

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

Hon. Mr. Hodgins: — Thank you, Mr. Speaker. On behalf of my colleague, the member for Regina Wascana, I would like to introduce to you, Mr. Speaker, and to the members of the Legislative Assembly, a group of 28 students from the St. Dominic School in Regina. These are grade 3 and 4 students who are seated in the west gallery. They are accompanied by their teacher Mrs. Johanne Rusnak, chaperons Audrey Schlosser, Val Sternig, Toby Mahoney, Ann Wingerter and Linda Bohn.

These students, as I said, Mr. Speaker, are seated in the west gallery. I shall have the distinct pleasure on behalf of the member from Regina Wascana to meet with this group of students for pictures and drinks. On behalf of the member, I would like to welcome you all to the Legislative Assembly. I do hope that you have a wonderful stay here at the Assembly, and I hope the proceedings are enjoyable and informative to you.

Hon. Members: Hear, hear!

Mr. Shillington: — Thank you very much, Mr. Speaker. It's with pleasure that I welcome 15 students from the Cornwall Street Tutoring Project in your gallery, Mr. Speaker, accompanied by their teachers Judy Eichhorst and Barbara Olynuck.

I look forward to meeting with the students at, I guess it's 3 o'clock, and we'll have an opportunity then to discuss what you've seen and your impressions of it. I look forward to seeing you.

Hon. Members: Hear, hear!

Mr. Kopelchuk: — Thank you, Mr. Speaker. It is my pleasure, on behalf of Minister of Education, to introduce to you 25 students from the Corning Elementary School in Corning, Saskatchewan. They are made up of grades 2, 3, 4, 5 and 6 students. They are accompanied by two teachers Sharon McCarthy and Nancey Gilmour-McCarthy, and a chaperon Ken Wickenheiser who, I believe, is also their bus driver.

I'd like to welcome you to the legislature, and I hope your visit to Regina is educational and informative. I hope you enjoy your stay here with us in the legislature, and I look forward, on behalf of the Minister of Education, to meet with you later for pictures and refreshments. Welcome to the legislature.

Hon. Members: Hear, hear!

Ms. Atkinson: — Thank you very much, Mr. Speaker, I want to join my colleague from Regina Centre in welcoming the students from Cornwall Tutoring. I would like to point out to the members of the legislature that I was the principal of Radius Tutoring Project in Saskatoon, which is Cornwall's counterpart.

One of the reasons I decided to get involved in politics was to ensure that there were alternate ways of delivering education to Saskatchewan students. So I enjoy seeing the students from Cornwall here, and I would ask all members to once again welcome them to the legislature.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Drought Assistance for Cattle Producers

Mr. Upshall: — Thank you, Mr. Speaker. Mr. Speaker, in the absence of the Premier I'll go to the Acting Premier.

A few days ago my colleagues and I spent a number of days touring the drought area of the province, in the south-west and western sides, and we found that many of the livestock producers were on the verge of devastation.

Mr. Minister, they have to haul cattle to feed, they have to haul feed to cattle, and as of yet they have no indication what your government, or what the federal government is going to do to assist them to do this. At this late date in time, there's still no indication.

Mr. Minister, will you tell them today what kind of assistance they can expect for hauling feed to cattle, or cattle to feed, or for hauling water?

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Mr. Speaker, a few days ago all western premiers met with the federal Minister of Agriculture in Alberta, Mr. Speaker, and they talked at that time about the kind of assistance that was available for water and well development, and so on. And members opposite don't seem to understand that cattle need water as well.

Mr. Speaker, at that time it was agreed that they would monitor and consult. That happens to be going on at this very moment, Mr. Speaker. The Premier is in Moose Jaw at this very day at the stock growers' convention in Moose Jaw, Mr. Speaker. And I expect that when the Premier has finished those consultations and taken his message to Ottawa, he will either be announcing something that Saskatchewan will be supporting, or something that will come jointly from Saskatchewan and Ottawa, or jointly from the western government and Ottawa, Mr. Speaker. And I think that's reasonable, and I think it's what the stock producers in the province expect, Mr. Speaker.

Mr. Upshall: — Supplementary, Mr. Speaker. Mr. Minister, your government has discussed this for months; the federal government says they're discussing it for months. You've had meetings in Calgary and Ottawa and on a yacht. Maybe if you took some of your caucus members out to meet these people who are hard pressed by this problem, that you'll have some energies to do something about it. You continue to discuss and talk about it, and we see no action.

Some Hon. Members: Hear, hear!

Mr. Upshall: — Mr. Minister, I ask you this: will you make a commitment today that your government will stand good for the costs, whatever they are, for those hard pressed farmers and ranchers that have to move their grain, or move their cattle to feed, or move the feed to cattle, or move water by truck? Will you make that commitment to those farmers right now?

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Mr. Speaker, our record in dealing with the agricultural community in Saskatchewan is second to none, Mr. Speaker, second to none. The farmers of Saskatchewan know, the farmers of Saskatchewan know that this government stands behind them four-square. The farmers of Saskatchewan, Mr. Speaker, know that in their time of need this government will be there four-square.

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — The farmers of Saskatchewan tell me, Mr. Speaker, the farmers of Saskatchewan tell me, in all parts of the province that I visit, Mr. Speaker, is, for Heaven's sakes, don't bring in a messed up program like the former minister of Agriculture MacMurchy brought in; bring one in that will satisfy our emergency situation and one, Mr. Speaker, that can be supported by agricultural people, urban people — one that can be made in Saskatchewan for Saskatchewan people, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Upshall: — New question, Mr. Speaker. Mr. Minister, the farmers that we talked to have to make decisions. They have to make good business decisions. And how are they, Mr. Minister, supposed to make good business decisions when they're hard strapped for cash, and your government stands idly by and does not let them know what programs will be in place? How do they make those decisions?

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Mr. Speaker, as I said earlier, there have been several things done over the last few weeks, including the announcement by my colleague, the minister responsible for crop insurance, that provided for winter crops to go into forage or grazing. There has been the announcement relative to water well development, Mr. Speaker — not insignificant announcements. And in co-operation, Mr. Speaker, with the livestock community, policies are being developed that will, I'm sure, satisfy the vast majority of the livestock people in the province.

And, Mr. Speaker, when those announcements are ready — and I hope it's very soon, because the problem is real, Mr. Speaker — but when those announcements are ready, the Premier . . . or the Minister of Agriculture will make all members aware, Mr. Speaker.

Crop Insurance Coverage

Mr. Koskie: — Thank you, Mr. Speaker. Mr. Speaker, I want to address my question to the Minister of rural affairs and the minister in charge of crop insurance.

As we tour the south-west corner of the province, Mr. Minister, there is a major crisis with drought, affecting cattlemen and affecting also grain producers. There are many ideas that farmers are prepared to put forward, but no one in government is listening. And I ask you . . . this is the problem that some of the farmers indicated to us, that it's so dry they have not even turned a wheel to sow a seed, because to turn it and to work the soil would mean that it would blow away; the seed will not grow — soil erosion.

They have tried to contact the crop insurance office, the Premier's office, with this suggestion: rather than us to sow that seed with the guarantee that there will be no crop, it is possible for the government to amend The Crop Insurance Act so that they can pay at least a portion of what the farmer would get if he sowed and got no crop. Would you consider an amendment to The Crop Insurance Act so that farmers who do not sow a crop but preserve their soil will get some coverage?

Some Hon. Members: Hear, hear!

Hon. Mr. Hardy: — Mr. Speaker, I think I can honestly say I've met with more farmers and R.M. councils in the last two months than probably anybody in this Legislative Chamber. I've been out in the area, and I've talked to — I've been in Rockglen, in Outlook, in Kyle, and have been talking about what we can do in regards to whether they should seed or not seed.

There's two things that you've got to look at: one, it's all of Saskatchewan. How do you apply an insurance program all across Saskatchewan. Drought does not only occur in the south-west. The Nipawin area has a great deal of drought; into the Melfort area it's extended now, so it's sort of all across Saskatchewan. So how do you apply it across Saskatchewan.

Second, under good soil conservation — good soil conservation — you must maintain and should maintain some kind of a growth base there. so if there is the opportunity, at least seed something to hold the soil in place, then it is probably good soil conservation.

Mr. Koskie: — A new question to the minister, Mr. Speaker. Mr. Minister, I'm sure the farmers will be delighted at that answer that you gave to them, but that doesn't address the problem. Here they have a situation that even where they have already planted seed for three weeks; not a single kernel has sprouted. And the farmers have indicated that they have checked the seed and it has burst, but there is insufficient moisture for it to come even it rains come.

The choice that they have to make now is, should they continue to seed just to harvest the crop insurance program, or will you put a program into place to give them a benefit of payment for properly managing their soil and not seeding, because they're not going to get a crop anyway? That's the question they're asking.

Some Hon. Members: Hear, hear!

Hon. Mr. Hardy: — Well, Mr. Speaker, it's irony that they ask these questions, because today the crop insurance president is meeting with a group of farm folks in here in regards to drought and what we can do with crop insurance within the parameters of the legislation and regulations.

Another thing, Mr. Speaker, up till June 20 is the last date that reseeding can be done. There is lots of opportunities probably yet to seed or even reseed. We are giving serious consideration to where reseeding would not be required to get an established benefit. In other words, if you don't reseed you will not . . . you'll still be allowed a summerfallow status. Now we're giving that serious consideration, but it takes federal agreement as well as provincial agreement to do it.

So those two things are already in the progress . . . or program that we're looking at. We're looking at about seven other things that can be done under crop insurance, and I'm sure that within the next week or two that we'll make those announcements.

Mr. Koskie: — A supplement. Mr. Speaker, you indicated again that you're considering; that it has to depend upon the federal government. I ask you, have you made representations in respect to the problems that are coming from the farmers themselves? They want to know whether they can use soil conservation rather than seeding a crop and have the soil blow away and not get any crop — use up their seed, use up their chemicals at a time when it doesn't make sense.

If the corporation would pay even 50 per cent of what they would . . . if a crop was sown and failed, you would be ahead, the farmer would be ahead. Can't you see that? the farmers are saying that. And I'm asking you, have you contacted the federal government, and when can we expect a decision on it?

Some Hon. Members: Hear, hear!

Hon. Mr. Hardy: — Mr. Speaker, I believe it was last Tuesday that the Premier met with Mr. Wise, and a lot of crop insurance issues were discussed at that time, at which time we had the president of crop insurance present.

As I mentioned earlier, we've looked at all the different things, alternatives, that you can do within crop insurance, and how you pay out . . . how you would pay out a seeding or a benefit without actually seeing the crop or putting in is two things: one, it is not good soil conservation; and two, how would you pay it out is the real problem. It's like how can you establish what crops . . .

Mr. Speaker: — Order, order. Order.

Hon. Mr. Hardy: — Mr. Speaker, it is very hard to tell what crops you . . . what crops would have been seeded and would not have been seeded. We are looking seriously at summer fallow. Summer fallow that hasn't been seeded is one of the areas that we could give serious

consideration to, because if you did summer fallow it last year, you certainly have every intention of seeding it this year.

If you're talking about stubble — I can think of myself firstly — I was going to see another 150 acres of stubble which I'm not going to do now because it is dry. There's other . . . you know, so it's pretty hard to say what you would or would not have done. So just to clarify it, we're looking at all the alternatives, and I'm sure within the next couple of weeks we'll make some announcements.

Long-Term Strategy for Disaster Situations

Mr. Lingenfelter: — Mr. Speaker, my question is to the Deputy Premier, in the absence of the Premier and the Minister of Agriculture, and it deals as well with the drought which has devastated literally hundreds of miles of farm land in Saskatchewan as well as in Alberta. Mr. Speaker, you will realize, and many others will have seen The Journal and the devastation which was shown on TV on Friday night in the Ponteix area.

My question to you, Mr. Deputy Premier, deals with the lack of a long-term strategy which was promised back in 1985. You will remember at that time you and your government and the government in Ottawa and the minister, John Wise, were talking about a full-fledged, long-term announcement for disasters such as drought. I'm wondering if you can now release that to the public, having had three years to study, meet, and analyse that kind of a problem?

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Mr. Speaker, I'll be happy to have the Premier deal with this specific question as it relates to the long-term strategy.

I can remember, Mr. Speaker, back in 1975, and when I first came to this House and the member of Elphinstone first came to this House, and in subsequent years we had some rather serious drought situations. There was some money spent late in the year, late in the year to provide for fencing or community wells or so on. And at that time we were saying what we need is a long-term water management strategy, one that will drought-proof large sections of our province, Mr. Speaker, through irrigation and water management.

Mr. Speaker, those people have just, at every opportunity, kicked the Rafferty-Alameda project, Mr. Speaker, that can provide for feed and forage for our livestock industry, Mr. Speaker. we are moving, I think it's a hundred million dollar agreement with the federal government to do irrigation projects in the drought-stricken areas of this province. Not one word of support from members opposite, Mr. Speaker. In fact, the opposite is true.

Now we have a drought upon us, and people can feel the

real impact of the absence of this kind of work before — the real impact of that, Mr. Speaker. And what do they do; what do they do? They stand in the road of every water management project that we initiate, Mr. Speaker. They can't have it both ways; they can't have it both ways, Mr. Speaker.

And I urge the members opposite to stand in their place and say, government, get on with that Rafferty project; manage our water, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Lingenfelter: — Mr. Speaker, new question to the Deputy Premier, and it deals with the promise back in 1985 that there would be a drought assistance program developed for the long term. And I would like to get the minister, if I could, back to the issue of the 1988 drought if we could.

I have here a letter signed by the Premier of the province and the Minister of Agriculture, and I'd like to just quote from it. But it says in fact . . . back in 1985 this letter was sent out to all the farmers in the province. It says:

Your government recognizes the short-term effect provided through this type of ad hoc program (referring to his 1985 program). Such an approach does not necessarily provide a lasting solution, and ad hoc programs are by nature expensive and very difficult to administer.

Now that was three years ago when that promise was made. And I would ask the minister now to outline the program that you have had three years to develop, because that's what the farmers are asking us when we tour the province. Where is the long-term program?

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Mr. Speaker, without getting into the detail of the program because . . .

An Hon. Member: — There are none. Where is it?

Hon. Mr. Berntson: — Well let me spend some time then, Mr. Speaker . . .

Mr. Speaker: — Order. The minister is attempting to answer, and I think that if we allow him to do so without interruption, he will get on with it.

Hon. Mr. Berntson: — The member opposite suggests that what we should have is an insurance program that is somehow convoluted to become a simple aid program, Mr. Speaker — to pay out insurance where no crop has been planted. Well I think . . . (inaudible interjection) . . . Now, Mr. Speaker, that's exactly what he said. That's exactly what he said, Mr. Speaker.

Now the members opposite are looking for some long-term strategy. There has been quite a bit done, Mr. Speaker, with the crop insurance people for extended periods of drought or natural disaster. Pay-outs are adjusted differently than was the case in the past, and my colleague has all the detail on that if you'd like to address

a question to him.

Long-term strategies, as it relates to drought proofing in the south-west, include irrigation projects, include storing water. In the south-east, Mr. Speaker, it's the Rafferty and the Alameda dam — all of these things that members opposite are against, Mr. Speaker; all of those things that members opposite are against; all of these things, Mr. Speaker, that are part of a long-term strategy.

Mr. Speaker, I would hazard — I would shudder to think of the situation in Saskatchewan agricultural community today if we were living in the days of the . . . the dark days of the NDP and the efforts that they put into drought-proofing Saskatchewan. I mean, Mr. Speaker, it was a terrible, terrible history of the NDP and their support for agriculture in this province.

Mr. Lingenfelter: — The final supplementary to the minister. Mr. Minister, you have announced a program. Your long-term strategy to date is \$12 million, cost-shared by the federal government for western Canada, to dig dug-outs. I want to tell you that we drove 400 miles, saw literally hundreds of dug-outs empty, and I want to ask you if digging more dug-outs is a solution to the problem in 1988 in Saskatchewan for the drought that farmers are facing?

Hon. Mr. Berntson: — You see, Mr. Speaker, the mentality of the members opposite. They would go dig a dug-out in the middle of a slough with six feet of water in it, you know. I mean, it makes very little sense. You dig the dug-out, Mr. Speaker, you dig the dug-out so in the event of a good run-off you can capture and store the water for years like this, Mr. Speaker. They never did that; they never did that, Mr. Speaker, so we are, in co-operation with the federal government. He sneezes, he sneezes at \$12 million. We put in a like sum, so the total is about double that, Mr. Speaker, and he says, no water. But there's a pumping program and there are other things.

Now what he would have us do. I suppose, Mr. Speaker, is move a glacier from the mountains, move the glacier from a mountain and set it down in Cypress Hills so his farm would be looked after.

Mr. Speaker, we are doing what is realistically possible. We are doing it, Mr. Speaker, with the support and consultation of the agricultural, particularly the livestock community in the province of Saskatchewan, Mr. Speaker.

And, Mr. Speaker, Mr. Speaker, we are there, we are there behind the agricultural community in Saskatchewan. We have demonstrated that in the past with things like cash advances for our livestock community; with things like . . . well they don't want to hear it, Mr. Speaker.

Suffice to say that this government stands four-square behind agricultural communities.

Some Hon. Members: Hear, hear!

Contract to California Company

Ms. Atkinson: — Thank you very much, Mr. Speaker. My question is to the minister responsible for SGI. Mr. Minister, you will recall on May 12 I asked you a series of questions about the California based firm Autotrak, which SGI now uses to develop its pay-outs to persons whose vehicles have been written off here in Saskatchewan.

Can you today provide this House with the answers to the questions I asked on May 12? Specifically, can you confirm the contract? Can you confirm the price and the fact that it was not tendered; that figures generated by the Autotrak computer base are treated as non-negotiable by your adjusters; and that because of this system, arbitrations on awards for written-off vehicles are far higher in Saskatchewan than in other jurisdictions?

Some Hon. Members: Hear, hear!

Hon. Mr. Taylor: — Yes, Mr. Speaker, I would confirm that we have entered into a contract with Autotrak data processing. We did this after a nine-month pilot project, and it's a contract for one year.

The cost of the contract was the second question that the member asked, I believe, is in the neighbourhood of \$480,000.

The question was, would this be the sole criteria upon which settlements are made? No, it would be a guide that we use because the other way is just negotiation. And I suppose the people who are the better negotiators will get the better settlement. This will give a more equal guide to the people in settlements of claim.

And also, would there be an increase, I think that was the next question that the member asked, was there an increase in the number of arbitrations? And the answer to that — no, very, very slight increase. If anything, approximately 2 per cent of the cases, which is about — 66 went to arbitration; that was 2 per cent, Mr. Speaker. So I think those are the answers to the question that the member had asked regarding the Autotrak.

Ms. Atkinson: — Mr. Minister, I just want to help you with the understanding of the situation. I have an example here of a recent case where a 1984 Volkswagen Rabbit was written off. Even though the person who had his car written off had at least two car dealers provide a letter saying that they would sell that vehicle off their lot for 8,000 to 8,500, SGI (Saskatchewan Government Insurance), using the Autotrak system, offered only 6,790 and said that no other offers could be made.

Mr. Minister, it is not the negotiating point, it is the final offer. I would ask you to justify to this legislature why a computer data base developed in California and not the local market-place should tell our residents what their cars are worth.

Some Hon. Members: Hear, hear!

Hon. Mr. Taylor: — Well I should point that we had a pilot project on this before entering into the contract, and I should also point out to the Assembly and people here that we're attempting to develop that expertise right

within Saskatchewan now to have the contract, the next contract be done here in Saskatchewan. That expertise was not available here at the time, or else it would have had a Saskatchewan contract.

In the case of the Volkswagen Rabbit, I have long since learned to not take everything the member opposite says as the absolute fact. But if you would like to provide me after question period with the facts pertaining to this, as you see them, I'd be more than pleased to have my officials look into that case.

INTRODUCTION OF BILLS

Bill No. 75 — An Act to amend The Income Tax Act

Hon. Mr. Lane: — Thank you, Mr. Speaker. I move first reading of a Bill to amend The Income Tax Act.

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

Bill No. 76 — An Act to amend The Teachers' Superannuation Act

Hon. Mr. Berntson: — Mr. Speaker, I move first reading of a Bill to amend The Teachers' Superannuation Act.

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

Bill No. 77 — An Act to amend The Teachers' Federation Act

Hon. Mr. Berntson: — Mr. Speaker, I move first reading of a Bill to amend The Teachers' Federation Act.

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

Bill No. 78 — An Act to amend The Teachers' Life Insurance (Government Contributory) Act

Hon. Mr. Berntson: — Mr. Speaker, I move first reading of a Bill to amend The Teachers' Life Insurance (Government Contributory) Act.

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

A Bill respecting the Consequential Amendments to Certain Acts resulting from the enactment of Certain Acts and the Passing of Certain Orders and Regulations pursuant to The Government Organization Act

Hon. Mr. Berntson: — Mr. Speaker, I move first reading of a Bill respecting Consequential Amendments to Certain Acts resulting from the enactment of Certain Acts and the Passing of Certain Orders and Regulations pursuant to The Government Organization Act.

The division bells having rung from 2:35 p.m. until 2:44 p.m.:

Mr. Speaker: — I have had a request to defer the division, but before so doing I wish to read to the House rule 33(2),

which reads as follows:

When the Speaker or the Chairman of Committee of the Whole or Committee of Finance has put the question on a debatable motion and a recorded division is requested under rule 33(1), while the members are being called in either chief Government Whip or the chief Opposition Whip may approach the Speaker or Chairman to request that the division be deferred, in which case the Speaker or Chairman, after both Whips have indicated that the bells may be turned off, shall announce that the said division has been deferred until a specific time but in any case, not later than before Orders of the Day on the second sitting day thereafter.

Therefore according to that particular rule, the division will take place at this time on Wednesday.

(1445)

An Hon. Member: — Who made the request?

Mr. Speaker: — The request was at the . . . the ruling was at the request of the Deputy Premier, the government House Leader.

The House Leader has asked for the division, or for the deferral of the division, and on that basis the rule is . . . Order, order. Order.

I've just read the rule. If somebody wishes to say something, they may rise on a point of order, but we certainly don't need a whole lot of questions from hon. members' seats.

POINT OF ORDER

Mr. Tchorzewski: — Mr. Speaker, on a point of order. It seems to me that if I heard clearly what you are saying, it is at the request of the whip that a deferred vote can be taken, government or opposition — in this case the Government House Leader, and not the whip — and you read the rules clearly into the House that it would have to be at the request of the whip.

In light of that, Mr. Speaker, because that was not the request that was made, I Submit to you, sir, that the vote has to be taken at this time.

Some Hon. Members: Hear, hear!

Mr. Speaker: — The hon. member did indicate that the rule does say the whip, it's of the responsibility of the whip, and therefore I rule that if the whip indicates that request, that is all that's required.

Mr. Gerich: — Mr. Speaker, I request the vote be stacked.

Mr. Tchorzewski: — Mr. Speaker, the provision in the rule states that when there is a call for a standing vote, the bells may ring. And in order for the vote to be stacked there has to be a request from the whip, in this case the Government Whip, for the vote to be stacked. At that time, the bells may stop ringing at the agreement of both

sides of the House.

In this case, Mr. Speaker, the deputy whip, or the whip, did not make the request; the bells have stopped ringing; the doors have closed; there is no rule in this House that can be applied retroactively. In this case, if you now allow the whip to make that request, it's an application of the rules retroactively. I believe, and I submit to you, there is no other alternative for you to decide, other than to allow the vote to be taken.

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — I think the rules say, Mr. Speaker, that the request for stacking must be done prior to the vote. That's been done. Having said that, and you may argue that technicality, Mr. Speaker, but let's look at this in a practical sense, and the first application . . . the first application of the rule . . .

Mr. Speaker: — Order, order. Order, order. Order, order. Allow the hon. member to speak on the point of order.

Hon. Mr. Berntson: — On the first opportunity to apply this rule, Mr. Speaker, they get in a big tiff about whether or not it's absolutely, you know, in order. I submit to you, Mr. Speaker, that if the member for Quill Lakes was out with his drought committee today and they wanted to stack the vote, who would act in his stead?

An Hon. Member: — The House Leader.

Hon. Mr. Berntson: — The House Leader is always paramount; the House Leader is the chief whip, Mr. Speaker. The House Leader is always the chief whip, and that's always the case, Mr. Speaker.

Now, let's take a look . . .

Mr. Speaker: — Order. Order. Order, order. Order. Order. Order. The hon. member has a right to speak to the point of order, and I recognize him now.

Hon. Mr. Berntson: — Let's take a look at what we're voting on, Mr. Speaker. What we're voting on, Mr. Speaker, is the first reading of a Bill that is necessary to come before this House as a result of Bill 5 of the last session — one that they fought against at length because there would be no opportunity to debate those changes in the House. Now they have an opportunity and they don't want to do it, Mr. Speaker.

The point to be made, Mr. Speaker, is that the House Leader on either side of the House is always the chief whip, and that has for ever been that way.

An Hon. Member: — Mr. Speaker, on the point of order . . .

Mr. Speaker: — Order. Order. I believe that I've heard the arguments clearly from each side, and I don't know if it would serve any further purpose to have further debate on the issue.

I've heard the argument from the member from the North East, and I've also heard the response of the Deputy

Premier, and I have given the matter considerable consideration under the circumstances. And I believe that the intent of the deferral of the vote was clearly evident, and therefore I rule that the deferral is in order and we will go to the next . . . (inaudible) . . .

Bill No. 79 — An Act to amend the Saskatchewan Pension Plan Act

Hon. Mr. Lane: — Thank you, Mr. Speaker. I move first reading of a Bill to amend The Saskatchewan Pension Plan Act.

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

Mr. Lyons: — Mr. Speaker, before the orders of the day, I wonder if you could have leave of the Assembly for an introduction.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Lyons: — Thank you, Mr. Speaker. I'd like to introduce to you, Mr. Speaker, and through you to all members of the Assembly, a legendary figure in the field of folk music in North America. Bruce Phillips, who's sitting in your gallery, otherwise known as Utah Phillips, is well known throughout the artistic community in North America for continuing a singing tradition carried on by people like Woody Guthrie and Pete Seeger and other noted performers — people who sing of the songs of the people, songs of toil and struggle, and songs of their countries.

Mr. Phillips will be performing at the Regina Folk Festival and other places in the province. I might say that Mr. Phillips is also a . . . takes a keen interest in politics; he was a former vice-presidential candidate in the 1968 election. He stood with the Peace and Freedom Party in 1968 and received, I think, the third highest number of votes in that election for the position of vice-president.

I'd like all members of the legislature to welcome Mr. Phillips here, and I know he enjoyed the goings-on of a few moments ago and takes a keen interest in that kind of activity. Thank you very much.

Hon. Members: Hear, hear!

ORDERS OF THE DAY

GOVERNMENT ORDERS

ADJOURNED DEBATES

SECOND READINGS

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Lane that Bill No. 44 — **An Act to amend The Department of Finance Act, 1983** be now read a second time.

Mr. Koskie: — Mr. Speaker, I think we're dealing with item no. 1. It was so noisy over on the other side because

of the . . . (inaudible) . . . but it's Bill No. 44, and I want just to make a couple of comments in respect to it.

A couple of my colleagues spoke on it the other day when I was out discussing the crisis with the drought in south-western Saskatchewan, and not a lot more needs to be said in respect to this amendment to the finance Act, only to say clearly, Mr. Speaker, that if this government, if this government respected this institution, if this government respected the legislation governing them, then we would have no problem with this modest amendment because in essence it has been followed in the past.

But I just want to say that the auditor's report . . . and as the opposition has been clearly indicating throughout, that this government and indeed the Minister of Finance, which represents one of the highest offices in that government, has indicated no respect either for the legislature, for the office of the auditor, and for the people of this province. And I think that to amend the Act so that there will be no special warrants being reported in respect to an interim supply Bill is a retrograde, having regard to the actions of this government.

And indeed we never know when a finance Bill . . . the Minister of Finance is likely to bring down his budget. One year it may be in the middle of June; next year, if it strikes him, he may bring it down in the end of March. Whenever it tickles his fancy or it seems to satisfy the political aspirations of his party, then he will proceed.

But I therefore indicate that if this government was up front, respected the people of this province, followed the traditions of providing a budget in a meaningful time of the year rather than at their own timetable, that we would go along with this particular amendment.

But in view of the fact and the actions of the government, while it's not a major change, I just want to indicate, Mr. Speaker, that we are not prepared to support the amendment.

Motion agreed to, the Bill read a second time and referred to a Committee of the Whole at the next sitting.

The assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Taylor that Bill No. 50 — **An Act respecting the Control of Distribution and the Consumption of Beverage Alcohol in Saskatchewan** be now read a second time.

Mr. Lautermilch: — Thank you very much, Mr. Speaker. At the outset of my remarks I would like to indicate that I am pleased to enter the debate on this piece of legislation, Bill 50. I have read the Bill with some care, and I have noticed the minister's remarks on introduction and I'm pleased to have the opportunity to respond to them.

Mr. Speaker, this particular piece of legislation, Bill 50, I believe fails in two major areas. The first are of concern to members of the opposition is the central policy that allows for the privatization of Saskatchewan's liquor stores. And the second concern that members on this side of the House have, Mr. Speaker, is the fact that it uses an excessive amount of regulations, taking out of statute

regulations that could be and we believe should be debated in this legislature, and moving them to the cabinet in the Executive Council.

(1500)

I want to say, Mr. Speaker, that it's not uncommon for this government, and hasn't been uncommon for this government in any legislation that they've been introducing, or the majority of it, certainly the vast majority — to move from statute to regulation.

And I want to say at the outset, Mr. Speaker, that I've talked with a number of people throughout this province who will be affected by this new Bill. I've spoken with people who work in the industry. I've spoken with hoteliers, small-business people in this province, who have some concerns with this kind of legislation; and I've spoken as well with the people of the SGEU (Saskatchewan Government Employees' Union) who are employed by the liquor stores.

I said before that two areas of concern we have is, one, that it refers to franchising, which is just another word for privatization, and the excessive use of regulation. And I would like to deal, if I could, with franchising first.

And we see some problems with this legislation in terms of privatization of the liquor stores. And I will be asking the minister in some detail when this Bill is in third reading, as we go through it clause by clause, just what the ramifications of the Bill are, because I'm afraid in some cases it's very unclear as to just what will be the outcome.

Mr. Speaker, my concern is that privatization may mean loss of government revenues. And as I go through the list of pay-outs from the Liquor Board that have gone to revenue in the province since 1982, we see consistent profits. In '82, 49 million; in '83, 110 million; in '84, \$79 million; in '85, \$71 million; in '86, 84, and so on up until 1988 the pay-out was 122.5 million — a total of \$805 million since 1982.

And I want to say, Mr. Speaker, that I'm going to be asking of the minister with this privatization move or franchising, as the Bill refers to it, how they're going to involve one more person in this retail transaction, allow this person to make a particular gross margin of profit, which all businesses have to make, how they're going to involve this extra person and still maintain the revenue levels that . . . I know we are a little tender about it, all of us, but the fact is that revenue from liquor stores does go into general revenue, and is turned into doing some very worthwhile things in this province.

And I want to know from the minister how he's going to inject this new person in and still maintain the revenue levels. I don't think it's clear because, Mr. Speaker, business people are in the business to make money, and the way they make money is by upcharging on what their cost is. Different businesses, of course, have different gross margins of profit — we all understand that — but I think the minister has a responsibility to indicate how you inject this other person in and maintain the same retail price you have.

Or are you going to work at it from the other end? And that's what I'd like to ask the minister. Is it going to be on the backs of the working people once again that these privatization moves are thrust? There are some very worthwhile jobs in the liquor stores, and people are feeding their families and buying homes and buying cars, and I think for the most part, they're making reasonable salaries.

And my question to the minister will be, Mr. Speaker: are we going to be looking at \$4.50 an hour part-time jobs? Is that where this profit will come from? Because you see, the members on this side of the House aren't clear just where this revenue's going to come from.

The money certainly won't just jump out of a hat or out of the air. It's going to have to come from profits for these new business people or wherever they come from — we're not sure of that. And it's going to have to be gained somewhere, and I think the minister has a responsibility to indicate where that might come from.

What I think concerns me as much as anything, Mr. Speaker, is the fact that it's another ideologically motivated move, and I'm afraid it'll not only cost the people of this province hundreds of millions of dollars — it certainly has the potential to — but I'm also afraid that it's going to impose more hurt on Saskatchewan families.

Because, Mr. Speaker, as I go through the list and the litany of privatization in this province since this government has embarked on that particular plan, I've seen the hurt of Saskatchewan families and I've seen the loss of revenue opportunities. I've seen the loss of job opportunities for Saskatchewan's people. And I've seen this government embark upon these privatization moves, caring little about the province's future or the people who live in it.

And in speaking to this Bill, Mr. Speaker, I'd like to cite some examples of privatization we've seen. The privatization of the school-based dental plan has cost hundreds of jobs for Saskatchewan people and a lot of hurt on their families.

The privatization of SED Systems — some 70 jobs gone, just disappeared. And I don't think that those are forms of privatization, frankly, that this government or the members on that side of the House would want to be proud of.

The privatization of SaskPower has caused sharp utility increases and will in the future cause more. And that's not a record of privatization that they should be proud of either.

Privatization of our provincial parks has caused increased rates. Service is no longer uniform as they might have been; caused people to stay out of our province because of the increased rates, caused our lower income people to stay at home because they can't afford to utilize our own resources in this province. Another form of privatization that I want to say, Mr. Speaker, the members on this side of the House deplore.

And it's going to be questions of this nature that I will be asking the minister. And I would want to say there should be answers available to these questions as well.

The privatization of Sask Minerals, a little company, a little Saskatchewan company that made money every year since 1946; generated revenue that we used to build our schools and our hospitals and our roads — sold, gone. Profits now go to Ontario and Quebec. Another form of privatization this Bill refers to as franchising. But frankly, Mr. Speaker, it's little more than this Tory government's ideological bent towards unloading the assets of this province to whoever, whenever, and for how much ever.

I'll cite another example. SaskCOMP — past five years, 16 million profit — privatized. Piratized, my colleague, the member from Moose Jaw says. But where did it go? Where did it go, Mr. Speaker? To friend of this government, friends of this govern. Yet another example of friends of the PC Party lining their pockets at the expense of Saskatchewan's people.

It makes it awfully difficult to support legislation put forth by this government when you know full well it's going to hurt Saskatchewan people and future Saskatchewan generations.

I can cite more examples, and the list goes on. It's difficult, indeed I would say it's almost impossible to find one form of privatization that has been a benefit to the people of this province. Saskoil, within six months, six months of privatization or piratization or franchization or whatever you want to term it, within six months, Mr. Speaker, 25 per cent of the work-force of that company were no longer working in Saskatchewan, at least not for Saskoil.

The Highways department, since 1982, has lost 300 people — 300 people that served our province by building roads. Gone — \$40 million worth of Highways equipment privatized. Aha, but a good deal, they may say. The Finance minister may be able to come up with a rationale for calling this a good deal. I'm afraid I can't, because when you unload \$40 million worth of equipment for \$6 million, it tells me that that form of privatization isn't proper.

SaskPower, privatization, drag-lines, coal-mines, gas reserves, all of the profit side of the company privatized — gone, finished, done. What happens to utility rates? Massive increases like we've never seen in this province. This form of government, Mr. Speaker, and this form of privatization and this form of piratization and this form of legislation can't be accepted in this province.

It's enough that we lose the asset base, but the lost jobs and the effect on our economy of those good paying jobs has been devastating. The small business community knows the effects, knows the feeling of people with no disposable income in their communities. They know what it's like to have what used to be a good customer come in and perhaps buy a car every three years, walk by and look at the cars, kick the tires, but that's all they can afford because they've run through their unemployment insurance and they're now on social assistance. And they know those hurts, Mr. Speaker.

Mr. Kopelchuk: — Mr. Speaker, my due apologies to the member from Prince Albert. I would beg leave to introduce some guests.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Kopelchuk: — Thank you, Mr. Speaker. It's my pleasure to introduce to you, Mr. Speaker, and to the members of the legislature, 21 students from the Rama School in Rama, grades 2, 3 and 4. They are located in your gallery. They are accompanied by teacher, Mrs. Prychak; chaperons Christine Dyky, Bev Prychak, Darlene Shewchuk, and their bus driver, Lydia Sliva.

I would just like to inform the students that we are now in second reading debate of Bill No. 50, and the opposition is expressing some of their concerns about the Bill. This is all part of the process in passing legislation.

I would like to welcome you to Regina. I hope your visit to Regina is interesting and educational. I hope your bus ride in wasn't too hot, and I look forward to meeting with you later after your visit, for some refreshments and pictures. Welcome to the legislature.

Hon. Members: Hear, hear!

ADJOURNED DEBATES

SECOND READINGS

Bill No. 50 (continued)

Mr. Lautermilch: — Thank you, Mr. Speaker. I too want to welcome the students to the legislature and I hope their afternoon is enjoyable. It's cooler in here than it is out here, I know.

Mr. Speaker, I was speaking about the effects on the families, of many different examples of privatization in the province. And if we look around ourselves, I ask you, is that the kind of a society we want? Do we want a Saskatchewan that's based on \$4.50 an hour part-time wages?

And I ask any member on that side if that's why they would want for their families. I ask if they would like that standard of living and that kind of life-style. Because, Mr. Speaker, this Bill will allow for many Saskatchewan families who are now employed in those liquor stores to be working for \$4.50 an hour.

(1515)

And I want to say, Mr. Speaker, that in my conversations with them, they are asking the New Democrat caucus on this side of the House to oppose this form of privatization, this franchising that this government has so blindly embarked upon. But why, Mr. Speaker, why this privatization, why this franchising?

Well look at the record of this government. Who benefits by privatization under their hands? Who are the

benefactors of liquidating government assets to their private sectors? Who's been benefitting? You can ask yourself, and it's easy to answer.

There's a small few people in Saskatchewan, and many other people outside of the boundaries of this province, who have benefitted economically to the tune of millions and hundreds of millions of dollars of Saskatchewan's hard-earned, hard-earned money. Loyalty to the PC Party is what dictates who benefits by privatization. Loyalty to the PC Party dictates how much they benefit. And the examples can be cited from one end of this province to the other, from former presidents of the PC Party to former cabinet ministers. That's the litany that they've left and that's why people are so sceptical of privatization and franchization or whatever you want to call it in this Bill, Mr. Speaker.

Because people aren't expecting that the Executive Council of this government will allow fair and open and honest tendering and fair pricing, and the ministers are well aware of that. The back-benchers are well aware of that because I know when they go home they get the same kind of flack and the same kind of comments that members on this side of the House hear, that there is no fair tendering in Saskatchewan any longer, that it's based on who you are and who you know and how long you've been a member of the PC Party.

Mr. Speaker, the patronage in Saskatchewan, under this administration, has been unmatched in Canada and I want to say that the fear is that this is just another example of this government creating an opportunity for their friends to put their noses in the trough. Hiring practices — the same. And this privatization or franchization will allow nothing but an opportunity for yet more Tory hacks to have their nose in the trough.

Mr. Speaker, I'd like to turn to another issue raised in this Bill. I've spoken with a number of rural hoteliers who are having a very difficult time economically. They're having a tough time staying in business and they've come to the government with suggestions as to how you can alleviate their financial difficulties. They've talked with the opposition members and they've talked with the government side as well.

But I suggest to you, Mr. Speaker, that this Bill does little to dispel the fears that they have. The aspects and the areas that they wanted some movement on have either not been addressed or they've been moved to regulation where the minister, at his own particular whim, can make changes that will either benefit or be of detriment to the rural hoteliers.

Mr. Speaker, they wanted population ratios maintained, so that their already marginal businesses could go on, and so that they wouldn't be competing with business after business after business.

And they wanted guest-room requirements maintained. Over the years they've kept guest-rooms in some areas as a prerequisite to having a liquor licence in a small town, and those room ratios have cost them lots of money and lots of profits over the years. And now with the whim of this cabinet and the whim of this minister, you want to

wipe all of that out, open up competition so that there's liquor licences and liquor retailers in every corner, and all at the expense of the rural hoteliers. And they ask you, Mr. Speaker, they ask this government for a system of off-sale in which the price of beer in hotels and liquor stores were the same. That, I believe, has been addressed, but I want to say to you, it's not enough, because they're looking for a system that would guarantee them the vast majority of off-sale beer in Saskatchewan.

What have you done? You've eliminated the population ratios, which was one of their fears; gotten rid of the guest-room requirements; removed the limit on the number of licence issued from the Act — where it was in statute and where, if it was going to be changed, would have to be done in this forum — you've moved that into regulation where it can be changed by the whim of a dozen cabinet ministers around a table.

And I want to say, Mr. Speaker, that I believe a lot of the hoteliers in rural Saskatchewan feel betrayed. You've unbridled the competition, and I say that some of these small hoteliers can't afford that. They can't afford yet more competition. There have been so many changes in rural Saskatchewan, in terms of the make-up of the small communities; and the hub of those small communities, in lots of cases, was the local hotel. Instead of looking at a liquor Act that would tend to repopulate rural Saskatchewan, where has this government gone? Where has this minister gone?

An Hon. Member: — What are going to do; drag them back to small towns . . . (inaudible) . . .

Mr. Lautermilch: — He's gone to a system that will create depopulation of rural Saskatchewan. And the Deputy Premier says, what are we going to do, drag people to rural Saskatchewan? No, you don't drag people to rural Saskatchewan. You create policies and program, and you design a vision so that people will be able to make their livings in rural Saskatchewan in those small hotels, and in those small towns.

And I'd like to as well, Mr. Speaker, turn to another issue which is raised by this Act. The Bill is an example of the government saying one thing and doing another. There was much fanfare about the Whitespruce treatment centre, and on this initiative, I would indicate that I applaud this government's actions because there is a need for that kind of a facility in Saskatchewan. On that side, you talk about the family and the Saskatchewan family and this Tory government being the protectors of the Saskatchewan family, but when you look at the other side of that Tory mouth, you see Bill 50.

And what does Bill 50 do? Privatizing liquor stores, which is inevitably going to cause more liquor advertising, and inevitably retailers will get into price wars. And there's going to be competition to decrease the price of alcohol, and they're going to be scrapping to get their share of what is a shrinking market and what we all hope is a shrinking market. So on one side you have a treatment centre for drug and alcohol abuse, and in Bill 50 what are you doing? You're setting up competition. You're setting up a scenario for more advertising. You're setting up a scenario for more young people abusing or using alcohol.

This government has a problem with credibility, and this kind of legislation does nothing but enhance that. The effect of this Bill, Mr. Speaker, clearly shows to Saskatchewan people that this government's rhetoric about the importance of the family is nothing but empty words.

And I want to say, Mr. Speaker, that I know some of the members on that side of the House agree with me and agree with my party and agree with my analysis of what privatization of liquor stores is going to do. And I know who they are. And I've got a question to those members. Are they going to vote with their conscience, or are they going to vote with this government?

I know they went through this problem one time before when this government allowed liquor advertising in this province, but you're not only talking selling liquor through the media right now — and print. What you're telling is . . . what you're saying to the people of this province is that you're going to open up the number of retail outlets for booze. What you're saying is you're going to create a situation where the competition is going to decrease the price. What you're saying is that there is going to be more availability to young people to consume and purchase alcohol in this province.

And I'm asking the members on that side of the House if they're going to vote with their conscience or if they're going to vote with this caucus, because those are their choices. You vote for the PC Party and the members of this caucus or you vote for what you know is right, you vote against this Bill.

And I'm challenging the member for Moosomin and Rosetown-Elrose, and the member from Rosthern. And I want to ask the member from Rosthern specifically where he's going to be on this Bill, because my community borders his, and I know the background of a lot of people in that particular constituency. I know how they're feeling about this kind of legislation, and I want to know if he's going to vote with his church, with his conscience, or if he's going to vote with his party.

And I'm going to be asking it . . . (inaudible interjection) . . . I'll mention them again. The member for Moosomin, you've got a responsibility. Is it going to be your conscience you vote with or is it going to be this corrupt and misled government?

And the member in cabinet, the member from Rosetown-Elrose — who are you going to support, Mr. Minister? And what are you going to say to your friends and to your neighbours and the people that I know you associate with at home? Who are you going to be supporting? Are you going to be supporting lower liquor prices, more outlets, competition, more advertising of alcoholic beverages? Or are you going to support what you know in your heart is right? Are you going to vote against this legislation that will enhance all the opportunities in the world for young people to consume alcohol and have it more and more available? On one hand you applaud this government, and I do too, for setting up a drug and alcohol rehabilitation centre. But the same week you open it up, are you going to be

supporting this kind of legislation?

I know these are difficult questions for you, and legislators face difficult questions sometime. But if you've got any effect on what goes on, and if there's any chance for this minister to propose some amendments that may make this new liquor Act for palatable to you, I'm asking you to do it. If you find that that can't happen, and that minister is hell-bent on putting this Bill 50 through as it is now, then I'm asking you to vote against this Bill with the NDP caucus.

Some Hon. Members: Hear, hear!

Mr. Lautermilch: — I say to those members that this Bill is going to indicate what you stand for. And I'm telling you that they aren't going to accept you ducking out and not voting on this Bill; they're going to expect you to be in here and taking a stand. And you're going to be counted, and you're going to be recognized by members of this side of the House and by your colleagues and by the people of this province. The people of your church and the people of your communities, they'll be recognizing your position.

And I say to you that you've got two options: you either vote for this legislation and against your people and against your constituents, or you support the New Democrats on this side of the House.

And there's another reason that I would want to say that all members, not only the ones I've singled out, but all members of this caucus should be voting against this legislation, and it's because they're circumventing the role of this legislature by moving statutory pieces of legislation that were in the old Act. And I'm not saying there shouldn't have been some amendments, but you can't govern by regulation and you can't govern by cabinet.

(1530)

The British parliamentary system allows for an inner cabinet — we know that — but it also allows for members from each constituency in every jurisdiction in every corner of this province, to carry the feelings of the people of their ridings into this legislature and debate them open and fairly. But in this Bill you're moving everything out of this place. You're moving it into the cabinet table and into the cabinet room, and I say it's not healthy. And I'm not only saying that because it's a PC government. That kind of legislation isn't healthy for anybody to govern with in a democracy.

And I say to you, if the members on that side of the House believe in democracy and fairness and accountability — which are all of the things I heard them campaign on in 1982 — if they believe in those things, then they'll say, as well, we can't support this legislation.

I say, by moving all of these regulations into legislation . . . all these statutes into regulation, it's just another indication of an undemocratic power grab by an uncaring and an old and a worn-out PC government because they're afraid to face this forum.

Why would you want, Mr. Speaker, and why would the minister want to move all of these statutes into legislation? Is he afraid to make some changes without bringing them to the House? What are the changes? What are the motives? Where does he want to go with this Act? How much power does he have to consolidate to cabinet in order to be satisfied?

You can go through the end of this particular Bill on pages 56 and 57, and there's things that they've put into regulation that I have no idea what they might mean. And I would suggest to you that many legal minds wouldn't know what the intent are. And I say, it's frightening; it's a frightening piece of work.

I believed when the outset of this debate started that I would be able to sit down with people affected — the employees, the people who own small hotels — and then I'd be able to sit down with this minister and share with him the concerns that they have. And I thought that this government would be decent enough to address the concerns and to care about the workers and to care about Saskatchewan's young people as they introduce this new liquor Act.

But I say to you, Mr. Deputy Speaker, I was wrong on every count — wrong on every count because this government is worn, they're tired, they're afraid to listen to the people. They're out of touch. They're uncaring, and it's a sad commentary on what should be a fairly young government. Governments don't normally get old in five or six years as yours has done. But this one is worn out; it's tired. It's time for a change. It's time for a new Premier, a new cabinet that will develop some decent policies for the people of this province.

Some Hon. Members: Hear, hear!

Mr. Lautermilch: — Mr. Deputy Speaker, the introduction of this Bill, Bill 50, shows that the government is afraid to have its actions examined. They can't bring things to the forefront as a good government, a decent government should, but instead they slither behind closed cabinet doors allowing themselves the power to do just basically whatever they want.

When they get into a little bit of a problem and they know there's some legislation that needs changing, oh, you throw in a Bill. All the things that are in statute, that normally would concern a decent government, are put in statute so that they can be brought to the House, and if amended they're done in the House — not this government, not this crew.

When I go through the list of regulations, I've come upon a half a dozen here that are just vitally important to either a good piece of legislation, or a total, absolute power grab through these, I want to say to the minister, and if he was here I'd tell him.

The Deputy Speaker: Order. Members aren't to make reference to members' absence or . . . absent or present in the House.

Mr. Lautermilch: — Mr. Deputy Speaker, I want to

apologize. I understand that rule and I apologize to the member. But he'll be here a long time, Mr. Deputy Speaker, because we're going to be going through this clause by clause. And he'll have plenty of opportunity to spend with me as we go through these, and I ask them what the results are going to be to this particular regulation, what he's going to implement in terms of this regulation.

I want to ask him if he's consulted, and I want to know what the response has been from the working people. I want to know what the response has been from the church groups. I want to know what the response has been from the hotel association. And I want to tell you, Mr. Deputy Speaker, that this Bill isn't going to pass until we're satisfied with all of the answers that I've just asked here.

And the minister will know that we're very serious about controlling this Bill 50 because it's a devastating piece of legislation for the young people, and I believe it can be devastating piece of work for the families of Saskatchewan. I believe it can be a devastating piece of work for the workers and those in the industry, the small hoteliers. And unless we get the answers that'll satisfy us on this side of the House, we'll be asking questions for an awful long time.

Mr. Deputy Speaker, as I said before, I would like to support this legislation, but this kind of work we can't. And in its present form I couldn't support it on second reading nor on third.

And I'll be asking that my colleagues will be allowed to make some comments on this Bill. And if the member from Indian Head-Wolseley is willing to make some amendments that will satisfy the needs and the concerns of the families of this province, and the business people and the working people, then perhaps we'll be able to support it in its final reading.

But I want to indicate to you, as it stands now, it's unacceptable to members on this side of the House, and I believe it's unacceptable to the general public of this province, and for that reason, as it is, I'll be opposing this Bill.

Some Hon. Members: Hear, hear!

Mr. Calvert: — Mr. Deputy Speaker, I hesitated in standing. I assumed a government member would be standing to address second reading of this Bill, to at least address the many concerns that have just been raised by my colleague from Prince Albert-Duck Lake.

I am surprised that no government member rose to speak in this debate. That indicates something to me, Mr. Deputy Speaker. It ought to indicate something to the people of Saskatchewan when no member of this government will stand in this House and defend this piece of legislation. We want to know why, Mr. Deputy Speaker. We want to know why.

Mr. Deputy Speaker, my intention this afternoon is to bring a few brief remarks to this debate and then ask leave of the House to adjourn the debate because there are a

great many people in Saskatchewan who will be concerned about this legislation and who will want sufficient time to consider it and its implications, particularly the implication of the franchising, the privatization of liquor sales in Saskatchewan.

And, Mr. Deputy Speaker, I can very quickly identify, very quickly identify 800 to at least 1,000 people who have some real concerns about this. They were people that gathered north of Yorkton just a week ago.

I find it rather ironic, Mr. Deputy Speaker, that the very week this government opens the Whitespruce youth Drug and Alcohol Treatment Centre, the very same week that Whitespruce is given its grand opening, it introduces in this House this piece of liquor legislation. I find that very ironic, Mr. Deputy Speaker.

And according to reports we've read, there were 800 to a thousand people at the opening of Whitespruce. And, Mr. Deputy Speaker, those are people that are concerned not just about the use of alcohol in this province, but its abuse, and they were there that day because they were concerned. And in people that I met at that gathering, when I indicated that this government was about to privatize and franchise out liquor sales in this province, I tell you, Mr. Deputy Speaker, they were very concerned, and they want to know what's going on. They want a chance to think about this.

Mr. Deputy Speaker, are we here talking about a liquor outlet on every street corner in Saskatchewan? Is that what we're talking about? Are we going to see off-sale in pizza parlours? Are we going to see off-sale on the corner confectionery? Is that what we're going to see, Mr. Deputy Speaker? Are we going to see a liquor outlet on every street corner in Saskatchewan? This is the government that consistently claims to be the defender of Saskatchewan families.

Mr. Deputy Speaker, you well know and I well know that one of the issues of greatest concern to Saskatchewan families is drug and alcohol abuse — particularly, in our province, alcohol abuse. It affects Saskatchewan young people; it affects their parents.

The Premier of our province at the opening of Whitespruce said to the assembled guests that he considered alcohol and drug abuse in this province to be in comparison with the current drought situation. He said that's the extent of the problem in our province. There are few things on which the Premier and I agree, but on this we may well agree. There are few things that this government has done that I would congratulate them for, one of the exceptions being the Whitespruce treatment centre.

The very same week we opened Whitespruce, we get liquor legislation in this House that'll just open it wide up across the province. A liquor store on every corner — is that what we're going to have? Is that what we're headed for, Mr. Deputy Speaker? Well that's what Saskatchewan people are asking — people concerned about alcohol abuse in this province.

And, Mr. Deputy Speaker, I want to ensure that there is

some time for people involved with PRIDE (Parent Resources Institute for Drug Education) and SADD (Students Against Drinking and Driving), people involved with the prevention and treatment of alcohol abuse, for people involved in the churches who have traditionally had a concern in this regard. I want them to have time to consider this legislation, to reflect on it, and to have their concerns be raised.

And so with that in mind, Mr. Deputy Speaker, I would beg leave to adjourn this debate.

Debate adjourned.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Hepworth that Bill No. 41 — **An Act to amend The Teachers' Dental Plan Act** be now read a second time.

Motion agreed to, the Bill read a second time and referred to a Committee of the Whole at the next sitting.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Berntson that Bill No. 62 — **An Act respecting Securities in Saskatchewan** be now read a second time.

Ms. Smart: — Mr. Deputy Chairman, this piece of legislation that's come before us, An Act respecting Securities in Saskatchewan, is 165 pages long. It's a very big Bill, a very technical Bill. It's a Bill that we discussed, members of the opposition discussed, with the members of the Securities Commission in an overview the other day. We were promised in writing an explanation of the legislation, and I'm hoping that that explanation will come to us prior to discussing this further in Committee of the Whole, because it is a technical Bill, and also because it's a Bill that has behind it the concerns of many people in Saskatchewan who have been investors in securities in this province.

It is a Bill which repeals The Investment Contracts Act, a piece of legislation that came under great scrutiny here in the legislature last session with the collapse of Principal Group and the problems that came to the depositors of First Investors and Associated Investors. Six thousand seven hundred people in Saskatchewan lost, very often, their life savings with the collapse of those two companies, and so there are many people who will be watching to see what this legislation says in terms of providing security for the future so that that sort of collapse can't happen again. And I'm afraid, if they're looking for that sort of security, this kind of legislation doesn't offer it, and I will explain this in more detail in my remarks that are . . . that I have many points I want to make on it.

I do want to emphasize, though, that we were told that there were between 3,000 and 4,000 people affected by the collapse of First Investors and Associated Investors. It is 6,700 people.

(1545)

This is a particular kind of legislation that affects the buyers and the sellers of investments. It's like The

Residential Tenancies Act, which affects landlords and tenants. It's not a piece of legislation, as my colleague from Regina Centre said, that's going to be fought up and down this province because it affects a majority of people all over the place, but it does affect people in a very specific way. And because it affects people who invest their life savings, their financial support, their financial securities, it is a piece of legislation that I think we have to take some time to discuss.

Now there's several points that I wanted to make, as I've said. One of the things that this piece of legislation proposes to do, according to the minister who introduced it yesterday, was, it's the goal of the securities regulators to protect the members of the public who invest in securities, and hence through a legislative framework create a market-place in which the public has confidence.

Well those are good words, Mr. Speaker, but they are words that have to be supported with substantive regulations and substantive support for the securities commission which administers this kind of legislation.

We can talk about protecting the public good; we can talk about being concerned about the investors, but unless we put in place legislation that's going to be strong, with a system of administration that's going to be strong, we will end up with a lot of hot air and rhetoric — which is fairly typical of the government opposite — but without the substantive enforcement mechanisms that is necessary in order to see that such legislation is enforced.

It's also a piece of legislation, as I've said earlier, that tries to balance between the buyers and the sellers of these investment contracts — protection of the public and protection of the investors. Now if you're talking about investors with a whole lot of money, you're talking about people who know their way around the market-place. But the securities are very often offered to people who, as I've said already, have a small amount of money or who have their life savings — they've sold their farm, and they want to put it into something that's going to get an ongoing return for their money — but that money is their livelihood. That is their total amount of money that they own.

And from the letters that I received when I was critic of Consumer and Commercial Affairs, I know that from First Investors and Associated Investors there were many people who lost everything. These were people . . . I have one member in my constituency who cleaned buildings for 30 years — and I've mentioned this in the House before. She managed to save \$11,000, and she's lost it, except for a third that she got back. But the rest of it is gone, and she's heartsick.

I have a pensioner, a woman who came from England, who brought with her the money that she was left from her husband's estate. She invested that in Principal Group, and when we found her situation, she was living on just \$30 left of all her money that she had remaining to her.

It's these kinds of people who deserve strong protection, Mr. Speaker. They deserve legislation that's going to

really ensure security. A lot of words won't do it. A lot of rhetoric won't do it. A large technical Bill, even if it doesn't . . . if it doesn't have the support behind it in terms of staff and investigators, will not do it. And my concern is that the securities commission will not have the staff and the resources to oversee this Bill.

Now one of my reasons for my concern is that when we met with the securities commission staff and the chairman of securities commission, he admitted to me that this legislation in his office would be regulating, in detail, the securities that are started up in Saskatchewan, that are Saskatchewan based.

But when we look at securities that are nationally offered, or offered from other provinces, the chairman of the securities commission admitted that in the past, and even with this legislation, the securities commission will be doing no more than rubber-stamping them because they don't have the resources to research the legislation, but they approve them anyway.

Now that's what we had with First Investors and Associated Investors. Their primary jurisdiction was Alberta. Alberta said that they could sell in Alberta, and Saskatchewan apparently rubber-stamped them, even though in The Investment Contracts Act they were to be supervised by the Superintendent of Insurance, and people from the department were to look at it in detail and make sure, for example, that financial reports were submitted annually, and that those financial reports actually said what they said they were doing. They should have been read by the Superintendent of Insurance, and they should have been understood by the Superintendent of Insurance.

But there's an admission . . . first of all, The Investment Contracts Act is now out. It's all under the securities commission, and there's an admission from the securities commission that they don't have the resources, that what they'll be doing is rubber-stamping anything from another jurisdiction. That has to remain a primary concern because securities will be sold in this province that are questionable, that need to be really looked at in detail by the province of Saskatchewan.

Now one of the purposes for this Act is to bring it in line with the securities Acts of other province. And again, the chairman of the securities commission told us that this was to harmonize the legislation across the country. Now "harmonize" worries me, because we know the jurisdictions in other provinces run also by PC governments.

There's a bottom line in terms of protection of the public — a bottom line, a minimum amount that's done, and a lot of exemptions and a lot of turning their backs on practices that may be questionable. And nothing demonstrates it more than the Principal Group inquiry going on in Alberta over these many months. It's gone on far longer than initially it was expected to. It's been well covered in *The Globe and Mail* and the Alberta papers. It's now being covered here in Saskatchewan since the president of the company, Mr. Cormie, is on the stand, and we're beginning to get more information about just how weak this particular company was and the way in

which the government in Alberta was questioning it and being reassured that things would be fine and then the company being allowed to continue to sell securities.

That's the Alberta method of doing it. In Saskatchewan I would have hoped that we would have taken the concerns of our investors — our farmers that retire and want an ongoing income and were buying into investment contracts and other securities, people who were widowed and left a bit of money, other people who managed over the years to save up some money for their retirement, perhaps thinking that they would take early retirement. Again I have constituents who've done that; worked hard, put their money aside hoping that they could leave work early and, as they so eloquently expressed it to me, leave their jobs for someone who is younger, who could come in into their footsteps and take over the work that they were doing and they would have enough savings to take early retirement.

These are the people who've been hurt. They were hurt by the way in which Alberta regulated their investment contracts and their securities. I'm afraid with the harmonizing across the country that there may be a bottom line, a very weak protection for the investors and for the consumers. And I haven't had an opportunity to get in writing an explanation of the Bill. It's technical, it's long, it's very difficult to read it when you're a person without a law background as I am. But I'm a person who's listened hard to the investors or depositors with First Investors and Associated Investors over the period of time that I was critic for Consumer and Commercial Affairs. I've been to many of their meetings and I know just how worried they are about the kinds of legislation that's put in place and the way in which they're protected.

And I think that we have to recognize, as legislators, that people count on us to regulate carefully and that if they buy something that's regulated by the government that they will be safe. And they have discovered, the 6,700 people who invested in FIC (First Investors Corporation) and AIC (Associated Investors of Canada), have discovered that the government is not to be trusted. That the government wasn't looking after their best interests. And they have experienced tremendous hardship as a result of that. And when you see a big, thick piece of legislation like this piece of legislation, you think, well maybe the government is going to take hold of this issue and help the people.

But one wonders, one has to ask questions. We have to go through this Bill carefully and we have to look at the way in which the government admits that it doesn't have the resources to do research in other areas and is rubber-stamping securities, and we also have to look at how they are funding the Securities Commission and how much support people will have to monitor and to regulate.

Now one of the things that this piece of legislation brings in, according to the Deputy Premier who introduced it, is a lot of exemptions — exemptions for people who have a lot of money or companies that have a lot of money or the government who wants to invest in something, they will be exempt. And as soon as we start having exemptions, we have to ask the questions about how will there be a

vigilance that people who are exempt from the legislation are continuing to function in the way that they committed themselves to when they initially received that exemption.

There has to be ongoing monitoring. There has to be good funding of the Securities Commission so that they can administer this sort of thing, and so that they can look out for the companies that have exemptions and make sure that they are continuing to function within the law, and to function in order to keep things safe for the consumers who are investing and trusting in the government to have provided for their security.

One of the issues again that the chairman of the Securities Commission pointed out to us was that this legislation allows for buyers of securities to go to court if there's a misrepresentation in the advertising of the securities.

Now, Mr. Chairman, you may remember that misrepresentation in advertising was an issue for the people who invested in First Investors and Associated Investors, part of the Principal Group collapse. Many of them brought to me documents that showed that there was misrepresentation in advertising, that they had been misled by the sales people, and they wanted some restitution as a result of this misrepresentation.

Now it's not enough for legislation to bring in requirements that the buyer can sue either the sales people or the firm, because the buyers are very often people with not very much money, and taking a company to court is very, very costly. It seems to me that the government should put in some guarantee that if there's misrepresentation in advertising they should be prepared to go to court on it.

Now I know that there's that legislation under the Consumer and Corporate Affairs federally, but I think that if the government is going to bring in legislation that says the buyer can go to court if there's misrepresentation in advertising, then they should look at some way to provide that buyer with government support to take the company to court. They should be looking after, again, the small investors, the people who are most likely to get hurt, because that's what this security legislation has to be about. It has to be about protecting the people who are going to lose the most.

It doesn't say anything either about class action. And class action, which is something that the former minister of Consumer and Commercial Affairs said was available to the depositors or the investors in First Investors and Associated Investors — class action is something she said was available. It's not available in Canada. It's not easily available. So people can't get together in a group and do a class action against a company very easily.

In order to do a class action, they had to have all been victims of exactly the same misrepresentation. And when the people from First Investors and Associated Investors got together in these many meetings that they had, they witnessed to the fact that they had all sorts of different kinds of misrepresentation. Some people were told one thing, some were told another, some were not told what they needed to be told.

And if there's an omission of information it's supposedly covered in this new legislation. But an omission of information will still lead somebody to costly court costs if they feel grieved, and we have to get away from this business of thinking that people have thousands of dollars to go to court. They don't, and it's up to the government to provide some more protection.

There was also the question with Principal Group of fraud being practised in the Saskatoon office. It was investigated by the Securities Commission in Saskatchewan, and they made representation in Alberta and said they thought something should be done about it. They put forward to the sales people and to the company managers the proposition that the sales people should have a code of ethics that they work by.

Now that was a very weak way of enforcing a charge as serious as fraud. The Securities Commission found there was fraud in the Saskatoon office. Instead of saying that the company should not be selling securities any longer, they decided that the sales people should be operating under a code of ethics and tried to get the company to put in place a code of ethics.

(1600)

Well there's no enforcement of a code of ethics; there's no regulation that says that has to be done. It was proposed on a voluntary basis. And then the Securities Commission turned their back on the problem and let the office go ahead in Saskatoon, selling these investment contracts by a company that was already bankrupt. And there was already many, many problems with this particular situation — problems with the Securities Commission in not investigating the fraud thoroughly; problems with the company in being allowed to go forward; problems with the regulations that didn't provide the consumer with any support.

And those are serious issues for anyone thinking that they can put their money aside for future enjoyment. They have to have better protection than what's been afforded by this legislation.

When I'm thinking about the situation with the Principal Group, the fraud that went forward in the Saskatoon office and wasn't followed up, the misrepresentation in the advertising, the way in which the company operated, skating very thin around the edges and probably really, when you look at what's come forward in the Code inquiry, really getting into seriously illegal activities.

I remember the day that I was there at the Code inquiry, Mr. Speaker, and I heard one of the sales people for Principal Group demonstrating how that company had got hold of a computer-based tax information network. What it was were people who'd come to a particular firm seeking advice about their income tax. They wanted the firm to go through their income tax forms with them and help them fill them out. Now that is an activity that people do when they have a lot of money and a lot of complicated investments. It's also an activity that people do quite often if they're of low income and need their returns back quickly, or if they are people who have

trouble understanding the complicated income tax forms.

Many of the people who use an income tax service are seniors, people who have again, maybe worked for wage work when they were working and had their income tax deducted from their pay cheques; people who were working on the farms and filled out their forms in a certain way, and then when they get older their income is coming in in a different form. It's coming in through investments, coming in through pension plans, and they often seek the advice of an income tax firm to find out how their income tax should be filled out.

While many people use this particular income tax company which was bought up by Principal Group, and with the deregulation of the financial industry, this is the sort of thing that can happen. A financial company now, a company offering securities, can also buy up an income tax firm or offer advice to people in terms of their income using this income tax information to get together a series of names of people that they could approach to buy their investments, their securities — First Investors and Associated Investors but also Principal Trust, a trust company, and also it could very well apply to any other securities.

The sales people were going out hustling sales from the people, then they knew their base income, and many of them were seniors. And this salesman, the day I was there at the Code inquiry, was demonstrating his techniques of phoning up people and saying that he represented the Principal Group and he wanted to come and talk to them about the possibility of investing, and he showed how — he was demonstrating to other sales people — how you could manipulate people to letting you into their homes and getting their ear in terms of selling securities.

And it was really a shock to many people at the Code inquiry that day to hear the tape of the sleazy presentation of the sales-person who was conning the seniors into looking at buying their investments. That was what it really was, was conning.

Seniors are very vulnerable to that sort of activity because, as I say, they have a base of income and they have to invest it in order to get it back on a monthly basis. They can't afford to spend it all at once. They have to invest it carefully; they have to know how much income they have coming in every month; they often have to pay high rents. They have to pay high costs of utilities going up, heating going up, as their income becomes more fixed. They are the most vulnerable people.

They are the people who need to be protected by this kind of legislation. And I want to know whether they are, and I have great suspicions that they aren't. I have great suspicions. Because the government comes forward with a lot of rhetoric about helping the public, but also rhetoric about exemptions, rhetoric about looking after the interests of the investors, rhetoric about letting the market-place adjust to itself in a sort of jungle individualist approach.

The former minister of Consumer and Commercial Affairs said that she believed in deregulation, and that's what this

is all about, is really deregulating the financial industries as much as possible. The exemptions will be broad I'm sure, when we look at them in detail. And it's part of that tendency to put the onus back on the individual, on the buyer, on the person who really is counting on this kind of legislation to give them protection, and it's getting nothing except a buyer beware.

Now I know that the government opposite will say that there are securities in this regulation, securities for the investors. But again if we don't have the staff to oversee that, if we don't have the administrative staff to oversee it, we're not going to find the protection that really is needed.

We've got many examples also with Pioneer Trust, of the way in which the Securities Commission wasn't able to protect the people adequately. And I'm absolutely convinced it's because there's not enough staff with the Securities Commission, and because the government opposite doesn't take this issue of protecting the consumer seriously.

So that's why I wanted to raise it here, speaking to this Bill in Committee of the Whole.

I look forward to the discussion, clause by clause — very large Bill, a lot of sections to it. I know the people who invested in First Investors and Associated Investors, the 6,700 Saskatchewan people, will be people who would want a new Securities Act to insure that they would be protected in the future, and people like them. I don't trust this government opposite to come forward with legislation that will do that — not one bit. I would speak on their behalf, though, and hope that there would be protection, and look forward to the discussion in clause by clause of this huge legislation.

But I do want to put on the record my concerns, having had that experience of talking to people and of looking at legislation that said it was protecting and then ended up doing nothing, partly because the staff wasn't there to do it, partly because the will of the government wasn't there to enforce the legislation. And there's been a lot of copping out, even of the clauses that existed in The Investment Contracts Act to protect people.

It's a very serious charge, Mr. Speaker, on the government, to come forward with legislation that would protect people. The people I'm talking about — the seniors, the people . . . We haven't seen it here in Saskatchewan, but I know in Alberta in some of the senior citizens' centres there was a concern about some of the seniors even perhaps committing suicide because they were so distressed by the loss of their livelihood and of their investment of money that had been saved up for generations in their families.

People wanting to invest here in Saskatchewan will have to be guaranteed a protection, certainly, and therefore I wait for the discussion in detail of this legislation, but I put forward my concerns very vehemently. Thank you.

Mr. Koenker: — Thank you, Mr. Speaker. Well, Mr. Speaker, as my colleague from Saskatoon Centre has just indicated, this may or may not be good legislation. I

certainly don't have a legal background or securities background to make that kind of judgement. But it will be good legislation or bad legislation based on the government's enforcement of it. That is the key question that this side of the House has with respect to Bill 62, An Act respecting (the) Securities in Saskatchewan.

So we have some 165 pages of security legislation. And I want to say to the people of Saskatchewan that this legislation in and of itself is no guarantee whatsoever that they will be protected, unless the government has a will and a resolve to protect the interests of Saskatchewan people by enforcing their own legislation and by issuing regulations that are consistent with the kinds of protections that are contained in Bill 62.

Now, Mr. Speaker, we all know that the financial sector is becoming increasingly complex, in part because of the growth in communications technologies, information exchanges. And we know that it's no problem to have securities information and trading to take place virtually instantaneously with electronic orders being placed, such that when an issue falls to a certain dollar value, electronically an order is triggered for that particular stock to be traded.

We also know that in Ottawa there are presently investigations into the financial sector; that the Progressive Conservative government, federally, certainly favours deregulation of the financial sector. And this is under a lot of debate across the country whether this in fact is the kind of measures that should be taken.

Deregulation, we believe on this side of the House, is consistent with the PC Party's belief in the free rein of unbridled capitalism. It's consistent with the jungle mentality, the selfish ethic of the strong. And it puts consumers of financial services and of investment services really at the prey of predatory practices by people who are unscrupulous.

And so the point comes back again with respect to this securities legislation: is it going to be enforced by a government that favours deregulation, and favours deregulation in a way that allows the big players and the high rollers in the investment community to profiteer off those people who invest at the bottom end of the financial community? And I'll have a few examples of that to relate in a just a few minutes.

We all know, Mr. Deputy Speaker, that the failure to enforce securities regulations and securities legislation can have devastating effects for Saskatchewan people; that deregulation means lack of protection. And we've certainly have seen this with respect to the Pioneer Trust affair, which my colleague from Saskatoon Centre has spent some time talking about.

It was P.T. Barnum, the carnival king of some years ago, that said a sucker is born every minute. And I say, Mr. Deputy Speaker, that the Government of Saskatchewan doesn't have to be party to encouraging the suckering of people and the ripping off of people by a lack of enforcement of securities regulations and an abandoning of investors to the forces of the unbridled market-place and the free enterprise economy.

The second thing I want to say, Mr. Deputy Speaker, is that the best legislation in the world means nothing if it isn't enforced. It means absolutely nothing. And this securities legislation affords no security if it isn't enforced.

An example in hand concerns the company LICO that was charged just last June, a year ago, with violating The Saskatchewan Securities Act and The Business Corporations Act. The president of LICO Resources, one Lawrence Nesis, is also president of Technigen Platinum Corporation which owns the Joytec (Equities Incorporated) corporation, which has been the subject of considerable investigation here in this legislature.

So we have the principal behind Technigen and Joytec now involved in a firm called LICO, charged as president of Technigen and president of LICO, charged with 21 counts of violating The (Saskatchewan) Securities Act — 21 counts of violating The (Saskatchewan) Securities Act last June, along with violations of The Business Corporations Act as well.

(1615)

Basically what had happened is that LICO had salesmen going across Saskatchewan selling shares in LICO Resources Inc. without these sales-persons being licensed sellers. In addition, they had not filed a prospectus with the Saskatchewan Securities Commission. And so what happened? They were charged with 21 counts of violating the Saskatchewan securities legislation, and after a number of court hearings and a number of out-of-court negotiations between lawyers, lo and behold! the charges are dropped.

Now the dropping of those charges may or may not be in the best interests of Saskatchewan consumers and those people who were sold shares in LICO Resources Inc., but one thing we do know for sure, that the dropping of those charges was certainly in the interest of LICO corporation and Lawrence Nesis and Joytec corporation and Technigen corporation, by implication.

And this was the Saskatchewan Securities Commission, the very agency that we're talking about this afternoon with respect to Bill 62, An Act respecting Securities in Saskatchewan. And so the question is, will this legislation be enforced or will the government choose not to enforce its own legislation?

Now the minister who introduced this legislation on June 3 made reference to the fact that one of the objectives of this legislation was to protect the public and to maintain confidence in the market-place, indicating that persons taking undue advantage of the investing public should be held to account. And yet that isn't what this Progressive Conservative government has done in the past historically in terms of administration of The Securities Act — far from it, Mr. Deputy Speaker. This Progressive Conservative government has not protected the public and has not established confidence in the market-place even though they have a self-professed admiration for the operation of the free enterprise economy and the unbridled capitalism of the market-place; far from protecting Saskatchewan people, as I've just indicated,

with the LICO incidents. They've really ignored their own legislation and made adjustments for people who make violations.

I note also that the enforcement of this securities legislation is very important, given the amount of public money put into companies like Joytec and Supercart and Ambrosia food ventures and other venture capital corporations that have bilked Saskatchewan taxpayers these last couple of years.

So that the one issue, on the one side, is the protection of individual investors from unscrupulous business practices with the trading of security. The whole other side of the issue when it comes to venture capital corporations, for example, is the protection of the Saskatchewan taxpayer who's putting massive amounts of money into venture capital corporations. For those people who are listening and aren't aware of some of the provisions of the venture capital financing scheme, individuals who invest in venture capital corporations are given a 30 per cent tax credit — a 30 per cent tax credit for their investment.

And what this has meant, last year for example, with total investments of \$9 million for the year '87-88, total investments of \$9 million into venture capital corporations, the Government of Saskatchewan lost \$2.8 million in revenue, in potential revenue, by the issuing of this 30 per cent tax credit.

For the year 1986-87, there was a net investment pool of \$32.9 million invested by Saskatchewan people in venture capital corporations and a corresponding \$11 million issued in tax credit — \$11 million less in the provincial treasury, by virtue of it having been offered to individuals for their tax credit. And similarly for the year '85-86, there was an investment pool of \$33.9 million, with a corresponding tax credit issued for \$11.3 million.

So what we have, Mr. Deputy Speaker, is a total of more than \$20 million in tax credits committed through the venture capital program, issued to individual Saskatchewan taxpayers, with companies like Joytec and Supercart and Ambrosia bilking the Saskatchewan public; promising jobs but seeing the jobs go to Japan; having a Joytec golf simulator provide a joy-ride for Saskatchewan taxpayers into Never Never Land.

And while there's talk that the company will now be producing it in Japan, the royalty expected from the Marubeni corporation in this year, 1988, is only a paltry \$200,000 — hardly a return to justify the investment of \$1.125 million in Joytec corporation, by Saskatchewan taxpayers.

And I think that when it comes to the enforcement of securities regulations and the provisions that pertain to venture capital corporations, the people of Saskatchewan have a right to hold the government accountable for a full and proper administration of this securities legislation that in fact protects individual investors and protects the public investment in these venture capital corporations as well, to ensure that we have something to show for them.

Now in the case of Ambrosia food products — this is a

restaurant that went bankrupt in Saskatoon in July of 1987 — some of the investors there, according to press reports, certainly questioned the role that the Saskatchewan Securities Commission played in scrutinizing the propriety of what was going on.

One of them indicated in a press report:

One has to look at approval of the value and say, did they (meaning the Saskatchewan Securities Commission) really look into the potential investors by having some value there that they could issue in shares? As it turns out, there wasn't much value there.

The Saskatchewan taxpayers are taking risks, expecting the Securities Commission to monitor the investment and business transactions of a venture capital corporation such as Ambrosia. And yet they see funds going into nebulous things like placement fees with Ambrosia for \$70,000; opening and starting-up costs for \$90,000; working capital projections of \$125,000; professional fees of \$15,000.

And the Securities Commission just looks at that information and doesn't pass any judgement on it. It looks at it and allows Ambrosia to go ahead and offer their share offering and bilk Saskatchewan taxpayers, and not only that, but bilk the public purse in the process.

So this issue, while it may seem to be the realm of lawyers and securities' experts, really touches the ground financially for many Saskatchewan people when it comes to protecting their investments, their savings, when it comes to Principal Trust and the like, or when it comes to venture capital corporations.

This legislation is very basic. And the basic question behind it is, will it be enforced? Is there a resolve and a will on the part of this government to protect Saskatchewan people, or to leave them to the wolves? The best legislation in the world means nothing if it isn't enforced. And when it comes to securities legislation, securities legislation affords no security if it isn't enforced by the government.

And this government will not enforce it. We've seen this time and time again. When it comes to Associated Investors (of Canada) and First Investors Corporation — and incidentally, I might add, that likely tonight this subject will be talked about if the Consumer and Commercial Affairs estimates come up; I won't spend too much time on it right now — but with the whole Principal Trust affair, Associated Investors and First Investors, Saskatchewan saw 6,700 people taken to the cleaners because their own government refused to administer their own security laws governing and regulating the financial affairs of First Investors and Associated Investors.

This PC government won't administer its own legislation. If it had, 6,700 Saskatchewan investors in Associated Investors and First Investors corporations would not have lost their entire life savings. And all it took, Mr. Deputy Speaker, all it took was for the regulators, for the government regulators responsible and answerable to the public, all it took was for them to read financial

statements that showed that these companies were in trouble, in big trouble — in big enough trouble to take away the savings of 6,700 Saskatchewan people if the government didn't start doing its job and regulating and call for a proper accounting. But this PC government didn't do it. It couldn't be bothered. It was too much of a task. Responsible for three companies under The Investment Contracts Act — three companies, Mr. Deputy Speaker, and it was two companies too many, and 6,700 Saskatchewan people see their life savings go down the drain.

So when it comes to this Bill 62, An Act respecting Securities in Saskatchewan, it's important to know, and for the people of Saskatchewan to know that this legislation isn't going to make a difference. It isn't going to make a hoot of difference if it's not going to be enforced. And this government has no resolve to enforce it.

And the people of Saskatchewan realize the importance of regulation and legislation. That's why we are here this afternoon. That's why, when people go to the corner store to buy a carton of milk, they're guaranteed that that milk is processed, and that it is homogenized and pasturized and bacterially safe for consumption. And nowadays people don't even give a second thought about going to the corner store and buying a carton of milk because they know that the government is active in the regulation of milk processing so that they can feel confident in the consumption of that milk.

And the same ought to apply when it comes to securities legislation and investment contracts and venture capital corporations and share issuings of all sorts of different investment contract companies across Saskatchewan. People in Saskatchewan ought to be able to trust their government, ought to be able to assume that the government is doing its job and regulating these companies. And how much more important this task of government is seen to be when we see the failure, as I said, with respect to Principal Trust.

(1630)

People in Saskatchewan have government precisely to do the jobs that they can't do for themselves. It's a rare individual nowadays, Mr. Deputy Speaker, a rare individual indeed who has the time, let alone the education or ability to penetrate 165 pages of technical and financial legalese to understand whether they are properly protected under this proposed Securities Act. It's a rare individual indeed who has that kind of understanding of the law and of the securities legislation.

Perhaps the member from Fairview who is a lawyer might be one of the rare individuals who could really understand this legislation. But average Saskatchewan people by no means are in any position to understand the legislation, and that's precisely why they pay out of their tax dollars to have regulators review the legislation and apply the legislation and enforce it.

And this is a vital role for the provincial government. And it's a valid expenditure from the public purse, if it effects protection for Saskatchewan people, if it provides for services that Saskatchewan people are unable to provide

for themselves due to lack of education or complexity or the technicalities, as I've said.

One of my concerns, Mr. Speaker, has to do with the disclosure provisions of this particular legislation. And I'm not sure that this particular legislation effects adequate disclosure of securities information as it presently stands. And for this reason, I would like to take some time to do some consultation with people who might have a better understanding of the matter to get at the issue of the disclosure provisions of this legislation.

Given, as I said in my opening remarks, the complexity of financial regulation nowadays, it's important when business transactions and the world economy is changing at an hourly, if not a daily or weekly rate, to have in place in the legislation respecting securities, adequate disclosure. Because information is of the essence for people to understand whether their investments are being properly monitored. And that means that the disclosure provisions of this legislation certainly need to be up to a standard that reflects the times that we live in so that there is timely disclosure, that there is full disclosure and appropriate disclosure of information.

Part of the problem as we've seen with the Principal Trust affair is that many of the matters that are now coming out only in the Code investigation in Edmonton have come out far too late. And the government legislation in The Investment Contracts Act gave, in the estimation of some people, far too broad an authority for the regulators to simply pass judgement on materials in secret, without adequate public disclosure. And that is certainly an issue with respect to this Bill 62.

Another concern of mine has to do with the question of insider trading when it comes to securities and other forms of investment materials. And this is certainly an issue, given the fact again that information is so vitally important in terms of economic control or profitability. And I want to make sure that this legislation has adequate constraints and safeguards against insider trading when it comes to securities or other forms of investments. And I'm not in the position to pass judgement on that at this present time.

So in summary then, Mr. Deputy Speaker, we have legislation in Bill 62 that is vital to the interests of Saskatchewan people, that is important to the taxpayer when it comes to the issuing, for example, of venture capital tax credits, legislation that is vitally important that comes at a time when the PC government is committee to deregulation, to an open house when it comes to financial affairs and their regulation. And we need to make sure that this legislation is adequate to the task of protecting Saskatchewan people. That is the fundamental concern of this side of the House.

And we say that we have seen time and time again, from the PC government opposite, the victimizing, the victimizing of Saskatchewan people by a lack of resolve to enforce their own legislation. And it simply can't be countenanced. This side of the House will not countenance it. We will not accept it, and we will make sure that this legislation is proper, and we will press for it to be administered in proper form.

So with those concluding remarks then, Mr. Speaker, I will adjourn debate on Bill 62.

Debate adjourned.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Taylor that Bill No. 55 — **An Act to establish the Public Participation Program** be now read a second time.

Ms. Atkinson: — Thank you, Mr. Speaker. I am pleased, as the privatization critic for the New Democratic Party, to enter into this debate on the Tory government's privatization Bill, Bill 55, a sweeping omnibus Bill introduced last week by the minister of privatization.

I reviewed with some interest the minister's second reading remarks, and while I was not surprised by what he said, I was very interested and surprised by what he did not say.

He did not, for example, admit that this PC government has tried to import this privatization ideology from Britain, with extensive help from the Rothschild banking firm. He did not try to explain to his own upset party members and back-benchers exactly how the privatization of the children's dental plan is a fitting symbol for his government's privatization policy. Nor did he try to explain, Mr. Speaker, exactly why he feels this omnibus Bill, with its unprecedented sweeping powers, is necessary.

All in all, Mr. Speaker, his speech was a lot like his privatization policy itself, more remarkable for the parts he left hidden and secret than for what he actually said in the public in this Chamber.

Now all members will have noted, I'm sure, the curious and misleading version of Saskatchewan history that the minister tried to include in his speech. His argument is simple. He argues that the history of Saskatchewan has been characterized by private greed, private self-interest, and private profit as the supreme motivator of human activity. And nothing could be further from the truth. His version of history is simple, all right — simply wrong — dead wrong, Mr. Speaker.

In his desperate attempt to rewrite Saskatchewan history, the PC privatization version, the minister has grossly misunderstood the history and experience of Saskatchewan people working together, or he has deliberately tried to misrepresent that common experience that Saskatchewan people share, or both. The facts are these, and if any Tory member opposite disputes this version of the facts, the real history of the province, I invite him or her to check with his or her constituents, particularly those in rural Saskatchewan.

Our pioneers in Saskatchewan found themselves in an almost unbelievably vulnerable position within the world economy, separated by vast distances from their markets and from sources of manufactured goods. Even when farms and homesteads were much smaller, a quarter section, for instance, they were isolated and often separated from one another by significant distances.

These people found themselves in a rich and open land, blessed with nature's bounty, but in return they had to endure the extreme hardships of a severe and unyielding climate. The centres of economic power were far away. They were aloof and alien and unresponsive to the needs of Saskatchewan pioneers and their families.

The insensitive and hated railways, motivated by greed, not by the needs of Saskatchewan farm families, the Winnipeg Grain Exchange, dominated by private grain companies determined to maximize their private profits, and the big eastern banks were very successful in pursuing the private self-interest of their own shareholders but were unresponsive to the needs of Saskatchewan men and women.

But from that adversity they developed courage, strength, resilience and vision. They know, and rightly so, that the blind forces of greed and the world market would not meet their needs and would not allow them to develop their vision. So they developed for themselves together with their neighbours, co-operatively, putting the common good above private greed, putting the community interest, the public interest above self-interest.

And in their determination to pursue that Saskatchewan vision for themselves and their children, they sought to use all of the tools at the disposal of their community. They sought to use private business to be sure, and co-operatives and the public sector. And their determination and their courage and their hard work, Mr. Speaker, forged the Saskatchewan mixed economy, the unique made-in-Saskatchewan solution to the circumstances they faced.

The Saskatchewan Wheat Pool, a Saskatchewan response to the private grain industries on the grain exchange. Saskatchewan credit unions, developed and owned and controlled here in Saskatchewan by Saskatchewan people as an alternative to the distant and insensitive eastern banks.

The Consumers' Co-op Refineries, here in Regina, Mr. Speaker, the first co-operative refinery in the world. And when private greed, private self-interest, and big out-of-province investors failed to meet the needs of Saskatchewan families and communities, our pioneers decided to meet those needs themselves, using the public sector.

We had rural telephone services, rural electrification, rural bus service provided by the public sector. We had basic car insurance at affordable rates provided by the public sector. And most important of all, Mr. Speaker, comprehensive hospitalization insurance and medicare developed by Saskatchewan people by using their public sector.

And when Saskatchewan people realized the potential and the opportunities for economic growth and security that were afforded by our bountiful and valuable resources, they realized that in order for those resources to be developed in Saskatchewan's interest, not some outside foreign corporation, they had to be developed

here in Saskatchewan by Saskatchewan people.

Was there a single foreign investor willing to develop our sodium sulphate resources? No. It took the public sector, through Saskatchewan Minerals. Was there any major oil company built in Saskatchewan by private greed? No, Mr. Speaker. It took the public sector to develop Saskatchewan oil.

And was there any foreign corporation or non-Saskatchewan group of investors who were willing to establish a major potash corporation or hard rock mining corporation based here with its ownership and control here in Saskatchewan? No, Mr. Speaker. It took the determination and the courage and the vision of Saskatchewan people acting together through their own public sector to develop the Potash Corporation of Saskatchewan and the Saskatchewan Mining Development Corporation.

And finally, Mr. Speaker, let me turn to the example of Ipsco here in Regina. I think everyone will freely admit that the middle of the Regina plain, hundreds of miles from iron or coal, is a pretty unlikely place for a steel mill. First established by private investors as a pipe mill, it soon obtained public sector equity investment from the provincial government and became a sound and successful steel and pipe operation — another example of the Saskatchewan partnership, the Saskatchewan pragmatic approach, the Saskatchewan mixed economy.

And in his haste to rewrite Saskatchewan history, in his second reading speech the other day, the minister of privatization grossly and unfairly misrepresented our shared and common experience as a province and as a people. He's unwilling to admit, afraid to admit that the Saskatchewan tradition is the practical approach — the mixed economy; men and women working together in their communities for the common good, not merely personal, private gain, and for the future of their family and their children; for the public interests, not merely for private interest; the reality of the Saskatchewan mixed economy, not the myth of PC privatization.

(1645)

And I submit to you, Mr. Speaker, that the minister knows his privatization ideology is based on myth. He knows that it runs counter to the actual daily experience of this province and its people, and he knows that his PC privatization is a betrayal of Saskatchewan. And he knows that his privatization policy is being opposed by Saskatchewan people regardless of how many polls he submits or he releases to the public. People know that this minister and this government is simply trying to manipulate the media and the public into believing that privatization is acceptable in this province.

But with our history and our traditions and our values, we are not simply interested in private greed and we are not simply interested in our own personal self-interest. And that, for all of these reasons, is why the minister of privatization has difficulty explaining his privatization strategy.

Now one of the most disturbing things about the

government's privatization Bill now before us, is the extent to which this Bill, like the PC policy, is based on their narrow and right-wing ideology. It's no secret that they've turned to Margaret Thatcher's Britain for their ideological inspiration, for the latest PC economic fad of privatization. They even sent the Premier's principal secretary, his chief political adviser, to England before the last election to study the ideology and action, and that's the privatization of British Telecom, which is similar to the Saskatchewan SaskTel. They've invited the right-wing professor of privatization, Dr. Madsen Pirie, to explain his ideology to Saskatchewan, and they've even hired a consultant, Oliver Letwin, from the British Merchant Bank, Rothschild and Sons, to bring that right-wing ideology to the Tory government of Saskatchewan. And they've hired that right-wing thinker, that Oliver Letwin at taxpayers' expense to sell out and give away publicly owned assets created by the people of this province and owned by the people of this province.

But while the Tory government opposite is all eager and enthusiastic about their latest Conservative fad of privatization, they refuse to acknowledge or admit that it is the same old Tory policy and philosophy that has been tried and tried and tried and failed and failed and failed in every western democratic industrialized nation in the world.

And for once the minister of privatization was accurate and correct when he told the press last Thursday that privatization is the wave of the 1890s. That's what your minister of privatization said — the wave of the 1890s. Unfortunately, Mr. Speaker, the minister is about 100 years out of touch, and what Saskatchewan people need is a vision and a solution for the 1990s. We don't need the tired and rusted policies of the Conservative members opposite; not the minister's frank admission that his privatization policy is geared toward the 1890s. His PC privatization ideology is old and outdated — old and outdated and discredited.

I'd like to just take a brief moment, Mr. Speaker, to examine the PC privatization ideology and their shallow economic philosophy. I believe it's both fair and accurate, Mr. Speaker, to sum up the PC privatization ideology as being based on three simple principles.

First, they assert that the ultimate motivators of human action are greed and self-interest and personal gain.

And second, they assert that when private greed and self-interest are unleashed and unfettered, they will somehow automatically produce not only personal gain for the wealthy few but also benefits for the many as well as the trickle-down theory. I just want to talk about the trickle-down theory. John Galbraith refers to this. The theory goes like this: that if you feed enough oats to a horse, if you continue to feed enough oats to a horse, some day and some time the sparrow will reap the benefits. That's the trickle-down theory that the members opposite subscribe to.

And third, they assert that Saskatchewan should entrust its future to outside investors, outside corporations, foreign firms, and assert that they should not try to control our own lives, should not try to develop our own solutions to

our own unique Saskatchewan circumstances.

It's a simple theory, Mr. Speaker, a simple theory, but a theory that's absolutely wrong and wrong on every count, for greed and self-interest and single-minded pursuit of personal gain are not the primary motivators of human activity. That's why their ideology, based on greed, misunderstands human experience, misunderstands human experience, and is an insult to the generations of Saskatchewan pioneers who worked together in co-operation to develop a unique and successful and civilized life in Saskatchewan.

And I know that those members opposite come from Saskatchewan. I know that they have family members that were the pioneers of this Saskatchewan, and I know that they come out of some of the same traditions as the members opposite. And they have totally misunderstood our traditions and the ideology that drives the people of Saskatchewan. They've totally misread the situation.

And their ideology, the sell at all costs, the appeal to private greed or personal greed, appeal to personal interests, is wrong. And thus the policy on which this Bill is based is wrong, and when they assert that public good comes from private greed, when they have seen the reality their ideology produces, the rich get richer, the poor get poorer, and the middle class gets squeezed and squeezed and squeezed relentlessly.

Their ideology does not produce fair shares for all, but instead provides much to those who already have much and provides little to those who have nothing. And their ideology produces a society that is deeply divided, in which power, control, and opportunity are concentrated in the hands of only a very few.

And finally, Mr. Speaker, when their PC ideology asserts that they must rely on big business from abroad, that they must open for big business, they are betraying the people of Saskatchewan, the very people who elected them. The private shareholders in Toronto or New York or London, England, will understandably pursue their own financial interests and not the interests of Saskatchewan people.

Saskatchewan people, men and women of our province, did not need out-of-province investors to develop the wheat pool, our credit unions, our telephone and power service. Those Saskatchewan families, those Saskatchewan communities did it themselves, Mr. Speaker. They are proud of those common achievements, and they feel betrayed by the PC government opposite. They feel betrayed by those members opposite. And they are betraying our province; they're selling out Saskatchewan. They're violating our traditions here in Saskatchewan. They're violating the Saskatchewan tradition, and all in the name of a foreign, right-wing ideology of privatization.

And this narrow and this right-wing Tory ideology seems to have been the government's agenda ever since the last general election in 1986, Mr. Speaker. We see it every day over and over again — the ideological attack on medicare, their secret and private deals with foreign corporations and outside investors, their relentless pursuit of privatization and to sell their privatization

ideology.

To sell their myth, Mr. Speaker, they are using all of the gimmicks that they can come up with — the smooth and reassuring speeches, the expensive and self-serving advertising, the tax break gimmicks available to wealthy investors. All these gimmicks are being used, Mr. Speaker, as the minister's speech last week on this Bill indicated, to defend and to justify and sell the PC ideology of privatization.

And I want to speak about some examples of privatization. I noted with some interest, Mr. Speaker, that in his remarks on this privatization Bill the other day, the minister of privatization — who unfortunately isn't here, I'd like him to listen to this — tried to use a couple of examples.

Mr. Speaker: — Order. I know the hon. member probably just forgot, but just a reminder that we don't refer to members who aren't here.

Ms. Atkinson: — I'm sorry, Mr. Speaker. I thought he would be here, but anyway, I'm sorry. Anyway, I want to refer to a couple of examples.

I would like to have the same opportunity to cite some of the examples of PC privatization, and I will expand the list somewhat beyond the very few that the minister would admit to or justify. And I understand that at the end of this debate on this Bill, Mr. Speaker, the minister will have the opportunity to close the debate, and I'd invite him to address the examples of privatization as well.

Now the minister cited the example of the PC government's sale of PAPCO (Prince Albert Pulp Company) to Weyerhaeuser corporation. But in his eagerness to justify this particular privatization myth, he overlooked a few things. He forgot to mention that since the sale price was announced as \$248 million by the Premier, it in fact has turned out to be only \$236 million. That's yet another gift to Weyerhaeuser of United States, this time a further gift of \$12 million.

And he forgot to mention that privatization of PAPCO was done in secret, with no public tendering and no public scrutiny of the deal before it was signed. and he forgot to mention that, despite his slogan of public participation, not one single Saskatchewan resident owns one single share of Weyerhaeuser (Canada Ltd.) — not one. And he failed to mention that in order to attract this foreign corporation of Saskatchewan, the PC government had to make a sweetheart deal entailing the following: they sold the assets at below market value; they sold the assets when the pulp prices were down and everybody in the industry said that they were on their way back up; they provided a provincial loan, a provincial government loan by the people of this province, the taxpayers of this province, to Weyerhaeuser in the amount of \$248 million; and they also provided a further loan guarantee of \$83 million to Weyerhaeuser.

The minister didn't mention that. He talked about 150 jobs, but he didn't talk about the give-away of an asset, owned and controlled by the people of this province, to a foreign, large multinational corporation. He didn't talk about a \$248 million loan guarantee, when Weyerhaeuser has had millions and millions and millions of dollars worth of profits. He didn't talk

about the \$83 million loan guarantee for Weyerhaeuser to build their addition to the P.A. Pulp and paper plant. No, the minister didn't do that. And I would suggest the minister justify the Weyerhaeuser privatization in view of all of those facts — justify it. The major beneficiary of the Weyerhaeuser deal, the privatization of PAPCO, was not the people of Saskatchewan, but instead was the Weyerhaeuser corporation of the United States.

And I noted, Mr. Speaker, that the minister made no mention of another little privatization deal, and that was the privatization of SaskPower assets to Manalta Coal of Alberta. And I'd invite the minister to explain to Saskatchewan business people and Saskatchewan taxpayers just how that privatization has been in the interest of Saskatchewan people. Let the minister explain why his PC government privatized SPC assets and sold a \$45 million drag-line to Manalta Coal of Alberta and then lent Manalta Coal the money to purchase the drag-line. Some deal. And why his Progressive Conservative government privatized the Saskatchewan Poplar River coal mine in yet another sweetheart deal with Manalta Coal. In the PC government's own press release in 1984, announcing that particular privatization deal, the government admitted that the province had invested \$129 million in the asset, that the sale price to Manalta was only \$102 million, and that the province lent \$89 million to Manalta Coal to finance the deal. Now how has that created any new jobs? And how has that created any new revenue for the province of Saskatchewan? And how has that created further ownership and control of our own provincial economy? Hardly.

And on top of all of this, on top of all of this the PC government entered into a 30-year coal supply contract with Manalta to repurchase the coal that we already own. Now these are the business people over here. These are the people who say they're business people and they've had experience in this province running businesses, running car dealerships or running farms or running chemical stores or goodness knows what. But they wouldn't know a good business deal if they saw it looking them in the eye. Your business deals, you can't attract anything to this province unless you give away an asset owned and paid for by the people of this province. You give it away, or you have to put a little carrot out there, put some money out there to attract people.

I'd like to see one business come to this province that hasn't been given an asset or hasn't been given money to come here. You people wouldn't know a good business deal if it looked you straight in the face. And I say to you, with no disrespect to people who run popcorn stands, but you couldn't even run a popcorn stand, members opposite.

Mr. Minister, I know that it's close to five. I have many remarks that I want to continue with after supper, so I will call it 5 o'clock.

The Assembly recessed until 7 p.m.

CORRIGENDUM

The date-line on the front cover of *Hansard* No. 52B Friday,
June 3, 1988, 10 a.m. should read:

No. 52A Friday, June 3, 1988, 10 a.m.

We apologize for this error.