

July 2, 1986

The Assembly met at 2 p.m.

Prayers

## ORAL QUESTIONS

### Lay-off of Saskoil Employees

**Mr. Lingenfelter:** —Mr. Speaker, my question is to the Minister of Energy and Mines, and it has to do with Saskoil's decision to lay off a number of employees, effective June 30th of this year. I wonder, can the minister give the Assembly a status report on those terminations? For example, how many people were terminated, and what percentage of the total Saskoil staff were laid off as of June 30th?

**Hon. Mr. Hepworth:** — Well what, Mr. Speaker, Saskoil was facing was the realities of a company that was structured for \$30-a-barrel oil prices and ended up having to live in a world of \$15-a-barrel oil prices. As a part of dealing with that new reality, they were faced with downsizing the corporation. That's never a pleasant task. It was something they agonized over a great deal, I can tell you and the people of Saskatchewan, because for anybody who's today losing their job, it's not a very bright prospect. I think they undertook a very wise, responsible, and compassionate approach to this downsizing, Mr. Speaker.

They initiated two programs: one was an early retirement, and the second was an also voluntary program wherein, for those for example who might want to pursue further education, they had a proposal or a concept wherein they would pay them X numbers of months, depending on the year's work, if they wanted to pursue something like educational leave. After they did the total assessment and how many were going to take those programs up, obviously then they had to fill in the gaps with lay-offs.

As I recall, and this was something that we discussed some several weeks ago now, that they were looking to reduce their employment by 60 people, and I'm not sure how many took up the voluntary programs, but I think it was something in the order of 40 per cent, Mr. Speaker. So I think, all in all, although it's not a pleasant situation, I think they undertook it in a very compassionate, humane sort of way.

**Mr. Lingenfelter:** —Mr. Speaker, after that lengthy speech the minister failed or refused to answer the question that was put to him: how many employees of Saskoil were laid off as of June 30th? And maybe in your response to the next question, you could answer the first one as well.

But I have here a letter from Saskoil which outlines, in part, the deal that was made with the employees, and I want to quote from it. It says:

Due to the extremely unfavourable economic conditions existing in the oil and gas industry, we have found it necessary to terminate your employment with the corporation, effective June 24, 1986.

Now, Mr. Minister, I wonder if you can inform the Assembly how many of these people who were laid off were executives in Saskoil, and can you tell us whether the remaining senior executives have been told to take a cut in pay in order to help the corporation out, which you're trying to explain is the reason for letting go a great number of family bread-winners in the province who used to work with Saskoil.

**Hon. Mr. Hepworth:** — Mr. Speaker, I think if the hon. member didn't hear the answer to the first question, it was probably because of the shouting that was coming from his colleagues. And what I indicated was my understanding it was something in the order of 40 per cent of their target number, in the order of 60, came through the early retirement and voluntary programs.

Secondly, Mr. Speaker, if we're interested in the employees in that corporation, which I can assure you this government is, as we are all those who work in the oil industry, I can tell you, as did the chief executive officer of that corporation, that there would have been more lay-offs had we not introduced our service and supply enhancement package out there, and that is a fact. Similarly, if we're interested in this company being viable down the road and, in fact, existing down the road so that anybody has a job there, that kind of short-term pain for long-term gain is in fact necessary.

To answer his final question more fully, Mr. Speaker, my understanding was the restructuring and the downsizing that they went through was part of an overall corporate rearrangement, and hence I would conclude from that that it was focused, not at any given sector, but in fact would include all sectors in the company structure, Mr. Speaker.

**Mr. Lingenfelter:** —Supplementary to the minister. Once again you've failed to inform the Assembly whether any executives of the corporation were laid off and if any of the executives were asked to take a cut in pay. That was the question. I wondered if you'd deal with it and give us an answer.

**Hon. Mr. Hepworth:** — Well I don't know, Mr. Speaker, how many executives, so to speak, have lost their jobs to the downsizing. I don't know what his definition of executive would be, but I can take notice of that and consult with the chief executive officer, and bring back those numbers for the hon. member.

I would also remind the hon. member that this was not an easy decision for Saskoil. They have to also bear in mind the fact that they're responsible to several thousands of Saskatchewan citizens out there who are shareholders of that company. There's lots of grandmas and grandpas that bought those shares for their children, and hence they have some responsibility to their shareholders as well, Mr. Speaker. And I would suggest to you that despite what's happened in the oil industry — it's been faced with a 60 per cent cut-back — they've done very well in so far as maintaining the operation of that company, Mr. Speaker.

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

**Hon. Mr. Blakeney:** — Question to the Minister of Energy, and it concerns Saskoil. Mr. Minister, you have been confirmed by indirection that there's been no pay cut or no cut in fringe benefits of Saskoil senior executives. And I ask you, Mr. Minister: if there has been a massive cut in staff, as you confirm, why has there not been some suggestion that the senior officers of that corporation accept some reduction in their total package of remuneration in order that fewer people need to be laid off?

**Hon. Mr. Hepworth:** — Well just so the record is entirely straight, Mr. Speaker, the first fact is that these programs and the approach they took were not just coming out with massive lay-offs, as the hon. member used the word. They took a very humane approach to a very serious problem, and that is: how do you downsize a \$30-a-barrel oil company to a \$15-a-barrel oil company?

And they offered up a couple of voluntary programs which were very, very compassionate in my mind, Mr. speaker, and it was not targeted or focused at any one sector — top of the management, the bottom, wherever. It was a total reorganization (a); and (b), obviously voluntary, is open to everybody. So it could be from the top to the bottom.

So any suggestion that there was massive lay-offs is absolutely incorrect and, in so far as where the voluntary retirements came from and where any other lay-offs occurred, I would have to get that specific information, Mr. Speaker, from the chief executive officer of the Crown corporation.

**Hon. Mr. Blakeney:** — Supplementary, Mr. Speaker. When you're obtaining information, will you obtain information to confirm the fact that the chief executive officer did not receive any cut, but in fact has received an increase in his total remuneration package over the last few months? And would you advise whether or not that was voluntarily open to other employees to increase their compensation package, or whether it was restricted to the chief executive officer?

**Hon. Mr. Hepworth:** — I'll take notice relative to what the CEO's salary or salary increases may have been; and secondly I will pass along your comments and suggestions relative to who should take pay cuts.

**Hon. Mr. Blakeney:** — Supplementary, Mr. Speaker. Would you, in the course of finding these facts, ascertain whether or not a number of perks which the chief executive officer enjoys — a leased car, Roughrider tickets, private club memberships — have all been renewed for 1986, and would you express a view on whether or not you believe it would appropriate to cut back on some of those extra perks in order to preserve a few jobs for the ordinary employees of that corporation?

**Hon. Mr. Hepworth:** — Mr. Speaker, I think the hon. member is trying to suggest that the management at Saskoil is something less than fair, something less than first-class. That, I think, would be absolutely fallacious to leave that impression. In fact, it's just in the past week or

so that we saw a rather flattering article in, I think it was the Financial Post about Saskoil's good management, even in these tough times.

I will take notice of his specific questions, Mr. Speaker. And I would also remind this House that this is the first time since the price of oil went down by 60 per cent that they've shown any regard for the oil patch workers in this province. This is the same party that accused me of being the minister of welfare for the oil patch when we tried to keep the oil field patch alive and maintain employment out there, Mr. speaker.

There would have been more jobs lost by the ordinary people at Saskoil had it not been for our service and supply enhancement programs. We have the interests of the oil patch and the oil patch workers at heart, Mr. Speaker, and let nobody deny that.

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

### Out-of-Province Travel by the Premier

**Mr. Tchorzewski:** — Mr. Speaker, I have a question to the Premier and it deals with the expenditure of money that is paid by the taxpayers of Saskatchewan. Mr. Premier, I remind you that you have yet to table return no. 699 which was a question dealing with the cost of out-of-province travel for a certain period of time.

Material which you provided during your estimates some days ago shows that between January 1, 1984 and June 12, 1985, which is only a 17-month period, you went on 16 out-of-province trips at a total cost to the Saskatchewan taxpayer of \$111,000. That's an average of nearly \$7,000 a trip. Each time you travelled beyond the borders of Saskatchewan, Mr. Premier, it cost the taxpayer almost as much as the person on minimum wage earns in the whole year. I ask you, sir, at a time when you are preaching restraint for hard-pressed taxpayers, can you explain why your out-of-province trips are costing Saskatchewan taxpayers \$7,000 a trip?

**Hon. Mr. Devine:** — Well, Mr. Chairman, we have an interesting argument raised by the member from Regina North East. He bought a pulp company that's losing \$91,000 a day, and he's concerned about me spending \$111,000 in 17 months. Mr. Speaker, you can hardly imagine this. It doesn't even come up in question period, \$91,000 a day that he bought and the taxpayer is losing, and he asks me about \$111,000 over 17 months — 17 months, Mr. Speaker.

Now I'm sure that the Leader of the Opposition when he was here, I believe he went to Russia, he went to China, he went all over the world, and I didn't hear complaints by the minister of Finance that, my gosh, that he was going to be spending money outside. I mean, even if he was in the Soviet Union figuring out how he was going to nationalize pulp-mills, it didn't work that well because we ended up losing \$91,000 a day and you won't even have the courage to ask about it. You ask about me spending 111,000 over 17 months.

Well, Mr. Speaker, we have been promoting — and I know the NDP is against it — we have been promoting

Saskatchewan. We have Saskatchewan at Expo '86 doing a fine job in promoting our province for tourism and so forth. The NDP here are against it; the NDP in Manitoba don't even like it.

Yes, we are selling Saskatchewan, marketing Saskatchewan. We had another million dollars today brought into the city of Regina for the MacKenzie Art Gallery, a new expansion, and the museum for a package of \$12 million to promote Saskatchewan, promote tourism. It's about time somebody started to promote Saskatchewan rather than just buy potash mines, buy pulp-mills, be against bacon plants, be against this, be against development, be against business.

Well, Mr. Speaker, I am glad we are promoting Saskatchewan, and it's about time somebody did.

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

**Mr. Tchorzewski:** — Mr. Speaker, I'm sure the Weyerhaeuser corporation would say that the Premier isn't selling Saskatchewan, he's giving it away.

Now, Mr. Premier, I tell you that on one trip alone, which was on a junket you took to Europe in January of 1985, you spent more than \$38,000 or \$3,200 a day. And so far you have provided the taxpayers of Saskatchewan with just the total cost of the trip.

I ask you, will you now give us a breakdown of that trip which you took at \$3,200 a day, to give us the cost of the hotels and the food and the entertainment expenses in the same way as the Prime Minister of Canada does, who comes forward and gives those answers — answers which you refuse to provide?

Mr. Premier, will you undertake to do that? And will you instruct your officials so that we can have those answers today?

**Hon. Mr. Devine:** — Mr. Speaker, the hon. member questions whether I should spend \$38,000 on a trip that I went to speak in Europe and in South America, both related to potash, and as a result we come back here and delivered potash sales and the expanded market for potash in both of those, which is extremely important. And he questions \$38,000. I believe the Leader of the Opposition trucked off to Tito's funeral in Yugoslavia. What did he sell over there?

Well at government expense. Not at government expense. Well, Mr. Speaker, I would say that if we can look at members opposite buying a pulp-mill costing us \$91,000 a day, and the former minister of Finance have difficulty even raising the question here in the legislature.

**Mr. Koskie:** — Thank you, Mr. Speaker. I have a question to the Premier. As you know, Mr. Premier, Canadian taxpayers were certainly shocked and disappointed with the Prime Minister, Brian Mulroney, when he ran up huge travel bills at their expense, including some \$1,200 a night for a hotel suite in New York City.

In light of these developments, and the extravagance that

has been demonstrated by Tories throughout in government, in light of these developments, do you not feel that Saskatchewan taxpayers have a right to know how much they are shelling out for your hotels, for your food, for your entertainment, and for any other miscellaneous items. What are you trying to hide? Why won't you break them down, if in fact Premier Lougheed would, and in fact Brian Mulroney will? Why won't you break down the expenses and give it to the people of Saskatchewan? After all, they're paying for them.

**Hon. Mr. Devine:** — Mr. Speaker, as you know, the member from Quill Lakes was in cabinet, and he knows there's absolutely no change in policy at all. We provide the same summary, the same information, only we are much more productive, Mr. speaker.

We're much more productive, and he's a little envious of the fact that we can actually get some benefit from the travel, not just going to the Soviet Union and not just going to China for a trip. I mean, we have been there in terms of twinning arrangements, potash arrangements in South American, the conference with respect to western Canadian potash and North American potash in Europe, and the impact on a major potash convention in Vienna — exactly the kinds of things that we should be looking at.

I suppose, Mr. Chairman, that if we want to dig up all the travel, we could dig up all the cabinet ministers' travel that were in the NDP administration. We can go on the ski trips, the Phoenix trips, and all the rest of them. We can stack them up here this high. Well I'm not sure the member of Quills wants me to do that. He knows that we're playing by exactly the same rules as he did, and we will continue to provide the information.

**Mr. Koskie:** — Well I'll tell you, Mr. Premier, any time you want to compare our management of the finances of this province with you, go ahead and do it.

**Mr. Speaker:** — Order, please. Order, please. The noise in the Assembly is reaching a point where we cannot continue to do business, and I'd ask the members to come to order.

**Mr. Koskie:** — Well I believe you must have heard what I said in the opening comment, **Mr. Speaker:** — any time that you want to compare your fiscal management with the former premier, I say go ahead and do it.

I ask you, Mr. Premier, during your European trip in January of last year, you and your entourage stayed in a number of major cities including Geneva, Frankfurt, Bonn, Paris, to name only a few. Are you saying that you refuse to tell the Saskatchewan taxpayers how much of their money you spent on the individual items like hotels and food and entertainment expenses during those trips? I ask you: what in fact are you hiding? If in fact your success is so great, why won't you detail the cost of the items? What are you hiding?

**Hon. Mr. Devine:** — Mr. Chairman, the hon. member likes to play with the word "hiding". He knows very well I'm not hiding anything. We have brought forward the information year after year, and we've brought forward it now. In fact, his colleague from Regina North East just

says, it's 111,000 over 17 months and 16 trips. Well, Mr. Chairman, it's quite, quite clear it's the same operations and the same rules that he applied, and he put it out there.

Only when we come back, Mr. Speaker, we deliver. We ran a brand-new Hoechst expansion because I was in Germany, come back here, and Hoechst chemicals expanded here and now puts together and assembles chemicals for people in Saskatchewan to export all over North America, and that wasn't here before. Hoechst chemicals, he hasn't even heard of it, Mr. Speaker. Well it's in down-town Regina in case the hon. member wants to look at it.

Secondly, the potash sales, both with respect to my discussions in Europe and in South America, have made a significant different.

Third, with respect to China, we have finally twinned with a province in China for the exchange of goods. Our largest potash customer is the Chinese, with tremendous potential, and that's precisely why we're there and putting together an arrangement so that we can have close affiliation.

And the hon. member says, well my gosh, you made 17 trips and you spent \$100,000. I just point out, because he bought a pulp-mill, we're losing \$91,000 a day, and they're ashamed to even raise it in question period.

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

#### **Cost of Travel for the Member for Wilkie**

**Mr. Lusney:** — Thank you, Mr. Speaker. My question is to the Minister of Highways. Mr. Minister, this has to do with some of the strange or rather strange travelling habits of the former minister of Highways, the member for Wilkie. The information tabled in this legislature, Mr. Minister, shows that the year prior to the minister's resignation from cabinet, he had made some trips, some 14 trips out of province at the taxpayers' expense I might add, Mr. Minister, at taxpayers' expense. One trip in particular caught my eye. Well I say — maybe not one, about five did — but one in particular, Mr. Minister, caught my eye, and that had to do with the trip that the minister made to Lethbridge, Alberta, and this was at a cost of some \$2,000 to the taxpayer and, Mr. Minister, I quote, the reason for this trip . . . and this was to view construction equipment — to view construction equipment, Mr. Minister.

Since your department, Mr. Minister, auctioned off most of the highways equipment and fired a lot of the employees of that department, Mr. Minister, why was the former minister travelling out of province to view this construction equipment?

**Hon. Mr. Hodgins:** — Thank you, Mr. Speaker. I'm not prepared to comment on some of the individual trips made. I do know that we provided you with the information that you had requested and, indeed, there were a number of trips, and all cabinet ministers are obligated to travel on a number of trips throughout their tenure.

And the members opposite, when they were in

government, were absolutely no exception. And I find it very, very strange that here today in the legislature they try and make such a big political issue out of flying an aircraft, and you know full well that during your term of government many of the cabinet ministers flew far more than the cabinet ministers in this administration.

**Mr. Lusney:** — New question to the minister, Mr. Minister, maybe we make a big issue of flying, but would you not agree that the taxpayers of this province are somewhat concerned as to the extravagance of this government and the amount of money they spend on flying around, rather than building roads like they should be.

Mr. Minister, could you tell the taxpayers, in your opinion, did you or the former minister purchase any of that equipment that he went out there to view, and if he did, what was that equipment to be used for?

**Hon. Mr. Hodgins:** — Mr. Speaker, as Minister of Highways and Transportation, you would know full well that when a minister travels throughout his term of office he may look at literally hundreds and hundreds of pieces of equipment. There are numerous equipment deals in this province, in Alberta and elsewhere, where we go to view very specialized equipment — some of it is not available in this province. Sometimes a minister may have to travel out of province to have a look at specialized equipment. I think that that is only fair and reasonable that a cabinet minister in charge of purchasing a goodly number of dollars' worth of equipment in a year, go and investigate the equipment himself.

I remember the member opposite talking about buses that we bought. He said, well why didn't the minister in charge go down and have a look at the buses. Well here's a prime example where the minister took the interest to go and look at a piece of equipment, and here you have a problem with that. Quite frankly, I do not have a problem with that, and I do not believe that the taxpayers in this province have any problem with it whatsoever.

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

#### **INTRODUCTION OF BILLS**

##### **Bill No. 68 — An Act to amend The Queen's Bench Act**

**Hon. Mr. McLeod:** — Mr. Speaker, on behalf of the Minister of Justice, I move first reading of a Bill to amend The Queen's Bench Act.

**Mr. Speaker:** — Order, order, please. When I'm on my feet, I don't want talking from either side of the House.

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

##### **Bill No. 69 — An Act respecting Personal Care Homes**

Hon. Mr. Taylor: Mr. Speaker, I move first reading of a Bill respecting Personal Care Homes.

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

## ORDERS OF THE DAY

### ROYAL ASSENT TO BILLS

At 2:31 p.m. His Honour the Lieutenant Governor entered the Chamber, took his seat upon the throne, and gave Royal Assent to the following Bills:

Bill No. 47 — An Act to amend The Direct Sellers Act  
 Bill No. 53 — An Act to amend The Forest Act  
 Bill No. 55 — An Act to amend The Meewasin Valley Authority Act  
 Bill No. 45 — An Act to amend The Urban Municipality Act, 1984  
 Bill No. 46 — An Act to amend The Court of Appeal Act  
 Bill No. 65 — An Act respecting the Consequential Amendments to Certain Acts resulting from the enactment of The Ambulance Act  
 Bill No. 67 — An Act respecting the Consequential Amendments to Certain Acts resulting from the enactment of The Highway Traffic Act, The Vehicle Administration Act, and The Motor Carrier Act  
 Bill No. 24 — An Act respecting the Licensing and Inspection of Amusement Rides  
 Bill No. 54 — An Act to amend The Horse Racing Regulation Act  
 Bill No. 60 — An Act respecting the Payment of Benefits to or on behalf of Certain Senior Citizens  
 Bill No. 25 — An Act to amend The Tobacco Tax Act  
 Bill No. 26 — An Act to amend The Corporation Capital Tax Act  
 Bill No. 28 — An Act to amend The Education and Health Tax Act  
 Bill No. 50 — An Act to amend The Education and Health Tax Act (No. 2)  
 Bill No. 57 — An Act respecting Prepaid Funeral Services in Saskatchewan  
 Bill No. 31 — An Act respecting the Provision of Home Care Services  
 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  
 Bill No. 49 — An Act respecting the Consequential Amendments to Certain Acts resulting from the enactment of The Assessment Management Agency Act  
 Bill No. 52 — An Act respecting Labour-sponsored Venture Capital Corporations  
 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  
 Bill No. 62 — An Act respecting the Regulation of Traffic on Saskatchewan Highways  
 Bill No. 63 — An Act respecting Motor Carriers  
 Bill No. 64 — An Act respecting the Registration of Vehicles and Licensing of Drivers  
 Bill No. 66 — An Act to amend The Urban Municipality Act, 1984 (No. 2)

His Honour retired from the Chamber at 2:35 p.m.

### GOVERNMENT MOTIONS

## House Adjournment

**Hon. Mr. McLeod:** — Mr. Speaker, as you will know, and as members of the House will know, that this week, beginning tomorrow, the Prime Minister of Canada and the planning and priorities committee of the federal cabinet will be in Saskatchewan.

I believe they're meeting in Saskatchewan for the first time in the history of this country, and it's extremely important that members of the Government of Saskatchewan meet with them and lay out our priorities as it deals with a whole range of things. And with that in mind, Mr. Speaker . . . And I think the people of Saskatchewan as well very much appreciate the fact that the federal planning and priorities committee is meeting in our province as they bring their meeting to western Canada. And so with that in mind, Mr. Speaker, I would move, seconded by the Hon. Mr. Berntson, the member for Souris-Cannington:

That when this Assembly adjourns on Wednesday, July 2, 1986 it do stand adjourned until Monday, July 7, 1986.

I so move.

**Hon. Mr. Blakeney:** — Mr. Speaker, I want to address a few remarks to this motion. I know we all welcome the federal cabinet's committee coming to our province. I know that we are anxious to have the cabinet focus its attention on western Canada. We certainly welcome any attention they will give.

I think it's clear that most of the meetings will be in secret and they will be cabinet committee meetings and will not involve many of the front bench opposite, and I suspect will involve none of the back bench opposite. There's no real prospect of the planning and priorities committee of the federal cabinet meeting with 25 or 30 back-benchers of a provincial legislature. If so, they will be simply going through an exercise in public relations and will not be deciding on the issues with respect to the planning and priorities of the federal government.

I think this is not the first time the planning and priorities committee of the federal cabinet has met outside Ottawa, and we know pretty well what their practice is. Any suggestion that all or most of the members of this legislature need to be involved in the meetings, I think, is not well-founded. And accordingly, while we certainly welcome the meeting of the cabinet committee here in Saskatchewan, I'm unable to see why we should set aside the sittings of the House.

The House has sat a long time. We are wanting very much I think to wind up this session. It's already at day 72. It got a late start because, unlike the previous practice, the session did not start in the fall. The throne speech was not in the fall but was in the spring, and we had both the throne speech debate and the budget debate before we had any opportunity to address the estimates or any legislation of any significance. Indeed, most of the legislation of significance was put before us in the month of June, and as a result we find ourselves sitting in July, I suspect for the first time in many, many, many years that a

spring session commencing in March carried over through April, May, June, and July — into July.

Accordingly, I think that all of us, I think, wish to bring this session to a speedy conclusion, having dealt with the business before us. And I would therefore suggest to all **Hon. Members** that we carry on with our work today and tomorrow and Friday and as many days as it takes to finish it off, and then we conclude the session and look forward to the next session if, as, and when it comes under the administration which is opposite.

This session has the distinction really of being somewhat of a makeshift session. I think none of us, when the session commenced, felt that the legislature would be in session today. We didn't feel, in fact, that it would be in existence today in its present form. All of us anticipated, and I think with a good deal of sound evidence to back up that anticipation, that there would have been an election in late April or early May, or, failing that, an election in June, and we would have had a new legislature now which would have an opportunity to meet as a new legislature if it so wished.

However, that was not to be. The government opposite decided not to call an election, decided to have a session continuing into day 72, and decided to have a legislature longer than any since World War II. They, having made that decision, it seems to me they have an obligation to get on with the business of the government and complete this session, deal with the issues before us, and then conclude the session.

And I regret very much that the government is now deciding, or at least seeking to decide, that it doesn't wish to carry on with the business but wishes to take some days off, particularly since we've just had four days off — four very welcome days off — but, nonetheless, four days off, which should have brought us all back here refreshed and ready to deal with the business of the House.

And why, I ask, are they wishing to go to Saskatoon? Why are they indeed, in the words of the minister, wishing to meet with the federal cabinet committee on planning and priorities in order to impress upon that committee the needs of Saskatchewan and the needs of western Canada? And I think that the reason for that, we don't have far to seek. It is that the cabinet has been shuffled. And in the cabinet shuffle, western Canada has been sorely, sorely underrepresented in the major seats of power.

**Mr. Speaker:** — Order. Order, please. The motion simply deals with the time that the House is going to be closed — order, order! — and it has nothing to do with the juggling of the federal cabinet. If the member has something more to say on the motion that's before us, I'd be pleased to hear it.

Order! Order.

**Hon. Mr. Blakeney:** — Mr. Speaker, I am replying to the comments of the minister. The minister said he was going up to meet the cabinet committee on planning and priorities.

**Mr. Speaker:** — Order, please. I've asked the member to

get on with the debate on the Bill that's before us. I would ask him to do that. Order. I'm not asking for the other members of that caucus to make any comment. I'm speaking to the member who is given the floor, the Leader of the Opposition.

(1445)

**Hon. Mr. Blakeney:** — Mr. Speaker, I listened with some care to the comments of the minister. He moved the motion and gave his reasons why the motion should be passed. I propose to argue against the passage of that motion, and I propose to challenge his reasons. And if he can put the reasons, I can say why those are not valid reasons, and I am now saying it. I am saying why those are not valid reasons. I am saying, sir, that your reason for wanting to meet that committee is ill-starred because you have already been deprived of your opportunity to be an effective voice.

You want to meet with the Minister of Energy. You could have met with the Minister of Energy from Vancouver. You are now going to meet with the Minister of Energy from the province of Quebec . . . (inaudible interjection) . . . That's right. You bet it is. And they are consumers of energy; consumers of oil, and they used to be — their minister used to be from a province that produced oil and natural gas. It will now be from a province who is quintessentially a consumer of oil and natural gas and doesn't produce a cubic foot of natural gas, or doesn't produce a barrel of oil.

And we can expect, I am sure, that those concerns will find their way to the mind of the minister, and I hope, Mr. Minister, when you are in Saskatoon, whenever you get there, that you press — you press on the Prime Minister the desirability of having a minister who is knowledgeable about the concerns of energy.

And now, Mr. Minister, you say you want to go to Saskatoon, and you say you want to meet that planning and priorities committee, and you want to press the concerns of Saskatchewan with respect to agriculture. Mr. Minister, you have been pressing the concerns with respect to agriculture, and the Premier has regaled this House on many, many occasions with what he believes he has achieved.

I say to you, Mr. Minister, when you go on the mission which you mentioned in your opening remarks, I want you to mention to the Prime Minister the desirability of having a minister of agriculture from western Canada.

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

**Hon. Mr. Blakeney:** — I want you to underline that fact. You, Mr. Minister, have talked about whether or not we should be meeting here, or whether you should be in Saskatoon. That's what the debate is about, whether or not the interests of Saskatchewan people will be better served if we are here in this legislature, as I contend, or whether you and some of your colleagues are in Saskatoon dealing with the Prime Minister's committee on cabinet planning and priority, as you contend.

That's the issue; that's what we're debating. And I say to

you, Mr. Minister, we would be better off if that committee on planning and priorities was dealing with agricultural problems as formulated by a minister who had some more knowledge of western agriculture than does the current Minister of Agriculture, Mr. Wise. I therefore think that with respect to Mr. Wise, either you are doing very well as the Premier consistently contends, in which case you don't need to go to Saskatoon, or you are not doing very well at all, as I suggest is the case, judging from the condition of Saskatchewan agriculture, in which case there really isn't much point in you going.

Now, Mr. Minister, you are urging that it is important that this House adjourn so that you and your colleagues can go to deal with the cabinet committee on planning and priorities, so that you can urge upon them things which will be good for the economy of Saskatchewan. But, Mr. Minister, we know what the view of the federal government is with respect to the economy in Saskatchewan and western Canada. We know that. I say that the actions of the Prime Minister this last weekend speak much more loudly than any words he could say to you, or any words you could relay to this House as a result of those meetings. We just have to look at what has happened. And I ask you, Mr. Minister, whether or not, in the face of what has happened, you believe that any good purpose would be served by you and some of your colleagues going to Saskatoon to argue this case.

In the face, Mr. Minister of what the Prime Minister has done, why do you believe it would be fruitful for you to go to Saskatoon to do the job which you have suggested is the purpose for this motion. We have concerns in western Canada. We have concerns in western Canada in four or five major areas, and I have touched upon energy, and that's a major concern. You know that, and you can raise that with the Prime Minister, but you already have his answer. He said, I'm not concerned with western Canada's energy concerns, I'm going to make a Quebec minister the Minister of Energy.

Then we have other concerns. We have a concern about agriculture, and you say that you want to go to Saskatoon, you and your colleagues, to press those concerns about agriculture but, Mr. Minister, the Prime Minister has already spoken to you. He has left Mr. Wise in Agriculture.

For the first two years of that government they had a minister of Agriculture from eastern Canada. We would have had every reason to expect that, when there was a cabinet shuffle, there would have been a move to have a minister of Agriculture from western Canada, but the answer was no. The Prime Minister said no. And I wonder why, Mr. Minister, you feel that to adjourn this House and for you to go to Saskatoon will be effective to change the Prime Minister's horizons with respect to the importance of agriculture in western Canada. You didn't offer any such comments in your opening statement, and it may well be that some of your colleagues will be joining the debate and outlining why it is important that you be there, why you expect to get results when the Prime Minister has spoken, and spoken in such a convincing way with respect to his concern about western agriculture.

And now I turn, Mr. Minister, to the concerns of transport.

We did have . . . There can be virtually no place in Canada that has any more concerns about transport than Saskatchewan. And you have indicated, Mr. Minister, that you are going; you wish to adjourn the House so that you can go to Saskatoon to talk to the Prime Minister about the concerns of Saskatchewan, and I suggest to you, about the transportation concerns of Saskatchewan. Well, Mr. Minister, we had a minister of Transport from western Canada — we had a minister of Transport from western Canada — but no longer do we have a minister of Transport from western Canada. No longer do we have . . . (inaudible interjection). . . Members opposite are suggesting that it's important that the person who was minister of Transport is now Deputy Prime Minister.

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

**Hon. Mr. Blakeney:** — Based upon what deputies do, whether they're vice-presidents of the United States or deputy prime ministers here in Canada, based upon Mr. Nielsen's record in that post, I do not see how it will be of any particular merit — any particular merit — to Saskatchewan to have Mr. Mazankowski serving in that portfolio. He is no longer minister of Transport; and who is Minister of Transport? Someone who is attuned to the concerns of western Canada — Mr. Crosbie from St. Johns, Newfoundland. Now they have transportation problems as well, but they're very, very different from ours.

**An Hon. Member:** — They have a lot of railways in Newfoundland.

**Hon. Mr. Blakeney:** — The railways of Newfoundland, the negotiation is how all the tracks shall be pulled up and the Newfie Bullet shall be laid to rest, but I don't want to get into that. I want to talk only about the concerns of Saskatchewan and whether or not you believe, Mr. Minister, that there's any grounds for belief that if you go to Saskatoon and talk about transport with Mr. Crosbie, you are likely to get anything for Saskatchewan, or whether you wouldn't be better off here dealing with the business before this House.

The Prime Minister has already spoken. He has told you what he thinks about transport in western Canada; he's put the portfolio in the hands of a minister from Newfoundland, a minister with a charming accent; a minister who has many, many attributes, but a knowledge of transportation in western Canada isn't one of them.

Mr. Speaker, I come to what I think is crucial . . . (inaudible interjection). . . Well, Mr. Speaker, I'm getting a lot of assistance, and if I wanted to talk about potash . . . I will talk about potash, because that has been suggested. Members opposite are suggesting to me that I ought to address my remarks to potash.

The minister believes that he can go and talk to, I take it, the new Minister of Mines and address the problems of potash — it slips my mind just who the new Minister of Mines is.

**Mr. Speaker:** — Order, please. Order!

**Hon. Mr. Blakeney:** — Obviously the Minister of State

for Mines is not a high profile person in this cabinet. The Minister of Energy, Mr. Marcel Masse, is a very high profile person and acknowledged, I think, to be now the head of the Quebec members of the federal caucus.

I want to talk, Mr. Minister, about your proposition which you are advancing as the reason why we should adjourn this House, your proposition that you will talk to these ministers and great things will come for Saskatchewan.

I want to remind you, Mr. Minister, that it's incumbent upon you to make that argument, and in the face of what the Prime Minister has done, your argument is not a strong one. Look at all of the major portfolios of a financial nature which the Prime Minister has positioned in his cabinet. And what, Mr. Minister, gives you any belief that, based upon the Prime Minister's performance — immediately after his election in September of 1984, and now over the weekend — he has very much concern for the economic problem of Saskatchewan and western Canada and your trip to Saskatoon would be worthwhile? What give you that idea? Is it perhaps the appointment of the Minister of Employment, Mr. Benoit Bouchard? Do you think he will have a concern and a knowledge of the employment problems of Saskatchewan and the prairies? Or is it the minister of regional economic expansion, and now called Regional Industrial Expansion, Mr. Michel Côté? Do you believe he will have a particular concern and knowledge such that you may go to Saskatoon with some assurance that your trip will be worthwhile, and that the adjournment of the House is in the best interests of Saskatchewan people? I think not. I think not, Mr. Minister.

(1500)

Or is it perhaps the financial portfolios, the Minister of Finance, Mr. Wilson from Ontario, straight out of Dominion Securities Pitfield. Is it your persuasive powers with that minister which suggests to you that it would be a good idea for us to adjourn the House so that you can go to Saskatoon and persuade that minister to make some decisions which would be in the best interests of Saskatchewan? I think not. I think not.

Or is it the minister in charge of the treasury board? Is it your persuasive powers with Mr. Robert De Cotret which suggests to you that you ought to leave this House, lay aside any concern about Weyerhaeuser which was a matter of very high concern for you a day or two ago, but now you want to adjourn the House and don't want to talk about it. I say to you, Mr. Minister, there is no basis — on the basis of what the Prime Minister has done, there is no proper ground for believing that you will have a fruitful time in Saskatoon and that it is worthwhile for us to adjourn the House so that you may go there.

I say, Mr. Minister, the case you have made is a weak one. The case you have made is a weak one. You have argued that you should go to Saskatoon to talk to this cabinet and its chief committee, this key committee of this newly formed cabinet, in order that you may persuade this cabinet to make decisions which will be in the best interests of Saskatchewan.

And I say, Mr. Minister, when I look at this cabinet, when I

look at the changes which the Prime Minister has made, I do not see the merit of closing down this House so that you may argue energy with Mr. Masse, or finance with Mr. Wilson, or transport with Mr. Crosbie.

Under those circumstances, Mr. Minister, I fail to see why you are arguing that you should close down this House, close down this House and go to Saskatoon in order to put this case. I believe, Mr. Minister, that we should be here. I believe we should be talking about Weyerhaeuser and PAPCO. I don't, Mr. Minister, nor am I contending that every member opposite should be here. It is entirely possible for you to send 15 people to Saskatoon to talk with every cabinet minister and still have a goodly number here to carry on the debate on these important issues before us.

Members opposite have said over and over again, why aren't we talking about Weyerhaeuser? I would very much like to talk about Weyerhaeuser. I would like to talk about the arguments which should be put on that Bill. I heard the . . . (inaudible interjection). . . This is the nature of the problem, Mr. Speaker. Some members are saying, why don't you talk about Weyerhaeuser? Others are saying, let's go, let's talk about Weyerhaeuser, when the House Leader is saying, let's not talk about anything; let's go up to Saskatoon. And I think that that represents the problem.

We've got a good deal of work to do here, a good deal of work with respect to Weyerhaeuser; questions that we need to ask; indeed we were challenged to ask them by the Premier in question period today . . . (inaudible interjection). . .

Mr. Speaker, I am delighted to hear the minister, the House Leader, suggest that we ought not . . . that we do not wish to talk about Weyerhaeuser. I want, Mr. Minister, then to talk about Weyerhaeuser.

**An Hon. Member:** — Yes, I bet you do.

**Hon. Mr. Blakeney:** — I do, indeed.

**Mr. Speaker:** — Order, please. There's more talk back and forth across the House than there is from the member that's on his feet, and I would ask you to give him time to make his comments.

**Hon. Mr. Blakeney:** — Mr. Speaker, there are many things about, let us say, the business before us, but I'll instance the Weyerhaeuser deal as an instance that should be discussed, and should be discussed at some length. And I think we should get on with this, and I would invite the House Leader to withdraw this motion so we could get on with this discussion, because there are important aspects of that deal which have not yet been revealed. The minister has not yet given us the documents — and we won't go over all that again; we'll have an appropriate forum for that.

But I want to say this: we do need to examine the financial aspects of that deal. We do need to ask ourselves two questions — two absolutely key questions. If this Weyerhaeuser transaction goes forward, what extra expenditure, or what savings will accrue to the Crown?



And that's a key question. And in order to do that, we have to ask ourselves the other question. What money has been paid out over the last several years with respect to Weyerhaeuser? And those are key questions that I think need to be discussed, and I would like to think that we were here discussing them, here discussing them today and tomorrow. Members opposite profess to be very proud of their Weyerhaeuser deal. I wonder, then, why they want to shut down the House and not talk about it.

Why do they want to say, fine, we're here on Wednesday and we could talk about it for an hour or two, but after that we don't want to talk about it on Thursday; we don't want to talk about it on Friday because we've got other things we want to talk about and maybe the public will have forgotten about it by Monday. Well I don't think they will have forgotten about it by Monday. I don't think they will have forgotten about it by Monday. But in any case it seems to me we shouldn't allow them to forget about it.

If we are responsible members of this House, those who are proponents of that particular financial transaction, and those who question that particular financial transaction, involving as it does over \$250 million, should be here in this House — should be here in this House today, should be here in this House tomorrow, should be here in this House on Friday talking about this transaction.

Again, Mr. Speaker, I am not suggesting that some members opposite may not wish to go to Saskatoon and talk with the Prime Minister and his cabinet, for whatever good it may do. I have tried to illustrate the fact that the Prime Minister has already spoken, and spoken in the way that really counts, when he named his cabinet. But I'm not suggesting that members opposite shouldn't be there, some of them. But I don't think that that means that all . . . 52 is it? I lose count as they peel off. But 52, I believe is the count . . . (inaudible interjection) . . .

That's right. There is still a large number, notwithstanding the defections; there is still a large number notwithstanding the reasons for leaving, some of them most unfortunate. There is still enough so that the members opposite could carry on the business of this House and could, at the same time, send some of their members to Saskatoon to, even at this date, speak to the Prime Minister on some issues involving transportation, and possibly advise Mr. Crosbie of the nature of railways.

You could talk to Mr. Masse and advise him of the nature of oil wells, and natural gas wells and pipelines. I have every reason to believe Mr. Marcel Masse is an intelligent man, even though ill-informed on all issues with respect to energy . . . (inaudible interjection) . . .

I think, as the member for Weyburn suggests — the member for Weyburn suggests it is . . . I suggest that he is an intelligent man and I want to . . .

**Mr. Speaker:** — Order, please. If any members have something they'd like to contribute to this debate, I would ask them to save it until the time when they get on their feet.

**Hon. Mr. Blakeney:** — But I don't want to belabour this point. My point is clear and simple: the numbers of the government make it possible for them to do all the things which the minister suggested should be done and still have the House here, sitting, dealing with the business of the House, dealing with issues which the government believes are important, otherwise they wouldn't be spending quite so much money on television advertisements for the Saskatchewan pension plan.

They must feel that there's some merit in that Bill before us, since I wasn't able hardly to catch a sports event over the weekend without seeing the costly television ads. They must feel there's some merit in that. I didn't see any ads with respect to Weyerhaeuser, but there may well be some there.

And there are of course other issues before us which, in my judgement, ought to be dealt with. These are not earth-shaking but still, none the less, important issues that I hope will not be allowed to drop on the order paper, and they concern the amendments to the small claims provisions and particularly the provisions of The Trade Union Act. They were put forward with a good deal of fanfare, and I would very much hope that this House would be able to get to them. And I very much fear that if we don't sit today or tomorrow or the next day, if we spend our time picnicking or as the case may be, then we will not get this work done, and the people of Saskatchewan will be the poorer for it.

I know . . . I'm sure the Minister of Labour is anxious to proceed with the amendments to The Trade Union Act which he put forward, and I would be disappointed if that were not the case. I'm sure that he would not have put them forward had he not intended to go forward with them. And again, I don't mean to direct my attention to the merits of the Bill. I am saying, there it is on the order paper; it was put there by the government. I think it was put there with the purpose of passing it by the government.

And I fear that if we don't sit, and if we have now two days off in the high summer, some of our energy may wilt, and we may not get to some of this important material which is on the order paper, having regard to the fact this is day 72 of the session. And I think we may well have already struck a record for any continuous sitting days with out a substantial break. I think the 72 is such.

And I think, therefore, that there will be a good deal of pressure from wives and families and others to wind up this session. And if we put it over till next week, I very much fear that some of these important matters which are still before us will not get the consideration that they deserve.

We are not, I think, through with our business yet, since we have first readings of The Queen's Bench Act, and real estate brokers, and personal care homes and the like. I have every reason to believe that the personal care homes Bill is a fairly comprehensive Bill.

(1515)

And I say, therefore, Mr. House Leader, before I take my

seat, I will make my plea once again, that you withdraw the motion — I see the mover and the seconder are still here — withdraw the motion and have us get on with the business of the House so that we can, as you say, address the Weyerhaeuser matter and all other matters before us.

You, and I'm sure the public, will appreciate that you can have some of your people in Saskatoon. I'm sure that the public, as will we, will understand if a number of the key ministers are not in the House. We will address our . . . I'm sorry, Mr. Speaker, I will commence that statement again. I was paying a little attention to a comment that I shouldn't have done.

My point is simple. If you have some of your people go to Saskatoon, we can still carry on the work of this House. You know that; we know that. We can make sure that the public knows that. There will be no criticism levelled at the ranks of the government simply because a number of their people are meeting with the Prime Minister. I think the public will say that's a good use of the legislature, going on with the business, disposing of the matters before us, and having a number of key ministers meeting with the Prime Minister and his key ministers, speaking on behalf of the people of Saskatchewan. That seems to me to be the way in which we can do our job best, the way we can discharge the obligations which were given to us when we were elected to this legislature.

I therefore, again, Mr. Minister, suggest that you and the seconder withdraw this motion, that we carry on, do our job, and have some of your colleagues go to Saskatoon to do the job which they believe needs to be done and which, Heaven knows, we believe needs to be done. We just don't think it can be done effectively with the new cabinet that has been sworn in by the Prime Minister, where he makes his preference for his colleagues from Quebec and Ontario all too clear.

There's no doubt that the cabinet shuffle dealt with the political problems of the party in Quebec when they're running a third between the Liberals and the New Democratic Party. Under those circumstances, it is difficult to think that anything but those political concerns will be uppermost in the minds of the Prime Minister and his committee on priorities, but in the hope that something might be done, we would have no quarrel with the ministers being there, pressing the point.

We would suggest that a sufficient number be here so that we can carry on the business of this legislation, do both jobs at once, get the work that's on the order paper done. We would have no quarrel with ministers being there pressing the point. We would suggest that a sufficient number be here so that we can carry on the business of this legislature, do both jobs at once, get the work that's on the order paper done so that we can wind up this session, already the longest continuous session in the history of this province.

Let's get on with it; let's get our job done, and then we will be able to leave this Chamber where, if I may be permitted a comment, a level of animosity is developing which doesn't do us as much credit as it might. Let's finish the session, get the work done, and then have an opportunity to contemplate our successes and failures

during the summer, steeling ourselves — or perhaps that's an appropriate word for members opposite at least — steeling ourselves for the upcoming election which may come in October or some later time.

I urge that upon you, Mr. Minister. Would you consider withdrawing your motion so we can get on with the business of the House and do the job that needs to be done.

**Hon. Mr. Berntson:** — Mr. Speaker, my remarks will be brief and to the point because quite frankly, Mr. Speaker, at least some of the arguments advanced by the Leader of the Opposition have some validity — and I say "some" — and some merit. And I genuinely believe that the Leader of the Opposition does, in fact, want to stay here and get on with the business of the province, and deal with the Weyerhaeuser Bill and the pension Bill and those kinds of things, Mr. Speaker.

And you know, he talks about sitting here for 72 days, and I remind him, Mr. Speaker, that about 15 of those days were dealing with the Department of Health estimates. And it's not any different now than it has been in the past. The opposition are always the people who determine the length of the session, and it hasn't changed. That's always been the case, Mr. Speaker.

And I can remember in the past when I was sitting on that side of the House when, with leave of the Assembly, we would adjourn for some particular function. We believe this one is important, the planning and priorities committee of the federal government. The Canadian government is the Government of Canada, Mr. Speaker, no matter what political stripe it is. We would have done the same for any other planning and priorities committee that was coming to Saskatchewan. But the members opposite obviously don't want us to enjoy the kind of relationship we enjoy with the federal government.

So I'm going to give, Mr. Speaker, members opposite an opportunity to show just how much work they want to do. And I would recommend, if the opposition would accept my proposal, I would recommend to my colleague, the member for Meadow Lake, that he withdraw his motion. And the motion that I would put, conditional on their acceptance of this, Mr. Speaker . . .

Conditional on their acceptance of this, Mr. Speaker, the motion that I would put would be as follows: notwithstanding Rule 3, Mr. Speaker, that this House recess from 5 until 7 p.m. on July 2, 1986, and sit from 7 to 10 p.m. this evening; and that when it adjourns on July 2nd — that's today — it do stand adjourned until 10 a.m. on July 3rd; and that the sitting hours on July 3rd will be from 10 a.m. to 1 p.m., and from 2 p.m. to 5 p.m., and from 7 p.m. to 10 p.m., on the 3rd of July and subsequent days, with the exception of Sunday, until the business of the House has been dealt with.

Mr. Speaker, I would make that proposal, and I would recommend to my colleague that he withdraw his motion, contingent upon the acceptance of that proposal by members opposite, Mr. Speaker, I would now like to see members opposite put their money where their mouth is.

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

**Mr. Speaker:** — Order. Order, please. Order! Order, please. Order. I'm asking for order, and that implies all people, including the member for Shaunavon. Why was the member on his feet?

**An Hon. Member:** — I'd like to close debate, Mr. Speaker, on the motion before the House.

**Mr. Engel:** — I don't know why the member for Cannington was on his . . .

**Mr. Speaker:** — Order, please. Order. I'm going to ask both sides of this House to come to order so we can carry on the business of the House.

**Mr. Engel:** — Mr. Speaker, I'm rising to oppose the one motion that we have on the floor. There's only one motion before this House. I know the member has been called Mr. Beauchesne and all kinds of names before because he doesn't know the rules, and he tried to introduce a second motion while there's one on the floor rather than talk to the House Leader and try and come out with a deal that would determine what we're going to do.

I rise today, Mr. Speaker, to speak against the motion by the member for Meadow Lake. This House and the function of this House doesn't really matter to the people opposite, Mr. Speaker. What we do in here doesn't really matter. They tolerate this place. And the blatant example today of trying to shut down this Assembly to go up to Saskatoon to eat, drink, and be merry, and have a good time, is a very good indication of the priorities of this House.

I feel that the people of Saskatchewan — when they're talking about the decorum in this place — and the comments I hear across Saskatchewan are very valid when they are saying that these people, when they first stood up and wanted to be elected and wanted to form the government, decided that we're going to applaud rather than pat our desks because that doesn't show any respect for the House. Well I'll tell you, Mr. Speaker, I've never seen a level of decorum like we have in here. I am very disappointed in what the treasury benches feel and respect and tolerate, and that's why I'm against this motion today.

I think that if the members opposite want to go up and meet with the cabinet, there's ample numbers there that they can go and meet with the priorities committee of the federal government; there's room for Mr. Bouchard; there's room for all these people across the way to go up and meet with whoever wants to meet with him. And I would really encourage the Premier to get up there and meet with the Minister of Agriculture and meet with agriculture people, because you can look at here any time, Mr. Speaker, and you know that their whip is standing at the door and counting and trying to determine to keep a quorum. That's always the case. So there's always 40 or more missing, so there's no reason in the world why 15 or 20 can't go up and meet with the priorities committee and leave members here.

It's obvious how much respect they have for this House because when members are out of the cabinet, once they're removed from it, other than maybe the member for Arm River, but some of the others — once they're removed from cabinet they don't bother attending any more. Where's the member from Wilkie? Haven't seen him one day this sitting.

**Mr. Speaker:** — Order, please. You're not allowed to draw attention to members, whether they're here or not. That's part of the parliamentary rules, and I would ask the member to get back to the subject of the motion.

**Mr. Engel:** — The point I was trying to make, Mr. Speaker, and I'll talk about the Bill before us, that there are sufficient numbers to maintain 15 or 17 in here. There are sufficient numbers of people. That's the point I'm making, that the members have demonstrated that they can do activities and do duties in their constituencies or otherwise. And so I suggest that members go up and meet with the priorities committee and discuss the issues that are relevant and important, and let us stay here and deal with the issues that we're wanting to talk about.

I don't know why the government wants to run away from the Weyerhaeuser deal. I don't know. Last night at a function in Thompson Lake regional park, Mr. Minister, I happened to run into a person that stopped at the park. And they had Canada Days there and I had the privilege of cutting a giant cake. It was great. I enjoyed the day off, Mr. Speaker. But I think we're refreshed and we're ready to come back and talk about Weyerhaeuser.

(1530)

I met a fellow by the name of Holme from Tacoma, Washington and guess what? He's been employed and worked for Weyerhaeuser. He's been employed . . . And I know . . . And I got some firsthand information about Weyerhaeuser, and I want to stay here and talk about Weyerhaeuser and the kind of corporate citizens they are. I want to tell the people of Saskatchewan what Mr. Holme told me from Tacoma, Washington. I want to tell these people . . . because by a chance meeting he stopped and introduced himself to me and told me about his background and where he's from.

And I think these people want to run away from it. They think, well we've had two days off, we've had two days off now; and if we take the rest of the week off, maybe some people might start forgetting about the kinds of deals these people are making — maybe they'll forget about them. And I want to tell you, we're here to do the business of this House with the respect that this House should have for the business of the province, and I think it's important that we continue with the work of this House.

I think that members of the treasury branches can go and meet with the government members and it won't affect us. If the member from Meadow Lake is here dealing with his Bill on Weyerhaeuser, there is 16, 17 other cabinet ministers can go up to Saskatoon; and when they come back, another one can go.

And I think there is no problem, there is no problem with

having them go up Thursday night if they have to have this party. If they have to go up and have this giant barbecue, that's great. We can do that on Thursday night; I have no problem with that. In fact, I had that in my notes before I heard the member who tried to run two motions at one time.

But the point that we need to discuss and the point that we need to make . . . I have before me, Mr. Speaker, a resolution that one of the reeves that's a director of the Saskatchewan Association of Rural Municipalities . . . He told me, our association went on record and we sent a resolution from our mini-meeting in May to this government. And the resolution reads as follows:

Therefore be it resolved the governments of the Province of Saskatchewan and the Dominion of Canada be called upon to assist farmers by providing a policy to reimburse a farmer for 50 per cent of the cost of any chemicals used in the eradication of grasshoppers . . .

**Mr. Speaker:** — Order, please. Order, please. At the proper time I think the member could bring that kind of information to the House, but I don't believe this is the time, and I would ask you to come back to the subject area of the Bill.

**Mr. Engel:** — Mr. Speaker, the motion we're debating is whether this House should adjourn so the Minister of Agriculture and the cabinet and all the PCs can go off and meet with the Government of Canada.

And I'm telling you that the Saskatchewan Association of Rural Municipalities, that represents as many people as we do here — they represent all the farmers of Saskatchewan — passed a resolution unanimously and they drew it to my attention . . .

**Mr. Speaker:** — Order, please. Order, please. I've just told the member that that can be brought forward at other times, but that is not a proper point to be raising on this particular motion.

**Mr. Engel:** — The motion before us is whether we should adjourn and the reasons for adjourning. And my suggestion is that the Minister of Agriculture can go to Saskatoon with an important pressing issue and take that issue with him and talk to the Minister of Agriculture without adjourning this House.

**Mr. Speaker:** — Order, please. Order, please. If the member wants to raise issues that the Minister of Agriculture should talk to the federal Minister of Agriculture, that's fine, but the details of what he should discuss, I don't think are part of this particular discussion. Order.

**Mr. Engel:** — Mr. Speaker, we talked about details. Now the broad, sweeping suggestion that this government pays 50 per cent of the cost of grasshopper spray is a broad issue. And that . . .

**Mr. Speaker:** — Order. The member is debating my ruling, and my ruling was . . .

**An Hon. Member:** — No, I'm not.

**Mr. Speaker:** — Yes, you are, and I'm going to tell you to get on to another topic.

**Mr. Engel:** — Mr. Speaker, I will abide by your ruling, and I will say that when the Minister of Agriculture goes to Saskatoon, if the House adjourns or doesn't adjourn, these are some issues he should take with him, and he can discuss those issues. He can talk to the Minister of Agriculture and he can talk to the Prime Minister. He can talk to the Prime Minister without us adjourning this House. We don't have to adjourn the House to take an important issue.

Now I see the member from my neighbouring constituency, from Bengough, in his seat, and I appreciate him being here. I'm not sure if he's supporting me or not on this one. But the farmers from his area that I've met with, the farmers from his area that I have met with are pressing hard saying, don't let up, and continue to press on this government the issue that the farmers should be reimbursed for grasshopper spray. And I'm saying that when the Premier goes to Saskatoon, he should discuss the agricultural issues, and the most important one on all the farmers in southern Saskatchewan is the amount of money they're spending.

And that's why we shouldn't adjourn. We're here to raise these issues. And the topic is relevant now, because a week from now, a week from now, if we adjourn for a whole week, Mr. Speaker, there might be crops that are completely lost. And if the farmers would know this week that they're going to be reimbursed for 50 per cent of their grasshopper spray, if they'd find that out this week, they'd maybe buy more spray and hire aircraft to come in and spray it, because their crop is about that high and the plants are polluted.

**Mr. Speaker:** — Order, please. The member is abusing the privilege of the House. If you have something more to say on the motion, I would ask you to proceed, otherwise we'll move on to the next member.

**Mr. Engel:** — Mr. Speaker, my concern is that this House is going to be shut down. I am concerned that this House, by this motion, is going to be shut down, and we won't have an opportunity to raise important issues. Now as far as I'm concerned, that is the most important issue of the day.

If we want to use rules and say that they can talk about energy, and they can talk why they want to go and adjourn the House, but I can't talk about the most important issue facing farmers — that are grasshoppers — and I can't say that the Minister of Agriculture should take that important issue there, then we are debating the main reason for not adjourning this House. The main reason for staying here is because of the importance and the relevance of dealing with those issues. So I'm saying that the cabinet ministers that are coming down, we had before the . . .

**Mr. Speaker:** — Order, please. Order, please. Why is the member on his feet?

**Hon. Mr. McLeod:** — By leave of the Assembly, to withdraw the motion which the member is debating?

**Mr. Speaker:** — Does the member have leave to withdraw the motion?

**Hon. Mr. McLeod:** — Mr. Speaker, the Leader of the Opposition requested that we withdraw the motion, and I'm asking leave of the House to withdraw the motion before the House.

**Mr. Speaker:** — Motion withdrawn.

**Hon. Mr. Berntson:** — Mr. Speaker, I ask leave of the Assembly, that I move the following motion, seconded by the Minister of Advanced Education:

That notwithstanding rule 3, this Assembly shall on Wednesday, July 2, 1986, meet from 7 o'clock p.m. to 10 o'clock p.m., and at commencing Thursday, July 3, 1986, and each sitting day thereafter, this Assembly shall sit from 10 o'clock a.m. to 12 noon, and from 2 o'clock to 5 o'clock p.m., and from 7 o'clock to 10 o'clock p.m., and that notwithstanding rule 3, on Saturday, July 5, 1986 this Assembly shall meet at 10 o'clock a.m. until 10 o'clock p.m., and there shall be recess from 12 o'clock p.m. until 2 o'clock p.m., and from 5 o'clock p.m. until 7 o'clock p.m., and that the order of business shall be the same as on Friday.

I move, Mr. Speaker, seconded by the Minister of Advanced Education.

**Mr. Speaker:** — Order, please. Order. Order, please. Order. Why is the member on his feet?

**Mr. Lingenfelter:** —On a point of order. I want to make the suggestion to the government members that may help them out of a difficult spot that they find themselves in, and that is that there's a major barbecue with the Prime Minister and cabinet on Thursday night in Saskatoon, and we would be in total agreement, if that is the reason, that we take Thursday night off.

I also know that the government intends to meet with the federal cabinet for one hour as reported in the press. Whatever hour that is that the cabinet want to meet, we would be in agreement with not sitting. So whatever the point is that you need to make, we would agree to it.

But I'll tell you that the schedule of the federal cabinet in Saskatchewan, on PC stationery, which tells where they're touring in the province, we are not in agreement with the three-day political tour instead of working in the Assembly. But if it's for the one hour planning meeting, we are in agreement with them taking the hour off, or if it's Thursday night for the barbecue, take it off. But I'm saying we're not in agreement with a three-day political tour to try to bolster Mulroney's failing and . . .

**Mr. Speaker:** — Order. Order, please! The member is debating a motion that was withdrawn from the floor. Order, please. The member rose on a point of order, not on a speech and a suggestion-making process. Why is the

member on this feet?

**An Hon. Member:** — I want to speak to the point of order, Mr. Speaker.

**Mr. Speaker:** — No. There's no point of order there.

(1545)

## GOVERNMENT ORDERS

### COMMITTEE OF THE WHOLE

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

#### **Clause 1 (continued)**

**Mr. Lingenfelter:** —Mr. Minister, I would want to go back to where we left off last week when we left, I believe, Bill 56, which basically sells off a number of assets of the P.A. pulp operation. It includes the pulp-mill and the chemical plant in Saskatoon and a sawmill and 7 million acres of prime forest land. And in this schedule that you sent across to me a week ago Thursday, part of it clearly indicates that if earnings are negative, that those earnings — or in layman's terms, the losses — would be written off against the debenture owing the people of Saskatchewan.

You referred to a cap that may be in place. Now we're not accepting your argument, because when we were asking about it on that particular Thursday night, you gave no indication of a cap. In fact, you made the argument . . . in fact, you inferred that the amount of the losses should be written off. And then a few days later you come back and say there may be a cap.

I wonder, today do you have any firmer in your mind what the signed agreement would say in that regard, whether the signed schedule B holds, where there is no cap; or your second argument, where there is a cap, and if so, what would that cap be on the losses that would be written off against the loan to the people of the province?

**Hon. Mr. McLeod:** — No, it's as I said the other day, Mr. Chairman. I said that there is a likelihood that there would be a cap. It's still under negotiation and will continue to be under negotiation for some days and perhaps a few weeks into the future, and that's exactly where the situation lies, as it did on Friday.

**Mr. Lingenfelter:** —I wonder if the minister could indicate, on behalf of the people of the province who are guaranteeing the loan or putting up the debenture, do you feel there should be a cap, or are you in a position to say whether you believe that all the losses that Weyerhaeuser may incur in the first three years should be written off against the debenture?

And just for a point of clarification, when we were starting out on this, you indicated that the debenture was for \$248 million. And in questioning I was asking, if it were 50 million a year loss for the first three years, the company, would they be allowed to write off that \$50 million loss

each year. And you indicated that they would be, which would make the loan, or the debenture, not 248 million after the three-year period, but 98 million.

And I wonder at this time, can you indicate to the committee what your position is, as the minister in charge of this much money — taxpayers' money, I might add. Are you proposing that there be a cap, and if so, what do you think the cap should be?

**Hon. Mr. McLeod:** — Well, as I said, Mr. Chairman, the subject of a cap is a negotiating point. Obviously there are two parties to the negotiation. Our side, or the government side in this negotiation, is clearly suggesting that there is one. But I can't say. I was unable to say then, and I'm unable to say now, whether there will be. I said there's likelihood that there will be a cap. It's clearly our position we'd like to see one. But as I said before, there are two parties to negotiation, and that negotiation is still going on.

**Mr. Lingenfelter:** —But I wonder if the minister could indicate his position, the position as the guardian or the member of the board of the operation that looks after the billions of dollars in taxes that the people of the province pay each year. I'm not asking you for the amount exactly, but can you tell me the range that you think the cap should be in? Obviously you've put something on the table, and at this point in time you must have put something out.

And it's not a matter of jeopardizing your position with the company. Obviously they already know — they already know what your position is, and I can't understand why you're being so secretive. Who do you think shouldn't know about the negotiating you're doing? The company obviously knows. You're not dealing with two or three or four companies; you're only dealing with one. They know what your position is. Why are you being so secretive with the people of the province? Why is it that you are unable to tell the people what you're able to tell an American company — what you're doing with their tax dollar?

And that's the difficult thing that people are telling us, is that they don't understand how the minister is so secretive with their tax dollars — where he's spending it, what he's giving away — and saying that he can't tell them because he's in negotiations with the company. Well obviously the company knows your position, so you're not hiding anything from them. And you're not jeopardizing your negotiating possibilities with them because they already know what you have on the table.

And what I would like you to clarify for the committee and for my constituents who are concerned about the drastic increase in taxes there have been under your administration, and I think the lack of confidence they have in your ability as public administrators, what are you proposing that cap to be to the U.S. forest giant, Weyerhaeuser? How much do you think that they should be able to write off against the amount they owe the people of the province?

**Hon. Mr. McLeod:** — Well, Mr. Chairman, I have said prior to this that . . . You know, the member says, what are

you being so secretive about? And what I have said is that the final negotiated agreement, the total agreement and all the schedules thereto, will be made public after closing of that agreement.

He says, why don't you want to negotiate here in the legislature? The point I make is that every single point in the negotiation . . . There are many separate points in the negotiation, each of which the two parties to the negotiation must come to an agreement on. And when they come to an agreement on point A, B, C, D, and in order like that, then the final agreement is signed.

That's what's going on now, the negotiation on the various points. The member know that clearly. He wants us to negotiate here in the legislature. Now clearly the negotiations will not happen here in the legislature.

As it relates to the cap, I have said that it's likely that here would be one. It's a subject of negotiation. I've said that. And clearly, if it's a subject of negotiation, that point is being made by our negotiators from the government side. So it's clearly my position that I would like to see a cap. Okay? That's clear, and I've said that the other day.

**Mr. Lingenfelter:** —The minister, I think, determines what he wants to negotiate in the House, depending on what the politics are. And you will remember, Mr. Minister, that when the Minister of Health was negotiating with the doctors, in Health estimates, he made no bones about laying out what the proposal was to the doctors — not a hesitation in any sense of the word. He said, this is what we've propose to the doctors, and they can either take it or leave it. And with the nurses, the same thing; and with the school teachers, and with your own employees, the secretaries that work in the Department of Social Services.

You seem to have one set of rules for the ordinary folk in the province, but when it comes to large, multinational corporations, you get down on your hands and knees, and you say, we have to hide these negotiations. Well there are many people in the province that believe the reason you're hiding it is because you're embarrassed about what you're giving away. They really feel that there shouldn't be any kind of a give-away in terms of writing off against the principal owing if there's a loss.

Can you tell me one other instance, if you're a farmer, or if you're a home owner, or if you own a small business, where, if you have a loss, that that would be taken away from what you owe the bank, or the farmstart corporation, or the ag credit corporation? Is there any other instance that you can refer the people of Saskatchewan to where a similar clause would be in place? Can you tell me one other instance, what other business that has this advantage? Is there one other one? An oil company? Anyone?

Is there one other area where, if you have a loss, it can be written off against the principal owing? Well the member from Weyburn seems to think this is perfectly in order, but I don't think there's one small business in his constituency that gets away with having a loss and then writing it off against the principal owing. I don't think that that's practised in business in the province.

And why the special deal for this American company? You may have a good explanation for it. You may have a very good reason for writing off \$50 million against the loan that the people of Saskatchewan are putting up if Weyerhaeuser loses 50 million. There may be a good reason for it. I can't see it, but there may be.

And can you tell me other instances for farmers — let's say in the constituency of Morse, that my friend and colleague from Morse had a loss in his hay field, that he didn't make any money on his hay this year — can a farmer write off his losses against the amount owing to the credit union or the bank or to the agricultural credit society? Which ones? Tell me the instances where that may occur.

**Hon. Mr. McLeod:** — Well, Mr. Chairman, the member clearly . . . He says why would losses be written off in the next . . . So what he's really saying by that, Mr. Chairman, is the following: maintain the status quo. That's what he said: maintain the status quo. Keep it as it is now, losing \$91,000 a day, which has been clearly demonstrated, \$91,000 a day since the very day at the end of 1980 when you guys, you New Democrats, bought the pulp-mill.

You decided that you should add it to the crown jewels, and you should add it to the great family of Crown corporations, and from the very day that you took it over, calculated out until the end of 1985, this enterprise has lost \$91,000 a day, Mr. Chairman. And that member stands there and says, maintain the status quo, keep the status quo, continue to hemorrhage money all over this province. That's what he says. That's what the New Democrats say.

And they went out this weekend, Mr. Chairman, they went out among the citizens of the province this weekend, and they got their ears pinned back by the citizens of this province about their position on this deal. They got their ears pinned back on the deal, and they know exactly what the people of the province think about this.

What the people are saying, Mr. Chairman, is the following: if you've got an enterprise that's losing that much, this famous family of Crown corporations which their philosophy will not allow them to let go . . . So what did we have here in this Bill, Mr. Chairman? We came along first reading of the Bill, second reading of the Bill, and they said a paper-mill would be a pretty good thing. A paper-mill would be a pretty good thing. But what happened in the interim, Mr. Chairman? What happened?

Here's what happened: their philosophy was right there, and when they came face to face with that philosophy, that big brick wall which does not let common sense prevail in any way, what do they say? They said, oh, the family of Crown corporations, the great jewels in our crown, are being jeopardized. These guys are actually going to make a good business deal. They're going to get rid of this hemorrhaging company. They're going to save the taxpayer some money.

That's when they looked at that and they said, we can't

allow that, because that's the Crown of the NDP. Not the people, Mr. Chairman. It's the people who are paying the money on a daily basis, and it's the NDP, the New Democrats, who will not allow it to go because it's part of their very being — owning every enterprise that there is in the province. That's what they want.

Well, Mr. Chairman, the people of Saskatchewan don't stand for it. The people of Saskatchewan don't stand for their position. And from a very politically selfish point of view, I and all of my colleagues are extremely pleased that they're in the position that they're in on this. We're pleased that they're in the position that they're in on this.

I heard the Leader of the Opposition earlier today saying that their energies may wilt as they go on into the summer here. I heard them say, let's sit in the House here for a day or two and then we'll be out of here because our energies may wilt. Well I'll tell you, Mr. Chairman, and I'll tell everyone of those NDPers over there and all of the people of Saskatchewan, the energies of this young government, led by the Hon. Grant Devine, Premier of Saskatchewan, will not wilt. Our energies are that we'll be here, and we'll fight this as long as they want to fight it, and they are on the wrong side of the issue, and the people of Saskatchewan are behind us on this, Mr. Chairman. And just hope they stay right where they are.

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

**Mr. Lingenfelter:** — Well, Mr. Chairman, I'm not sure what the minister's ranting and raving about. What I have a difficult time is when the ministers, whether it's the Minister of Health or this particular minister, get up and rant and rave. You always wonder what's behind it.

Why do you get up and rant and rave when we could carry on a reasonable debate and find out why this particular corporation is writing off their losses against what they owe? I mean, the simple question to the minister was, can you name any other businesses in the province?

And the minister, as soon as I sit down, if you've recovered from that red-faced ranting and raving you did, can you tell me any other business that can write off their losses against what they owe the bank or the Government of Saskatchewan?

**Hon. Mr. McLeod:** — Mr. Chairman, the member says, keep the status quo. He says, maintain that; maintain these losses at the level that they are now. He says, we in the New Democratic Party government of the day borrowed \$162 million — borrowed it from two chartered banks right in Saskatchewan. Two chartered banks — borrowed it; paid interest out. And here's the interest expense, Mr. Chairman, which the member want . . . which never came out, of course. They hid it over in the Crown corporations sector throughout their government. Here's the interest expense which has been borrowed on an annual basis to pay the interest on the money that they borrowed to buy a pulp-mill.

Imagine, Mr. Chairman, a government deciding that they should buy a pulp-mill. And they said to the people, we need this pulp-mill to add as one more jewel to the great

Crown. That's what they said. And the people said, how much are you paying for it. And they said how much they're paying for it.

(1600)

But here's the cost: 1981, the cost of interest alone, Mr. Chairman, \$36,063,731; that's in interest alone; and in 1982, \$29 million in interest alone paid out by the taxpayers of Saskatchewan to prop up the philosophy of the New Democratic Party.

But did they tell anybody about the interest they were paying? No. What did they say? It came from the Heritage Fund. What was the Heritage Fund, Mr. Chairman? The Heritage Fund was this — was that they went out and borrowed from two chartered banks in Saskatchewan, \$162 million, and paid that kind of interest.

Now, 1983, \$20 million interest; 1984, almost 21 million — \$20,960,673 directly paid in interest by the public of Saskatchewan in this losing proposition. And now what do they say?

And in 1985, just to complete the story to the end of that 1985 year, \$18 million paid out in interest by the people of Saskatchewan to prop up the philosophy of those New Democratic members over there who cannot get the blinders off and cannot understand that regardless of — they say — regardless of the costs, our jewels must stay in the Crown. That's what they're saying — regardless of the costs. The people of Saskatchewan will not stand for it any longer, Mr. Chairman.

So what do we have as an alternative? What do we have as an alternative to such extravagance by them? What do we have as the alternative to bleeding money, an operation, present status quo? The alternative is to have a paper-mill built by a major corporation who is willing to invest \$250 million into the economy of Saskatchewan and to take the risk. That company will do that. They'll build a paper-mill, something that the members opposite say, we'd like to see a paper-mill. Once they said that, but now they're saying we're not sure if we want to see a paper-mill. Keep the multinational Weyerhaeuser corporation out of Saskatchewan is what they say because that's the philosophy that has the blinders on them all. So that's what they say.

So what we're saying, Mr. Chairman, is the following: the status quo will not and should not be accepted by the public of Saskatchewan. We have an option which is a viable option which says a paper-mill will be built. The integrated facility will have an opportunity for the forest industry to live again, and what do they say? No, no, kill the forest industry. Forget about it because if it can't be done in our way — their way, the Crown corporation way — then it should not be done at all. That's what they say.

**Mr. Lingenfelter:** —Mr. Minister, I wonder if you could address yourself to the question of any other businesses or farmers . . . Is there any other example where people who have losses in their business can write it off against the principal? Are there any examples that come to mind?

**Hon. Mr. McLeod:** — Well, Mr. Chairman, just an answer

for the member. The income debenture route that we took is, and I'm informed by my officials here some of whom are involved in negotiation, that it's not an uncommon form of financing, especially in an industry like this where the value of the particular assets are dependent upon so many variables, and where the future of — in this case — the integrated facility is best able to determine that. And quite frankly, the income debenture route is what was suggested to us by the accounting firm which deals with PAPCO in the first place, that being Peat Marwick and Mitchell.

**Mr. Lingenfelter:** —I'm glad the minister has finally settled down because what I want to know is: can you give me some particular examples of where this kind of financial arrangement is made? Can you name some examples, over the last couple of years, and what deals would have taken place where the losses could be written off against what is owed?

**Hon. Mr. McLeod:** — Well I'm told that it's not uncommon, as I've said to you, that they use this sort of a method. What is uncommon, what is very, very uncommon is that there should be a wholly-owned government operation in this industry. There's no question about that. That's totally uncommon, and there's no question that we're breaking new ground, and the reason we're breaking it is because you guys bought it in the first place. We shouldn't be in this position, but we are.

**Mr. Lingenfelter:** —The minister fails to give any example of farmers or small-business people or large companies; whether it's in the oil industry or in any industry that I know of, I've never heard of this. And I've seen many, many agreements and contracts, but I have never seen an agreement where the losses could be written off against what you owe. Never.

And I want to say as well, is that when we talk about Crown corporations, everyone in the province will know that one of the first things the federal Mulroney government did in 1984 was to take over 1,700 service stations. And one can argue that the NDP are in favour of Crown corporations and the PC aren't, but everyone knows that's a goofy argument.

Brian Mulroney, your buddy you're going to meet with this week in Saskatoon, one of the first things he did when he became Prime Minister is buy all the Gulf service stations right across the piece in western Canada — 1,700 of them, I believe. And you can go on Albert Street now in Regina and buy Coke from that federal Crown corporation, and milk and bread. We would never have considered that because philosophically we were opposed to it. And this is how ludicrous that argument is,

Saskoil, when we were running it, never would have considered selling peaches and groceries as a Crown corporation. Here Brian Mulroney, the great free enterpriser, the guy you're going to meet with in Saskatoon, now owns the service stations along Albert Street. I mean, and your argument that the NDP want to own everything and the Conservatives want to give it back to the private sector, nobody believes that any more.



I mean, there are . . . I would say 90 per cent of the people in Saskatchewan believe that Sask Power and SaskTel should be owned by the people of the province, and that 50 per cent may agree that Potash Corporation of Saskatchewan should be owned by the people.

But I'll tell you, there are very few that agree with the Conservatives when they say we should nationalize the service stations on Albert Street. I mean, that's how far gone you guys are with power . . . (inaudible interjection). . . Well go and look on Albert Street. Petro-Canada and Gulf are now owned by the federal government, by the Tories. You went out and bought them.

I just want to ask the minister again whether he doesn't believe that a loan of this size should be paid back in the same way that a home owner or a business person would pay back in monthly instalments, so much of the principal and so much interest.

The way the deal was originally explained in Saskatoon was that there was a \$248 million debenture, 8.5 per cent interest I believe, to be paid back over 20 years. And some of us agreed with that. I didn't argue with that. I didn't think that was a bad deal. But that isn't the deal. You misled the people when you said that to them . . . (inaudible interjection). . .

No, because they don't have to pay it back. In fact what we're saying here, and what you're saying in the schedule, is that any losses that they have can be written off against the principal; that the interest only has to be paid if 12 per cent is made on the investment. And what I'm saying is that philosophically we should agree on one thing — that this deal be treated the same way as any small business or big business, repayment of the loan with interest be made in regular instalments.

And I wonder, Mr. Minister, if you wouldn't agree . . . Now you have told the people it was 20 years, but we have proven, or you've proven, that it's 30 years. Don't you think that the repayment should be on a particular date every month or every year, with interest, the same as you treat everyone else?

When you loaned out a billion dollars to the farmers of the province, you said, here's the repayment schedule — one payment every year for three years, equal instalments on one-third on the anniversary. That's all on the form and everyone signed it. There's no clause that if you have a loss that that will be written off against what you owe the Government of Saskatchewan. And why the unfairness of treating the multinational Weyerhaeuser, the American company, one way and the farmers or small-business people another. Like when Sedco goes out and makes a loan to a small-business person in Shaunavon, right in the agreement is the repayment schedule — so much a year plus interest and all the penalties if you don't repay it. The farmers who took out the loan signed an agreement that, if they missed their payment, the interest isn't 6 per cent, it goes to prime plus two. That's what the agreement says.

**An Hon. Member:** — Take the loan?

**Mr. Lingenfelter:** — No I didn't take the loan, but I'll tell you, this is what the agreement says.

**An Hon. Member:** — But that is a loan.

(1615)

**Mr. Lingenfelter:** — That is a loan. Well it is a loan. It's loaned to them by the people of the province. And what it says is that the interest rate is a maximum of eight and a half per cent. It can't be more. It can be nothing. And if there are losses, even the principal is written down.

Now this is a curious deal whether you agree with the Conservatives nationalizing service stations, or whether you agree with the NDP having pulp-mills or potash mines. They're quite separated. We could stand here and I could argue that Mulroney shouldn't have nationalized the service stations on Main Street in Regina and Shaunavon, but that's got very little to do with how this is financed. Like, I don't know. Do you agree with the service stations being owned by the federal government? Do the members in this room, the Conservative members — and Mulroney nationalizing them — do you agree with that?

I mean we could . . . (inaudible interjection). . . No, no he didn't nationalize the Gulf service stations; Brian Mulroney did. Seventeen hundred of them. Now I don't know if that's the debate here or not. I don't think it is. I think it's the terms of the agreement where you're selling the assets of PAPCO: a pulp-mill, a chemical plant, sawmills at Big River, and 7 million acres of prime forest land. That's the issue.

The issue isn't whether you agree with the federal cabinet buying up 1,700 Gulf service stations because I don't think that's the issue, or whether you agree with myself and Al Blakeney buying a potash mine. That may be the issue for some debate, and I agree it is, but it's not for today because the people in this province don't separate out that they're opposed to Crown corporations or they're in favour of them. I think the majority of people are in favour of Sask Power and SaskTel. I think if you had an election on that, whoever was in favour of them would win. If you said on potash, I think that probably we would split half and half. That's what I would guess. But if you said nationalizing service stations in Shaunavon — nationalizing service stations in Shaunavon which the federal government did, the PC government — I think 90 per cent would be opposed.

And that's one of the issues Brian Mulroney has gone from 52 per cent down to 31 or 32. That's part of it, because he chose to get into nationalizing service stations and food stores. That's what he chose to do, and nobody agrees with that. I don't agree with that. I issued a press release when he did it, saying I was opposed to it. I'll tell the world I'm opposed to it because I don't think the federal government or the provincial government should get into the retailing. I don't believe it.

Now I don't know whether we should be arguing about . . . (inaudible interjection). . . Well the farm land, you can argue whether you're selling any. You're now in the driver's seat. You have millions of acres of farm land. You have millions of acres of farm land that you're not selling, so you must believe in it. And the former minister of

Agriculture, before he got turfed out, didn't sell any of it. He kept it going.

Now I say to the minister: do you believe that it's right that this American giant shouldn't make regular payments with interest? Do you agree with that principle?

**Hon. Mr. McLeod:** — Mr. Chairman, a couple of points. The member talks about Petro-Can, and the purchase by Petro-Can of Gulf stations, and so on. I would ask the New Democratic member, and I would ask him where he and his cousin in Ottawa and the rest of the New Democratic members will be when Petro-Can moves toward privatization. We'll see where you are. We will see where you are.

The member misleads by saying that this is a loan. He says that this is a loan to Weyerhaeuser. It's not a loan. It is not a loan. This is a debenture which is, in essence, a mortgage on the assets which are in place. Okay? The assets are there and they're in place. The assets are in place and they're sitting in Prince Albert.

Now where will these assets go? Mr. Chairman, what the member suggests is that the assets will leave Prince Albert, or leave Saskatchewan, the assets being a pulp-mill which is in place and operating. And so for him to say that it's a loan, and compare it to a loan and repayment of a loan, is not true.

So I make that point. The risk in this case is taken by Weyerhaeuser. The risk will be taken by Weyerhaeuser in terms of the building of the new paper-mill. The assets are in place that are there now, plus they will be adding to those assets with the construction of a paper-mill. Where, I ask the member, is the risk that will be taken by government other than the risk which the public of Saskatchewan had when they purchased it all, and in terms of the money that's been lost up until this point? There was great risk in that, and I've outlined for the House and people have seen now the numbers.

As it relates to just the way in which . . . the member asked for some examples of how some of these kinds of things can happen. I just read him an article. This is from the Prince Albert Herald of April 24, '86. The headline is the following: "Money-losing Crown firm unloaded by Manitoba — the NDP government of Manitoba."

The Manitoba government has given a Dutch bus company \$3 million and agreed to the possible loss of some jobs to have Flyer Industries, the biggest money-losing Crown corporation, returned to the private sector.

And I'll go on to quote another portion:

Under the agreement Manitoba will provide Den Oudstin with a \$3 million loan that is forgivable after three years if the company adheres to a business plan that includes keeping Flyer in Manitoba and maintaining a work-force of about 250.

Now at the very bottom of the article, under the headline, "Still responsible" — this is the Manitoba Finance

minister at that time, Eugene Kostyra. Kostyra said:

The province would have lost 56 million by shutting down the bus plant immediately. Under the sale to Den Oudstin, it will still be left with a \$56 million loss when the sale of its shares and disposal of its assets is balanced against the financial commitments it retains.

Mr. Chairman, the member asked for examples. Those are your cousins to the east of us. What I'm saying to you is, there are no examples that you can use in an industry that we're dealing with here, in the pulp industry. We have a wholly-owned government pulp-mill which we are moving to the private sector and having an injection of money, as I've said so many times before, from the private firm, Weyerhaeuser Canada. And that injection of money will bring to this province for the first time — for the first time — a paper-mill which has been talked about in the forested area of the province for many, many years, back as far as . . . I'm not sure, but I know back as far as 1955 or '56.

**Mr. Lingenfelter:** —Well, Mr. Minister, I had asked you about the principle of a repayment schedule where there would be a monthly or an annual instalment payment on the principal owing plus interest. Because this isn't included in the schedule B which you have given to us. It's a very technical document which basically says that the debenture doesn't have to be repaid, and in fact in the first three years that the principal can be written down by having losses, that the losses can be written off against the principal.

I suppose quoting from an NDP government in Manitoba seems like an interesting place for you to be getting your leads from. But what I want to ask you is the principle of having an annual or a monthly instalment, like a home owner or a small-business person would have.

And I'm sure the member from Prince Albert, when he had a plumbing business, when he went to the bank he had a schedule of loan; and the farmer who got loans from Ag Credit Corporation down in my constituency had a plan to repay it. On the anniversary of his loan from the Ag Credit Corporation, he paid one-third of it back plus 6 per cent interest; and if he missed the interest payment, the interest then went to prime plus one at the Bank of Montreal, whatever that was the term to be for that time period, and there was interest on the interest.

Here we have a loan set out where there's no interest on the interest if interest payments are missed. I'm saying, how can you say this is fair, when the farmers on the one hand who have taken money or borrowed money from the provincial government have an agreement where there's repayment schedule — one-third every year on the anniversary date plus the interest; and if the payment isn't made, the interest isn't at 6 per cent, but it goes to prime plus one, and there is interest on the interest owing — now how do you satisfy, when farmers are in the desperate situation they are, that they're treated in the one manner, and Weyerhaeuser, an American corporation, is given what we are calling a sweetheart deal?

I'm talking about the deal you're making, not the

principle of whether Tories should buy service stations or NDPs should buy potash mines. That's an interesting debate, and I'd enjoy very much at some point getting into it because I don't believe that government should own service stations. That's my public position; I issued press releases. I do believe that we should own and have an interest in oil and in potash. That's where I draw the line. Conservatives obviously think we should own service stations or else you would have fought it — or else you would have fought it.

That's a fine debate to have — the role of the public sector in the economic development of the country. We can talk about West Germany and Austria and other countries that have used the public sector . . . (inaudible interjection). . . Well, land bank you know. North Dakota and some of those radical states in the United States have land bank. The wheat pool, that radical organization, is now promoting land bank. And that's a good debate as well. That is a good debate, but it's got very little to do with the details of this particular agreement — it's got very little to do with it.

What I'm asking the minister is whether or not he agrees that there should be a schedule of repayment similar to what farmers are having to deal with with the Minister of Agriculture in terms of the ag credit corporation. I wonder whether or not you can now outline what you believe the schedule of repayment should be because I think it should be so much a month, in the principal and interest, and if the interest isn't paid then a reasonable amount of penalty go against it. That's the normal procedure.

And the member from Morse will know very well because I'm sure that in his business of running a farm, a small farm, which all of us agree is small business, that we don't have the luxuries of having our debt owing or the losses owing at the end of the year written off against our principal. It would be nice. Or if a home owner, if he missed some payments during the year, that that would write his principal down. We don't have that luxury.

What I'm saying: don't you think it would be a good idea to have a schedule repayment which would include a proper amount of principal each month, plus interest, to this American forest giant?

**Hon. Mr. McLeod:** — Well, Mr. Chairman, I've outlined that it's an income debenture which we're dealing with, it's not a loan, as the member continues to suggest. That income debenture is the method used to determine the value of the assets through the future income, through the performance of the combined assets, those combined assets being the pulp-mill which is now in place, and the paper-mill which will be added to it. So those combined assets will bring life to the industry and with that will be more opportunity to make profits. And those profits will determine the value of the assets, and that will help us to determine the value of the assets. It's very difficult in that industry to determine what that value is.

Certainly leaving the status quo, as the members opposite have continued to suggest, is that we continue to lose money on a stand alone pulp-mill — continue, that's what they want — keep a stand alone pulp-mill, continue to lose money at a tremendous rate. And who is losing the

money? And it needs to be pointed out once again, Mr. Chairman, the public of Saskatchewan is losing that kind of money. It's very, very important that we arrest that as quickly as possible, and that's what this deal is doing.

**Mr. Lingenfelter:** — Well, Mr. Minister, you can argue about whether or not the P.A. pulp-mill is losing money, and that's a fair argument; you can make your point, and we'll make ours. But I think what is most ridiculous is Gulf Canada, who is losing money on their service stations, selling it to the taxpayers of Canada. I mean, tell me about it?

I know why Gulf was selling off that portion of the corporation, and why the brothers in Montreal wanted to get rid of those money-losing service stations, and they saw a sucker coming when the federal government, PC government was elected federally, and you grabbed them. You and your colleagues in Ottawa grabbed those money-losing service stations, and the principle that you're arguing is a phoney one. What we're talking about is the agreement you're making — the agreement you're making.

Now I lost money on my farm the last two years. Using your philosophy, we should now give my farm away. That's what you're saying. Or Dome Petroleum has lost money for five or six years. You think that board of directors is going to give their oil company away if they go out? Of course not. That is the stupidest argument that anyone could ever make. It's childish. It's beyond belief that any government or any board of directors would say, because I lost money for a year or two, I got to give it away. Obviously the equipment is worth something; the forest rights on seven million acres is worth something. You could have got some money for the deal.

Take your point of view that it was losing money. Take it that it was losing money. Don't you think you could have got something for it even though it was losing money? Like my farm has lost money for two years.

**An Hon. Member:** — Who owns it?

**Mr. Lingenfelter:** — Who owns it? I own it. It lost money, but I'm not going to give it away, nor do I intend to give it away, nor would I have to give it away. But what you're doing with this corporation, based on your argument that it's losing money, is you're giving it away to an American corporation. I think that's a bad deal. It's a bad deal; that's my argument.

Philosophically, you can argue where I draw the line on Crown corporations. I don't think the Conservatives should have bought the Gulf service stations. I don't think that the PC government, federally, that was elected on a platform of free enterprise, should have bought 1,700 service stations. I don't think that I should go to the grocery store down there, owned by Gulf, as a taxpayer, and fund it. I don't believe in that. I simply don't.

But I'll tell you, for the member for Regina North or Regina South or wherever he's from, he now has a couple of service stations. He now has a couple of service stations. He may get a job working for the federal government, pumping gas to the constituencies after the

next election, because he'll be able to get a job in the service station working for the federal government as a result of Brian Mulroney's incursion into that private sector area. They're now retailers of gas. They sell milk and bread, this right-wing, "philosophically opposed to Crown corporations" PC Party. They now bought up 1,700 service stations.

(1630)

But I say that I just think that this Weyerhaeuser should be making regular repayments to the people of the province who are putting the money up so they can buy this asset we already own. I think they should be making repayments.

And to that end — and I'll send a copy of the amendment across to the minister — that here is an amendment that would deal with that issue. This amendment would amend section 1 of the printed Bill and add the following section after 1 of the printed Bill, and would say:

Notwithstanding any agreement or arrangement with respect to the sale of assets of Prince Albert Pulp Company Ltd. and Saskatchewan Forest Products Corporation in exchange for a \$248,000,000 debenture from Weyerhaeuser, all principal and interest owing to the Province of Saskatchewan with respect to that debenture shall be paid in equal monthly instalments within 30 years.

And basically, Mr. Minister, what that would do is set out a schedule where the company would be obliged to pay in instalments, every month, a certain amount of money — equal instalments for 30 years — and that that be set in place and written in the Bill so that the taxpayers of the province would understand that there was no special treatment being given to this American forest giant than to our farmers or small-business people or people in the oil patch who have a service industry.

**Hon. Mr. McLeod:** — Mr. Chairman, what the member clearly — and I have made the point a couple of times — but he clearly doesn't choose to understand, and I'll be charitable and say that he does. But I believe he understands and does not choose to understand that what this income debenture is, what the income debenture will allow us to do — us being the people of Saskatchewan, those who have been losing tremendous amounts of money on this asset that's there now — and that is what we have an opportunity to do, through using this vehicle, is to maximize the value of the present assets, being the pulp-mill and so on.

And that's the only way. We have to be able to bring those assets to some maximum value, whatever that might be, and that will be determined by the profits which will come from the combined operation, that combined operation being pulp-mill and paper-mill which in itself, the combination of those two operations in themselves, will give us an opportunity in this province for profits to be made from the forested area.

So, Mr. Speaker, as it relates to the amendment, this is clearly another stage in the little saga that started on

Friday when they moved an amendment. What they clearly want to do, what the members of the NDP clearly want to do, is negotiate the deal, which clearly can't be done here in the legislature.

I have said those negotiations are ongoing. They are hopefully coming to a close at some stage in the very near future, and we cannot negotiate it in here. It's clearly another example of some very political posturing by the NDP.

On that basis, Mr. Chairman, I would ask all members to reject the amendment put forward by the member from Shaunavon.

Amendment negated on the following recorded division.

#### Yeas — 8

Blakeney	Koskie
Tchorzewski	Lusney
Engel	Shillington
Lingenfelter	Yew

#### Nays — 28

McLeod	Muirhead
Lane	McLaren
Pickering	Parker
Hardy	Johnson
Folk	Young
Myers	Hopfner
Hepworth	Weiman
Dirks	Rybchuk
Sandberg	Caswell
Klein	Meagher
Currie	Muller
Martens	Baker
Maxwell	Glauser
Smith (Moose Jaw South)	Swenson

**Hon. Mr. Blakeney:** — Mr. Chairman, I want to ask the minister what he anticipates the financial results will be over the new few years. He has given us some indication of what he says the financial results were during the last several years, and I want to see if we can project that forward.

I won't deal with the interesting aspects of sessional paper 131 which has a projection of losses on the Prince Albert Pulp Company Ltd. But he has figures for 1981, '82, '83, '84, and '85. And he indicates that there was an interest loss in each of those years based upon some projection of what the cost of the shares would have been and the interest on the cost of the shares.

I don't want to question the method of calculation. I would and could, but that's not the purpose of my comment now.

What I want to do is ask the minister . . . and I hope he is following what I'm saying here. He's got a column of annual interest expense, and he gives years for 1981, '82,

'83, '84, '85; '86 might be a difficult year but perhaps he can do that. Could he give me an estimate of what the situation will be in 1986, in 1987 and 1988? Would he have any reason to believe that the amount would be very much different than 1985? In 1984, he says it's 20.9 million; 1985 he says it's 18 million.

I presume those differences come about because of different imputed interest rates. It's a highly . . . I was going to say artificial — but calculation anyway. I don't mean to get him upset with that word artificial. Isn't it so that the losses in 1986 and '87 and 1988 and 1989 will be about the same as they were in 1984 or 1985 if interest rates are the same. Assuming interest rates are the same, those losses will continue on.

**Hon. Mr. McLeod:** — Yes, I think that's fair to say that would be the case and the reason being that there's no compounding of interest in the numbers provided.

**Hon. Mr. Blakeney:** — So that whatever maybe have been the lack of wisdom of the earlier deal of the purchase of the shares and the interest expense which has, according to the minister, continued to be borne, that will continue and the Weyerhaeuser deal will in no way help us until money starts flowing back from Weyerhaeuser in significant amount. If we lost 20 million or 18 million by his calculation of loss in 1984, it will be the same in 1994 unless substantial sums of money are rolling back from Weyerhaeuser. So the Weyerhaeuser deal in no way cuts down on that loss.

For those who feel that the sale to Weyerhaeuser will cut these losses that the minister has with such ingenuity calculated, I just want to point out that there's no reason to believe that the loss will be any less in 1994 than it will in 1984 unless interest rates should go down, the way this is calculated.

I just want to make that point and I'm glad that the minister concedes that point, that to the extent that the loss is made up of interest on money borrowed to buy shares, that loss is going to continue, and continue until significant amounts are received from Weyerhaeuser.

The minister made clear in the last debate — and I don't intend to revive that — that the nature of this transaction was not a sale with a fixed repayment term, but a sale in which the seller got something of the future profits, if any. That's how he described the income debenture. And there is no anticipated profits at all, I think, for several years at least, at least until the paper-mill is built, and indeed the agreements, we are advised, provide specifically for what happens if there are losses.

The point I want to make is that, to the extent that the losses are made up of these interest calculations, they are not really affected by the Weyerhaeuser deal. If those are losses, they will continue. And I say, if they are losses — obviously, in one sense of the word, they are a loss.

If I buy a business and I put in \$10,000 and I don't get anything back, I think I've lost \$10,000. The minister feels I've lost 10,000 when I put it in and another thousand because of the interest in the next year and another thousand in the next year, and 40 or 50 years hence I'm

still losing money, according to the minister. This is how this is calculated.

This is relatively imaginative accounting, and I don't think it makes a great deal of sense. But if it makes sense to say that we lost that money in 1984 and 1985, my point is that the Weyerhaeuser transaction, the losses are going to continue in 1988, in 1989, and '90 and '91 and '92 and '93. Nothing in this deal will stop the losses, so-called.

That's point number one, and I don't think that the minister can gainsay that. That, I think, is right. So that if that calculation, if that comment is not agreed with by members opposite, I'd like them to take the figures and work out any other conclusion, because that's what's going to happen.

Now with respect to the annual profit and loss of PAPCO, that is . . . he says over five years it was 42 million; if he added in 1980, it would have been about 15 . . . somewhere around 15 million? And that is a business loss but not a cash loss. During those period — well just take the five years and your figures of \$42 million over five years — the depreciation charged would be about \$75 million, and unless addition . . . except to the extent that capital was reinvested, there was no cash loss; except to the extent that capital was reinvested, there was no cash needed to finance that loss.

Now we all know that depreciation is, in fact, an expense, but it's a different kind of expense; indeed the income tax people call it a capital cost allowance because it may never be suffered. Now lots of things are bought and sold for more than they were bought, even though depreciation is charged.

So I want to make those two points; one, to the extent that this deal is put forward as one which will cut down the losses, it doesn't cut down any of the losses associated with the interest on the shares because they're still going to be there, all of them; to the extent that it's supposedly going to cut down the operating losses of the pulp-mill, those had not been a cash drain on the government . . . (inaudible interjection) . . .

Well, I would be delighted if you'd get in and indicate what is wrong with this line of reasoning — what is wrong with it — because it seems to me that these are relevant and germane points. It seems to me that it's useful to point out to the public that, while this sale may be a good sale or a bad sale, depending on its effect on the forest industry . . .

Thank you, Mr. Chairman. I wonder if the minister agrees that the interest losses will continue until significant amounts of money are received from Weyerhaeuser, if at all, and I wonder if he will agree that except for reinvestment — new capital in the pulp-mill — the annual losses of PAPCO have not involved any layout of cash by the Government of Saskatchewan?

**Hon. Mr. McLeod:** — Well, Mr. Chairman, the member . . . Looking down the column which he referred to — annual interest expense on the cost of shares, and going through the various years — and I made the point that I agreed with him that in . . . at least the projections of

interest rates stay the same, '86-87. The projected losses in those areas would be similar to those that are indicated on the sheet.

The other point that I would make, and where I'm at a divergence of opinion with the member, is that he says, keep this as it is, don't do this deal; and we say, do this deal with Weyerhaeuser, because at the point at which Weyerhaeuser pays interest on the debenture, from profits on the combined operation, which is the only possibility of profits to be made in that industry, with that combined operation — we made that point before — that at least that's the point where we, being the public of Saskatchewan, can arrest the losses that are being drained off at the present time in that form of that interest loss.

And so we have said, let's get on with this. We have a deal which is good in that sense, and which gives us the option, the people of Saskatchewan, the option to arrest those losses which will be ongoing, not only in '86 and '87, but ongoing for a good long period of time. And probably there's more likelihood of them being ongoing for a very long period of time with only a stand-alone pulp-mill in today's market dealing, dealing with a stand-alone pulp-mill which is not a paying proposition, or is it projected to be a paying proposition into the future.

I understand the member from Assiniboia-Gravelbourg wants to introduce some guests, Mr. Chairman.

#### INTRODUCTION OF GUESTS

**Mr. Engel:** — Thank you for the indulgence of the House. Mr. Chairman, I'd like to introduce a very special guest to our family; it's my mother-in-law who is visiting us from California. And I would like the members of the legislature to extend a welcome to her here, Kathryn Baumbach is here from Lodi, California.

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

The committee reported progress.

The Assembly adjourned at 5:06 p.m.

**Corrigenda**

In the *Hansard* No. 71A FRIDAY, JUNE 27, 1986, 10:00 a.m.  
on pp. 2383 near the end of the page and 2384 near the  
beginning of the page, instead of Mr. Chairman please read Mr.  
Speaker.

On page 2385 in the second last paragraph in the left hand  
column please read SDOs (scheduled days off).

[NOTE: The online version has been corrected.]