

EVENING SITTING

COMMITTEE OF THE WHOLE

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

**Clause 1 (continued)**

**Mr. Lusney:** — Thank you, Mr. Chairman. As I was saying before 5 o'clock, Mr. Chairman, the minister refuses to answer any of the questions we ask him, and he continues to say that his government provides every bit of information, that they believe in being an open government. Well, Mr. Minister, if you want to be an open government and to let the people know what is happening and what you're doing, how you're spending their money, then what you should be doing is answering some of the questions that you are being asked and provide some of the information.

When I asked you the question about the roads in the forest area, and who was going to look after them, and what kind of agreement you had with Weyerhaeuser, Mr. Minister, you went on to ignore that question and to talk about an agreement that was made, or a loan that was made prior to your being government when PAPCO was first bought.

Well, Mr. Minister, even when you talked about that loan that you referred to in this House, you would not table any of the documents. You would read parts of that agreement and you know very well that that was only an interim financing kind of arrangement. But you would not send any of that information across. Now some of your members are hollering from their seats saying that this was an arrangement that was made and money was borrowed.

Well, Mr. Minister, you can have all your members on that side yell and scream all night if they like, but the facts are that you have some information there that you won't send across and that you don't want the people of Saskatchewan to see. You don't want the taxpayers of this province to see it, because if they did see some of that information they would know what the truth really is, Mr. Minister. And that's why you won't send that information over.

And you can have members like the member from Moosomin said to me once before, that he would put a sword through me. Well, Mr. Minister, your members can say anything they like and it doesn't frighten me. It doesn't frighten me because I am here on behalf of the people of Saskatchewan, and we're here to try and get some of that information out. We would like to know . . . We would like to know . . .

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

**Mr. Lusney:** — Thank you, Mr. Chairman. Mr. Minister, we are here to get the information out to the people, so that the people can make a decision on whether this is a

good deal or a bad deal. From the information that we've had so far, it appears it's a very bad deal, Mr. Minister. And unless you provide us with different information, we only have to assume that it is a bad deal. You keep saying that it's a good deal.

**An Hon. Member:** — It is.

**Mr. Lusney:** — Well if it is a good deal, we're prepared to accept that. But table that information or send it over to us, so we can assess whether it is a good deal. And if it is a good deal, then you'll have no problems. We can get this finished with in a hurry. But you refuse to send information over. You just make statements; you make statements that really have no truth to them. And you won't present any documentation to prove that your statements are correct.

Mr. Minister, you say that this deal to Weyerhaeuser is such a terrific deal for the taxpayers of the province. Well, Mr. Minister, if it's such a good deal, why didn't you offer that deal to some of the people from Saskatchewan? We've got in northern Saskatchewan anywhere from 40 to 60 independent foresters. Did you go to those independent foresters and say to them, look, we got a mill that we want to give away. We'll put on paper that we're going to sell it to you, but if you guys lose any money in the first three years, we're going to write it off the principal.

Or if we don't want it as a government, why didn't you go to the independent foresters and say, look, all of you take this over as shareholders; run that mill and try and make some money. And, Mr. Minister, I can assure you that those people, they are private individuals that have been operating in that forest for a long time and they know how to make a buck. They know how to operate in that forest, because they have been given nothing but scavenger type of forest.

Mr. Minister, he says, am I going to talk about independent foresters. Well certainly, Mr. Minister, I will talk about independent foresters because, Mr. Minister, you can holler from that side if you like. Those independent foresters are good operators and they have been creating employment in that part of the province.

You talk about 160-some people that you are going to create jobs for with Weyerhaeuser. Well, Mr. Minister, when we're talking about 40, 60 independent foresters, they would create those 160 jobs without being given \$248 million, plus another 83 million. When you're looking at about 330 million in total, Mr. Minister, it wouldn't have taken that much for those independent foresters to create those jobs.

But you have not offered any of those people that kind of money. You have not offered that to manufacturers, Mr. Minister. We've got manufacturers and processors in this province that have been having some problems and some have loans from Sedco, but did you say to them that if you have some losses you can write that off the principal? And if you don't make a certain amount of profit, that you don't have to pay the interest on your loan?

No, Mr. Minister, you didn't say that to the manufacturers or to the processors in this province. But you do have money for people like Pocklington or Weyerhaeuser. You have money for those kind of people, but you don't have for the smaller operators.

Then you go around the province saying that you are concerned about the small operators in this province; you are concerned about the economy of this province and how it's going to get built with a Tory government.

Well, Mr. Minister, four years, going on five years, has shown exactly how you intend to build this province and how you intend to improve the economy of it. You've created a deficit that has been unheard of in this province — \$2 billion in the budget alone. And, Mr. Minister, I would say those figures are very conservative — if you want to use that phrase — very conservative figures when you're looking at \$2 billion. I would say that before this year is up, it's going to be an awful lot more than that.

That's what is happening in this province, Mr. Minister, since you have been the government. There aren't any of those people. The small-business men, the farmers, the small manufacturers — none of those have profited from any deals like you're offering to Weyerhaeuser. None of them have received that kind of benefit.

I have had farmers in my constituency saying to me . . . and not only farmers; I have even had some teachers. Yes, you may say that they're saying I'm done. Well I guess when you call the election, we'll find out. I guess we'll find out when the election comes about.

Mr. Minister, you can be as arrogant as you like on that side of the House, but that won't win you an election because the people in that constituency, and I'm sure in every other constituency, are saying that if this government can afford to throw away taxpayers' money the way they are doing now, and to offer Weyerhaeuser \$248 million worth of a plant, of a pulp-mill, and virtually giving it away to the, and then giving them another \$83 million for a so-called paper-mill that we have no assurance is going to be built as yet. We have no assurances of that.

Well, Mr. Minister, they are saying farmers are in trouble today too. And there is a lot of Crown land around. Why doesn't this government say to the farmers, here's Crown land; we'll sell you this land at a given price, and if you make a profit on it, you can pay back that land — you can pay for it. But you've got to make a profit on it before you have to pay for it. And if you don't make that profit, you don't have to make the payment nor do you have to pay the interest. That's what you should be saying to the farmers, because that's the deal you're offering to Weyerhaeuser. But you certainly have not given that deal to the farmers of this province, Mr. Minister.

And that isn't only the farmers I think just about every business man in this province has been saying the same thing. You have all kinds of money for the Peter Pocklingtons, for the Weyerhaeuser, and for anybody that wants to come into this province from the States or anywhere else . . . (inaudible interjection) . . .

Now the member for Regina North, or Regina South — North, South, whichever it is — is saying that the people aren't saying that. Well, Mr. Minister, I'd like to tell that member for Regina North-South that the people are concerned about the give-aways of this government. They are concerned about the expenditures of this government where it has no regard for the taxpayers' dollar. It simply is prepared to give it away and then say to the taxpayer that we can't afford to operate without raising your taxes. And it's not only happening in Saskatchewan. We see exactly what's happened in Ottawa. They believe in the same kind of give-aways, and now they're saying, we've got to increase your taxes. Well, Mr. Chairman, I would say that that is exactly what's going to happen here.

They can continue to say that we're creating all these good deals for Saskatchewan and for the taxpayers of Saskatchewan, but in the end, somebody's going to have to pay for it. You can only give so much away until the time comes that you have to pay for it. And, Mr. Minister, when that time comes, then that government is going to say to the taxpayers, we've got to increase your taxes because somebody has to pay for it.

And the people are starting to realize that, Mr. Chairman. They are starting to realize that and they know exactly what this government is doing. they know that when a government starts to give something away, that it's not going to be able to operate very long without the people feeling the effects of it.

And, Mr. Minister, you have been giving money away in this province for over four years now, whether it was Manalta Coal or any other multinational; whether it was Peter Pocklington or Weyerhaeuser, you have been giving it away to them.

When the farmers asked for something, you didn't have the money . . . (inaudible interjection) . . . And some of the members are saying, how can you say it? Well they can holler from their seats, how \can I say it, Mr. Minister, because it's not difficult, because when you compare what has been given to Weyerhaeuser and what has been given to the farmers, it's not very hard to distinguish between the two.

(1915)

One is a loan that they have to pay back at 6 per cent interest over three years, and they have to pay it back over those three years. They have no choice. But Weyerhaeuser has 30 years to pay it back, and if they don't make a profit, they don't have to pay for it. But I don't remember seeing anything in the legislation that was put before this House regarding that loan to farmers. I didn't see anything that said that if the farmers don't make a profit on their farm this year that they don't have to pay it back, and if they have a loss, that they will be able to write it off, the amount that they borrowed from the government. No, it doesn't say that.

**An Hon. Member:** — What about small business?

**Mr. Lusney:** — Small business is in the same situation. They have 9 per cent loans for small business. But, Mr.

Minister, those small-business people have to make their payments or they have to close their shops.

And I have a processor in my constituency that has some problems financially. But is Sedco saying that, because you've had some losses, you don't have to pay your money back? No, Sedco isn't saying that to my business people. And they're not saying that to any of the business people in this province.

But when it comes to people like Weyerhaeuser or Pocklington, then there is no problem providing money for them. It goes in the millions and the hundreds of millions. And that, people are starting to realize. And, Mr. Minister, the people aren't going to allow you to get away with give-aways like what you are proposing.

Now I know you're going to go into another one of your harangues. But I still would like to know what you have in the agreement regarding the roads in the forest area. It's quite evident that you're going to give this away to Weyerhaeuser. You're going to give them the pulp-mill and you're going to give them the chemical plant and you're going to give them the sawmill at big river. That's quite obvious you're going to do all of that in return for a so-called, in your words, paper-mill. You're going to give this away to them.

But what about the roads? Are you also saying the Department of Highways, with the kind of budget that they have and the kind of highways that we see in this province that are not fit to drive on, are going to have to maintain the roads in that forest? Mr. Minister, I would like you to come forward with a clear answer as to who is going to be looking after the roads in that forest area. PAPCO looked after them before. Is the government and the taxpayers, or the Department of Highways going to have to look after them now?

**Hon. Mr. McLeod:** — Well, Mr. Chairman, the member asked several — or he alluded to several aspects of this deal in his remarks. One of the things that he alluded to was something that the member from Regina Centre alluded to earlier, before supper tonight, regarding the source, the original source — and I think it goes right back to the heart of the matter here, goes to the very heart of the matter here. The member from Regina Centre this afternoon and then the member from Pelly just a few moments ago suggested . . .

**An Hon. Member:** — You're not going to give us the documents, are you.

**Hon. Mr. McLeod:** — . . . suggested that there was no borrowing — you'll get them — in terms of the \$162 million which the former government paid. That's what he said; he said there was no borrowing. And then he said something to the effect that, if there was any borrowing in the latter months of 1980, if there was any borrowing, it was merely bridge financing which was in fact paid off before the end of 1980 year. He used as a source, he said, the Crown investments corporation annual report for the year 1980, Mr. Chairman . . .

**An Hon. Member:** — Who was the board then?

**Hon. Mr. McLeod:** — Oh, the board of directors at that time, for members of the committee, I could relate who they were. Board of directors at that time were the Hon. Elwood Cowley, chairman of the board; Hon. Allan Blakeney, Hon. John Messer, Hon. Walter Smishek, Hon. Ted Bowerman, Hon. Eiling Kramer, Hon. Don Cody, and Hon. Ed Tchorzewski. G.H. Beatty was there and secretary of the board was R.M. Sherdahl.

Now the member from Regina Centre used this annual report as evidence that there was no bank indebtedness in that amount. But on page 17 of that annual report, bank indebtedness — I take you to that line; I know the member has a copy of the report in front of him — bank indebtedness went up by something in the order of 256 million. And what I suggest and what I am saying to the House and to the committee, Mr. Chairman, is the following: what I'm saying is that \$162,370,000 which they borrowed was in that amount, that \$256 million — it was in that amount.

What I'm also saying, Mr. Chairman, is this: that the members of that New Democratic Party, through all of this time since 1980 until now — and it's today that the truth comes out — they have said that they paid for that 70 per cent, that 162 million, out of the Heritage Fund. They said that; their leader, the Leader of the Opposition has said that; the member from Regina Centre said that, this day in the House — this very day. The member from Pelly stood tonight and suggested that there was no borrowing, the fact that there was no borrowing, and he said if there was any borrowing . . . He alluded to the same argument that the member from Regina Centre had, that if there was any borrowing of the \$162 million it was only bridge financing which was paid back before the end of that year. That's what they said. Now that's clearly on the record, Mr. Chairman.

Mr. Chairman, what I am contending is the following. I contend that:

CIC borrowed \$2163 million or thereabouts in December of 1980 to finance the purchase of PAPCO. This was split between the Bank of Montreal, (\$80 million) and the Bank of Commerce, (\$83 million).

These loans were due on April 19th, 1982, and they "should be renewed," is what it says here. This is a little memo that I'm reading from now. I'm quoting. All of this that I have said here is a quote.

We can get a better deal by giving all of it to the Commerce.

And in brackets:

(The Bank of Montreal wanted to up the rate on us). The Department of Finance agrees with this change.

And then the fourth point:

The Board will not be meeting in time to consider the extension, so I recommend that you approve it for the Board at this time. The terms will be: up to

\$165 million temporary loan, at prime rate, payable quarterly in arrears, from the Canadian Imperial Bank of Commerce, and coming due on September 30, 1982.

Now that little memo which I quote from was signed by G.H. Beatty, president of Crown investments corporation. It's initialled with the "okay" above it by one Hon. Elwood Cowley, chairman, Crown investments corporation. And the day is key here, Mr. chairman. The date is key here: April 14th, 1982.

Now all members of this House on April the 14th of 1982 will remember that this was during the writ period. Those of us on this side of the House remember that writ period very well. Those members on that side of the House like to forget that writ period. But this is an example of the jiggery-pokery that they liked to play throughout their term in government, and in fact right down to the last dying, gasping breaths of that government — that former NDP government. And this is what they did.

This shows that the hon. member from Regina Centre, who accused me of misleading the House as it relates to this detail — he said in this House today that they got that money; the money was in the Heritage Fund. That's the line that those people used. They told people that that money came from the Heritage Fund; that there was cash in the Heritage Fund; that they did not have to borrow the money.

The documents show that they did in fact borrow the money from two charter banks; and that they did in fact use it as more than bridge financing in the fact that they renewed those loans on an ongoing basis and that those loans — it was necessary to renew those loans. What I'm submitting to you, Mr. Chairman, it was necessary to renew those loans on an ongoing basis even after we took office. That was the problem that they had.

Mr. Chairman, I have several documents here, and I hear the members saying, table the documents, and table the documents, and so on, and I will be quite prepared to that before this evening is over, Mr. Chairman. The member from Regina Centre will have an opportunity to have the documents in his hand. He'll have the opportunity to stand in this House and apologize to the people of Saskatchewan. He will have his opportunity to stand and apologize to the people of Saskatchewan and to all the members of this committee for misleading the House.

Because what that member did — clearly what he did, Mr. Chairman — that member from Regina Centre who is a lawyer, said to this House that they got that money directly from the Heritage Fund. They didn't get it from the Heritage Fund; they borrowed it, Mr. Chairman. They borrowed the money. He said they did not borrow it. I contended that they did borrow it. He said they did not borrow it; and they in fact did.

Mr. Chairman, that takes me back — that takes me back to the document that I quoted from earlier in the day where it said:

To assist with the purchase of Prince Albert Pulp

Company shares pending resale to an investor yet to be named.

And that was the case, "yet to be named." And I can say to you, Mr. Chairman, had that government remained in power, that purchaser would still, "yet to be named."

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

**Mr. Lusney:** — Well, Mr. Chairman . . .

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

**Mr. Lusney:** — Thank you, Mr. Chairman. All the members opposite clap what the minister said. But as usual all he gave us was a great big pile of thoroughbred fertilizer, as far as I'm concerned. That's about all we got from him.

Mr. Minister, or Mr. Chairman, I've asked a question over and over of him, and he hasn't given me an answer yet. He deliberately avoids the question because he doesn't want to give us an answer. And he says before this evening is up, he is going to table some of those documents. Well, when he said he's going to table them, I can understand that he may table some of them, because they've apparently gone over the supper hour and made some photocopies of them, but they're going to table some of the documents.

I would suggest he had a number of them, about three or four stapled in each little pile before, but he is going to be a little selective in what he provides to this side of the House. He won't give us all of the documents that would show exactly what went on. But he is going to give us some of them. He's going to be very selective in what he passes over. I know he is hurting a bit from what he sent over before. When he gave us schedule B., I know it smarts a little, so now he's going to be very selective in what he sends over.

Well, Mr. Minister, I wish you would send over all of the documents and not only one or two pages out of the complete package, but send over the total package so we can go through it and know exactly what went on. But to be selective and say that we're going to give you a little bit of information but we won't give it all, is the same as what you did with schedule B. Only schedule B had a little bit more in it than what you would have liked us to have. But now you're not going to give us that much any more. There's schedule A and schedule C that would be nice to see, so we would really know what that agreement is all about, and just how much you're going to give away. But no, you won't give us schedule A and you won't give us schedule C.

You made an error when you gave us schedule B. Well, Mr. Minister, from schedule B alone, it's quite obvious exactly what you are planning to do and how you are giving away the resources of this province and giving away some of the assets of this province . . . (inaudible interjection) . . .

Well, Mr. Minister, the member from Kelvington-Wadena would like to trade me off. The

member from Moosomin would like to put a sword through me. Now the member from Wadena wants to trade me off. Well, Mr. Chairman . . .

**Mr. Chairman:** — Order, please. Order. Order, please. We have to have a little bit of order in order to give the member an opportunity to make his point.

(1930)

**Mr. Lusney:** — Mr. Chairman, thank you. The members opposite can throw all kinds of insults that they like. That doesn't bother me at all. I don't mind them at all. And I know the member from Moosomin has something else he's like to say and I'm willing to listen to him, and I'll give him his opportunity to get up in his seat and make his comments.

But, Mr. Minister, if you can just dispense with some of that garble that you've been giving us and get back to answering some of the more specific questions, I think the people of Saskatchewan would appreciate having some straightforward answers from you.

The one specific question that I'm starting to get tired of asking you is: just who is going to be responsible to maintain the roads in the forest area that you are giving to Weyerhaeuser? Is the Department of Highways going to be responsible for them or is Weyerhaeuser going to be responsible for them?

**An Hon. Member:** — Tourism is.

**Mr. Lusney:** — Now, the member for Kelvington-Wadena again says that it's going to be Tourism. Well, it doesn't really matter what department is going to be responsible for them. I suppose what the people would like to know is whether it's going to be the company that's receiving all these give-aways from the taxpayers that are going to be responsible for those roads, or whether the taxpayer is going to be asked to do even that for them yet on top of everything else to maintain the roads in that forest area.

That, Mr. Minister, is what I'd like to have you answer and tell the people of Saskatchewan: is the Department of Highways going to look after them or some other department of government, or is Weyerhaeuser going to look after them?

**Hon. Mr. McLeod:** — Well, I've said to the hon. member in the other debate that the roads agreement . . . There will be a roads agreement signed with Weyerhaeuser.

There is a roads agreement in place at the present time with PAPCO. The roads agreement, as in some of the other aspects of this deal, are not completed in terms of the negotiations. You will have a copy of the roads agreement . . . (inaudible interjection) . . . The member says, why are you bringing this forth?

I want to remind him what the essence of the Bill is. The essence of the Bill is enabling legislation to be able to do two things. One, is to be able to sell some of the assets of Prince Albert Pulp Company and some of the assets of the Saskatchewan Forest Products Corporation and to

provide a guarantee of one-third of the cost of developing a paper-mill at Prince Albert.

Enabling legislation, I remind the hon. member, that's what we're here to discuss, and I would ask him to come on with it.

**Mr. Lusney:** — Mr. Minister, you continue to talk about an agreement, some roads agreement that you're still negotiating with Weyerhaeuser. You come before this House, Mr. Minister, asking for legislation to be approved to sell PAPCO to Weyerhaeuser — in your words, to sell. According to schedule B, it's a give-away. But even if we used your interpretation of that agreement, or of the principles of that agreement, you are saying that you're somehow going to sell them PAPCO. But you haven't finalized the agreement. but you come before this House asking for approval to do exactly that. And you don't have any of the information that we can deal with to know just what it is that you are going to be giving and how much it's going to cost the taxpayer.

Well, Mr. Minister, if you're saying that it is such a good agreement, we're not going to argue that with you. If it is a good agreement, put some documentation on the table that we can look at. And if it is a good agreement for the taxpayers of Saskatchewan, then we'll have no real problem allowing you to go ahead with the legislation and make the sale.

But, Mr. Minister, it's quite obvious that that's not what's going to happen. It's certainly not going to happen by the information that we have. It's more in the line of saying that, we are going to give it away; we don't want the people to know the details of the give-away; and we want you to pass this Bill before those details do become public. That's what you want us to do.

You want us to give away taxpayers' money without knowing just what it is that you are going to do with it. Well, Mr. Minister, we're not in here representing the public to just give you authority to give away their money without knowing what it is we're approving. We'd like to know, as the taxpayers would like to know, what it is that we're approving here. And you won't give us any of that information.

You continue to talk about some kind of a negotiation that's going on, and something that's going to be in that agreement that's going to be good for the people. It appears at this point that you don't even know what's in that agreement. And if you don't know what's in that agreement because it's still being negotiated, then how can you stand up here and say that it's a good deal for the people of Saskatchewan? You'd have to know what's in that agreement to know if it's a good deal. But, Mr. Minister, if you continue to tell us that it's being negotiated and you don't know what the negotiations are going to end up like, then how can you tell the people of Saskatchewan that this is going to be a good deal for them?

Mr. Minister, are you prepared — and it seems that you're not going to answer the question — but are you prepared to make a commitment to the people of this province that when you give this pulp-mill away to Weyerhaeuser that

they will be responsible for roads within the forest area? Will you make that commitment to the people of Saskatchewan?

**Hon. Mr. McLeod:** — Well, Mr. Chairman, I have said there will be a roads agreement. There has been with PAPCO. I can think of an example. I gave you an example just a while ago. I gave you an example of a road which was built by Prince Albert Pulp in my own constituency. It's a matter of fact. One that was built . . . (inaudible interjection) . . . Well you say, what does that mean? I'll tell you, it was a part of a roads agreement, one road, and it was a tremendous road. It was built by the company. It is now operated by the province, and is a tremendous addition to the way in which transportation is done between Meadow Lake and straight north into Canoe Lake and Keeley and so on. Now you can say that that's not a good deal if you want to.

What I'm saying to you, to the members opposite, is that there will be a roads agreement; that roads agreement will not be out of the ordinary of what is done in this kind of a deal; and that the interest of the people of Saskatchewan as it relates to the operation of the forest, to the royalties from the trees which are used, the roads which are developed . . . The member from Cumberland was asking other questions related to wildlife and some of the other resources there and access to those by people. All of those things will be taken into consideration. I give you that assurance; I've done it on several occasions as has my colleague, the Minister of Parks and Renewable Resources.

**Mr. Lusney:** — Well, Mr. Minister, you talk about a road that PAPCO built, and I guess we'd have to agree that PAPCO was responsible for a road that was taken over eventually by Highways. It was on their expense account, I would say, and in their total expenditure. When they did make a profit they built roads even at that time that the government took over. And we don't disagree with that. They were apparently a very good corporate citizen.

But, Mr. Minister, we don't know what Weyerhaeuser is going to do. We don't know if you're going to ask Weyerhaeuser to do the same as PAPCO had to do, because you won't tell us. You won't tell us if you are going to put into the agreement that they will have to do at least as much as PAPCO did. You won't make that commitment. You are saying that somehow you are going to negotiate a good deal for the people of Saskatchewan. Well, Mr. Minister, how can we take you at your word when we see what's in schedule B of the principles of that agreement? When we look at schedule B, it says the absolute opposite of what you're trying to tell us and the people of this province. That's what schedule B says, and yet somehow you want us to believe that further negotiations are going to be good for the people of Saskatchewan. Mr. Minister, people don't believe you any more, and we have a difficult time believing you, because you haven't been telling us exactly what's happening. The only way we find out what's really happening in this government is when we get some documents that they didn't really intend to release.

Mr. Minister, a government that in '82 got elected on saying that they were going to open the books to the

people of Saskatchewan, that they were going to leave everything wide open — their doors would be open; the public would have total access to every minister in this government — we find that people have no access to information, have no access to ministers, and can't find out what this government is really doing. That, Mr. Minister, is the problem that people have today. They find it very difficult to believe what you are saying now in light of what you have done over the last four-plus years now.

Mr. Minister, that's why people don't really believe you, because you haven't been honest with them. Mr. Minister, all I asked you to do was make a commitment that you will ask for at least what PAPCO was responsible for regarding roads in the forest, or you would be prepared to stand up in this House and say that when you are giving all those assets to Weyerhaeuser that they would be asked to be responsible for the roads within the forest area. That's all you have to tell the people of this province.

And if there's any honesty in you, Mr. Minister, you wouldn't be afraid to get up and say that to the people. But if you are afraid to say it, then they can only conclude that there is something devious behind what you are saying here and what you are really putting together with Weyerhaeuser. That's the only conclusion they can come to, Mr. Minister.

And if there isn't anything in that agreement that you don't want to tell us, that would not really hurt the people of this province, then you would get up and provide us with that information and tell us exactly what you're prepared to do on behalf of the people of this province.

**Hon. Mr. McLeod:** — Mr. Chairman, it's obvious that the member from Pelly and myself are going to need to agree to disagree on this, and that's what we'll have to do. And it's obvious that he will not agree with me and I can tell the committee today, right now, Mr. Chairman, I will not agree with the member from Pelly. I think we'll leave it at that.

**Mr. Lusney:** — Well I guess, Mr. Minister, it's quite obvious that we do agree to disagree — that you won't give us the information; you're not prepared to tell the people of this province exactly what kind of deal this is. So I guess it's not going to help for us to pursue it because we can continue this argument for hours and hours and days, as we have, and you won't give us that information.

Mr. Minister, when we talk about this so-called sale or this give-away, what kind of agreement do you have with Weyerhaeuser then regarding jobs in that so-called paper-mill, or the pulp-mill itself? Is Weyerhaeuser prepared to say to you and to put it in writing that every job that's there now will remain, and that they will very likely in the near future increase the number of jobs that are available? Or are you saying to them in this agreement that they can make the decision as to whether the jobs are there or whether they lay people off or whether they add more to the employment roll at the pulp-mill?

Mr. Minister, do you have any kind of commitment from Weyerhaeuser regarding those jobs at PAPCO that are there right now — any commitment at all — or is

Weyerhaeuser going to be free to do as they have been doing in the States where they go and tell people if you want a job, then you better take about a \$4 an hour cut? Are you leaving it wide open to them or is Weyerhaeuser prepared to make a commitment regarding jobs in this province?

**Hon. Mr. McLeod:** — Mr. Chairman, I think Weyerhaeuser Canada's record is clear in other jurisdictions, in other parts of Canada in which they operate. Their record is clear as it relates to the employment of local people. They're proud of that record and the people of Prince Albert who went to Kamloops, one of whom was ... The member from Prince Albert was there; people representing the chamber of commerce and representing the elected governments of both the Big River area and of the Prince Albert area were there. They talked to many people in the Kamloops area who have no relationship whatever to the Weyerhaeuser corporation except to recognize them as a good corporate citizen of their community and came back with nothing less than glowing reports of the way in which Weyerhaeuser conducts itself in their community of Kamloops. And there's no evidence that the member can bring forward — none — can bring forward to suggest that Weyerhaeuser Canada will not be a good corporate citizen of this province and of the Prince Albert area.

(1945)

**Mr. Lusney:** — Mr. Minister, we've heard similar assurances from this government. We've heard those kinds of assurances. We've seen what happened with Saskoil where you promised very big projects for this province and we're going to see increased activity with many jobs. And what happens? We see that Saskoil is laying off people here and going to go elsewhere. They're going to invest elsewhere.

That, Mr. Minister, is exactly what can happen with PAPCO. You're giving away a pulp-mill. You're just giving it to them. But there's no guarantee that those jobs are going to stay there. PAPCO can in the long run, if they feel that it's to their advantage, shut down the operation in Saskatchewan or leave just a skeleton crew and expand their operations in the States, and say, we are going to increase our operation in the States and we'll control this one here where there's going to be very little happening in Saskatchewan and at P.A. That's what you are leaving it open to, Mr. Minister. If they wanted to, they can shut Prince Albert down and they can expand in the States.

And you are asking for no commitment, Mr. Minister, other than saying to them, well you're such a fine corporate citizen everywhere ... (inaudible interjection) ... And as the member from Shaunavon says, trust us. Well, I'll tell you, you've been saying that to the people of this province for four years now. And they've been trusting you, Mr. Minister. And he says, trust me. Well, Mr. Minister, I don't think that the people are going to be that prepared to just trust you, because they have witnessed the things that you have been doing in this province. They have witnessed that you have taken advantage of them and wasted their money. You've give it away; you've spent it. You've spent money on trips like Ottawa has. A Tory government in one place seems to be

the same as a Tory government elsewhere, whether it's in Ottawa or whether it's in Saskatchewan.

You are saying, trust me. Well, Mr. Minister, if there was any reason to trust you, I think the people would. But there really is no reason for them to trust you, because you haven't done anything that would give them a reason to trust you. Because every time they trusted you, what would you do? You would always do the opposite of what they expected, and it would cost them money in the long run.

People are starting to realize that — that you can't be trusted — and that's why they want the information before them where they can see it, where they can assess what's happening. That, Mr. Minister, is what they would like to do. They would like you to table some of that information, and they would like to see it in writing before they approve over \$300 million worth of their money to be given away to Weyerhaeuser. That, Mr. Minister, is what they would like.

And if you were going to give it away, at least they would like some assurance from the company that there is going to be money in this province made from that operation, and that there are going to be jobs provided because of that operation that you are giving away. But you have asked for no such commitment, Mr. Minister.

You are simply saying: trust me; trust Weyerhaeuser; why, trust everybody. And it doesn't matter what happens after. Just trust us now and give us \$330 million; that's all we're asking. And after, if you're going to lose money, well that's too bad. We know we're going to give it away, but we don't really want to tell you that we're giving it away.

Mr. Minister, I think the people are going to want some commitment. And I'm sure that the people that work at PAPCO at this point and the people that expect that you are going to be creating some jobs with the so-called paper-mill that's going to be added to PAPCO, Mr. Minister, they would like some commitment that those jobs are really going to come and that it's going to happen — not just some pipe-dream that someone in Tacoma had or maybe something that this government dreamt up just because there's an election coming up.

And I can see why, when the Premier of this province said that there are a number of things he wants to do before he calls the election ... Well I can tell you, this is one of the things that he still had to do; and that was to give PAPCO away and really get no commitment in return, no commitment in return that that give-away is going to create any jobs, Mr. Minister — no commitment at all.

Are you prepared, Mr. Minister, to say to the people of Saskatchewan that within a year or two — and you can pick the number as to when it's going to happen — that those jobs that you continue to promise to the people of Prince Albert are going to come about? When are those jobs going to happen, and are you prepared to make that commitment and stick to it?

**Hon. Mr. McLeod:** — Yes. Those jobs will happen when the paper-mill is constructed. The paper-mill will come

under construction immediately following the closing of the deal. The net increase in jobs will be 215, estimated.

**Mr. Lusney:** — Mr. Minister, I'm sorry for not catching just what you said. Could you repeat that, please.

**Hon. Mr. McLeod:** — I said yes, there will be a paper-mill constructed immediately following the closing of the deal, and the jobs which will accrue to the province — and to the Prince Albert area, more specifically — will be 215, estimated.

**Mr. Lusney:** — Well, Mr. Minister, now it's immediately after the closing of the deal. Now one would assume that that deal is going to close shortly, because you said that this agreement will be signed within four to six weeks, and this was maybe a week or two ago.

**An Hon. Member:** — Six to eight weeks.

**Mr. Lusney:** — Okay, six to eight weeks. If you want to use six to eight weeks, that's fine. And shortly after that, you were saying that there's going to be a paper-mill constructed at that site.

Now, Mr. Minister, six to eight weeks — we are looking at about two months down the road, and that's going to bring us in August. And I would suggest that maybe we will get a few pegs set up by the company that would indicate that there may be some activity regarding the paper-mill, and shortly after that you'll be calling the election.

So you're not really going to have to live with that commitment that you're making, and you're not prepared to show us any agreement that says that Weyerhaeuser is going to construct that mill or begin construction right after they make the purchase of PAPCO.

Is that in the agreement, Mr. Minister, that once that deal is closed, this give-away that you're putting together now is closed, that Weyerhaeuser is going to immediately proceed with construction of a paper-mill?

**Hon. Mr. McLeod:** — I've said before in the debate, Mr. Chairman, I repeat again: there will be no agreements executed without the provision that a paper-mill will be built adjoining the pulp-mill which is presently located at Prince Albert.

**Mr. Shillington:** — Mr. Minister, you've referred to a letter from the Bank of Montreal, two letters which confirmed loans. You referred to another letter in '82, I believe it was, renewing the loan till September of '85. Mr. Minister, I call upon you to table those documents now.

**Hon. Mr. McLeod:** — Mr. Chairman, is the member from Regina Centre denying that there were loans taken out?

**Mr. Shillington:** — Mr. Chairman, I rise on a point of order now.

**Mr. Chairman:** — We will hear your point of order.

**Mr. Shillington:** — I refer you, Mr. Chairman, to

paragraph 327 of Beauchesne's Parliamentary Rules and Forms:

A Minister of the Crown is not at liberty to read or quote from a despatch or other state paper not before the House, unless he is prepared to lay it upon the Table. (The rule) is similar to the rule of evidence in courts of law, which prevent counsel from citing documents which have not been produced in evidence. The principle is so reasonable that it has not been contested; and when the objection has been made in time, it has generally been acquiesced in.

I call upon you, Mr. Chairman, to have the minister table those documents.

**Mr. Chairman:** — I would like to draw the committee's attention to a similar situation which arose in a previous situation in this House. And I would like to read from the *Hansard* of that era, Monday, April 13, 1981.

During consideration of the main estimates for the Department of Tourism and renewable resources, the minister was asked to table documents from which he was quoting. The Chairman made the following statement. Here is the statement:

There are two questions that must be determined regarding this matter. The first is whether or not a minister should quote directly from departmental documents during debate in committee of finance. The second question is whether he can be compelled to table such a document that has been quoted. I will refer all hon. members to Beauchesne's (Fifth Edition) citation 327 as follows:

(1) A minister of the Crown is not at liberty to read or quote from a despatch or other state paper not before the House, unless he is prepared to lay it upon the Table.

I further refer members to a precedent of this House dated December 4, 1973 and February 4, 1935 of the Journals of (the Legislative Assembly of) Saskatchewan, where it was ruled that a minister who quoted from a public document or state paper during debate could be required to lay such paper on the Table, but this did not apply to confidential documents or documents of a private nature passing between offices of a department. These rulings were based on references on Beauchesne's (Fourth Edition), citation 183, and Erskine May (Seventeenth Edition), paragraph 421.

I therefore rule that in this case the document in question is an interdepartmental report and the minister cannot be required to table it.

I find that the precedent established by a previous chairman, in a similar situation, is applicable to this situation and therefore the minister does not have to table the document. The point of order is not well taken.

**Hon. Mr. Blakeney:** — Mr. Chairman, may I speak to a point of order, because clearly the document which was quoted from was not interdepartmental; it was from a bank ... (inaudible interjection) ... Oh, yes. That's what he said. That's what the minister said. Well, I think we can have the minister stand up and if the minister will stand up and say that's an interdepartmental document, that's one thing. If he is saying that it is not an interdepartmental document, we obviously have to take his word for it. But that was not my understanding of what he said.

**Hon. Mr. McLeod:** — Mr. Chairman, I will, just to clarify the point, just to make sure ... Because if the members are under the impression that the document from which I quoted was from a bank to a government agent of any description, that's not the case. The letter, the memo I reported from was within a department — it was from Mr. Beatty, president, Crown investments corporation; to Mr. Cowley, chairman, Crown investments corporation.

**Mr. Chairman:** — I'm afraid the point of order is not well taken. The debate continues.

**Mr. Shillington:** — Mr. Minister, you refer to the second of the two documents. The first of the two documents, Mr. Minister, I understood to be a confirmation of a loan. I ask you, Mr. Minister, to specifically deal with the first of the documents which you dealt with this afternoon.

**Hon. Mr. McLeod:** — Mr. Chairman, the question here is, and the member from ... If I could just get a clarification from the member from Regina Centre. Is he still holding to the position that there was no loan? Is he still holding to the position that there was no loan in place? Because that's what that member said today in this House. He said today in this House that the money came from the Heritage Fund ... the money came from the Heritage Fund, and that there was no loan. There was no loan from the banks, is what he said.

**Mr. Shillington:** — The minister is clearly avoiding the issue. You are required to table those documents. You are required to table those documents. If indeed those documents back up what you say, then that will be the end of the issue. But if you insist on quoting from documents you won't give us, then you can forgive us for making all the assumptions against you.

Mr. Chairman, that document he dealt with this afternoon, I understood to be a letter from the Bank of Montreal confirming the loan. So I say to you, Mr. Minister, reread that letter that you read this afternoon. And if you don't, we're going to keep this issue going until somebody gets back with a copy of *Hansard*, which will be now be ready. I understood, Mr. Minister, you were referring to a confirmation of a loan from the banks.

(2000)

**Hon. Mr. McLeod:** — Mr. Chairman, I'm not sure which one the member ... I quoted from two or three documents today. But I would ask the member to clarify, just which — what it is, and what was the content of what he's talking about I quoted. And I'll go through my stuff here and see which one it is.

**Mr. Shillington:** — It was a confirmation of an \$80 million loan and an \$82 million loan.

**Hon. Mr. McLeod:** — Mr. Chairman, I'll read this aspect and the member can confirm if this is the one he was talking about. And I read the Crown investments corporation financing offer term sheet. And I read something to this effect, I believe:

Borrower: Crown Investments Corporation of Saskatchewan,  
Lender: Bank of Montreal, main branch, Regina,  
Saskatchewan. Amount: up to \$165 million Canadian or the  
equivalent in U.S. dollars.

Is that the material that you are talking about?

Purpose: to assist with the purchase of Prince Albert Pulp  
Company shares pending resale to an investor yet to be  
named.

Is that the document the member refers to?

**Mr. Shillington:** — No it is not; it's a confirmation of one loan for 80 million, the other loan for 82 million and change.

I wonder if I might give the minister some assistance with the background to this rule. The background to this rule is: if you refer to a document, you ought to lay before the body the best evidence available. And the best evidence available is not what the minister says the document says, but the document itself.

So I say to you, Mr. Minister, if you say the document proves your point, then lay it before us. Because we are entitled to the best evidence available, not to the worst evidence available — and we'd be hard put to do worse than to get the minister's interpretation of a document. We've had some experience with that.

You said, Mr. Minister, that the agreement to which you referred earlier would have had the loan repaid in 20 years. It turned out to be out by 10 years — small, small error. Small error — 10 years. I say, Mr. Minister, you referred to a series of documents; table them.

**Hon. Mr. McLeod:** — Mr. Chairman, clearly from the very beginning of this ... At the end of 1980 your government, the former government of the province, the New Democratic Party government, purchased 70 per cent of PAPCO for \$162.370 million, and they purchased it for that price. I was quoting numbers this afternoon, and I said that they had borrowed \$80 million from one bank and \$82.370 million from another bank. That's, I believe, what the member is raising here.

While he was saying, while he was continuing to say ... The member from Regina Centre was continuing to say that there was no loan; that there were no loans and, in fact, the money for the purchase of that on behalf of the people of Saskatchewan came from this phantom Heritage Fund — that's what he said; he very, very clearly said that.

Now in a way you can understand why the member from

Regina Centre would say that. He said that because the people in his party have come to believe their own rhetoric. And their own rhetoric is that the Heritage Fund looked after all of this; and that there was, in fact, a Heritage Fund. That's what he said, and that's what he was echoing today when he said it was the Heritage Fund which paid for PAPCO.

What I was saying to him is that that government borrowed that amount which I outlined, \$162.370 million; paid interest on it in the high teens, I believe is what I quoted to you, high interest rates. And if you look back to 1980, the later stage of 1980, you're talking up in the 17, 18, per cent range, somewhere there, because that's what interest rates were in those days and that's what they were paying.

But through all of that time, through all of that time since that day, the Leader of the Opposition and the members that were in that government, four of whom sit there now, have been telling the people of Saskatchewan, misleading the people of Saskatchewan, as that member from Regina Centre attempted to do today — in fact did, until he's being brought to order on it — did mislead the people and did mislead this committee, Mr. Chairman, in saying that it was purchased from the Heritage Fund under their jurisdiction.

That's what he said, and we need a clarification from that. I mean, that member should certainly be clarifying for the committee, Mr. Chairman, whether or not . . . He should be telling this committee whether or not he still holds to the position, whether he still holds to the position that this was purchased from the Heritage Fund.

Mr. Chairman, the member from Regina Centre should clearly lay out for the committee and for all the members of this House: was that \$162 million money directly from the Heritage Fund or was that borrowed from banks? Now you're a member of that former government. You were in the cabinet of that former government. Which way was it?

**Mr. Shillington:** — Well clearly, Mr. Chairman this is going to be a case of the minister making statements and not giving us the proof. It's easy to make statements and not to give the proof, and that's what the minister is doing. I intend to spend a couple of moments and see if I can find the *Hansard* from this afternoon. In the meantime my colleague from Pelly will have some other questions of this minister.

**Mr. Lusney:** — Thank you, Mr. Chairman. Mr. Minister, every time we ask you some questions you get up, you avoid the question, you don't want to table any of the documents — you don't want to table any of them. And you go on to say across the floor that somehow we are misleading the people of Saskatchewan. Well, Mr. Minister, if anyone is misleading the people of Saskatchewan, it has to be that minister and the government on that side of the House. That's who is misleading the people of Saskatchewan.

Mr. Minister, you have told the people of this province that this was a very good deal and you began . . . When you first announced it you said that it was a 20-year term for Weyerhaeuser. We find out in a document that we

received that it's a 30-year term. And then you talk about misleading the people of Saskatchewan. It's quite clear, Mr. Minister, to see just who is doing what in this province. And when you talk about misleading, it's coming right from that minister across the House.

(2015)

Mr. Minister, even the P.A. Herald isn't sure whether this is a good deal or a bad deal and I'd just like to quote to you what they say. It says:

Until all the facts are known and all the agreements are made public and all the factors weighed, it is difficult and less than responsible to simply state that this is a good deal.

That's what the P.A. *Herald* says. And, Mr. Minister, they're right. Unless you get some information before you, it is difficult to state that this is a good deal. The minister says it's a good deal but he won't tell anybody how he comes to the conclusion that this is a good deal. He says, trust me and we'll negotiate a good deal for you. Trust me. Well, Mr. Minister, even the P.A. Herald, where this mill is going to be sold, is not prepared at this time to say that it's a good deal.

Now the member for P.A. holds up a big paper: "Pulp-Mill for P.A." Well I know you've been making all kinds of ads saying that there is going to be some great things happening in P.A. But I'm not sure that the people of P.A. are convinced at this point that all of this is going to be so great for them. They're not convinced that those jobs that you promised are going to be there. They'd like to see something in writing, and if you put it in writing then they might believe you. But you refuse to do that, Mr. Minister; you refuse to tell them anything about what's going to really happen. You will not give them any assurances, Mr. Minister.

Mr. Minister, because you won't give them any assurances, I would like to propose an amendment. I would like to propose an amendment, Mr. Minister, one that I believe is reasonable. It's one that's reasonable and that you should accept and the people would then believe that what you are saying might have some credence to it. But unless you give them something to believe in, Mr. Minister, how can they accept the word of a government that's broken their promise time and time again? How can they accept your word for it?

Mr. Minister, I'd like to move this amendment, and it's to section 1 of the printed Bill. I'd like to add the following section after section 1 of the printed Bill, and it is 1.1 of the printed Bill:

Restrictions 1.1 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, those assets shall not be sold to Weyerhaeuser unless Weyerhaeuser constructs a paper mill in Prince Albert.

Mr. Minister, I think that's a reasonable request. It's one

that would give the people of P.A. some assurance that there will be a paper-mill, and that there will be at least some assurance of those jobs in that area.

Mr. Minister, this is a reasonable amendment, and I think that one that you should be . . . one that you should be accepting and not even questioning; because this is very reasonable.

Mr. Minister, I'd like to table this amendment.

**Hon. Mr. McLeod:** — Mr. Chairman, there's no question that the intent of what the members want here, in terms of . . . What they're really saying is that there be assurance that there will be a paper-mill. And I've given that assurance on several occasions.

What we have here . . . (inaudible interjection) . . . No, no. Just let me finish my remarks, please. I believe that section 4(a) of the Bill, if the member will refer to that, section 4(1) of the Bill covers that aspect. I believe that's the case and in drafting the Bill that was what clearly what our intention was, to make sure that . . . And I have said to the House in the past that there will be a paper-mill constructed or there will be no agreements or no deals executed in any way, shape, or form.

And so, you know if the member feels strongly that this needs to be in there, I have no problem with a similar kind of idea. And I would make the following suggestion if you feel that the wording of 4(1) needs to be beefed up to make sure that it is clear. I believe it's clear now; I make that point. I believe it's clear that there will be a paper-mill. But I can make a suggestion that if there are any amendments to be made to clarify that point, that they be made to section 4 of the Bill rather than as the member from Pelly suggests.

And the wording I would give you is the following, which I will send a copy over to the members to see if they would agree with what I'm suggesting.

And I'll read it as follows. This is a proposed amendment to section 4 of the printed Bill, just to clarify the points as well that the member brings up.

Amend section 4 of the printed Bill by adding the following subsection after subsection (3):

(4) no agreement or indemnity in respect of the sale by Prince Albert Pulp Company Ltd. of assets comprising the pulp-mill shall be entered into or executed pursuant to this section, unless the purchasers of the pulp-mill concurrently enter into and execute an agreement with the Minister of Finance or such other member of the Executive Council as the Lieutenant Governor in Council may designate on behalf of the Government of Saskatchewan providing for the development of a paper-mill at Prince Albert to commence immediately after the completion of the sale of the pulp-mill.

That wording is what I would suggest, and I submit to you that it accomplishes the same thing and it would be in the proper section of the Bill. So I would ask for a response

from the member who proposed the amendment.

**Mr. Lusney:** — Mr. Minister, in your amendment you refer to the assets of P.A. pulp-mill. Would you be including in that the sawmill at Big River and the chemical plant at Saskatoon? Would all of those be included in those assets? Because as far as we understand right now, Weyerhaeuser could sell off some of those assets; they can sell off the chemical plant. Would you include in this amendment all of the assets including the chemical plant and sawmill?

**Hon. Mr. McLeod:** — Well, Mr. Chairman, just to draw the member's attention: we're dealing with section 4 of the Bill, section 4(1) with this amendment in which I am proposing, which I believe will accomplish what you are trying to accomplish with your amendment. Section 4(1) would remain in place as it is. And look at the latter several lines of section 4(1), which says:

. . . facilitating the sale of assets of Prince Albert Pulp Company Ltd. and Saskatchewan Forest Products Corporation and the development of a paper mill at Prince Albert.

That's the clause which I believe accommodates what we're trying to do anyway. You have said, no, it doesn't. But I'm saying that 4(1) remains; 4(2) remains as it is; 4(3) remains as it is; and section 4(4) is what I'm suggesting, and that would do the job.

**An Hon. Member:** — But not just pulp-mill.

**Hon. Mr. McLeod:** — Well what more would you want it to say?

**An Hon. Member:** — I want the chemical plant, the 7 million acres . . .

**Hon. Mr. McLeod:** — Assets of Prince Albert pulp-mill . . . (inaudible interjection) . . . It does because section 4(1) includes the sawmill at Bodmin, which is an asset of Saskatchewan Forest Products Corporation. That's included in section 4(1).

**Mr. Lusney:** — Mr. Minister, what we'd like to see in your amendment is . . . And we just sent out for some copies of that amendment. But you refer in the amendment to the assets of Prince Albert forest products. And that's meaning in there . . . And you said the asset being the pulp-mill, the pulp-mill itself. That's the only asset that you refer to in your amendment.

Mr. Minister, will you be prepared to add into that amendment the chemical plant at Saskatoon, the sawmill, and the forest rights, where none of that can be given away unless they are prepared to build that paper-mill? Will you be prepared to add those to your amendment?

**Hon. Mr. McLeod:** — Well I would suggest if the . . . "no agreement or indemnity in respect to the sale by Prince Albert Pulp Company Ltd. of assets including a pulp-mill and a chemical plant . . ." Does that get what you were after?

**An Hon. Member:** — Why don't you put them all in?

**Hon. Mr. McLeod:** — Well that's what we did; we have put in. Because the assets of Sask Forest Products is not there, but it's up in section 4(1). It says that, and it clearly says assets of Saskatchewan Forest Products — which is, in this case, Bodmin sawmill. Fair ball? I'll just wait for the member to respond, Mr. Chairman.

**Mr. Shillington:** — “No agreement or indemnity in respect of the sale by the Prince Albert Pulp Company of assets including a pulp-mill, sawmill, chemical plant, and forest rights, shall be entered into . . .” etc.

**Hon. Mr. McLeod:** — Mr. Chairman . . . Well, Mr. Chairman, the member says they want included in there the sale of forest rights. That's what he said just now. Forest rights are not sold. The forest rights are not being sold, Mr. Chairman.

He doesn't understand it. In the very amendment proposed by the member from Pelly . . . I'll read the amendment from the member from Pelly, the one that started this discussion. There was no reference in there at all to forest rights, and now the member from Shaunavon, sitting in his seat, says, oh that's what we want. Well I'll tell the member from Shaunavon, that's not what you're going to get. You're not going to get that because there is no sale of forest rights in the first place. It's a forest management lease arrangement, and that arrangement is the same as is in place in Simpson Timber and MacMillan Bloedel and all of those. That is exactly the case. And the member says in his scare tactic attitude . . . It is typical.

(2030)

So I have given an offer, a very reasonable offer, Mr. Chairman, to the members. I've said here because . . . But he comes in here and he says, we want forest rights in there. That's from the member from Shaunavon who's sitting there, whining away from his seat.

The member from Pelly makes the point; he mentions nothing about that. If we had voted for this amendment they would have been happy. This amendment does not include what we wanted to have. This amendment over here, which I suggested in a very reasonable fashion to accommodate just the point that the members wanted . . . Because what this amendment that I'm proposing as a new subsection (4), subsection (4) under section 4 of the Bill, what I have proposed is reasonable and it accommodates just exactly what the member said, and in fact goes even further. Because what it does is points it out clearly, without question, something which I believe and contend, and still contend, is already in the Bill. It is in the Bill.

We've give the undertaking there will be a paper-mill. Why would the company want the pulp-mill and the sawmill at Bodmin without have a paper-mill there? I mean that's a question which those guys will never understand, Mr. Chairman. So what I would say to the member: if they do not want to accept this offer which is made in a reasonable way . . . They've got an amendment which does not accomplish at all what they say, and what our amendment does has been crafted to accomplish just

that.

We have offered it. Right now I'm going to withdraw it, and I'm going to ask all members of the committee to vote against their ridiculous amendment.

Amendment negated on the following recorded division.

#### Yeas — 8

Blakeney	Koskie
Tchorzewski	Lusney
Engel	Shillington
Lingenfelter	Yew

#### Nays — 22

Birkbeck	Smith (Swift Current)
McLeod	Embury
Berntson	Klein
Lane	Currie
Duncan	Martens

**Mr. Chairman:** — Order, order, please. Order, please. We need some quiet please so that the Clerk can hear the responses. Order, please. Order. I would ask the member from Shaunavon to please come to order.

Maxwell	Hopfner
Smith (Moose Jaw South)	Rybchuk
Muirhead	Meagher
McLaren	Muller
Parker	Petersen
Johnson	Swenson

Clause 1 agreed to.

Clauses 2 to 7 inclusive agreed to.

The committee agreed to report the Bill.

### THIRD READINGS

**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**

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

Motion agreed to on the following recorded division.

**Mr. Speaker:** — There's to be no talking while the vote is being taken.

#### Yeas — 23

Tusa	Smith (Moose Jaw South)
Birkbeck	Muirhead
McLeod	McLaren
Berntson	Parker
Lane	Johnson

Duncan	Hopfner
Smith (Swift Current)	Rybchuk
Embury	Meagher
Klein	Muller
Currie	Petersen
Martens	Swenson
Maxwell	

**Nays — 8**

Blakeney	Koskie
Tchorzewski	Lusney
Engel	Shillington
Lingenfelter	Yew

Bill read a third time and passed under its title.

**COMMITTEE OF FINANCE**

**Consolidated Fund Loans, Advances and Investments  
Crown Investments Corporation of Saskatchewan  
Vote 165**

**Item 1 — Statutory**

**Hon. Mr. Blakeney:** — Mr. Chairman, one look at this indicates that there is a vast increase in the activity of Crown corporations. You are borrowing very, very large sums for the Crown management corporation. You are also borrowing large sums for other Crown corporations. The total sums that you are borrowing for Crown corporations will be a good deal more than in previous years.

Potash corporation is about the same, and crop insurance is 10 million more, which in this context is not great. The Saskatchewan Economic Development Corporation is about 30 million less; the power corporation is about 10 or 15 million less, but we have a huge increase in . . . Well SaskTel, \$37 million more, but the big increases are the property management corporation at 158 million more and the Crown investments corporation at \$230 million more — an extra \$230 million you're borrowing under this one heading.

I think that no one could deny that even having regard to the way that the government opposite regards money, \$230 million is a large amount of money, and I would like the minister to outline what he proposes to do with this extra \$230 million.

Mr. Minister, last year it was \$21 million and this year it's \$254 million — a startling increase. I would ask the minister to explain where the extra money is going, to what agencies, and why this very large increase in borrowing under this heading?

**Hon. Mr. Berntson:** — I'm told that the additional money going to SaskTel is the ILS program, individual line service, and I'm sure that the member opposite remembers the debate that went on about the property management corporation with the Minister of Finance and, in fact, already has the information relative to that expenditure.

**Hon. Mr. Blakeney:** — Mr. Chairman, and Mr. Minister, I am sorry that I didn't make myself clear. The items that I referred to were mere instances of other corporations which were borrowing a lot of extra money. I will forget all about the other corporations and ask about the one before us.

The Crown investments corporation was going to borrow, or borrowed in the year past, \$21 million, is now proposing to borrow, in this year, \$254 million, none of it, so far as I'm aware, having anything to do with telephones, SaskTel; none of it, so far as I'm aware, having anything to do with the property management corporation or the potash corporation or the power corporation. What is the money for?

(2100)

**Hon. Mr. Berntson:** — Well I want to apologize to the hon. member for not having this in detail at my fingertips. I'm told that a large part of it is — and if you want the detail, we will get the officials out of Finance and get it — but I'm told that a large part of it is the financing of long-term debt that came due this year plus financing of ongoing operations in the Crown sector, and that accounts for a large part of the 254 million that you're talking about.

**Hon. Mr. Blakeney:** — Well thank you, Mr. Minister. It is a lot of money. The major corporations who are the big consumers of capital are separately listed, except for one or two, and I won't mention pulp-mills again . . . so we get into that argument again. We've had a reasonably exhaustive discussion of that.

I would then ask the minister to forward to me a breakdown of the \$254 million, and I'm doing that on the assumption that by far and away the largest part of it is the refinancing of debt which is currently outstanding and falls to be refinanced.

**An Hon. Member:** — I believe that to be the case.

**Hon. Mr. Blakeney:** — The minister indicates that he believes that to be the case. I accept his statement to that effect, and I accept his statement that he will send me a breakdown, and I will cease further questioning on this.

For the sake of members of the public who may think that we're passing over \$254 million very lightly, I think we should make the point that it has to do with the financing of corporations, and the details of the individual corporations have been discussed at some length in Crown Corporations Committee. The details of the financing of the power, telephones, or the details of the insurance corporation or the Crown investments corporation itself, although we haven't got to that this year, on other occasions we discussed these fairly comprehensively. This is merely the borrowing program as opposed to the spending program. And while it is right and proper that we should ask about the reasons why money is being borrowed, and I do that and the minister has given me the answer, we have already dealt with the question of how the money is to be spent, and we have dealt with it over many hours.

Item 1 — Statutory.

Vote 165 agreed to.

**Consolidated Fund Loans, Advances and Investments  
Potash Corporation of Saskatchewan  
Vote 158**

**Item 1 — Statutory**

**Mr. Shillington:** — My first question is similar to the member from Elphinstone's. What's the \$143 million being used for?

**Hon. Mr. Berntson:** — It's the completion of Lanigan II.

**Mr. Shillington:** — So that is all capital I gather, is it, Mr. Minister?

**Hon. Mr. Berntson:** — Our understanding is that the vast, vast majority of it is capital.

**Mr. Shillington:** — What part of this vast, vast loan is operating then? Can you tell me?

**Hon. Mr. Berntson:** — I'm sorry, I can't provide you with that tonight. It's information that I would have to get from the potash corporation, and we don't have those officials here.

**Mr. Shillington:** — Will you undertake to provide that to me at an early date?

**Hon. Mr. Berntson:** — I'll undertake to provide the member with that information.

**Mr. Shillington:** — I want to ask a further question with respect to the strike at Lanigan. The strike has carried on for some months now. It has been characterized by the management of that mine as being one about wages. The workmen, however, state that it has to do more with safety. I wonder, Mr. Minister, what has been done by the potash corporation to ensure that the workers' concerns with respect to safety have been met? It doesn't strike me as the kind of thing that the workmen would make up to avoid picking up their pay cheque which has been the practical result of this strike.

The practical result has been that they have gone for a long time without a pay cheque. They say it has to do with safety. I suggest, Mr. Minister, that if this government has any care at all for those workmen, for their families, it remedy the safety problems, deal with the strike, and get everybody back to work.

**Hon. Mr. Berntson:** — It's an unfortunate situation, and unfortunately the hon. member has me at a bit of a disadvantage. The member, the minister responsible for the potash corporation, is the Hon. Paul Schoenhals, who is not in the House this evening. He's in Saskatoon visiting with the Prime Minister. And I'm sorry; I simply haven't been dealing with that issue, and I can't speak intelligently on the question. I would invite the member though, to address the question to the minister responsible for potash, and I know that you're going to tell

me that the House will wrap up tonight and you won't have that opportunity in this forum. But you know, feel free to write him a letter; I'm sure he'll be very candid with you in answering it.

**Mr. Shillington:** — Well I doubt, Mr. Minister, that a letter from me is going to resolve the matter. The difficulty is that this government apparently has no interest in settling the strike. The government is saving money when that mine is shut down because you don't have to pay wages — partially through your bad management, partially through your bad luck, and you've had lots of both since you've come into office.

The potash industry is in the doldrums. Mr. Minister, I suggest that this government has no interest in settling the strike. You're just as happy that those families and those men are out of work without pay cheques and saving the potash corporation money, just as you are happy to see the Saskoil move to Alberta because of some perceived financial advantage. I suspect you're just as happy this strike is going on because you perceive the financial advantage. If, Mr. Minister, you wanted to settle this strike, you could. I say you don't want to; you're just as happy to have this mine shut down.

**Hon. Mr. Berntson:** — Mr. Speaker, a couple of points — I'm not very happy about the potash industry, as the hon. member says, being in the doldrums. We don't have much control over the international market-place and in potash commodity. I'm not very happy about the unfortunate situation with the Lanigan workers being on strike.

The first question, I can't do a lot about that. The second one, as it relates to the strike, you have me at a disadvantage and I can't comment intelligently on it, and I invite you to take it up with the minister responsible.

**Mr. Shillington:** — The next matter I wish to raise has to do with this whole government's approach to free trade. I've said on past occasions that the only practical result of your race to embrace free trade, and your enthusiasm for telling the Americans that Canada has everything to gain by free trade arrangements, is that you have played into the hands of two groups of Americans. One group of Americans, who believe in the fortress America, believe in protectionism, believe that the U.S. will be stronger with protectionism.

You have also, though, played into a larger group of Americans, those who are just sharp horse-traders. With any understanding of the issue, I suggest that this government would have recognized that free trade negotiations is not a blissful march towards some nirvana. It is a series of hard-nosed negotiations which there's some give and some take. You enter these negotiations saying we have everything to gain and nothing to lose by this, and you are surprised when the Americans decide to play hard to get, and to get as much of an advantage as they can.

If you go to sell a person a horse, you don't start out by telling him that this horse — if you go to buy a horse, I'm sorry . . . If you're going to buy a horse from a person, you don't start out by telling him that it's the best horse in the

country. That's not the way to get a low price for the horse, but that's what you've done. You've gone to the U.S. to buy a horse, and you've started out by telling them it's the best there is that we have, and you are surprised when you wind up paying top dollar. A far, far sounder approach would have been for this government to go to those negotiations recognizing them for what they are — a trading session — and to have been a bit more circumspect in what you said about free trade and what you said about Canada's approach to free trade before these negotiations began.

Mr. Minister, you have approached the nation on earth which is renowned for being sharp traders, and you've gone on bended knee, with a roaring voice, saying . . .

**Mr. Chairman:** — Order, please. Order. I'm not sure that the member is on the topic. Order. We're talking about a loan to the potash corporation. I don't see where free trade enters into this debate.

**Mr. Shillington:** — Well I'll give the Chairman some assistance. The latest disaster . . . Part of this loan is for operating; we established that. He couldn't tell me what, but he said part of it was for operating. The latest disaster to befall the Potash Corporation of Saskatchewan is a decision by the federal Court of Appeal, federal circuit court I guess, that the amount of potash coming from Canada was in violation of the U.S. laws which prohibit potash coming in at under a certain market value. The latest strike of the U.S. protectionist forces is at potash.

The latest thing to hit the decks is a move by the U.S. team, part of which is protectionism, and part of which is just good old U.S. Yankee trading. The latest of these two teams, the latest attack, they made it on the Potash Corporation of Saskatchewan. So free trade has everything to do with potash, and everything to do with the fact that an operating loan is needed for this company.

If this government hadn't begun, Mr. Chairman, their foray in 1982 into potash by giving away a part of the market, they wouldn't have had the problems. In the good times they gave away the market; in the bad times they now say they're beset by low prices. The latest thing to happen to them is that the U.S. Senator from New Mexico, with the aid and assistance of the Secretary of State, is launching an action against Canadian potash. I say that this is, Mr. Chairman, that this is . . . (inaudible) . . . which impinges on their operating finances and is a part of the reason why they need this loan. I say this comes about because they've played into the hands of a nation which is renowned for being good horse-traders. You don't go to deal with the Americans by saying, I want to buy a horse, and, by the way, it's the bet horse there is to be had; I want to tell you there's nothing finer. That's scarcely the way to get a good price for a horse. That is the equivalent of what these people have done.

Instead of going to those negotiations, saying, Mr. Chairman, and recognizing that this is a trading session — we have something to give, and we want something in return, and we're therefore in a market. You didn't do that. With a childlike simplicity of a 10-year-old, this government went to the Americans, saying, we want to travel with you to a new utopia. It's not a utopia at all; it's

a market in which we have something to give and we have something to get. But you didn't understand it in that fashion.

With a minimum understanding of what free trade is to us and to them, you would have recognized that you are trading with them, and you would have recognized that you are dealing with a nation which has made quite a success over two or three centuries in negotiating treaties.

I say, Mr. Chairman, that the U.S. free . . . this government's blundering, and the federal government's blundering in the area of free trade, has everything to do with the present woes of the Potash Corporation of Saskatchewan.

(2115)

**Hon. Mr. Berntson:** — The member's obviously at odds with the views put on the record by his leader the other day. His leader the other day was telling all of us in this Assembly that he favoured free trade in several commodities — including potash, including uranium, including pork, including a few other things — and that he didn't favour free trade in some other areas such as agricultural commodities. And you can't have it both ways.

You're the same member that stood up in this House some months ago, or some weeks ago, and, as I recall, were quite critical of the minister responsible for Sask Potash, calling on him to become an aggressive marketer in the United States — an aggressive marketer in the United States. Well by any definition, aggressive marketing . . . I mean, there's only one price for a tonne of potash, only one price for a tonne of wheat, and anything below that, I guess, if you're going to penetrate the market, is considered to be dumping.

The hon. member opposite tries to let on that he knows something about the trade business. I think that his little talk demonstrated that he knows very little about the trade business. There is, in fact, a protectionist attitude in the United States. It's been there for some time, and it's evolving and becoming more and more heated; and so sector by sector there are challenges to certain sectors in Canada and, I imagine, other parts of the world.

We believe that we should be at the table to protect those markets that we have. We don't much appreciate the protectionist attitudes that are going on in the United States, and I don't know how you stop them if you aren't prepared to go down and negotiate . . . I mean, if you take potash and uranium and sodium salt and pulp and paper — if you slam down the door on all of those markets, Mr. Chairman, Saskatchewan's standard of living is going to be somewhat reduced.

We in Saskatchewan live on trade, Mr. Chairman, and that's why these trade discussions are so important to us. And to suggest for a minute that we shouldn't be down there through the federal government, with the federal government, trying to maintain these markets . . . And we intend to just fight with everything we've got to maintain these markets.

And the member has admitted that the industry is in the doldrums, and we've got some competitors in United States and New Mexico, I believe, that are a high-cost producer, and they don't like very much low-cost potash going into their markets. So they've called for an investigation, I think under the anti-dumping laws, and so that's going to take place. Where it will take us, I don't know, but we intend to present our position; we intend to fight hard to keep the markets and . . . I mean, we must. We live on trade here in Saskatchewan.

**Mr. Shillington:** — Well the lesson of this is obviously lost on the minister. The lesson of this . . . And I am in good company. I note, Mr. Minister, that the disapproval among Canadians of the federal government's handling of free trade is far higher than those who oppose free trade. What has concerned the majority of Canadians is not free trade, but the way that you people have handled free trade . . .

**An Hon. Member:** — How do you know? How do you know?

**Mr. Shillington:** — The member from Regina North says, well how do you know? Regina North, South, I forget that. I say the way we know is because there's been two polls taken up, some of which have been quoted by journalists which you sarcastically describe as socialists.

Mr. Minister, you say you go aggressively. Of course you deal with them aggressively. Of course we sell aggressively. We sell as aggressively as we can. It is true that our standard of living depends on our ability to trade, but we aren't going to maintain our present standard of living by being poor traders. That's what you want us to do — by being poor, p-o-o-r. You want us to be weak in the market.

I say, Mr. Minister, we have to go there as aggressively selling as we can. If you want to go and deal with them on bended knee, you're going to get exactly what you deserve, and that's a foot in the mouth.

Mr. Minister, we should have gone into those negotiations realizing they were negotiations. We are not marching off to some Utopia. We are in a hard-headed bargaining situation, and you people and the federal government went into it as children. You got cleaned, and nobody should be surprised. Canadians aren't surprised; they're just disappointed.

**Hon. Mr. Berntson:** — You know, I'm not going to spend a lot of time on this except to say that the hon. member, in about three sentences there, contradicted himself twice. And if it's the political point that you're trying to score, I don't mind. It's late at night and I'm ready to go home. So you can have the last word if you want. We'll disagree.

Item 1 — Statutory

Vote 158 agreed to.

**Consolidated Fund Loans, Advances and Investments  
Saskatchewan Economic Development Corporation  
Vote 148**

**Item 1 — Statutory**

**Hon. Mr. Blakeney:** — Mr. Chairman, and Mr. Minister, I wonder if there is anybody who has any knowledge of the operations of this corporation to address a point or two which I think are highly relevant.

We are asked to put up \$21 million, and I would suspect that some of that — and maybe quite a bit of it — is for a newly acquired subsidiary of the Sask Economic Development Corporation, Sedco, and the subsidiary is Westank-Willock. That used to be a private company, and you've decided to make it a Crown corporation . . . (inaudible interjection) . . . Well you certainly have. There is no question of that. I have an auditor's report prepared by Deloitte Haskins & Sells, dated December 13, 1985, which is addressed to the members of the Legislative Assembly, province of Saskatchewan.

We've examined the consolidated balance sheet of Westank Industries Ltd., as of September 30, 1985.

I inquired as to why I was getting this as a member of the Legislative Assembly. I found that the, I believe it's The Crown Corporations Act says that if we own something more than 90 or 95 per cent of a company, it is a Crown corporation and they are to address their audited report to the members of the Legislative Assembly.

I found, somewhat to my surprise, that our holdings in Westank-Willock were up around the 99 per cent level. This, for a government which purports not to be in favour of Crown corporations, I found a little surprising. I know that in 1984 the shareholdings, I believe, were at about the 30 per cent level. They certainly were not higher than that any time in the past. The highest they've ever been up until 1984, at least, was about 30 per cent. We now find that they are 99 per cent, and I think they're 99 per cent because of actions of this government in buying a great block of shares.

The operations of Westank-Willock under the guidance of this government — and this government has had managerial people in there, I suspect — since 1982 or '83 has not been a happy one. Westank-Willock did reasonably well, with certainly its ups and downs, but reasonably well until 1981 or 1982. In 1980 it made a profit of \$1.1 million; in 1981 it made a loss of \$150,000, which loss we would greet with open arms about now; and 1982 the loss moved up to over \$3 million; and in 1983 it was about \$2 million; in 1984 it was about \$4 million; and 1985 it was about \$2.5 million. And you have . . . under the careful guidance of the business people opposite, this corporation from 1982 to 1985 has lost \$11.8 million, virtually all of it public money.

There were Sedco loans. Those loans kept going up and up and up, and finally you said, we're never going to collect these loans; we're going to take \$11 million in shares — and \$11 million in shares to cover the \$11.8 million that this company, now a Crown corporation, has lost. And it's been losing money still, as a Crown corporation. And I think that we all would wish Westank-Willock well in the sense of maintaining its business and creating jobs and employment. But we have

to face the fact that Sedco opted to get rid of the founder of the company — for good or ill, but they must take the responsibility. They got rid of the man who built it — for good or ill, but they must take the responsibility. And they have been losing money at an impressive rate since that time.

And you've now got another Crown corporation that is, as I say, losing money at an impressive rate. And I have no doubt, of this \$21 million, some significant amount of it may be going to deal with the problems which you people have created at Westank-Willock. It's not every corporation of this size . . . And it's not a large company. It doesn't have a large capital; its gross assets are in the \$12 million range; its property is worth 3 or \$4 million; it has sales of \$20 million. And you lose 3 or \$4 million a year some years; 2, \$3 million a year on \$20 million of sales — that is not a happy business venture.

And I am a little bit surprised that the government decided that they were going to become the 99 per cent owner of this, as you have. I make those comments and then ask the minister whether Sedco has a policy of making loans, or guarantees, other financial commitments of a major nature, to companies who have no substantial operations in Saskatchewan. And I ask that very carefully: are you making loans or guarantees to companies which have no substantial operations in Saskatchewan?

**Hon. Mr. Berntson:** — Well again the member has me at a bit of a disadvantage, not being the minister responsible. But my guess is that the only incidence that would come to mind would be one that will, in fact, have substantial operations in Saskatchewan once this facility is completed, and I'm speaking of the Gainers bacon plant in Swift Current — pardon me, in North Battleford. We're going to try to get one in Swift Current too, but that's another discussion.

But I'm not aware of any others and, as I said at the beginning, you have me at a bit of a disadvantage. I'm covering for a minister who is out of the country at this particular time. And I invite you to put your questions on record, and I will undertake to have them answered upon his return.

(2130)

**Hon. Mr. Blakeney:** — Mr. Minister, I hasten to say that I wasn't talking about companies who are outside Saskatchewan but are coming in here to commence an operation, that no one quarrels with Sedco loans of a proper nature to those companies. What I was talking about was loans to people whose operations are not effectively connected with this province at all by way of the financing of purchases of goods from some companies which are in Saskatchewan.

More directly, I would want to ask whether Sedco is providing any loans or guarantees to customers of Westank-Willock in order to finance the purchase of goods from Westank-Willock. Are they providing such loans or guarantees to, I was going to say Cyprus-Anvil, but I'm not talking . . . The people who bought Cyprus-Anvil in Yukon is one I'm asking about. I am not sure of the name, but I will suggest it as C-U-R-R-A-G-H,

Curragh Resources Corporation, or any other. They obviously can work through subsidiaries.

Shortly put: is the corporation providing loans or guarantees or other financial assistance to Curragh Resources Limited or to any other mining company to assist them in purchasing goods from Westank-Willock for the purpose of hauling ore from Faro to Skagway or to anywhere else in the Yukon?

I am not sure that my information is right. I ask whether the minister can provide me with that information in a timely way. I don't want to phrase my question to say that it must only be a loan, because there may be some other financial arrangement, but what I am asking is: does Sedco make any financial arrangements involving any financial risk or exposure to Sedco or the people of Saskatchewan in order to finance the purchases of goods in Saskatchewan which may be manufactured in Saskatchewan — and particularly by Westank-Willock — to people outside the province? And I've give you a particular example.

**Hon. Mr. Berntson:** — Okay. I do know that Westank-Willock was successful in getting a large contract on these ore carriers.

As to the specific questions, in Sedco's involvement, your question is on the record, and I will undertake to provide the member with that information.

**Hon. Mr. Blakeney:** — Thank you, Mr. Minister. I repeat the general question I asked, and I asked a specific question with respect to the contract for ore carriers, and you will be familiar with it. I believe the number was 90, and the amount was somewhere between 4.2 to \$4.7 million, somewhere in that range. I am asking what part . . . how was Westank-Willock and/or Sedco involved in the financing of the purchase of those ore carriers, as well as being the vendor, and I think it's the same question as I asked before.

Item 1 — Statutory.

Vote 148 agreed to.

#### **Consolidated Fund Loans, Advances and Investments Saskatchewan Power Corporation Vote 152**

Item 1 — Statutory.

Vote 152 agreed to.

#### **Saskatchewan Heritage Fund Budgetary Expenditure Urban Affairs      Provincial Development Expenditure — Nil Vote**

#### **Motions for Interim Supply**

**Hon. Mr. Lane:** —

Resolved that towards making good the supply granted to Her Majesty on account of certain expenses of the Public Service for the fiscal year ending March 31, 1986, the sum of \$486,000,430

be granted out of the Consolidated Fund.

Motion agreed to.

**Hon. Mr. Lane:** —

Resolved that towards making good the supply granted to Her Majesty on account of certain expenses of the Public Service for the fiscal year ending March 31, 1987, the sum of \$2,335,892,690 be granted out of the Consolidated Fund.

Motion agreed to.

**Hon. Mr. Lane:** —

Resolved that towards making good the supply granted to Her Majesty on account of certain expenses of the Public Service for the fiscal year ending March 31, 1986, the sum of \$27 million be granted out of the Saskatchewan Heritage Fund.

Motion agreed to.

**Hon. Mr. Lane:** —

Resolved that towards making good the supply granted to Her Majesty on account of certain expenses of the Public Service for the fiscal year ending March 31, 1987, the sum of \$575,324,680 be granted out of the Saskatchewan Heritage Fund.

Motion agreed to.

**Hon. Mr. Lane:** —

Resolved that towards making good the supply granted to Her Majesty on account of certain expenses of the Public Service for the fiscal year ending March 31, 1987, the sum of \$627,000,700 be granted out of the Special Projects Fund.

Motion agreed to.

The committee reported progress.

## FIRST AND SECOND READING OF RESOLUTIONS

**Hon. Mr. Lane:** — Mr. Speaker, I move that the resolutions be now read a first time.

Motion agreed to and resolutions read a first time.

**Hon. Mr. Lane:** — By leave of the Assembly, I move that the resolutions be now read a second time and agreed to.

By leave of the Assembly, the said resolutions were read a second time and agreed to.

## GOVERNMENT ORDERS

### THIRD READINGS

#### Bill No. 58 — An Act respecting The Saskatchewan

## Pension Plan and Providing for the Payment of a Minimum Monthly Pension

**Hon. Mr. Lane:** — Mr. Speaker, I rise just to make a few comments on what certainly the government believes and many people in this province believe to be an historic piece of legislation.

The Saskatchewan pension plan has attracted interest across Canada. It has attracted interest, not only from other governments and other political parties, but it's attracted interest from those concerned not only about the general question of pensions but the adequacy of pensions and the opportunity for adequate pensions.

The Saskatchewan pension plan is historic legislation that for the first time gives an opportunity for home-makers to have a pension plan of their own. The interest has run in the several thousands of requests for information to the Department of Finance, and I believe that the legislation will be legislation which will move the debate for a national home-makers' pension plan to the front burner where it deserve to be.

There has been some criticism by the opposition that the Saskatchewan pension plan should take family income into account. In fact, Mr. Speaker, we should begin to treat the home-makers as individuals, as equals, and recognize the need for home-makers, as individuals and as equals, to have the opportunity for a pension plan.

I was surprised by the comments of the opposition that students should not be eligible; that there was criticism because Saskatchewan students would have an opportunity. One of the thrusts of the Saskatchewan pension plan, Mr. Speaker, is to encourage those very young people to begin to save now for their retirement. Too often we have seen young people say, no, I'd just as soon have a car; or the normal, I would just as soon spend the money on new stereo equipment, things of that nature. Those are obviously desirable expenditures by young people, but we also believe that it would be desirable for our young people to begin to save for their retirement. The sooner they begin to save, the bigger the pension they will have, the more secure retirement they will have for themselves and for their families. So very much a thrust of the Saskatchewan pension plan is to encourage young people to begin to put away moneys for a pension.

We have had a tremendous number of requests from small-business men who believe, rightly or wrongly, that they don't have access to other pension plans, and they wish to have an opportunity to make some contribution on behalf of their employees.

Mr. Speaker, again, the Saskatchewan pension plan is legislation that was brought forward with a great deal of pride by the Premier of this province and this government. It's legislation that breaks new ground. It breaks new ground, much to the . . . with the support of this government. It was not a difficult decision for this government to make, to say that home-makers should be treated as individuals and equals and that they should have a pension plan of their own and that we should treat them, as I say, as individuals and as equals.

(2145)

Mr. Speaker, it's with a great deal of pride that, on behalf of the Progressive Conservative Government of Saskatchewan, I move third reading of a Bill, The Saskatchewan Pension Plan Act.

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

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

### APPROPRIATION BILL

**Hon. Mr. Lane:** — By leave of the Assembly, I move:

That Bill no. 70, An Act for the Granting to Her Majesty Certain Sums of Money for the Public Service for the Fiscal Years Ending Respectively March 31, 1986, and March 31, 1987, be now introduced and read the first time.

Motion agreed to and Bill read a first time.

**Hon. Mr. Lane:** — Mr. Speaker, before I ask for leave I will follow the long-standing tradition of the Assembly and make some general comments on the session, some of the activities during the session.

I believe, Mr. Speaker, that the throne speech laid out an agenda for the people of this province, an agenda which included a Saskatchewan pension plan and other activities, and that certainly has been one of the highlights of this past legislative session.

The budget removed the sales tax on clothing of a value of under \$300. Not only was that well-received, Mr. Speaker, it has had the effect on communities along both the east and west borders of this province. Those along the east side are now finding that people from Manitoba — NDP Manitoba — are coming over to do all of their retail buying in Saskatchewan because virtually all goods are sales tax free. Manitoba, of course, has a 6 per cent sales tax.

Along the west side of the Saskatchewan border, people that traditionally went to Alberta to do their retail shopping are now staying in the province, again because most goods are sales tax free and there's not much value in driving to Alberta for retail purchases.

We also made fundamental changes in student loans, in the criteria, so that single parents will now have a better opportunity to get university and advanced education. We changed the criteria to expand the eligibility for student loans so that farm children and young people are no longer excluded.

We made fundamental changes to the day care funding in this province.

Mr. Speaker, we are continuing the thrust of this government to increase opportunities for people of Saskatchewan to invest as individuals, and not through the institutions of government, in the opportunities which

exist and will continue to exist in this province through a stock savings plan. And already we have some six different companies indicating that they desire to proceed with public issues for Saskatchewan people; they will be Saskatchewan companies, funded in this province by Saskatchewan people.

We have instituted a labour venture capital fund, a new opportunity, a new thrust, and a new project, and a new idea for the people of Saskatchewan, to give working people the opportunities to invest in small and medium-sized businesses.

Mr. Speaker, for the first time the people of this province and the rural people of this province will have private lines and private telephones. Seventy thousand people now, Mr. Speaker, will have the opportunity, as a result of this government's initiatives and individual line service, to have the privacy of private telephone calls, the opportunities of the latest technology, Mr. Speaker — a new thrust by this government, a new initiative, led again by Premier Devine and the Progressive Conservative government.

Mr. Speaker, not all of the activity during this session took place in this Chamber. This government settled issues with doctors and nurses, and settled with the pharmacists and teachers.

And, Mr. Speaker, we have taken new initiatives for agriculture. No government in North America has been more responsive to the tremendous difficulties faced by our farmers through circumstances not always of their own making — in most cases, beyond their own control. And we have tried to cut their costs of operation with lower fuel costs and other farm input costs which have been lowered by this government.

We have lowered interest rates for farmers, a commitment that we have made some time ago, and a commitment which was exemplified by the first and the only acreage payments, the cash advance programs for Saskatchewan farmers. It's been taken up and accepted by over 85 per cent of Saskatchewan farmers, and let me suggest, Mr. Speaker, to all the people of this province, that that initiative has the overwhelming support of most farmers in this province, and I suggest, Mr. Speaker, that those — particularly those in the opposition that say, oh, you don't have to pay it back; and they won't pay it back — have a distorted view of the honesty and integrity of Saskatchewan farmers, Mr. Speaker.

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

**Hon. Mr. Lane:** — We believe most strongly that this government had to stand, and the people had to stand, behind the farmers in their hour of difficulty, and we have done so, and we will continue to do so. That has been a commitment of this Premier — of our Premier — and of this government and this party. And no other party and no other premier and no other government has made the commitment to farmers that this Progressive Conservative government has.

Mr. Speaker, we had the courage during this session to change urban store hours and recognize that public

demands are changing, consumer interests are changing, and that the opportunity is now there for local governments to remain open as many as six nights a week, if that is the decision they make.

Again, Mr. Speaker, we can watch that debate and put it in perspective and look at the number of local governments, opposition parties, that said, oh, no, we don't want to take a stand; we'll wait to see what you're going to do. The provincial government has the responsibility. We took the responsibility, and we made the decision, Mr. Speaker, and we changed that legislation.

Throughout all of this, Mr. Speaker, we had a constant attack by the New Democratic opposition, which opposed virtually every new legislative action by this government. And one of the things that's come clear, Mr. Speaker, over the last several months, is that the people of this province really don't want the NDP back in office, and they really don't like what the NDP stands for.

They believe fundamentally, and they believe in their hearts, that the proposals of the 1960s and the mid-1970s as put forward by the opposition, are not the programs and the proposals that will take this province into the 1990s and into the next century, Mr. Speaker.

We had a continuous attack on the bacon plant in North Battleford until the local people stood up and said, we want that project. And then we saw the NDP do a complete flip-flop and say, all right, well, I guess we'll have to go along with that.

The only time that they have said and stood up in the House . . . And I give them credit for finally girding their loins and screwing up their courage and saying that they would oppose the paper-mill. They finally said that they would oppose the paper-mill, and the sale of the pulp project. And I think, Mr. Speaker, that this whole session, and the thrust and the direction of the two political parties in this province, is exemplified in the debate over the P.A. pulp-mill. I believe that it is crystal clear.

The NDP took several positions. First of all they said they favoured it; then they said they didn't; then they said they might; then they said they might not. They said they didn't borrow the money, and then they found out they did borrow the money to buy it in the first place. Then they said they only borrowed it for bridge financing. Mr. Speaker, the member for Regina Centre said it was only for bridge financing.

We can talk about bridges and their idea of bridge financing of PAPCO because that financing is still going on. Mr. Speaker, that's either a pretty long bridge, or it ranks up there with another famous bridge and that's the sale of the Brooklyn Bridge, Mr. Speaker. Mr. Speaker, that's their idea of bridges, and that's their idea of bridge financing some four or five years later.

Mr. Speaker, we will have . . . And I happen to look forward with a great deal of excitement, Mr. Speaker, to the activities over the next couple of months. The NDP ads have been on about PAPCO. Without letting the cat out of the bag, I would suggest that the Progressive

Conservative ads will be running, and it won't only be a battle of philosophies and MLAs and candidates and parties. It will also be a pretty healthy fight of ad agencies, I suggest, Mr. Speaker, over the next several months, and we very much look forward to it.

The NDP have looked for a Meadow Lake pulp-mill issue since 1971. If I recall that debate in 1971, they didn't have much success selling the deal; they certainly had a great deal of success talking about the environment. But what they don't have this time, Mr. Speaker, is that horrendous deal made by the opposition, by the New Democratic Party, to buy the P.A. pulp-mill in the first place — with borrowed money, Mr. Speaker, with borrowed money, at interest rates of 17 per cent. They borrowed money to buy P.A. pulp mill, tried to deny it, tried to deny it — at 17 per cent money.

Mr. Speaker, it is absolutely amazing because the other question that arises is why did they have to? They had another buyer. They had a private sector buyer to buy the P.A. pulp-mill. They pushed that private sector buyer out of the way and said, no, we're taking it. They tried. They said they'd buy it with the Heritage Fund. In fact they borrowed the money, and the evidence is there for all to see and will be there for all to see over the next days and months. They had a choice.

Mr. Speaker, that wasn't an economic decision to save an industry. That wasn't an economic decision to save an enterprise for Prince Albert. That wasn't an economic decision for the forests and those effected in northern Saskatchewan. That was a straight philosophical decision by the previous government which said, we want to own the P.A. pulp-mill, and we're prepared to put the taxpayers' money at risk to buy that pulp-mill.

And, Mr. Speaker, the fight is not just a question of the deal, because we will debate that. The issue is one of philosophy. And secondly, Mr. Speaker, the P.A. pulp-mill is going to be an issue of management and the care and control of the province's moneys, because when the people of Saskatchewan are judged and have the opportunity during the debate over the next months as to why they bought the P.A. pulp-mill, why it cost \$91,000 a month, why they would put out financial statements that didn't include the interest charges on buying the P.A. pulp-mill — Mr. Speaker, that issue is not one of ownership of resources; this issue will come down to a question of whether the people of Saskatchewan want a government that will let the private sector develop a new paper-mill, will own and operate for the best interests of the people of Saskatchewan, or whether they want to go back to the old ways of government buying and government ownership and government take-over of the resources. And that's what that issue will be debated upon over the next months.

Mr. Speaker, let me tell you that every single member of this government, and every single candidate of our party, is looking forward to that debate with a great deal of vigour and a great deal of interest . . .

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

**Hon. Mr. Lane:** — . . . and looking forward, Mr. Speaker,

with a great deal of relish to that debate.

Mr. Speaker, it's interesting that the NDP made some financial proposals. They try to say on the one hand that they were against a deficit, made promises which could total \$1.2 billion, aren't worried about the deficit. They even went so far, Mr. Speaker, to have a deficit in their own party financing this year. That's how little regard they have for the deficit, Mr. Speaker.

Mr. Speaker, I'd just like to remind all hon. members that, when the Leader of the Opposition will say that he's against the deficit, that when he was provincial treasurer of this province, he ran a deficit — he ran a deficit, Mr. Speaker. And I believe that the issue of the deficit will be another interesting one that the debate will continue past this evening and into the future.

As I said, I believe that much of the activities of this session and much of the debate can be exemplified by the PAPCO debate. We have a philosophical difference, but we also have a management difference, and we also have a financial difference. And I lay the question out, and it will be one that the people of Prince Albert are already asking.

(2200)

You know, if the NDP had not insisted on buying the P.A. pulp-mill, if they hadn't bought the P.A. pulp-mill and really wanted to spend the money, taking the same amount of money, they could even have built a paper-mill. But no, the difference was, when they had the choices between either letting the private sector buy it so there was no taxpayers' money at risk, they chose and made the choice of government ownership. And they bought the P.A. pulp-mill, Mr. Speaker. All of us, all of us look forward to the debate, as I say, over the months because this will be a fundamental issue for the people of Saskatchewan.

And by leave of Assembly, under rule 48(2), I move that the Bill be now read a second and third time, Mr. Speaker.

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

**Hon. Mr. Blakeney:** — Mr. Speaker, I think we were all entertained by the remarks of the member for Qu'Appelle-Lumsden, the Minister of Finance. He is entertaining. He is particularly entertaining when he makes an argument which is so weak as the one he made. He is trying to suggest to you, Mr. Speaker, and to all of us, that they're busy, just waiting to get out on the election trail; that they're just panting to get out there and make all of these points on the election trail.

They announced — and he uses the pulp-mill as an example — they announced this pulp-mill with great fanfare in March, with the idea of getting out on the election trail in April — on April 28th, or April 30th, or perhaps May 5th. And the member for Lakeview certainly thought so, since he put his committee rooms — since dismantled. He's taken his trailer away, I take it to have it

repainted.

And we know, and you know, and the public knows that there was an election planned and you decided against it — wisely, mind you, but you decided against it. And again in June, you had at least tentatively selected the date of June 18, and you withdrew from that. And you were not nearly so interested in debating these issues on the hustings then. No, indeed. You weren't interested in debating them because you knew the public of Saskatchewan was not going to buy those arguments.

Going back years, about what happened five or six or seven or 10 years ago, is a typical argument of the member for Qu'Appelle-Lumsden. But what the people of Saskatchewan want to know is what's going to happen one, two, or five years hence. They're looking at the future. Members opposite are looking at the past.

The really remarkable thing about this session, Mr. Speaker, the really remarkable thing about this session is that we're still in session — that we're still sitting here; that this legislature is still in session; that indeed this legislature is still in existence. That is the remarkable thing.

When you and I and all of us go out and talk to people, I can certainly tell you what people were asking me today. For every one who asked me about the pulp-mill or about our housing plan or other things which came up — for every one who asked me those, five asked me: when are we going to have the election? When are they going to have an election? When are they going to call it? That is in the public mind, and if you feel that it isn't, then you are kidding yourself because I tell you that's what the public are asking.

And it's not surprising that they are asking it. After all, this legislature has lasted longer than any since World War II. It is the second longest legislature in the peacetime history of Saskatchewan. The first one was under the aegis of the distinguished Dr. Anderson. The Tories, under Dr. Anderson, hung on for five years, and they lost. And did they lose!

And now we have another doctor, our Premier. He is busy. Another Tory hanging on — hanging on, clinging to power, longer than anybody in the peacetime history except Dr. Anderson, and the public are going to greet him with some of the same welcome they gave to Dr. Anderson.

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

**Hon. Mr. Blakeney:** — And what are they going to remember about this session and about the latter years of this government? Well, Mr. Speaker, they're going to remember the Minister of Finance's provincial budget with the largest deficit in the history of Saskatchewan, when properly calculated — when calculated the same way his colleague, the member for Kindersley, calculated his last year — the largest deficit in the history of Saskatchewan, bringing our combined deficit up to something over \$2 billion.

And the Minister of Finance talks about previous deficits,

and no doubt there may have been a deficit of 1 million or 2 million. But never, never in the history of this province has any government ever run a deficit of as much as \$10 million — not since World War II — and he couldn't guess his deficit to the nearest 50 million. He couldn't estimate it. Such is his method of financing that he wouldn't be able to estimate what the deficit is to the nearest 50 million, and anybody would be very, very unwise to believe in the figures which he put forward.

His budget is interesting in other respects. He didn't reduce the 5 per cent sales tax or didn't eliminate it, as he and his colleagues promised ... (inaudible interjection) ... You promised to eliminate the entire 5 per cent sales tax. That was the promise, and you are now proposing to just fall a bit short of that, by about \$375 million. That was your promise. It wasn't my promise; it was yours, and you broke it.

And you promised to cut the sales tax by 10 per cent, and that was your promise — not mine, but yours, your income tax by 10 per cent. And you broke that. And instead of cutting income tax by 10 per cent, you put on the flat tax, and we are the proud possessors in this province of two income taxes, the only province that does.

You suggested other taxes from time to time for other purposes, and you didn't even bother taxing those. He had a proposal to tax pornography and he decided against that. He decided against that. And there are just so many instances of mismanagement by the Minister of Finance that it would take the House a very long time if outlined them all.

May I ask you to look at the record of Crown corporations under this government. In the last year you lost another 79 or \$80 million. Now that's more than at any time Crown corporations ever lost prior to 1982. We had records of profits in those days, and you have a record of losses, of mismanagement, of running these corporations in to the ground, trying to make them look bad; and you're so good at that because it doesn't take you very much to make those corporations look bad. You are running them into the ground ... And that's what you did with the pulp-mill. It made profits up to 1982. You ran it into the ground, and now you want to sell it off. That is what ...

**Mr. Speaker:** — Order, please.

**Hon. Mr. Blakeney:** — There is, I think ... A simple look at the financial statements will tell you. I have them; you have them. And those are the facts. And you have run it into the ground, run it into the ground again, and now you're trumpeting the fact that because you've run it into the ground, it should be sold.

And you're going to do the same thing with the potash mines. You're running those into the ground. They made healthy profits and you are ... (inaudible interjection) ... Admittedly, these are different times, but there's certainly different management as well.

The whole style of your government is indicated by so much of the extravagance and give-aways. We already touched this evening on Westand-Willock and its record

of losses since you have taken over the majority ownership. And yet you have a manager there receiving a salary of \$8,000 a month and a furnished apartment, regular trips to Toronto, and what does he do? He makes the corporation, which was previously making money, lose 2 million or \$3 million a year. That's another bit of your management, and we'll be delighted to debate some of these managerial issues on the hustings with you.

You are saying you didn't plan an election; I know that. Those four television shows in March that cost half a million dollars were pure accident, just happened to be in March, just happened to cost the taxpayers half a million dollars, and then, after that big experience, you got cold feet, and you know that.

A reference was made to bacon plants and Peter Pocklington ... (inaudible interjection) ... That's right, but all the references come from your mouths and none of them come from the paper. There's not a word on paper in this House about your deal with Peter Pocklington. And so I can't state emphatically whether it's a good deal or a bad deal because so far it's a secret deal. But I tell you this: I am not encouraged by the belief that Peter Pocklington is bringing his managerial talents to Saskatchewan. I'm not encouraged by the fact that here's the man who set out to break the pork marketing board and the farmers of Alberta. I'm not encouraged to have him coming in here dealing with our pork farmers.

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

**Hon. Mr. Blakeney:** — I'm not encouraged by the fact that here's a man who set out to break trade unions and to break the rate paid by all of the other packers in western Canada. I'm not encouraged by that.

I believe that those, the other packers, the Canada Packers and the Intercons and the others are not in business for their health. They bargain hard with their unions. They bargain hard. I think they bargain fairly, and I would like to think that other packers would be able to bargain in the same way and not have a performance such as we now have in Edmonton by Peter Pocklington, but that's up to you. You choose your friends. You will be responsible for them because you choose them in the full knowledge of what they stand for.

We'll have an opportunity on another occasion to speak on Weyerhaeuser, but here is another secret deal without facts on the Table, without facts on the Table. I invite the minister to look at the situation when the Prince Albert pulp-mill was built before, and when we had the first Bill to guarantee. And every deal was on the table, copies of the signed deal — copies of the signed deal were on the table before the public was asked to guarantee. And that you refuse to do. That you refuse to do, pretending to say that the deal was not closed, that it was still under negotiation. And then when we asked, what is the forest deal? you said, well it's just as good for the public as the current deals; I don't know what the deal is, mind you; it's still under negotiation; I can't tell you what the terms are; I can just tell you it'll be good.

(2215)

Now that, Mr. Speaker, is not very convincing. Either the minister knows the terms or he doesn't. If he knows them, he should give this House the terms. If he doesn't he shouldn't stand up and say how good they are. And that's what he's doing. I don't know the terms, therefore I can't tell you what they are, but I can assure you they're great and everybody will think they're wonderful. That's out of the mouth of the minister.

**Mr. Speaker:** — I think that if we're going to carry on the debate in the House, we should give the member on his feet the opportunity to be heard, and that applies to both sides of the House.

**Hon. Mr. Blakeney:** — Mr. Speaker, I think that the hollowness of the government's position saying, no, we don't have the deal; we can't tell you what the deal is with Weyerhaeuser; we can just assure you it's a good deal; we know it's a good deal; it isn't signed yet; it isn't negotiated yet, as the member for Meadow Lake says, but the member for Turtleford says he can give us absolute assurance that the forest management licences are fine and they're going to be very, very good, but he can't tell us what the terms are because they aren't negotiated. They aren't negotiated, and he doesn't know what they are, but they're good. Well I wonder, Mr. Speaker, whether that has any level of credibility at all.

And then we have their performance with respect to cabinet ministers going all over the country spending close to half a million dollars on travel, an increase of 59 per cent in the last four years. And then we have, as another instance of their management and the sort of management which has become to be suspect in the minds of the public, we have contracts let out by the deputy minister of Government Services to the wife of the deputy minister of Government Services, without tender. And I ask whether the public can have confidence in that sort of tendering.

And then we have the \$285,000 paid out for three part-time trade consultants. We've got \$138,000 paid out to Tanka Resources to do some polling — unspecified — and it just happens that that's the polling organization which does polling for the PC party. And people say, look, sure, parties have got to do polling. But I don't think my tax dollars should be going to pay for the PC party's polling, and that's what's happening with Tanka; and you know it, and I know it, and so does the public know it.

And then we have the member for Indian Head-Wolseley, the Minister of Health, paying \$154,000 to get a company to come in to write some speeches and a PR campaign for him when he's already got seven people on staff. And he pays \$154,000 for speech writers and PR people to set up a campaign.

And then we have Ron Ryan, a person who was fired by SGI (Saskatchewan Government Insurance); Ron Ryan, fired by SGI for improper conduct — at least that's how I would judge it, and that's how the manager, the president of SGI judged it — and what penalty is visited upon him by the government opposite? I'll tell you. Contracts of \$126,000 — \$126,000 in contracts after he has been fired for improper conduct.

**An Hon. Member:** — No tendering.

**Hon. Mr. Blakeney:** — And then we have . . . No tendering. Of course not. Tendering? With this government?

And then we have Dave Tkachuk, as revealed in the court documents, interesting himself — and that's the politest word I can choose — interesting himself in an arson investigation by SGI to the extent of taking file home over the weekend and then discussing them with the person under investigation. It matters not, Mr. Speaker, whether or not that person who was being investigated was acting properly or improperly, had a valid claim or an invalid claim. I ask, what is a person in the Premier's office doing, going down, engulfing himself in an arson investigation, and then taking the file and discussing it with the person who's under investigation? I say that is improper. I say that is improper.

We've had . . .

**An Hon. Member:** — Why is the member on his feet?

**Hon. Mr. Blakeney:** — Well the member is on his feet to remind the member opposite that the Minister of Finance, in another responsibility which he bears, has given to senior officers of SaskTel increases of about 13 per cent. These people are all getting of the order of \$75,000. They're good people. I don't deny that. But 13 per cent at a time when you're offering 25 cent increase in minimum wage over four years. I ask you, Mr. Speaker, does that give the impression of a government which is compassionate and fair? And I suggest to you that it doesn't.

Then we've had all of the instances of this government telling us things which we couldn't rely on. Take Saskoil. We were assured that the privatization of Saskoil would simply mean that the money which had been in there would still be used to develop Saskatchewan resources. And we find that that's no longer true. This corporation is clearly planning to move its major operations to Calgary and moving the focus of its operations away from the heavy oil deposits of Saskatchewan to the lighter oil deposits in other areas.

Then we have the member for Souris-Cannington telling us that the power plant at Estevan is a great deal; and the Rafferty dam is a great arrangement; and it's the best option we have. And he may be right. But do we have any confidence in that when he is unwilling to supply either this House, or a committee of this House, with the facts which show that this is a better deal than any of the options? He hasn't done it, and he declined to do it. And having regard to the fact that Estevan moved up, and moved steadily up, in the priority when the chairman of the power corporation came from Estevan — Mr. George Hill.

And I'm saying nothing now that I haven't said at other times. I say that the public are entitled to ask some questions when this government decides to build a power plant at the recommendation of Mr. George Hill on a piece of property which is within a few years of one owned by Mr. George Hill. And you don't deny that.

**An Hon. Member:** — Yes, I do.

**Hon. Mr. Blakeney:** — Well, owned by a company of which Mr. George Hill is the primary owner — all right, I am sorry. I am sorry to suggest that Mr. Hill owns it personally; it is his company which owns the land. And I am sure the public is greatly comforted by the fact that the land is owned by Mr. Hill through a corporation and not directly.

And then we have the Ombudsman who was saying that he needs more staff in order to inquire into the concerns of the public, and he's getting turned down by the government opposite.

We had the member for Wilkie, who hasn't darkened the door of this House — not in this session — and he's going to get his MLA pay and expenses. I'm told that he's proposing not to take his sessional allowance. Well, well. Well, well! He's not going to take his sessional allowance — just take two-thirds of his pay and not the other third. Well, well. I am sure that the public are reassured with that statement of principle on the part of the party opposite.

Well I won't talk about the late-lamented freedom of information announced in the Speech from the Throne and forgotten promptly.

I won't mention the fact that these people, particularly the member for Rosthern, but many others, talked about the unfunded liability in pension plans and what a shocking thing it was, and then he stood mute while the Minister of Finance took \$30 million out of the teachers' pension fund — \$30 million he took out right after having complained about the level of unfunded liability in that very pension fund. And that's true of members opposite who were saying, isn't it a shocking thing that these pension funds have an unfunded liability? Well I'll tell you, it's \$30 million more shocking after this budget, because that's what the minister took out.

And then we have the performance by the government opposite of being unwilling to talk about Pioneer Trust. We have a committee of this House set up for that, set up to talk about expenditure of public funds — that's the Public Accounts Committee. And your members set out to gag that committee so they couldn't talk about Pioneer Trust. You did it effectively, and you will not talk about Pioneer Trust. And with that record, if I were you, I wouldn't talk about it. But I can tell you, the public are talking about Pioneer Trust, as well they might.

After Mr. Will Klein outlined his dealings with this government, his dealings — the fact that he was among the chief money-raisers for the Conservative Party . . .

**An Hon. Member:** — A pretty good one too.

**Hon. Mr. Blakeney:** — Pretty good fund-raiser. You bet he was a pretty good fund-raiser, and had a lot of incentive to be a good fund-raiser when he was getting this sort of support from your government. A lot of incentive. I suspect we could find people who would raise funds for you at a cheaper rate than promises of \$27

million guarantees. I suspect you could raise it cheaper, and certainly cheaper so far as the public of Saskatchewan are concerned.

Then we have your economic record — the number of young people now leaving this province. Just what's happening to our young people is shown by the one in five youths who are suffering from problems of drug and alcohol, according to your own reports, and on and on. These, Mr. Speaker, are well-known.

I want to mention one other area where this government has failed, and that is speaking up for Saskatchewan at Ottawa. I take the Nielsen task force. We all remember Erik Nielsen. We won't remember him for long, but we remember him.

He prepared a report laying out a series of policies for Saskatchewan agriculture which would have been disastrous, and yet might be disastrous, if they are introduced. Certainly they purport to be a policy basis for the government in Ottawa.

Have we had any public representations against those Nielsen task force reports? And if so, when? If so, when?

We have listened to the Minister of Agriculture, present and past, outline in this House their concerns, and I don't recall them taking them point by point. I don't recall them talking about their desire to retain at least some of the aspects of PFRA. I don't recall them speaking out in favour of interest-free cash advances which the Nielsen report says we ought not to have, and on and on. I think those are points which the public will remember — mute on the Nielsen task force, just as surely as they were mute on the Crow rate short years ago.

Then we have the question of initial grain prices. Here we have a situation which has cast Saskatchewan farmers in a situation as difficult as they have faced for many decades. The war between the United States and the European Common Market is now widely known, and the impact on Saskatchewan farmers is known. The need for the federal government to step up and support our farmers in the way that the federal government of the United States and the national governments of Europe are supporting their farmers is clear.

(2230)

And yet week after week farm organizations and political parties call for deficiency payments, and week after week we heard not a word from members opposite — not a word. Not a word until the member for Estevan, the Premier, got talking with other premiers across western Canada and said: we have no way out; we'll just have to ask for them; we're being pushed. And not until that did I hear a word from our Premier asking for deficiency payments.

I think of the federal transfer of payments, the very sharp cut-backs which are going to impact on every citizen of Saskatchewan on all our programs. Do I hear any word of protest?

We had protests from the Liberal government of Quebec,

and we had protests from the NDP government in Manitoba, and we had protests from the Tory government in New Brunswick, but not from Saskatchewan. They're happy with Brian Mulroney cutting back. They're happy with that. And is it any wonder that people don't have confidence in this government speaking up, speaking up for Saskatchewan. They simply put too high a premium on their cozy relationship with the federal government. Just as surely as Brian Mulroney is putting too high a premium on his cozy relationship with Ronald Reagan — and we're all now paying for it — just in the same way our Premier is putting too high a premium on his cozy relationship with Brian Mulroney, and we're all going to pay for that. We're all going to pay for that.

Well, Mr. Speaker, I don't want to outline all of the problems which have been disclosed by the many, many days of this session which we have inquired into the stewardship of the government opposite. All we know, Mr. Speaker, is that we have a provincial deficit of \$2 billion. We have young people leaving the province in numbers which we haven't seen for weeks and weeks. We've seen the tax burden being continued on ordinary people. We have seen, in fact, the government doubt the flat tax — double the flat tax. We have seen them confirm the fact that they don't propose to have any property tax rebates. We have seen all of these things confirmed.

Mr. Speaker, we have seen this government continue to fail to speak for Saskatchewan people in the councils of the nation. And all of these things are clear. They have put all of their hopes upon some megaprojects, almost all of which are financed almost completely by the taxpayer. Their megaprojects — whether it be Estevan, or whether it be upgraders here in Regina, or whether it be Peter Pocklington, or whether it be pulp-mills — almost completely financed by the taxpayer.

They have been unsuccessful in attracting very much private money. Their investment is very much below what it was short years ago; very much below. Their economic and industrial strategy is in a shambles. Their financial planning is in a shambles, their social programs are in a shambles, and their political fortunes are in a shambles; and that is what is just beginning to dawn on them, and that is why we are not now on the election trail. That is why we didn't have an election at the end of April, why we didn't have one in June, and why it may well be true, Mr. Speaker, that we will have a fall session, because they won't dare to call an election this fall. That even could be possible. I hardly think it possible, since I think the public will chase them into it.

We certainly hope there will be an election. We hope there will be an election soon. The public hopes there will be an election soon, and we welcome an opportunity to explain to the public the positive alternatives in the New Democratic Party, the shortcomings of this government, and particularly the shortcomings of the budget we're now debating. We welcome that opportunity, and it's very, very clear that members opposite don't, otherwise we would have had an election long before now. Thank you, Mr. Speaker.

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

**Hon. Mr. Lane:** — Thank you, Mr. Speaker. We have just seen and witnessed tonight the opposition from Saskatchewan to Johnny Carson, because we've never seen anything more humorous. And here is the Leader of the Opposition, premier for 11 years, said that this government is resting on megaprojects. How many projects did he bring in when he was the premier of this province? Did he bring in a paper-mill? No. Did he bring in a pulp-mill? Did he bring in a potash mine? No.

What kind of megaprojects did the NDP bring in? I'll tell you, they didn't bring in any. They bought several; they bought several. They want to talk about the Sturdy Stone building and the SaskTel building as megaprojects. But that's the legacy that they have, Mr. Speaker. The NDP in 11 years couldn't bring in one project. And they stand here and criticize the Conservative government for bringing in several in the first four years of office. Let me tell you, let me tell you, Mr. Speaker, the last thing the Leader of Opposition wanted to see last night on television were those caterpillars and tractors out around the heavy oil upgrader in the city of Regina, Mr. Speaker, because they said it won't happen. They said there won't be a paper-mill, and just watch this September, because the people of Prince Albert are already making the NDP eat their words.

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

**Hon. Mr. Lane:** — Do you know why they attacked the megaprojects? Because they couldn't get any themselves. They couldn't bring one. They tried. They tried, but they couldn't bring one.

And here, the humorous thing is here we had the Leader of the Opposition criticize this government for secrecy. The biggest investment by the people of this province was in the potash nationalization by the government opposite. And the people of Saskatchewan have never seen the documents, never saw the marketing studies, never saw the financing arrangements, because for six months we debated in this House, and the NDP won't give us one piece of paper — one piece of paper.

I'll tell you, we'll make sure that the public gets the documents this summer. We'll give them to the public, but it won't be the NDP that were giving full disclosure to the people of this province.

And they seem a little embarrassed that Saskoil, now the 20th largest oil company in Canada, virtually debt free, is going to expand. And I strongly suggest that with in the next five years, Saskoil will be in the top 10 oil companies in Canada. It'll be a national company, and it'll be headquartered right here in the province of Saskatchewan, and the people of Saskatchewan will be the shareholders.

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

**Hon. Mr. Lane:** — Mr. Speaker, for some reason the fact that Saskoil wants to become a national company, that it wants to expand, is now opposed by the members in the opposition. Mr. Speaker, as I say, I bet within five years Saskoil will be one of the 10 largest oil companies in this country, and it will be headquartered here — as the

legislation says — headquartered here in Saskatchewan.

I have to laugh at the fighting Ottawa. It says we're not fighting hard enough. The Premier has listed, and we have listed over and over and over again, the successes.

Well let's look at what 11 years of fighting and mating with Trudeau got the province. Do you know what it got us? It happened to get, I suppose, the charter of rights, and I don't know if that's universally accepted, and I don't know if that's universally popular, and I'm not sure yet whether the people in Canada think that that is a legacy . . . The lawyers like it. The lawyers love it. But, Mr. Speaker, that's what we got for 11 years of fighting with Ottawa; that's what we got.

Did the farmers get any help? Not a thing. They got LIP (local initiatives program) — they got LIP. They got LIP from the NDP liberals. They got high interest rates. They got Petro-Canada and the tax to surcharge on gasoline taxes. They go all those high input costs. So that's what fighting . . . that's the NDP fighting Ottawa; that's what it gets us. I'm not sure the people want that any more. I think they've made it abundantly clear they don't want it any more — they can't afford it.

You know, it was interesting that we heard the Leader of the Opposition for nearly 20-some minutes, half an hour, and do you know what? — hardly mentioned the farmers. Did you notice that? — hardly mentioned the farmer. Never said . . . he said maybe deficiency payments and he was critical of us. Not one question in this House on the grain transportation.

And the only thing we had from the member from Assiniboia-Gravelbourg was on the one day, saying, don't spray the forest; spray the whole province to kill the grasshoppers, bring out the air force, dive-bomb the grasshoppers! That was the grasshopper fight. That was the one suggestion we had from the member from Assiniboia-Gravelbourg. He wanted the Canadian air force in to begin to gun down the grasshoppers of this province. That's how much they really care about farmers, Mr. Speaker.

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

**Hon. Mr. Lane:** — Did they say one thing about the seniors? Not a word tonight. And they said it, and they missed the seniors for a very good reason. The seniors and the heritage program is being well-received by the seniors of this province, and the NDP know it, and that's why they were deathly silent throughout this whole session — never mentioned seniors — and the seniors will remember it.

And they talked about the youth, but they didn't talk about the jobs being created by the very megaprojects they criticize, and the opportunities that they criticize. And we know that we have to create those opportunities and diversify to get the jobs for the young people. And the young people will be reminded time and time and time again that every single job creation effort by this government was attacked by the New Democratic Party — attacked and attacked and attacked. Mr. Speaker, that's the record.

And they talked about transfer payments, and they know they were wrong. When we got the inflation factor in there, we could end up more under the new established program financing than under the previous. So I ask again . . .

**An Hon. Member:** — What did they ever build?

**Hon. Mr. Lane:** — What did they ever build? They didn't build anything.

And they said that the people want to look to the future, and on that, that I agree. And they don't want to see a future based on government ownership of every project that exists in the province. And they don't want to see a future which says that, every time an opportunity comes along, it has to be the government to do it; that they don't want to see a future which says the government owns farm lands — not the farmers. And they don't want to see a future which says that, if you want an opportunity, you'd better do it through the government. It's not the future they want, Mr. Speaker.

They want a future that the farmers can build and grow and prosper on their own, and use their skills and their talents, and the government be there if necessary; and that the young people will have the opportunities in new industries and upgraders and paper-mills, be able to grow and build and raise their families in this province. That's the type of future they want. They want a future, as well, that people can have adequate retirement pensions and can retire in dignity. And that's the type of future that the Progressive Conservative government under Grant Devine will give to the people of this province, Mr. Speaker.

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

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

(2245)

## MOTIONS

### House Adjournment

**Hon. Mr. Berntson:** — Mr. Speaker, I ask leave of the Assembly to move:

That when this Assembly adjourns at the end of the sitting day it shall stand adjourned to a date and time set by Mr. Speaker, upon request of the government, and that Mr. Speaker shall give each member seven clear days notice, if possible, by registered mail of such date and time.

Motion agreed to.

**Mr. Lingenfelter:** — Mr. Speaker, if I could just wish a good summer to the members of the government benches as well as to the staff of the Assembly who have worked long and hard, and here of course I'm referring to the staff of the Assembly. In all seriousness I would like to extend on behalf of our caucus a wish for a good summer and an

early election and the best to everyone.

**Hon. Mr. Berntson:** — I join with my colleague opposite, Mr. Speaker, in wishing everyone, all members and staff of the legislature, a very good summer. I think everyone has reason to be optimistic about the summer because of good government and all, and I know that all members and staff to the legislature will, in fact, enjoy a very pleasant summer.

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

At 10:46 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. 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

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

Bill No. 70 — An Act for granting to Her Majesty certain sums of Money for the Public Service for the Fiscal Years Ending respectively March 31, 1986, and on March 31, 1987.

His Honour then retired from the Chamber at 10:49 p.m.

The Assembly adjourned at 10:50 p.m.