what that operation is going to lose in the next three and one-half years.

You also put into the agreement . . . (inaudible interjection). . . No, I'm not speculating; it's in black and white. Mr. Chairman, the member is suggesting that I am misleading the House. I am most certainly not misleading the House. I have it right here in the documents. I have it from the Conservative government's own documents that indicate that that operation will lose \$100 million in the next three and one-half years. Under the agreement it states that any losses in the first three and one-half to four years before they get into the operation of the paper-mill, that that will be deducted from the initial price.

I have that document; you'd better believe it because I wouldn't use it unless I had it. And I'm just going to say that I will table it. We have lots of time and I will table it tonight. But just assume that is right . . . (inaudible interjection). . . Well I'm using your figures; I'm using the Conservative government's document. You are the ones who stated clearly that it will lose a hundred million, then all of a sudden that \$248 million is reduced to 148 million, without 1 cent changing hands and without the taxpayers of this province getting 1 cent.

I want to allow the minister to answer a number of the questions I've asked, and in particular, because it was brought up from the other side, that they sold the chemical plant in Saskatoon because it was a part of PAPCO. I say, Mr. Minister, and I ask you: why did you not sell off the Meadow Lake sawmill? I believe it's the only remaining asset that PAPCO will have in this province. Why was it not also sold? And I know you'll

want to make some comments, and I will get the documents that I have and send them across to the member for Prince Albert regarding the \$100 million losses.

Hon. Mr. McLeod: — Well, Mr. Chairman, the member made quite a number of comments in the speech that he just gave. And I'll just go through once again with the member from Athabasca. He mentions, why is Big River and Bodmin mill included; why is Meadow Lake mill not included; why is the chemical plant included. I remember those questions. We'll just go into that whole scenario. I did this at least in part the other day, but we can do it once again.

The reason that Big River or the Bodmin mill is included is because of the integration of the facility. It's because it's within a close enough distance that integration is possible in terms of being able to move residue from the mill to the pulp-mill, residue being the chips and so on, as I'm sure the member knows. It's also within a close enough distance that you can have a haul going either way.

In other words, saw logs from what we now know as the core, and PAPCO lease and what will become the Weyerhaeuser lease — Prince Albert area — saw logs can come from that area, move to the west of Big River to the sawmill and on the haul backward which makes it back to Prince Albert, which makes it a viable haul. Aspen, which grows in preponderance in the Bodmin supply area, can go to Prince Albert. That makes that viable.

The Meadow Lake mill which is an installation of PAPCO, is just too far away to be integrated in a totally integrated operation, in terms of moving chips and so on. Although that is not to say that they won't sell chips and they'll compete as competitively as possible to sell those chips to the pulp-mill.

So that's the issue. The history of the Meadow Lake sawmill, and members there will well know that — the history of the Meadow Lake sawmill is that that sawmill was built originally to be an integrated sawmill with a pulp-mill which was to go ahead. And that was way back two governments ago, two governments ago back in the days of the Thatcher Liberal government. And the proposal there was to build a pulp-mill, as the member has said.

When the New Democratic government came to office in 1971, they cancelled that pulp-mill. And so the sawmill at Meadow Lake which was up and at least partially constructed and may well have been completed at that time — my memory doesn't serve me all that well — that mill which was to be integrated with a pulp-mill was there as an orphan, so to speak. And it has been operating on that basis ever since.

So that's why the chemical plant is included. It's a part of the Prince Albert pulp operation and a part of that company, because it provides chemicals directly to the pulp-mill. The chemical plant at Saskatoon provides chemicals directly to the pulp-mill, and is a reasonable installation to have. And in fact, if my memory correctly once again, I believe the chemical plant in Saskatoon was built at the same time or very close to the

same time as the pulp-mill was built in Prince Albert, because the two of them complemented each other and in fact were built to complement each other.

So as far as the other questions, I mean there was a whole series of statements made by the member, and they come down to one very, very basic difference in philosophy. That member of the New Democratic Party says, why are these assets being sold; why is someone else, a company bringing their own money in; why are we asking investment from outside to come in and do something that the government should do, is what he says.

He says the government should do this. He says the government should operate the pulp-mill because that's what their government decided should be done, and they bought it and they lost money for a good long period of time. And it continues to lose money. And without integrating it with a pulp-mill — or with a paper-mill, I'm sorry, Mr. Chairman — without an integration of that pulp-mill with a paper-mill, the projections would be long-term in terms of losses.

And regardless, the members will chirp away over there about whether it's under a Tory government, under an NDP government. What I say to you, Mr. Chairman, is that that mill over a period of five years, 1981-1985, documents which I tabled today, has been losing for a good long period of time. In other words, it's just hemorrhaging money, Mr. Chairman — just hemorrhaging money.

And what I'm saying to you is that that must not be allowed to continue. The taxpayers, the public of Saskatchewan who have been paying for that bleeding which has been taking place must not allow that to happen. And we, on their behalf, will not allow it to happen. And that's why we struck this deal we believe to be a very good deal for the future of the industry.

And there's another point that needs to be made, and what the member did not allude to . . . (inaudible interjection) . . .

Mr. Chairman: — Order, please. Order, please. Order, please! Order, please! Order! Would the individuals in the back row please be quiet. I've asked for order about four times . . . (inaudible) . . . It still hasn't quieted down.

Hon. Mr. McLeod: — Well, just one last point, Mr. Chairman, and I've made this point on several occasions in terms of the reason, the economic sense and the reason why this must take place, why there must be a paper-mill at Prince Albert. There must be a paper-mill there to integrate with that pulp-mill or that pulp-mill continues to be a money losing proposition for the public of Saskatchewan for a good long period of time. And that's what projections are.

And if that industry is not viable, this gives it potential for viability. There's no potential for viability over the long-term if the status quo remains. That's the point I made before. That's the point that is clear to anyone who understands the industry, and that is true.

And what I'm saying to the members is that . . . when the

industry has a potential for viability, there's viability for the families who depend upon the industry, and for the jobs that are there and for the investment and for all that sort of thing. And that's extremely important to the people across the northern forested belt.

And the member here will say, we'll talk about the various constituencies across that forested region and all of the problems that he perceives that there are there, and so on in terms of the potential for my colleagues and I to be re-elected. And I'll say to that member from Athabasca, we have no difficulty whatever. In fact, I'll say to the member from Athabasca and to the Leader of the Opposition and all those members over there, this Bill and the kind of philosophical difference that this Bill represents — of what we were doing, what we are doing here — it has everything to do with philosophy, Mr. Chairman.

This Bill and what it represents, represents very, very clearly the reason that I came to Regina in the first place form that very beautiful part of the province, which I would in a personal way very much rather live there than live here. But I would come to Regina . . . I came to Regina to fight you guys on just this kind of thing. And I will stand here and as my colleagues will, and we will fight you on things like this — the investments, private investment versus you wanting . . . You have a penchant for owning everything in every industry, every installation. And what I'm saying to you is that I'm here and I'm awfully proud to be here and finally get an opportunity through the vehicle of this Bill to fight you on the very, very philosophy that I disagree so deeply with.

Some Hon. Members: Hear, hear!

Mr. Thompson: — Well, I can tell you, Mr. Chairman, that this is why history is repeating itself.

The member from Meadow Lake indicates he came from a beautiful part of Saskatchewan to come down to Regina to fight us guys. Well let me say I think that every member in this legislature feels the same way — that they come from a beautiful part of Saskatchewan — because I think all of Saskatchewan is beautiful, regardless of its trees and lakes or of its farm land or whatever it is. It's a beautiful province.

But the member from Meadow Lake says he's going to get up and fight us for his philosophy against our philosophy and private enterprise versus what we think is right.

Well, when you talk about private enterprise or free enterprise and you pay Weyerhaeuser \$248 million to take our assets, don't have to pay a cent back, and you call that private enterprise? I say to you, Mr. Chairman, and to the other members, is that what you want to fight for? Is that what you want to fight for?

I just wonder if all these agreements are standard. I just wonder if the agreement that you signed with Peter Pocklington has the same clauses in that that you have with Weyerhaeuser, where they don't have to pay any money back for so many years and then when they do start to repay, it's not unless they make 13 per cent profit.

(2115)

Now I just wonder if that is the same type of agreement . . . Now I see the member from Saskatoon is over on this side. Not only does he continue to talk from his own seat, Mr. Chairman, he's now talking from somebody else's seat.

But I say, I wonder if these are standard agreements that you're signing. I want to say that if you're prepared to stand up here and fight for a half a billion dollar give-away, well let me tell you we're prepared to stay over here and fight you guys and we're prepared to fight you at the polls as soon as you get up the nerve to call an election.

I think if you feel that strongly about this issue and you think that that is a good issue, then why don't you call an election? You announced it in March; you wanted to call the election and you got cold feet. But let me tell you, I'm prepared to fight this issue on the doorsteps and I'm sure that every candidate in the New Democratic Party are prepared to go out on the doorsteps and fight and fight for this principle to protect the taxpayers of Saskatchewan — and we will.

The minister announced that the only way that that pulp-mill could possibly survive would be through an integrated facility such as the paper-mill and the use of poplar or aspen. I wonder if the minister could indicate: is it true that you will be utilizing poplar in the paper-mill? Will aspen be utilized and will the new paper-mill create, as you indicate in your releases, 215 permanent jobs?

Hon. Mr. McLeod: — Yes, in answer to the questions. And what I am very pleased about in the last remark is because just the other day the members were suggesting that there's nothing to show that there will be a paper-mill. Now they're saying how much . . . You know, will they be using aspen in the production of paper and how many new jobs will be there. What I am saying is 215 net new jobs in this integrated operation. And the reason I say "net" is because there will be with the renovations to the wood room and some of the things which will take place in the existing pulp-mill, there will be some jobs there that are now in existence which won't be there, but there will be an extra, you know, quite a number of jobs over in the paper-mill. And the 215 net is the increase in jobs in that area.

Mr. Thompson: — Well first of all, Mr. Minister, we do not approve of this deal, of this massive give-away. The question I asked was that if the paper-mill went ahead, would it be using aspen. You said, yes. I said, would it create the 215 jobs. You said, yes. It will cost the taxpayers of this province \$248 million to start with? And the answer is yes. And other \$250 million — and the answer is yes to that.

Now we will put our proposal to handle aspen against your proposal any time. We have a proposal where we will initiate and we will help to start up two pilot projects using aspen wood to create power in this province — power that I want to say that your government totally ignored — the group from Big River who wanted to harvest the aspen. The two pilot projects that we are proposing to put up would create 250 jobs immediately,

and the cost would be \$20 million to Saskatchewan — \$20 million.

Here you are with 215 jobs if it ever goes ahead — and I doubt if it will — and it's going to cost the taxpayers of this province half a billion dollars. You said that they would have to repay it in 20 years. And I have two documents here, one where you indicate that it will be paid back in 20 years. You now table another document that says it's going to be 30 years.

Now, Mr. Minister, my question to you is: what has changed from the time of the announcement on March 25 of a 20-year program to the documents you have tabled now in schedule B that says the repayment shall be for 30 years? What is the difference in that 10 years? could you explain that?

Hon. Mr. McLeod: — Well a couple of things. First of all, the last question first. I have indicated . . . And the first release indicated, I have indicated as well, and I still indicate, that the expected repayment period is 20 years. It's expected to be repaid over a 20-year period according to projections. Okay?

But the document I provided with you is that it will be . . . that the document will be that's it over a 30-year period. I mean the agreement will be signed on the basis of 30 years, but we are expecting . . . and the projections are that it will be over a 20-year period pay-back. So I just leave it at that.

Mr. Thompson: — Mr. Minister, I wonder if you could indicate — and I know you have indicated before that the final agreement will be signed in September — I wonder if you could give us, Mr. Minister, I wonder if you could indicate, when this agreement is signed, how much money, how much cash, Weyerhaeuser is going to give to the province of Saskatchewan. Are they going to put 10 per cent down or 20 per cent down, the same as you ask in your Sedco loans or any banker in this province would demand of any business? Could you indicate how much money Weyerhaeuser is going to put down on this deal, cash up front?

Hon. Mr. McLeod: — A couple of things that I should clarify. The member talks about September 1st, and what I had said to you clearly the other day was that we expect closing to take place within six to eight weeks. So that doesn't necessarily say September 1st. I wanted to clarify that point.

The member in his former remarks talks about the use of aspen and the proposal around Big River. And I don't want to dwell on this because the suggestion had no merit whatever, from what I'm told by people at Saskatchewan Power.

But in terms of power generation and so on, that technology was . . . The feasibility studies were done in the province of Alberta; they were done in the maritime provinces; and I'm not sure of just the province, I believe maybe New Brunswick, the feasibilities were looked at. It was looked at in terms of whether or not it could be possible for that sort of power generation to work at the Big River area, and I'm very aware of the proponents of

that and what they were suggesting. That was done for that area and the people at Saskatchewan Power who are expert in that electrical generation area say that it's not a feasible operation for Saskatchewan. So it was dropped on that basis.

But what we are talking about here, we are talking about . . . (inaudible interjection). . . Well, it's not only something that they would have done. You people in the New Democratic Party are actually, if I read my newspapers in the north-western part of the province correctly, you're suggesting after all of that feasibility and so on has been rejected in different parts of the country, and including here by Saskatchewan Power, you people are suggesting that yes, you will go ahead with such a hare-brained scheme.

So what I'm saying to you, to the member . . . He asked the question: what is Weyerhaeuser corporation bringing to Saskatchewan? What I say to you is that they're bringing, and I've said this to you before, they're bringing \$250 million to the construction of a brand-new paper-mill, which technology is known by comparison to the other thing you were talking about; the technology is known. They bring a marketing network which is second to none. Of the 250 million, just so that you don't quote me out of context or anything which you folks are prone to do from time to time, 166.8 of that, or in other words two-thirds of that \$250 million investment, brand-new investment, transfusion into the economy of Saskatchewan — \$166.8 million will be coming directly from Weyerhaeuser into this development of this integrated facility.

Mr. Thompson: — Mr. Chairman, the assets of the Prince Albert Pulp Company, the Big River sawmill, and the chemical plant in Saskatoon, \$248 million — how much cash up front is Weyerhaeuser putting up for those assets?

Hon. Mr. McLeod: — What they're putting up is a paper-mill which will be integrated with those present assets. The present assets . . . Well we've been through it all before. So they're putting up a paper-mill, \$250 million — \$250 million, a major, major project, not only for Prince Albert. But certainly it's a tremendous thing for the city of Prince Albert and for that surrounding area; a tremendous infusion of capital and of jobs and so on — tremendous. But it's extremely important for all of Saskatchewan too, as the member has said before.

Mr. Thompson: — I wonder what would happen if everybody operated a business the way you guys are operating. Just imagine if you had a large hotel and you sold it to me for X number of dollars, without any money down, because I said to you, I'm going to build another hotel beside it some day down the road — and that's exactly what you're saying. My question was to you: how much cash up front did Weyerhaeuser put up to purchase Saskatchewan's assets — 8 million acres of prime forest, the Big River sawmill, the Prince Albert Pulp Company and the chemical plant in Saskatoon. How many dollars were put up to acquire those assets? That's what the taxpayers of this province want to know. How much down payment was put on to purchase those assets? Surely you didn't give them all our assets for not any money down. You don't operate like that. Farmers don't operate businesses like that and I don't think anybody

else does. Now how much money did Weyerhaeuser put up front to purchase the assets that I have just indicated?

Hon. Mr. McLeod: — Well, Mr. Chairman, I hesitate to get into the analogy that the member raises. But since the boys want to chirp over there, I will get into the analogy. He says — if I quote you properly now — he says if you want to sell a hotel and I come to you and say, look, I'm going to buy this hotel and what I bring to it is that I'm going to build on to it; I'm going to build a major addition; I'm going to make it viable; I'm going to build a major addition and I'm going to make it viable and I'm going to keep all the people there working, plus I'm going to hire a whole bunch of new ones, and the doors will remain open and it will be viable on into the future. Okay. And what I'm saying to that member . . . And if the alternative to that is that the doors close and the bartender is laid off, and out go the people that work there and all the rest of it, and they're laid off because there's no continued viability for that hotel, I would say to you that that's not an uncommon business practice.

If a portion, Mr. Chairman, of the agreement for sale, if a portion of the agreement for sale, was . . . part of the agreement said you must build this major expansion . . .

Mr. Chairman: — Order, please. Order. It's very difficult to hear the minister. Are you finished?

Hon. Mr. McLeod: — Mr. Chairman, the member from Shaunavon makes it very difficult for us to carry on a reasonable debate.

Mr. Thompson: — Well, Mr. Chairman, I would most certainly like to find out how much money Weyerhaeuser put up. You talk about . . . You go on this business deal; you say that they're losing money so you don't want to put any money in because Prince Albert Pulp Company is losing money.

Why did you not apply the same philosophy to the oil industry, I ask you, Mr. Minister? When things dropped in the oil industry, what did you do? You didn't sell off all the oil wells or you didn't give it away. What you did, you put more money into the oil companies so that they would keep operating, which they didn't do.

(2130)

Now the oil companies . . . (inaudible interjection) . . . Now the member from Lloydminster is getting into the debate, and I think that the member from Lloydminster should get into this debate because he's another member that's going to go down the drain on account of this Bill.

Some Hon. Members: Hear, hear!

Mr. Thompson: — You know, you say that the Prince Albert Pulp Company was losing money. You also indicate that the Big River sawmill was losing money. Now I don't believe that. I don't think that the Big River sawmill is any more inefficient than the Carrot River sawmill or the Hudson Bay sawmill or the Meadow Lake sawmill. I think that it's just happened that the Big River sawmill had prime timber rights adjacent to PAPCO, and I think that's why Big River was thrown in there and you're

using them as a black sheep.

We know that the chemical plant in Saskatoon is not losing money. And we also know that you didn't have to sell that chemical plant because it could still operate and still make money and still sell its chemicals to the Prince Albert Pulp Company without selling it off.

But what you guys did with the oil industry — you give them the big breaks for the first four years, and then all of a sudden in the fifth year, when the things go bad in the oil industry, you up and you give them more money, more incentives.

But you don't apply that to Prince Albert Pulp Company; you don't apply that here. So I ask you once again, very clearly, Mr. Minister: how much money did Weyerhaeuser Canada put down to take over the assets of the chemical plant in Saskatoon? The Prince Albert pulp-mill, the Big River sawmill, and the 8 million acres of prime timber, how much money did Weyerhaeuser put down? . . . (inaudible interjection) . . . Well the member from Cut Knife-Lloydminster says, who cares? What's a half a billion dollars?

Well I say this: the taxpayers of Saskatchewan care. And let me tell you, they will indicate to you and to the member from Cut Knife-Lloydminster just how much they care when the election is called.

And I ask you once again, Mr. Minister: how much money did they put up?

Hon. Mr. McLeod: — What we have is a commitment for \$250 million new investment in Saskatchewan — \$250 million new investment: \$166.8 million in cash investment that is not here now — investment from outside of the province and a debenture to repay from profits.

And what I'm saying to the member and what I've said to the members up until now and will continue to say, is that paper-mill which will be built and the pulp-mill which now exists will be one unit. And that one unit will go a good long way to ensuring viability in the industry in that area. That is the key point that the members, I believe, understand — I'll give them that — but I believe that they wish not to understand, and they do not want to acknowledge it.

Hon. Mr. Blakeney: — Mr. Minister, let me ask you a couple of fairly simple questions. This has to do with your first assertion that . . . (inaudible interjection) . . . The member for Cut Knife-Lloydminster is commenting on my comments by saying that my questions are going to be simple questions from a simple-minded turkey. I just want everybody to know the witticisms which are coming from my left. And I am asking . . .

Mr. Chairman: — Order, please. Order, please. I think we should have all members please quieten down and allow the member from Regina Elphinstone to put his questions.

Hon. Mr. Blakeney: — My question, Mr. Minister, is this: you are asserting that the pulp-mill is not viable without

having a paper-mill attached to it, and I'm not neither admitting this nor denying it at the moment. I am asking you when this situation came about, when this change in the pulp and paper industry came about so that free-standing pulp-mills were no longer viable.

Hon. Mr. McLeod: — Well I'm informed, Mr. Chairman, for the Leader of the Opposition, that the market price for bleach kraft softwood pulp increased to about 1980 and declined thereafter each year.

But I would say to the Hon. Leader of the Opposition another thing in terms of the purchase. From the point at which this mill, this pulp-mill that we now own, the people of Saskatchewan, the public of Saskatchewan now owns — which you bought — from that point, and in terms of the numbers of dollars that have been lost, and the fact that the interest was not paid off — we could not pay the interest on an annual basis for the loan which was obtained to purchase it — that thing has been a loser since the day that the public of Saskatchewan have owned it.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, I wonder if the minister could direct his attention to the question. And the question was: when did this change take place in the paper industry, that free-standing pulp-mills couldn't support themselves and that you needed an integrated operation?

It's no good to say that the price of bleach kraft pulp went down, if at the same time the price of fine paper went down. You have got to tell me that that the integrated mills were making money and the free-standing mills were losing money, to justify your argument. Now you may have that evidence; I haven't heard it. Please state to me, please state to me which of the integrated operations were making the money and which of the free-standing mills were losing it, then we would know that your argument had some validity.

I must say that there are a number of free-standing kraft pulp-mills in Canada. And while I see some evidence of moves to integrate, I see a good number of . . . good deal of evidence of no moves to integrate. And these are by people like MacMillan-Bloedel and others who know a little bit about the pulp business.

Now I want to ask you, Mr. Minister, again: why are you saying — however desirable a paper-mill may be, and that's another argument — why are you saying that this pulp-mill is not viable as a pulp-mill but will be viable as a paper-mill and pulp-mill combined . . . (inaudible interjection). . .

The member says, look at the losses of the last several years. That is a non-argument because if the integrated . . . (inaudible interjection). . .

Look, if the member for Saskatoon Fairview is unable to follow the argument, I wish he would not interrupt when I am having a conversation with the minister. If the member for Saskatoon Fairview can tell me, can tell me one integrated corporation that made money, I wish he would. He should assist the minister. The minister is not giving me the answer. I want the minister to tell me which of the integrated mills was making money and which of

the free-standing ones was losing money.

Look, it is common knowledge, Mr. Chairman, that companies like Crown Zellerbach, who are pretty good operators, lost money in the '82-83 period — integrated, free-standing, right across the piece. It is no argument at all to say that free-standing mills lost money if in fact the integrated mills lost money. That's what I'm asking you to tell me. And I'm asking you to tell me why you believe the integrated mill will do that much better than the free-standing mill?

An Hon. Member: — That's a gotcha, George.

Hon. Mr. Blakeney: — No, it isn't a gotcha. He'll have the facts, but I would like him to share them with the committee.

Hon. Mr. McLeod: — Okay. I apologize for taking some time to put together some of this material.

First of all, in the industry, if we can just go back through it for over a period of time, the premium is gone on what's known as the northern fibre and softwood pulp — softwood pulp alone. And so there was a period of time when there was a premium on that type of fibre.

As I mentioned earlier in I believe second readings, remarks about the way that the competition is now coming from some of the third-world countries who are very much getting into this business.

One of the other major competitors, and the member will know this, and that's been the case for a good period of time, is from Sweden — from the Scandinavian countries. There's been a devaluation of their currency which gives a competitive advantage, a very distinct one, to Sweden. And we also have a transportation disadvantage. Those things are all things which mitigate against this softwood pulp-mill as it now stands.

And one of the things about the integration with paper which is extremely important, as I had it explained to me by one person in the industry, is that paper, the final product paper does not discriminate against — if you will — the final price of paper is not discriminated against whether or not hardwood is used in the pulp which supplies it.

(2145)

And so what I'm saying is, that the forest mix that we have here in Saskatchewan and with the technology which is now available, which has been attested for some short period of time really at Prince Albert now in terms of the use of aspen — and we had some discussion about that earlier in this debate, I believe in second reading — the use of aspen is extremely important. And the forest mix that we have, with aspen in close to the pulp-mill, gives the company which will operate this Weyerhaeuser Canada . . . and I know they believe it or they wouldn't be here investing in this new paper-mill. They believe it gives them an opportunity to in fact make a profit from an integrated facility because of all the factors that I outlined, plus some others.

There is certainly a trend, I think because of this new technology into hardwood and so on, there is certainly a trend in the industry across the country. Now you indicate some examples. I think we could dig up some of the examples in terms of showing what the trend has been. But I think if you look at the trend in the industry, the trend has been to more and more integration of pulp with paper, and that's something that's been in place for a good long time in some of the mills, but there's more and more of a trend towards that in the last very short time.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, thank you. This is . . . You're telling me the reasons why the use of aspen in making pulp is indicated — and fair enough. Those are equally valid whether or not the mill is a free-standing mill or whether it's integrated with a paper-mill, because obviously if you're making aspen pulp, you're going to sell the aspen pulp.

The only argument in favour of integration that you made was — I presume I'll make the argument for you — that the freight costs on paper as a percentage of its final value may be less than on pulp . . . (inaudible interjection). . . Well, if you want to dispute that, it was the only argument I found in your favour, in all of that. But we will admit, Mr. Minister, that up until 1981 or 1982, this mill made a fair bit of money. I take it nobody denies that . . . (inaudible interjection). . . Well we'll admit that in 1981 it had retained earnings of \$93 million and paid dividends of 24 million. That's not bad. And after paying dividends of \$24 million it still has retained earnings of 93 and the 24 million were paid in that year. I'm just reading from the financial statement which you gave us for the year ended December 31, 1982, which has the 1981 comparatives there.

At some point this mill has rolled up some profits from 1966. That's not the only dividends that have been paid, but I just make note of that, that the mill has rolled up some significant sums in profits . . . (inaudible interjection). . .

Well let's . . . The members are I think not familiar with the finances of the Prince Albert pulp-mill. If I had the 1980 figures here or 1979 figures, the figures would be similar, and then the money to buy the equity in that pulp-mill was \$10 million. That's the original equity investment in this mill, and with an equity investment of \$10 million, this company rolled up . . . (inaudible interjection). . . If anyone doubts it, look at the figures. Don't chuckle. These are the facts.

The facts are that this mill was started up with a relatively small equity investment of \$10 million. And if anyone doubts that, let him stand, and I will be able to refer him to the appropriate provisions. You can find them in the records of this House, if you like.

On that very small equity base and very large debt load, it rolled up significant profits and became a very valuable mill. That was all . . . It paid all the interest on all the borrowed money which made up virtually its entire investment.

Now this situation changed when the government acquired the 70 per cent of the shares; we acknowledge

that. And I chose my dates with some care. So there is no doubt that the mill made a lot of money in the '60s and '70s; and does anyone doubt that? If you doubt it, please give me the basis on which you doubt it. And if you . . . (inaudible interjection). . . That's right.

What I am trying to get at is: why are you now saying that this company, which made a lot of money in the '60s and '70s, is now clearly a lemon. That's what you're saying, and you're saying it's a lemon and it can't make money because it now must be integrated, notwithstanding the fact that it made a lot of money in the '60s and '70s. It only started losing money in 1982, and that's a fact, or I believe it to be a fact.

Now, Mr. Minister, I ask you whether you agree with that and whether you think that the earnings history of the Prince Albert pulp-mill is very much different than the earnings of a good number of other pulp-mills across Canada at that time when they, too, lost money during this period? And if I am right, I am asking why you think that the track record of the Prince Albert mill would not be virtually the same as many other pulp-mills as they move into a period of higher earnings as is predicted -widely predicted by stock analysts?

What is peculiar about the P.A. mill which tracked the earnings of the industry in all of the '60s and the '70s — for the last part of the '60s and all of the '70s — and tracked the earnings of the industry during the '80s? Why do you now say that it is a lemon and the other mills across Canada which lost money in the early '80s and are now beginning to make money: why do you say that this P.A. mill is somehow different than the other mills in the industry whose earnings record it tracked for 20 years?

Hon. Mr. McLeod: — For the numbers and the years that the member has said that he has chosen his years carefully, there's no question. And the point that I made earlier is exactly that, that the mill in the '60s and the '70s no question, nobody disputes that it made money. I've never disputed that. And the point at which I have any figures — these figures that I've released today earlier, that you've quoted from and so on, are . . .

Mr. Chairman: — Order, please. Order, please. The minister is giving an answer, and I don't think the Leader of the Opposition can hear him very clearly if we have another conversation going on across the House.

Hon. Mr. McLeod: — Thank you, Mr. Chairman. Just to reiterate what I said, at the earlier stages of this mill in the competition that it was in in the world market and so on, I believe, and there's nobody has disputed — no one here I know has disputed — that it has made money over that period of time.

The numbers which I released today and so on are related from the point at which the Government of Saskatchewan became the total owner of the mill, and at that point, and it was at that point as I indicated earlier, the market for pulp began a decline. There's no question that that's true.

What you have said and what the Leader of the Opposition is suggesting is that analysts and market analysts and so on, are suggesting that there is a future. In

other words, that the future looks positive in some way for the pulp industry. And what I'm saying is that the future looks better for the pulp and paper industry combined, when they're combined, and that is the trend. And that's what I have said to you, that we'll try to provide to you some of the happenings within the competition across North America, that is that we are facing. I say we in terms of the operators, the present of that mill. And the trend is to integration with pulp and paper.

And the clarification point that I want to make, and it is a bit of a strain here, but the clarification point that I want to make from an earlier answer to the Leader of the Opposition was that, it's extremely important because of the forest mix that aspen is being used in this. No question that's an important aspect. And what I tried to say is that the paper, the price of the paper on the market I'm given to understand, does not change in any way because it's using . . . or as a result of the fact that it's using hardwood in that mix. But if you're selling pulp with hardwood in that mix, that is not developed into paper, it changes the price in terms of the world market. It changes in price, and in fact it's a lower price, and that's what I'm given to understand. That's just a clarification from earlier.

Hon. Mr. Blakeney: — I hear the minister's words. You're saying that pulp sold as pulp is worth less than pulp sold as . . . (inaudible interjection). . . Well, yes, hardwood pulp. And I find that a little surprising. But never mind, if you assert that all that's true, why, it may be true. I don't want to argue the nuances of that with you tonight.

I want to look at just one aspect of your document here, this rather remarkable document that you tabled today, and I want to take just one aspect of it. I want you to look at page 1 of your document and say, cost of common . . . I note on your right-hand side you've got "Total loss to the public of Saskatchewan." You see that one? Okay. Then you say "Cost of common shares, December 31, 1980, \$186 million — \$186,853,000." Do you see that one?

An Hon. Member: — Which is broken down on page 2.

Hon. Mr. Blakeney: — Right. And the first of the breakdowns is \$23 million paid to CIC for 30 per cent. Let me take that clear. Who paid whom \$23 million?

Hon. Mr. McLeod: — That is there for clarification. Paid to CICIII . . . was paid by another agency of government — it wasn't the Crown Management Board at that time, it was CIC, I believe, under your government. But that is the value that was put on the 30 per cent by your people in CIC. So it was paid to CICIII which is the other company, by CIC — \$23 million.

Hon. Mr. Blakeney: — Now let me get this clear. How much . . . I don't know who bought them and who sold them, and I doubt very much that it's what you tell me. But . . . (inaudible interjection). . . All right. How did the Crown agency that sold them — where did they get them from? And how much did they pay for them?

Hon. Mr. McLeod: — I believe, Mr. Chairman, that the 23 . . . in fact the Leader of the Opposition, who carried out this transaction, is probably in a better position to say that than anybody over here is. But the \$23 million, I believe,

at least I would surmise, would be the market value of that 30 per cent of what that was worth. In other words, what was the original 30 per cent, it was owned by the government back to the days of Thatcher's government who took on a 30 per cent share of that company in equity.

(2200)

Hon. Mr. Blakeney: — Well I think, yes, and they were acquired for \$3 million, and I was just wondering just how you had one agency of government sell something that they bought for \$3 million to another agency of government for \$23 million and assert that the people of Saskatchewan had lost \$23 million?

Only the type of flimflam accounting which you have presented to us could possibly arrive at that conclusion. The facts are that we had a transfer of an asset, which stood on the books at \$3 million, to another agency of government. If one of them paid too much, the other made a profit. There is no way that you can make a profit or a loss by selling from one agency of a government to the other. There's no way that the public of Saskatchewan can make a profit or a loss. And when you put \$23 million in there as a loss to the public of Saskatchewan by the moving of one asset from one agency of government to another, that is sheer, unadulterated flimflam, as is so much of this statement — sheer, unadulterated flimflam.

And there is no way, there is no way, there is no way. No accountant would allow you — and I want to say this again — no accountant would allow you to say that the public of Saskatchewan had suffered either a profit or a loss, a profit or a loss, by transferring shares from one agency of government to another. That you can't do. You can't make a profit; you can't make a loss. and when you say that someone lost \$23 million, that is flimflam without substance and without foundation.

Hon. Mr. McLeod: — Mr. Chairman, the page clearly says: the breakdown of the investment in PAPCO, \$23 million. Because the next line says \$162.37 million, which you borrowed, which you borrowed to pay for 70 per cent. And if the 30 per cent is worth \$23 million . . . Let's put it this way: if the 70 per cent is worth \$162 million, whether it is or it isn't the fact is you borrowed that much money, and that's how much money the public of Saskatchewan have in that 70 per cent, and the \$23 million is how much the public of Saskatchewan have in that 30 per cent. And in the 100 per cent of that mill, what the public of Saskatchewan have into it is \$186,853,915; that's what the public of Saskatchewan have in that installation that's now there.

Hon. Mr. Blakeney: — And, Mr. Minister, whether you say that they have it in there, they didn't put it in. Nobody borrowed \$23 million; nobody borrowed \$23 million. And when you impute interest to money that wasn't borrowed, that's flimflam, that is flimflam. That is flimflam.

And when you say, as you do here, that somebody paid \$23 million for something and nobody borrowed any money for that \$23 million — if they did it was one government agency made the profit, and one made the

loss — and whatever else you can say about that, you can't say the public of Saskatchewan lost \$23 million, which is what you're saying. And it's false, and you know it's false. And when you charge interest — nobody paid the interest mind you — but you impute the interest on \$23 million which nobody ever paid, nobody ever paid to any third party, then that is flimflam. And you, Mr. Minister, know it's flimflam, and it has no basis in fact.

Hon. Mr. McLeod: — Mr. Chairman, just one quick point. The Crown Management Board, an agency of the public of Saskatchewan, has \$186,853,915 invested in that, and I'll leave it at that. I'm sure we'll get to it another day.

The committee reported progress.

THIRD READINGS

Bill No. 48 — An Act to establish the Saskatchewan Assessment Management Agency and govern its activities and to provide for an appeal board with respect to certain assessment matters

Hon. Mr. McLeod: — Mr. Speaker, I move that the amendments be now read a first and second time.

Motion agreed to.

Hon. Mr. McLeod: — Mr. Speaker, with leave, I move that 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 49 — An Act respecting the Consequential Amendments to Certain Acts resulting from the enactment of The Assessment Management Agency Act

Hon. Mr. McLeod: — Mr. Speaker, I move that 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. 66 — An Act to amend The Urban Municipality Act, 1984 (No. 2)

Hon. Mr. McLeod: — Mr. Speaker, I move that 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. 52 — An Act respecting Labour-sponsored Venture Capital Corporations

Hon. Mr. McLeod: — Mr. Speaker, I move that the amendments be now read a first and second time.

Motion agreed to.

Hon. Mr. McLeod: — Mr. Speaker, with leave I would ask that 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. 58 — An Act respecting the Saskatchewan Pension Plan and Providing for the Payment of a Minimum Monthly Pension

Hon. Mr. McLeod: — Next sitting.

Bill No. 59 — An Act respecting the Establishment of Ambulance Districts and Boards, the Licensing of Ambulance Operators and Emergency Medical Personnel and the Provision of Ambulance Services in Saskatchewan

Hon. Mr. Taylor: — I move that this Bill be read a third time and passed under its title.

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

Bill No. 31 — An Act respecting the Provision of Home Care Services

Hon. Mr. Taylor: — 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. 62 — An Act respecting the Regulation of Traffic on Saskatchewan Highways

Hon. Mr. McLeod: — Mr. Speaker, I move that the amendment be read a first and second time now.

Motion agreed to.

Hon. Mr. McLeod: — Mr. Speaker, with leave, I move that 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. 63 — An Act respecting Motor Carriers

Hon. Mr. McLeod: — Mr. Speaker, I move that the amendments be now read a first and second time.

Motion agreed to.

Hon. Mr. McLeod: — Mr. Speaker, with leave, I move that 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. 64 — An Act respecting the Registration of Vehicles and Licensing of Drivers

Hon. Mr. McLeod: — Mr. Speaker, I move the amendments be now read a first and second time.

Motion agreed to.

Hon. Mr. McLeod: — Mr. Speaker, with leave I would ask that the Bill be now read and passed under its title.

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

The Assembly adjourned at 10:15 p.m.