

The Assembly met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Mr. Trew: — Thank you, Mr. Speaker. I rise pursuant to rule 11 of this Assembly to present a petition signed by over 5,000 Saskatchewan people expressing their opposition to the privatization of SGI (Saskatchewan Government Insurance).

These petitions, Mr. Speaker, are expressing their view that SGI has served Saskatchewan people very well as a publicly owned corporation and they are firmly opposed to any sell-off of this company that all the people of Saskatchewan currently own.

Some Hon. Members: — Hear, hear!

Ms. Atkinson: — Thank you very much, Mr. Speaker. Mr. Speaker, I also rise pursuant to rule 11 of this Assembly to present a petition signed by over 5,000 Saskatchewan people expressing their opposition to the privatization of SGI.

These petitioners are expressing their view that SGI has served our province well as a publicly owned corporation and that they are firmly opposed to privatization.

This brings to well over 10,000 petitioners, Mr. Speaker, asking that the Government of Saskatchewan end its privatization plans for SGI.

Some Hon. Members: — Hear, hear!

STATEMENT BY MR. SPEAKER

Rule 16

Mr. Speaker: — Before orders of the day, I have a couple of statements. My first statement deals with rule 16 today. On Friday last at 11:27 o'clock a.m. a notice under rule 16 was received at the Table. Under rule 16, written notices are to be tabled no later than 11 a.m. on the preceding Friday. Since the notice did not meet the deadline specified under the rules, I rule that the motion under rule 16 in today's *Routine Proceedings and Orders of the Day* is out of order.

Ruling on Point of Privilege

Mr. Speaker: — The other statement I have is the statement, of course, which deals with Friday's question of privilege. On June 24 the member for Regina North East raised the point of privilege regarding comments attributed to the Minister of Justice concerning the Provincial Auditor as reported in *The Kindersley Clarion*.

All members will be aware that the purpose of parliamentary privilege is to provide members with the rights and protection that they need to enable them to carry out their duties as elected members. The protection of parliamentary privilege is also extended to officers of

the Legislative Assembly in certain circumstances. The member for Regina North East has referred to appropriate citations in parliamentary authorities which point out that any act which obstructs or impedes any officer of the House in the discharge of his duty or which has a tendency directly or indirectly to produce such results, now or in the future, may be treated as a contempt.

Historically, most cases which have been found to be contempt have involved cases of physical interference or obstruction or threats of the same against an officer in the performance of his duty. However, verbal attacks which call into question the competence, impartiality, and professional credibility of the officer have also been found to unduly interfere with an officer's abilities to serve the Assembly.

It is against this measure that the words attributed to the Minister of Justice must be considered. While the reporter made certain statements, it is only the words directly attributed to the member that are subject to the scrutiny of the Chair in this instance. The words are as follows:

Auditors are people who bump against reality once a year.

They live in that jungle-zoo and call themselves bureaucrats. They wear thick glasses because they are looking at the fine print to see if every "i" is dotted.

While these comments may be interpreted as being inappropriate and belittling to auditors, and by implication to the Provincial Auditor, I do not find that they constitute the kind of unfair personal attack on the officer which will prevent him from adequately performing his duties. The words, while regrettable, do not of themselves call into question the competence, impartiality, or professionalism of the Provincial Auditor. I am confident that this officer can continue to carry out his duties in a professional and impartial manner.

The precedent . . . Order, order. The precedent referred to by the member for Regina North East respecting another legislative officer, the Legislative Counsel and Law Clerk, in contrast to this one, was a case involving an attack on the professional competence and impartiality of the officer. Based on the above points, I find that a prima facie case of breach of privilege has not been established.

Hon. Mr. Berntson: — By leave of the Assembly, I move that we go directly to Government Orders, Committee of Finance.

Leave granted.

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure Public Participation Ordinary Expenditure — Vote 47

Item 1 (continued)

Ms. Atkinson: — Thank you very much, Mr. Chairperson.

Mr. Chairperson, last night from 10 o'clock at night to . . . or pardon me, from 11 o'clock at night to 12 o'clock at night we reviewed the minister's privatization plans for the province of Saskatchewan. And the minister was not forthcoming with his plans. He told those things that we already knew. He told us that the government was involved in bond and share offers. He told us that the government was involved in employee buy-ins, that there would be contracting out, and that there would be a complete sell-off of some government assets to their corporate friends. That's nothing new.

We also explained to the minister opposite that all of their privatization deals have meant one of three things: there have either been lost jobs, lost revenues, or lost control over our own provincial economy.

We've also explained to the minister that privatization benefits appear to go to people outside of Saskatchewan. They appear to go to big business interests outside of Saskatchewan, or they appear to go to the Conservative friends of the Conservative members opposite. This is an ideology that is foreign to Saskatchewan. It is not the Saskatchewan way. And this minister appears to be clinging to the skirts of Margaret Thatcher.

Now, Mr. Minister, last night I asked you some specific questions which you did not answer. I asked you for the names and salaries and qualifications of all of those officials that work for your department of privatization.

Hon. Mr. Taylor: — Well, Mr. Chairman, as I indicated to the member last night, I said that we would have that ready for today, and I do have the information here. I don't know how detailed she wants all the qualifications. I have them and I will send them over to the member now. I hope they're satisfactory. If they are not, please feel free to ask some further questions. I'll just get it ready for you and pass it across.

Ms. Atkinson: — Well, Mr. Minister, while you're getting that ready, shortly after you introduced your bill on privatization, your omnibus Bill, your officials gave to the press results of Decima polling that was done on privatization in Saskatchewan. I would be interested in knowing, Mr. Minister, how much that polling cost the taxpayers of Saskatchewan? As I understand, there were more than 120 questions given to over 1,000 participants, so I want to know the cost of that polling. I want you to table the questions here today, and the answers, Mr. Minister, and so I'm asking you now to do that.

Hon. Mr. Taylor: — Regarding the Decima poll, I think you mentioned that one of my officials gave it to the press. That's not correct. None of my officials gave it to the press; and secondly, we didn't pay for the poll. So I don't know what it cost.

Ms. Atkinson: — Well, Mr. Minister, if you didn't pay for the poll — I gather you mean the department of privatization — then which department did pay for the poll? Can you clarify that for us?

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Hon. Mr. Taylor: — I believe it was Executive Council.

Ms. Atkinson: — Well, Mr. Minister, you have said all

over this province, from one end of this province to the other end of the province, that your privatization strategy would be open to public scrutiny, and I have asked you to table the questions and the answers that Decima poll was involved in. I've asked you to table the cost. This poll was on privatization; you're the minister of privatization, and I ask you today to table that poll with the answers and the questions and the cost. And, Mr. Minister, if you're really interested in public scrutiny, you will get that information from Executive Council right now.

(1015)

Hon. Mr. Taylor: — Mr. Chairman, I don't think it is in the keeping of this government or past governments to be tabling polls. I remember . . . I've been in this House for over 10 years and I haven't seen a poll tabled by the previous government. Some of the ministers that were in that government are on the front benches, and I think they could concur with me that there never was a poll tabled that I can recall.

And secondly, I listened today at the beginning of the procedures, and I saw the member for Regina North and the member for Saskatoon Nutana rise with some endorsements, they indicate, of people who say they're against the privatization of SGI.

Mr. Chairman, certainly I'm not asking the question of what question they asked of those people, but I'm sure that the question they asked did not indicate the plans of the government as I have articulated in my visits around the province in meetings with people, pertaining to SGI.

Also I don't think it would be the same type of question that was asked in the poll, and I don't know what question was asked in the poll because I didn't commission the poll. But I do know the results of the poll, which said there was about 56 per cent of the people in Saskatchewan were in favour of public participation in SGI.

So we all know, Mr. Chairman, that it depends on the type of question that is asked. I don't ask her what question they asked of their people to get their supposedly 10,000 replies, but certainly . . . (inaudible interjection) . . . If you would like to ask a question, the member from Moose Jaw North, please rise in the estimates and do so, because it's very difficult to respond to this nattering from your seat. I mean, if you want to persist in that, that's your prerogative, but your critic, I'm sure, will let you up to ask a question. If you have a question, please rise and ask it in the proper fashion.

But certainly, as I say, it is not the tradition of this House to table polls. I did not commission the poll. I don't know the question that was asked in the poll, so I hope that information is what the critic will understand.

Ms. Atkinson: — Well the critic doesn't understand that, Mr. Minister. She doesn't understand that explanation at all.

Here's a government that has gone from one end of this province to the other talking about how this Decima poll, and you're the minister, supports the whole concept of the sell-off of our natural resources, Crown corporations,

and public services. You have said that in the press. You are a minister that has said to the press that 53 per cent of the people support the sale of Crown corporations if the government makes an effort to distribute the shares widely.

You say that 76 per cent of the people surveyed support the sell-off of PAPCO (Prince Albert Pulp Company) to Weyerhaeuser, but we have two members from Prince Albert who were elected after you sold PAPCO to Weyerhaeuser of Tacoma, Washington. And the results in those two ridings show very clearly that the people of this province do not support your privatization moves.

You're a government that goes around saying that 68 per cent of the people support the merger of SMDC (Saskatchewan Mining Development Corporation) and Eldorado Nuclear and the sell-off of our hard-rock mining company; you say that. Now you say you don't know the questions that were asked. Any competent minister that goes around this province saying that people support privatization should know whether or not those questions are unbiased and fair. And you can't give us that information, Mr. Minister, because you say you don't know.

You have said in your meetings in Moosomin and Gull Lake and Rosetown and Estevan that privatization would be a public affair, that privatization would be open to public scrutiny. And I'm asking you now, Mr. Minister, in view of the fact that somehow your privatization poll got into the *Leader-Post*, got in to the CBC radio, you say you didn't give the results out — well someone did from your government. And you say that those results show that people support the privatization of Saskatchewan assets and Saskatchewan services, and I'm asking you, in view of your statements on a public process, table those questions, table those answers, and for Pete's sakes tell us the cost.

We don't have to table any poll on our side of the House because we do it at our own party expense. Your polling, Mr. Minister, is done at the expense of the taxpayers of this province, at the expense of the taxpayers, and they deserve to know how much this polling's costing them.

Hon. Mr. Taylor: — Well, Mr. Speaker, as I said previously, my department didn't pay for the poll, we didn't request the poll, so I have no idea what the poll cost and what the questions were. I do know what the results are, and correct, I have gone around the province indicating what the results are, and the results are very positive.

I think, Mr. Chairman, that people should realize that the poll was done by Decima Research, and I think if you look across Canada, Decima Research will be one of the major polling companies, one of the most credible in Canada, polls for various governments, various political stripes, polls right across this country on a number of initiatives.

And I quote some of the figures just to indicate, just to indicate the support of those surveyed: 53 per cent said they would support the sale of Crown corporations if the government makes an effort to have a wide distribution of

shares; 76 per cent thought that the sale of Prince Albert Pulp Company to Weyerhaeuser Canada was a good deal, while 68 per cent said the Saskatchewan Mining Development Corporation and Eldorado Nuclear merger was a good one; a full 65 per cent feel investors should be allowed to purchase shares in Crowns; and it goes on, 61 per cent believe in shares.

Mr. Speaker, it was a legitimate poll. It was a broad base of Saskatchewan respondents, and it certainly indicates that people in Saskatchewan are wanting and asking for and supporting the opportunity to share in the development of our Crown corporations, be they utility, be they resource.

And I have travelled the province. I've had five meetings in various parts of the province to date, and I plan to have considerable more. And I can tell you, at those meetings, represented by a cross-section of Saskatchewan people, that there is strong endorsement for bond and share offerings. There is strong endorsement for the opportunity of Saskatchewan people to share in the development of this province. There is strong support for initiatives that will result in job creation, that will result in new industries, value added commodities, and diversification.

Mr. Speaker, the member opposite can criticize that if she so wishes, but I have met with a lot of people in the past two or three months who have verbally said what this poll indicates. I'll admit, people in the province don't want to see a Crown — say, SGI for example — sold in entirety. And there is no intention, there is no intention to touch the auto fund in any way, shape or form.

An Hon. Member: — That's not true and you know it.

Hon. Mr. Taylor: — Well the member who grumbled last night is back at it this morning. He says it is not true. That is the truth, simply put. Certainly the general insurance side may well be a candidate for public participation. A good number of the people in Saskatchewan say that it should be.

But I want to clarify one thing. I heard the member from Regina North talking about a sell-off. There would be no sell-off. Let me give you an analogy, let me give you an analogy this morning of what we're talking about on the general side of SGI.

Let's assume that you own the store; you own the store. And you were servicing that market, but you knew there was a bigger market, but you lacked capital and you needed some infusion of money, some partners, to go out and compete in the larger market. Now in most likelihood you would go to your colleagues, friends, or whoever would support you, and say, look it, I have an opportunity to go out here and compete in a larger market and return revenues to my store, but I need some partners. So you would take on two or three.

Now that analogy is very similar to what we could do in SGI general. We would not be selling anything off. What we would be saying to the people of Saskatchewan — your supporters and my supporters — we would be saying to them, look it, there is an opportunity for SGI general, the general insurance company, to go out into

the market-places of British Columbia, of Alberta, other parts of Canada, and to write business — and to write business. But I need some partners to do this. So the partners that we would take along are the people of Saskatchewan.

And I would say to your constituents and to my constituents and to people across this province, would you like a share of that expanded bigger store? And they would say, yes. And we would take those partners in, and they would be part of that growth and development of this larger insurance company that would be competing across this country — a well run general insurance company, which all indicators say can really make a large indentation and grab a share of the general insurance market.

Now to me, that is not a sell-off. That is just simply saying to the people of this province, here is an opportunity; we want you to share in that opportunity; we will sell you a share in this larger store so that we can go out and we can compete across this country for business in the general insurance. And that company would be headquartered here in Regina, and the added jobs, and I said last night, we project a growth over a period of time of somewhere between 200 and 300 extra jobs, not counting the front line people who would be selling the policies.

Those jobs would be here in Saskatchewan, and to me that is what people, as I travel this province, say to me. Yes, if you can take a resource that we have here, if you can build, if you can diversify, if you can create more jobs and at the same time allow the ordinary people of Saskatchewan to have a share in that development and growth, then, Mr. Minister, that is what we understand is public participation the Saskatchewan way, and that is what we support.

Ms. Atkinson: — Well the minister of privatization has done everything, everything to avoid answering the question.

I asked you to table the questions and the answers to your poll on privatization conducted by Decima polling which is closely aligned to the Progressive Conservative Party of Canada and Saskatchewan, and you refused to do that.

You talk about public participation, Mr. Minister, and really what this is all about is privatization and privatization of the process. It's a very private matter when it comes to the PC government opposite. You refuse to reveal the public nature of those questions.

And, Mr. Minister, I've been contacted by one of the people who participated in that little survey of yours, and I'm advised that she was never given the opportunity to state her opposition to privatization, never given the opportunity once. So how do you call that an unbiased and fair poll, Mr. Minister?

You can't do it, and when you refuse to table the questions, you're telling me that that was a biased poll, that it was not an accurate reflection of how people feel about privatization, Mr. Minister, and you are trying to cook public opinion. Mr. Minister, you're trying to cook public opinion, and it's simply not true. And you don't

have the courage to table the questions or the answers or the cost. And that's the facts, Mr. Minister, that's the facts.

Now, Mr. Minister, this little poll that you did asked participants how they felt about the government using pension funds to support farm debt. It asked how they felt about an out-of-province private company investing Saskatchewan pension funds. And it asked how this person felt about unions being forced to invest their pension funds in areas determined important by the provincial government.

Mr. Minister, were those questions asked in that Decima poll, and if they were, Mr. Minister, give us the results.

Hon. Mr. Taylor: — Well once again, Mr. Chairman, I would draw to the member's attention that I didn't commission the poll; I didn't pay for the poll; I don't know what the questions were in the poll. But I see the member opposite, the member opposite again, because that really is attacking Decima Research — and if she wants to do that, fine, well be it — she said it was a biased poll. I believe that if you travelled this country of Canada, you would find a number of parliamentarians across the country from all political stripes who would say that Decima Research is a very valid polling company.

Now if the member opposite wants to say that they are biased and that they intimidate people and so on; she may well do so. I don't believe that. I don't believe they would have the reputation that they do have in Canada if that were the case. But the member opposite obviously believes that, so let it be on record that she believes that; that she wants to attack Decima Research; that she wants to say that their results are biased; that it isn't a true finding.

(1030)

I can only say, from my travels throughout the province of Saskatchewan, that in talking to a large number of people at five general meetings held across this province in different areas, that the results and the discussion and the talk support exactly what the Decima Research poll indicates. So, Mr. Chairman, if she wishes to call it a biased poll, if she wishes to attack a national polling company, so well be, let it be on record that that is the stance of the member opposite.

Ms. Atkinson: — Well, Mr. Minister, you didn't answer the question. I asked you for the results on how people felt about the government using pension funds to support farm debt. You didn't answer that question. You have the results. The results were given to you by Decima polling. You didn't tell me how Saskatchewan people feel about an out-of-province private company investing Saskatchewan funds — and those are pension funds of public employees, SaskTel employees, SGI employees, Legislative Assembly members, the civil service.

I mean, we're dealing with about \$6 billion in funds, Mr. Minister. You didn't tell me the answer to that. You haven't told me how people feel, whether unions should be forced to invest their pension funds in areas determined important by provincial government. You didn't tell me the answer to that.

And, Mr. Minister, this poll goes on. This minister asked people what they feel about an American corporation buying SaskTel. What's the answer to that question, Mr. Minister?

Then they ask Saskatchewan people what they think of all of SGI being sold off, not just the general insurance side, Mr. Minister, but all of it. And the questions go on and on. And you don't have the courage, Mr. Minister, to tell us, to tell us the answers to those questions, nor do you have the courage to table the questions themselves.

Mr. Minister, you run around this province saying that this is going to be a public process, that this is going to be an open process. Well, Mr. Minister, you have not tabled the deal when it comes to Saskatchewan Minerals; you haven't tabled the deal when it comes to SMDC and the sell-off of this company; you haven't tabled the deal as it pertains to Sask Minerals, and the list goes on and on and on.

Mr. Minister, what are you hiding? Are you hiding the true problems with that poll, that that poll was not an unbiased and fair poll, and that that poll did not give the people of our province the opportunity to say no to your privatization plans?

Hon. Mr. Taylor: — Well, Mr. Chairman, it seems very strange that the member, wanting to know what the questions are, and stands up, from a piece of paper and reads pretty well all the questions off. I fail to understand her reasoning there.

Certainly, on the pension corporation — she asked about the pension corporation — yes, there is support among the people of Saskatchewan of various pension plans to form a pension corporation, a pension corporation which they would have a board, that they would have their own members on that board which would direct the investments in the pensions of the people of Saskatchewan. Presently it is done by the Department of Finance. I think there is a fair amount of support by the various pension groups to have their own people on a board that would have their own staff that would make the decisions to invest the pension in the province of Saskatchewan.

And also, and when I say, in the province of Saskatchewan, let's just emphasize that a little more. A lot of the investment of the savings of the people of the province of Saskatchewan, be it in pensions or be it just in saving accounts, has for a number of years been invested out of the province of Saskatchewan.

I think with the whole movement towards public participation, there are a lot of people here that are saying: certainly, we look at this as an opportunity to invest in our province. Because, Mr. Chairman, if you would look at the potential of the province of Saskatchewan, especially in the field of resources, and you can look across this country, you can look across this continent, we are in a very, very, very advantageous position. When you look at the resources in oil, you look at the resources in uranium, you look at the resources in natural gas, you look at the resources in timber, you look

at the resources that are developing in gold, you can see that we in Saskatchewan, with a very small population in comparison to other parts of Canada, are in a very enviable position for investment and development.

And people in Saskatchewan are saying, yes, why should our dollars have to go outside of our province when we can invest here and we can get a return on that investment that comes directly to them and by that, by that we build, we build jobs, we diversify the economy, and that translates into new jobs for our young children and succeeding generations.

And as I go through the province . . . And you can ask some of my colleagues who've attended meetings with me, and you can ask people at those meetings if you know some people who have attended them. They say that makes eminent good sense to build on the strength of Saskatchewan, use the Saskatchewan resources, both financial and natural, to develop opportunities for the human resource in this province.

So again, Mr. Chairman, that's what public participation is about. That's what the Decima poll was testing — that attitude by the people of the province. And I can only say once more to the Assembly and to those who will be watching, that as I travel the province, there is a strong support for those type of developments in this province.

Mr. Calvert: — Mr. Minister, I have some questions about your sell-off of Sask Minerals.

Three months ago to this day, three months ago to this day I asked you in this House if you would table the deal made in regard to the sell-off of Sask Minerals. And you said that day:

I will be tabling in this House what is normal to table. I do not have that prepared for today, but as soon as possible, I will have it prepared.

Mr. Minister, time is up. Do you have the deal with you today and are you willing to put it on the table?

Some Hon. Members: — Hear, hear!

Hon. Mr. Taylor: — No, as you know, in any agreement there is always some after documentation that has to be completed and so on, and when I'm satisfied that every "t" has been crossed and . . . (inaudible interjection) . . .

Mr. Chairman: — Order, order.

An Hon. Member: — Get the Minister of Justice to look into it.

Hon. Mr. Taylor: — If you want to get in the debate, please rise, sir, and I'll answer whatever questions you ask. But if you prefer to just heckle from your seat, then you continue to do so.

To the other member from Moose Jaw, as I pointed out to you previously, when I am satisfied, as the Minister of Public Participation, that all documentation is completed, that everything is in its final form, I'll be more than glad to present it to this Assembly and to you, sir,

for your perusal and scrutiny.

Mr. Calvert: — Mr. Minister, you go all over the province saying that you want this to be an open process, a public process; you want people to know what's going on. Three months ago, three months ago, you said in this House, as soon as possible I'll have it prepared. Mr. Minister, that's three months ago. Changes are being made on a daily basis out there at the sodium sulphate operations, as you know, and we're going to discuss them. All sorts of things are happening, none of which are positive.

Mr. Minister, why don't you have the deal ready today? I'm convinced it is ready to be tabled and that you're trying to hide something. So would you please table that deal?

Hon. Mr. Taylor: — No, Mr. Chairman, there's no attempt to hide anything. As I said, when I am assured that all aspects of that deal have been completed, that everything is in its final form, when I'm sure of that, I will table it. And it's open for public scrutiny by the member, by the member over here, by anyone in this province; it'll be a public document. And I said that and I stand by that, and when I'm convinced and assured that all aspects are completed, then it will be tabled.

Mr. Calvert: — Well, Mr. Minister, what is there, what is there about the deal that yet needs to be finalized? What is the hold-up there?

Hon. Mr. Taylor: — I would have to look into all the documentation and see just if everything is in, Mr. Chairman, let's make a point here. I mean, these are rather significant transactions. I mean, it's not like writing out a coupon and entering a contest or something. These are large business deals with a lot of legal ramifications, and one has to make sure that all aspects . . . it's only right, as a minister of the Government of Saskatchewan, a minister with those responsibilities, that you make sure that all aspects have been covered before a document is tabled publicly. And that's what I intend to do and that's what I will do.

Mr. Calvert: — Mr. Minister, on one thing we agree: this is a very significant deal, significant in the lives of a number of Saskatchewan people, significant in the lives of a number of Saskatchewan communities, and the people of this province have the right to know what you've done with Sask Minerals, Mr. Minister.

Mr. Minister, I have another quote of yours that I would like some response on. You can verify that these are your words, if you wish. This you said in a letter to a resident of Chaplin:

Nevertheless, I have made a commitment to consult with the public throughout the public participation process. As a result, I refuse to give my final approval to both deals, Chaplin and Carrot River, until I have visited both communities (and listen to this, Mr. Minister) and assured employees that no job losses would result from the transactions and that in both cases the deals represented a net gain to the community.

Mr. Minister, do you still stand by that commitment that there will be no job losses from this transaction to sell off Sask Minerals?

Hon. Mr. Taylor: — Well certainly, Mr. Chairman, as we were negotiating that deal, this is one of the things that was paramount in our discussions, as I said in question period in the House some time ago. As you make the deal you . . . (inaudible interjection). . . Well again the member continues to chatter from his seat. I wish you would either stand up and get into the debate, or else have the decency to be quiet and let your fellow colleague hear the response. I'm sure you don't like the response, because it would be a little foreign to your thinking, but in fairness to the rules of this House and a long-standing tradition, if you have something to say, rise and say it or else have the common courtesy to be quiet while discussion is going on.

Mr. Chairman, as I indicated to you previously, that certainly welfare of employees is one of the things that we look at when we strike these deals. There's a profit-sharing plan in Chaplin which was never there before.

I cannot bind the company for ever and a day. If there are employees who, in the minds of that company, are not performing their tasks, it may well be, it may well be that the member opposite believes that company should keep all its employees for ever, remain that status quo, regardless of function and capability of employees. I don't believe that. I don't think that is true in either the public sector or the private sector.

I've run a number of departments within this government over the last six years, and within those departments from time to time employees change, employees change. I cannot take over a department of government and say, for ever and a day you will all be in the same position as long as I'm the minister. I can say that I will do all I can to look after your rights.

If there may be early retirements that could be brought in, that is an acceptable type of situation in today's labour scene. There may be transfers of positions, and that is commonplace in both the public and private sector.

Now if the member opposite is expecting me to make an agreement that says for ever and a day everyone will stay in the same position, there will be no changes, I can't give that assurance within the departments in government of which I'm responsible for as a minister. And I think any fair-minded person, which I hope you are one, would realize that.

Put yourself in the position if you should be running a department some day. If you were ever in a position to run a department, you could not, in all fairness, you could not say on the day that you took over a department say everybody in this department will stay as it is for ever as long as I am the minister of that department. You can't do that.

The *status quo* does not remain. The world changes; requirements change; people change; functions that they

perform change. And that is the ongoing world of work.

So I stand by the statements that we in Public Participation look at employee benefits, look at the welfare of employees, and certainly I would like your comments on the profit-sharing that was negotiated for the employees at Chaplin. Do you support that, or is that also a mistake, something that you're not supportive of? I would like your viewpoint on that.

Mr. Calvert: — Mr. Minister, there are two issues here. There's the issue of Sask Minerals and what you've done to this historic Crown that's contributed so much to our province and the communities where it's located, and what you've done to the employees and the people of those communities. But there's another issue and that issue is your credibility, because your credibility therefore reflects the credibility of this government.

Now, Mr. Minister, I didn't write this letter, I didn't make this commitment. You did. Let me repeat what you said to residents of Chaplin. You said, "In both cases no job losses will result from the transactions." Those are your words, Mr. Minister.

Now I want to, just for the record, indicate what has happened since the privatization of Sask Minerals. Since that time, in the past three months, seven positions have been abolished. Five people of those seven positions have been terminated or laid off. And, Mr. Minister, I can tell you as sure as I stand here that the community of Chaplin is full of fear and uncertainty because they're not sure that this is the end of the job loss.

Mr. Minister, it's your credibility that's on the line here. How can we believe anything you say when you say in written form, in letter signed, that there will be no job loss, and within a matter of weeks people are losing their jobs? Mr. Minister, will you explain again how you can write to people saying there's no job loss and expect anyone in this province to believe anything else that you say?

Some Hon. Members: — Hear, hear!

Hon. Mr. Taylor: — Mr. Chairman, I think we're going to have to go through the figures again because the member, and I hope it isn't his intent to scare the employees and raise bogeymen and so on, because that appears what he's going to do.

But let me just go through the Chaplin scenario for you. Mr. Chairman, there were three early retirements; there was one offered another job, which he refused it; there was one terminated for cause, but given a compassionate severance, that totals five. And there was one who quit Chaplin, an engineer; and there was one early retirement there following the sale.

But, you know, maybe we should look at lay-offs and when lay-offs have taken place. This might be interesting, Mr. Chairman. I'm sure you're not aware of this and probably other members of the Assembly are not. When Chaplin was under, or Sask Minerals was under the previous government, there were far more substantial lay-offs than has taken place to this point in time. In 1977, and I'm sure the member opposite is not aware of this, but

in 1977 there were 13 lay-offs in Sask Minerals. In 1978, under the NDP, there were 19 lay-offs. In 1980, under the NDP, there were 34 lay-offs. And in 1981, under the NDP, 35 lay-offs. So I think when you see those figures it puts it into perspective. The member opposite certainly is not willing, is not willing to mention those things. You'd like to sugar over that kind of stuff. You don't like your past to come up and remind you. You try to stand up that you're the guardian of labour, and here you were, and here you were laying off these people in substantial numbers — 35 and 34 are rather substantial lay-offs.

So, you know, let's get things . . . let's be fair in here. When you discuss . . . You know, as I said to the member last night, if you disagree, fine. But let's be fair. I had estimates last night with the member, a veteran politician in this Chamber, one-time Speaker, the member for Saskatoon Westmount. We went through the whole thing of the property management, the property management of this government. And to any man's standard out there that was watching it, it was done in a parliamentary form, it was done in what I say, in a high calibre type of . . . (inaudible interjection). . . No.

Let me just tell you a couple of stories. Let me tell you a couple of stories here. And the member over there should remember this, because he was in the Chamber. But I will say to the member, last night we entered into a dialogue in a discussion that was of a high calibre that the people of Saskatchewan who are out there watching say, this is what we want to see. We want to see a reasonable discussion and debate, a question and an answering period. And I say to the member from Saskatoon Westmount on that side of the House shows those characteristics.

I will also say that the member from Athabasca, who I have debated in here for many years . . . (inaudible interjection). . . No. I will indicate this, because I will be fair where fair is. And that member there has more respect on this side of the House than pretty well anyone on the other side, because when he debates he gets to the issues pertaining to the people that he represents, and he does it in a gentlemanly form, and I congratulate him for that.

So I say to you, I say to you, as a new member in this House — and I think you want to be a fair member; I believe that of you; I honestly do — that there is a way to get debate and thrust and get your point of view across in estimates. But it's a score on each side. And if you score a point with me, fair, dandy. That's what this place is about. But if I score on you, the same thing. So let's continue on in that vein, taking a leaf out of the veteran from Saskatoon Westmount.

Mr. Calvert: — Well, Mr. Deputy Speaker, Mr. Chairman, this minister rightly congratulates some members on this side of the House, and I wish he would take some lessons from members on this side of the House.

Some Hon. Members: — Hear, hear!

Mr. Calvert: — When this minister does not want to deal with an issue or answer a question he finds all sorts of other things to talk about, does all sorts of dancing around

this House and around the issue.

Now he begins to haul out lists from the 1970s and early '80s about seasonal lay-offs, when today we're talking about permanent lay-offs, permanent job loss, permanent termination of people who have given the best part of their levies to Sask Minerals. He doesn't want to talk about that, Mr. Chairman, and he doesn't want to talk about his own integrity. The minister who will write and sign a letter that says there will be no job loss, now he doesn't want to talk about that.

Mr. Chairman, I think it's important in this discussion that we once again review the record of Sask Minerals and its contribution to this province. As one of our oldest Crown corporations in its 40-plus years of history, in every year of its operation with the exception of one, Sask Minerals showed a profit — in every year with the exception of one.

Now this minister seems to question figures that we bring into this House. Well I intend simply therefore to read from the annual report of Sask Minerals. Mr. Chairman, since its inception, Sask Minerals has paid in excess of \$60 million . . . \$65 million in wages and salaries. It's paid well in excess of \$2 million in grants in lieu of taxes to the communities where it has been located. It has paid in excess of \$12 million in royalties. And, Mr. Chairman, hear this, hear this. It has paid in excess of \$40 million in dividends to the people of Saskatchewan. That's the fine record of Sask Minerals.

Now what does this government decide? It decides in its blind privatization ideology, here's a little Crown corporation we can dispose of and get a quick little injection of cash, and not many people will notice and not too many people will be affected, and there won't be much public backlash.

And so they negotiate, in secret, a deal with two central Canadian corporations for the sale, the whole sale of Sask Minerals. No share offering is offered; no offer is made to the workers or the communities. No, a secret deal is negotiated in central Canada for this whole sale of the assets of Sask Minerals.

And what do we get? What do we get for this corporation that has contributed well over \$50 million to the people of Saskatchewan? Well we get, Mr. Chairman, we get enough money to pay the interest on the debt this government created, enough money to pay the interest payments for two and a half weeks. Forty years of history to get enough money to pay the interest for two and a half weeks — 15.6 or \$9 million, which is about as much as Sask Minerals earned in its three best years. Three years of profits, that's what we get.

So, Mr. Minister, my question to you is simply this: how can you in any way, shape, or form describe the sell-off of Sask Minerals to two corporations in eastern central Canada as public participation? How in the world can you describe this as public participation, and how can you describe this as a benefit to the people of Saskatchewan?

Some Hon. Members: — Hear, hear!

Hon. Mr. Taylor: — Well, Mr. Chairman, the member opposite indicates various profit statements from the annual reports of Sask Minerals. He does not . . . and he fails to take into account, and to express to the Assembly here, that there were interest-free loans advanced at various times to Sask Minerals. And, Mr. Chairman, I know that you're a farmer, and I know that if I gave you interest-free loans, it isn't too hard to turn a bit of a profit on interest-free loans.

It would be interesting to note for the member's clarification that had the province invested the \$2.5 million at the average rate of interest over the last 40 years, the balance in a savings account would roughly be \$53 million according to my calculations, and that exceeds the \$40 million that you're talking about.

You say, how is this public participation? How is this a benefit to Saskatchewan people? Well first of all, there is approximately \$16 million that has come into this province that was not here previously — \$16 million that is new money, new money for the province of Saskatchewan. Now you may be, and you may well support this, it may be your philosophical belief that there is some benefit in the government owning a salt mine. That may be something that rings true with you. I don't know why a government would have to be in salt mines and peat production, because with the sale of this we have value added components coming about.

Take the situation of Premier Peat in Carrot River. There's 3 million of new investment and research money. I had told you last night, \$500,000 into the University of Saskatchewan for further research into peat products. And I understand that some of the products that they're able to produce, with the expertise that is brought in with the new owners, will tap strongly into the California market. And of course, the California market, as we know, is a very big market for fruits and vegetables and so on that peat moss is used for. There's an employee profit sharing plan, which I believe is of value for employees. And we hope that when the markets and they stabilize in the sodium sulphate, that we will see added jobs and development.

The company that bought the sodium sulphate business is not only interested in the production of sodium sulphate but very interested in other mineral production, and as the member knows — and if he doesn't I will indicate to him, but I'm sure being a member of the legislature he is aware — that daily, daily in northern Saskatchewan, there are discoveries of very precious metals: gold, there's been . . . since my time in this legislature.

If you would have mentioned, when the member from Shaunavon and I were elected in 1978, that there would be substantial gold deposits in northern Saskatchewan, it would have perhaps been questioned by both sides of the House. Today we see that is taking place in northern Saskatchewan, and I understand there are other trace elements that, with new technologies and new methods of mining and development, may again add value added components to Saskatchewan. And those value added components will create new jobs, and this company that we have sold to is very interested in that.

So as your critic from Saskatoon Nutana, and your leader said, on the very good program we put together at Meadow Lake with the employees and the Indians, they said, we will reserve judgement, and that's your . . . if that's what you want to do, that's your choice. I would say to you, Mr. Member from Moose Jaw South, is it? — I don't know which side of the hill you boys are on, but I'll say you're from south, both on a slippery slope, but anyways, anyways — I would reserve judgement because of the capacity and the expertise that this company brings to Saskatchewan.

What we may see — and I say may — what we may see is further development in some of these further metals in northern Saskatchewan. And I know the member from Athabasca would stand in his place and say, yes, if you can have development in metals and in mining for the people of northern Saskatchewan, right on the money, Mr. Minister, because that's what I want to see happen for the people in my area, and he's the kind of man that would stand up there and say it, because he differs right within your own party.

And I see the member from Rosemont chirping as usual from his seat. But the member from Athabasca, as I am led to believe, has quite a different stance on the development and the production of uranium, as does the member from Rosemont, as does the member from Saskatoon University. I think there's quite a division there, and I would have to say I support the member from Athabasca because I believe he sincerely wants to see jobs and development for his people.

Mr. Lyons: — Thank you very much, Mr. Chairman. I would like to turn to the question of the government's record of privatization in regards to the sell-off of our assets which are formerly controlled by the Saskatchewan Power Corporation and which are now controlled out of province.

The minister has made great to-do about the benefits that privatization will bring to Saskatchewan. I'd like to just review a little bit of the historical record when it comes to our natural resources vis-a-vis the coal mining operations in southern Saskatchewan and that great record of privatization which the minister is so proud about.

(1100)

Mr. Minister, in 1982 you began your process of privatization. One of the first steps you undertook was to sell off the drag-line in southern Saskatchewan to Manalta Coal of Alberta. And in order to make the purchase, in order to make that purchase, Manalta Coal had to borrow the money from the Government of Saskatchewan. In other words, you sold off an asset worth \$45 million based on a loan guarantee made by the people of Saskatchewan through their government.

In other words, Manalta Coal from Calgary, Alberta, had to put up no money. And we've often wondered why it was that that was such a great deal for the people of Saskatchewan. We've yet to see the benefits in terms of what it's done for either the power corporation or for the people of Saskatchewan in regards to producing jobs.

And I'd like you to comment on that after I'm finished.

In November of 1984 you once again began a privatization initiative around the Poplar River coal mine at Coronach. Once again you sold it off to Manalta Coal. At that time the member from Yorkton, who was the minister responsible for SPC (Saskatchewan Power Corporation), valued the assets of the coal mine for \$129 million. But that's not what your government sold it for. In fact, you sold it for \$102 which was \$27 million less than the asset value as assessed by the minister himself. Now again, Manalta Coal was not responsible for its financing. The government financed, the provincial government, your government, and the province and the people of the Saskatchewan put up \$89 million of that purchase price for Manalta.

In other words, we had an asset which was worth \$129 million; you sold it to Manalta for \$102 million and we lent them the \$89 million to make the deal. We don't understand what benefit that particular deal was to the people of Saskatchewan. How is it that when we sell an asset for less than it's worth, and we have to put up the money, how does it benefit the people of Saskatchewan, and where are the new jobs and where is the new investment in that area of the province that you and your government promised at that particular time?

Hon. Mr. Taylor: — Well, Mr. Chairman, in line with the minister . . . the member's questions, that was long before we had a Department of Public Participation. I don't have the . . . I don't have those . . . he's quoting in 1984. We will, if he wishes, we will find the information for him and discuss it.

I think it would be more suitable to ask those questions regarding Manalta Coal, and so on, to the minister of SaskPower when the opportunity affords itself, and I believe there are some . . . still some Bills and so on in this session that the minister of SaskPower, the Deputy Premier, will be bringing forth who is much more able to and equipped to answer the questions pertaining to Manalta Coal, if that is acceptable to the member, because my department was not in place at that time, and we do not have that information at our finger tips. But if he would want something in writing, we would look it up and provide it for him. If not, if he prefers to arise on another occasion when the minister in charge of SaskPower is on his feet in the House and ask those questions, I'm sure the minister would explain that transaction for you.

Mr. Lyons: — Well, Mr. Chairman, this is totally incredible. Here we have two privatized initiatives undertaken by the same government, based on a philosophy that it was going to help the people of this province. We have a living example of privatization before our very eyes, and it's incredible that the minister of privatization would stand in this House and say that he and his department haven't examined that privatization deal to see whether in fact that privatization deal has met his own objectives; whether in fact there is any kind of basis for undertaking the privatization deals that the government is now undertaking. To not look at the history of his own province, which this government — and which we have said for a long time — this government

has failed to do, to not look at the real history of what's going on is totally incredible.

Mr. Minister, we don't believe you. And as for you giving us anything in writing, we've already heard what the member from Moose Jaw South has had to say in terms of your integrity and your incredibility for supplying anything to us in writing, so we don't worry about that. What we are worried about are your initiatives in privatization which are selling off the people's assets, the assets which belong to the people of Saskatchewan, not for the benefit of the people of Saskatchewan but in fact for the benefit of a few large corporations involved in the resource sector.

We have put forward the thesis, time and time again, that privatization benefits not the many, benefits the few, doesn't benefit the working people and the farmers of this province, benefits only the multinational corporations and indigenous capitalists who, in fact, you are rewarding for the political favours that they've done for you in the past and for the financial backing that they have given to you in your rise to political power, and you're now returning the favours.

That's our thesis, which is why we're opposed to privatization. We're opposed to it on the principle that it does not benefit the people of Saskatchewan, and you have failed to put forward a case. We give you a specific example of Manalta Coal, and you say you haven't even looked at that example to determine whether or not it's a good deal for the people of Saskatchewan. Your credibility is on the line.

The second question, and it again has to do with the sell-off of natural resources, and that's the sell-off of the natural gas operations of SaskPower which you are familiar with. It's happened very recently, and it's obviously done with the knowledge and compliance of your Department of Public Participation.

Now, Mr. Minister, for the past 10 years the natural gas operation of SPC have made a profit. In doing so, in making that profit, it has helped subsidize the losses that have occurred on the electrical generation side of SPC. By having an integrated Saskatchewan Power Corporation and an integrated operation you were able to stabilize and flatten out the difference between the profit-making side in the natural gas area and the losses occurred in the electrical side.

However, in April of this year, your government suddenly announced that it's going to sell off the natural gas resources of SPC by selling 510 billion cubic feet of natural gas to the Saskatchewan oil company, another company that you privatized.

I wonder, Mr. Minister, in doing that, if you could give a rationale to the House of how it is that selling off a national . . . a provincial asset which can be used in the future for provincial revenues — for keeping electrical rates low as it has been in the past, for the use of development by both residential farming and commercial operations in this province — that the dividends of the use of that natural resource, of the profits, if you like, of that natural resource, come back to the

people of the province. How is it that that is a benefit to the people of the province? How is it that by selling it to the Saskatchewan oil corporation which is now a partially privatized publicly . . . privately-owned corporation, how is it that the sale of the natural gas reserves of SaskPower benefits all the people of the province, as opposed to a small group which are the shareholders of Saskoil?

Hon. Mr. Taylor: — Mr. Chairman, I listened with interest, and I noticed that the member opposite chooses not to mention the involvement of the 10 Indian tribes at Meadow Lake and the employee ownership . . . (inaudible interjection). . . No, no, let's be fair. Let's be fair. He cited examples; he said there's no benefit for the people of Saskatchewan. I hold that one up as perhaps one of the best developments in public participation where ordinary citizens of Saskatchewan have a chance to own and develop and produce their own products. He chooses not to mention that one.

I think it's only fair I point that out because he said, show me where there's an example. There is a very good example — a shining example of public participation.

He then goes on to ask about the splitting of the electrical and the gas aspects, the decision, the internal decision made by the SaskPower Corporation. Mr. Chairman, as I understand, if you look across the utilities across this country, you will find in most jurisdictions that there is a split between the electrical and gas, because they are different, and it takes different expertise and different types of management skills.

Now he says, where is the benefit to Saskatchewan people in having the gas aspects split off from the electrical? Well I heard the deputy minister stand in this House and say time and time again about the number of jobs that will be created by the development of the natural gas reserves by Saskoil. I believe, and I stand to be corrected, but I believe that somewhere between 600 to 800 new gas wells are going to be drilled by Saskoil, new gas wells. Those are jobs. It takes people to drill those gas wells.

The policy of the government opposite, and I can remember in the days of Allan Blakeney, when he was the premier of this province, it was his policy, Mr. Chairman, it was his policy to leave the gas reserves in the ground and to buy gas from Alberta at a very high cost. We were tied in to a long-term contract with Alberta. But we've got out of that contract — I believe it has expired now — and we are saying let's develop our resources, let's use our gas, let's create jobs here for Saskatchewan people, and that will bring revenue into the coffers of this province.

I was talking to Mr. Ted Renner. Ted Renner, who is the president of Saskoil, brings a lot of expertise to that company. Saskoil is now one of the 13 top energy companies in Canada, and Mr. Renner was telling me that already, since that movement to purchase that gas, there are 50 new jobs created here in Regina, 50 new jobs in Saskoil because of that transaction.

So you take that and couple that with the activities that are in drilling, couple that with the added exploration. I

talked to Mr. Renner the other day and he says there's more gas that will be found. And also, Saskoil are finding more oil.

I think it would be only right to talk to the minister of energy and we will see that year after year, with new technology, new drilling, drilling deeper, we are finding not only heavy oil as in the case on the western side of the province, but more light crude and more natural gas.

And to me, Mr. Chairman, that is diversification, that is public participation, that is building, that is developing Saskatchewan and creating jobs.

And once again I must say to the member from Rosemont, as I travel the province, time after time, in town after town — in Nipawin, in Estevan, in Rosetown, in Whitewood — they say to me, Mr. Minister, if you can use the resources of this province to build jobs, to diversify, if we the people of the province can have a share in that, then that's what we want to see take place under a public participation program.

Mr. Lyons: — Mr. Minister, I know you've got your lines down real well, I know you've got the political rhetoric smoothly polished in this, but the facts of the matter are plain and simple, and it's interesting to note that you won't answer the question.

Before you began this privatization madness, all people of Saskatchewan participated in the results of Saskoil, all people of Saskatchewan participated equally in the results of SaskPower, all people of Saskatchewan participated equally in the results of Sask Minerals, because we the people of this province owned those corporations. All of us together equally — not a small group of shareholders, not the 50,000 people in this province who continually and constantly dabble in the stock-market and invest in the stock-market and the bond-market. Not just the 50,000.

The 1 million citizens of this province owned the natural resources before you began your right-wing, totally ideologically driven determination to sell off our natural resources and our corporations to your corporate buddies. We all owned it. Now we don't. And as our leader has said, and this is a question of buyer beware, that old Latin phrase, *caveat emptor* — buyer beware.

We are going to review those privatizations. We are going to review those privatizations, and we will take action where necessary to defend the principle that the natural resources of this province belong to all the people of this province, and not to a few local capitalists, and not multinational corporations. That's how we're going to operate in the future.

And you can tell your corporate buddies, the head of Saskoil or whoever else you want, that that is what is going to happen from 1990 and beyond. We are going to make sure that we all participate equally in the development of our province, and that not just the few will be able to make oodles and oodles of money on the natural resources that exist in this province.

Some Hon. Members: — Hear, hear!

Mr. Lyons: — And I want to bring to you the final question, my final question, Mr. Minister. I want to bring up to you the final question. We have seen your government in the last little while, again under the guise of developing more public participation in the natural gas area of Saskatchewan Power Corporation, we have seen the splitting up of SaskPower into three of its component parts, and one of that component part is named Trans Gas.

(1115)

And it's my understanding, Mr. Minister, from people in the oil and gas industry in Calgary who have told us that your government is involved with the sell-off of the Trans Gas part of SaskPower, that in fact you are engaged in negotiations to sell off TransGas to a Calgary, Alberta firm by the name of Nova corporation.

And I'm wondering, Mr. Minister, if you will answer these very specific questions, without going off on your political tangents and your rhetorical flights of fantasy, if you will answer these very specific questions.

One, is your government involved with the negotiations for the sale of Trans Gas or any other of the component parts of SaskPower? And two, to your knowledge, to your knowledge as a member of the Executive Council, has there been negotiations between your government and/or SaskPower, and any other oil and natural gas firm from outside the province of Saskatchewan?

Hon. Mr. Taylor: — All I can say, Mr. Chairman, is I don't know who SaskPower are talking to. I imagine they're having ongoing discussions with a number of companies across Canada; to what extent and to what degree this involves the gas transportation, I couldn't say. I think those questions are more appropriately asked of the minister in charge of SaskPower. I have no idea who they're talking to.

Mr. Kowalsky: — Thank you, Mr. Chairman. Mr. Minister, I want to spend a moment or two again dealing with the privatization of PAPCO in Prince Albert, which I think is an example of a very bad deal that your government made. I want to say that you had an opportunity here, Mr. Minister, you had an opportunity, dealing with PAPCO, in making a good deal. Because when it comes down to arguing the principle of the deal here, whether it should be privatized or not, you had a 50-50 chance.

But because of the kind of deal you made, you lost on behalf to the people of the province . . . The question that I want to ask you is going to be, how can we tell, now that we have the deal and we have all the documents, how can we tell whether or not the argument is going to be lived up to; that the agreement is going to be lived up to? I want to know what kind of guarantees you've put into place and what you're able to document today here, with respect to that deal.

But before I do that I want to point out a couple of things, Mr. Minister. I want to say that you do a discredit to yourself and to your government every time you bring up

this idea about a \$91,000 per day loss. And I'll tell you exactly why. There are two reasons.

First of all, the only time that that pulp mill did lose money was after the Tories took government. The last two years of the NDP being in government, it made 47 million — 23 million plus 24 million — \$47 million. Then it lost money when you folks got in, three years out of four.

Now I ask you, Mr. Minister: when it loses money when the Tories get in and made money when the NDP, is that a reason to get rid of the pulp mill or is that a reason to get rid of the Tory government? I ask you that. Now what should have happened there . . . That was the first reason, Mr. Minister.

The second reason is this. You keep saying things about your polling. You keep saying that you polled the people of Saskatchewan and they think that the sale of PAPCO was a good deal. Well it depends how you ask the question. And I suppose what comes to mind, a good deal for who? And I content it was a good deal for Weyerhaeuser. I contend it was a good deal for Weyerhaeuser, and I contend it was a bad deal for the people of Prince Albert and it was a bad deal for the people of Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. Kowalsky: — If you would have asked the question, who benefited most from the deal, if you ask that question, and I guarantee you will get the answer . . . that people will answer at a ratio of approximately 4:1, that Weyerhaeuser got the best of the deal that you made.

And I'll list a few things to you, Mr. Minister, to back that up. I've got a page of items that I've taken out of these books. There are three volumes of the deal which indicate just what kind of a poor business management operation you had when you made it — three books worth.

But here's what it comes out to in the end. There were some things that we got and there were some things that you gave away. And I want to make a listing of some of them: \$350 million pulp mill, sold for \$248 million. Well not exactly sold — not exactly sold. You gave them a debenture, a debenture on which they haven't paid anything yet.

Also they got a chemical plant with that and also they got a lumber mill with that. You gave away access to the bulk of the Saskatchewan forests, and exclusive rights to that forest — exclusive right and the right of first refusal to anybody else.

The buyer got a very experienced and dedicated work-force, and that's got to be worth something. The buyer got a complete road network, a complete rail network, air access; the buyer got 32 kilometres per year guaranteed in roads that we the people of Saskatchewan must provide. Right now they're getting a \$2 million interchange north of P.A., which I wonder whether it was necessary or not. This is what they got; that's the way you did it.

We have to pay for the design of the roads. We the people

of Saskatchewan, we have to provide forest fire protection. The limit to the Saskatchewan rivers . . . the access to the Saskatchewan River is limited to the Meewasin Valley Authority.

The buyer was guaranteed the lowest power rates, lowest power rates possible. We promised — you promised on behalf of the people of Saskatchewan, to buy back the chemical mill if something should go wrong and if it no longer produces, for one dollar. That means we'd have to buy it back and clean up any pollution. We'd have to do it.

We are promising to pay the sellers of lumber and of pulp and of paper, 3 per cent, 4 per cent, and 5 per cent commission. That's what we have to pay.

The forest management rights, they have to pay . . . SCIFI (Saskatchewan Council of Independent Forest Industries) has to pay — any independent forester has to pay into the stumpage, into the agreement, but they have no say as to how the reforestation is to be done.

The city of Prince Albert lost the power and gas surcharge. The province of Saskatchewan has to provide planting stock. The province guaranteed a \$73 million loan. Now those are the things you gave away, Mr. Minister.

And in fairness, in fairness, I will say, what did we get? Well we did get a paper mill. Okay, we got a paper mill. In fairness, I will say that. And we got a sales force. But when you put that all in balance, because mostly what we got from you, we got those two things, but mostly what we got from you was sales rhetoric . . . When you put all of those things in balance, the people of Saskatchewan look at it as a bad business deal.

It's very much, Mr. Minister, like having a prize thoroughbred. You sold them the thoroughbred, you sold them the thoroughbred with a jockey and the pasture, for the right of watching the race. That's what happened.

Some Hon. Members: — Hear, hear!

Mr. Kowalsky: — Now, Mr. Minister, after that deal is done, after it's done now, we now want to know what guarantees you have in place, and I get to my question: what guarantee have you got in place that any amount of that 248 million will ever be paid? How can you guarantee it? Have you got any way of enforcing it? Have you got any collateral?

Some Hon. Members: — Hear, hear!

Hon. Mr. Taylor: — What a . . . interesting to see the example used about thoroughbreds. I have one, but he hasn't won any prizes yet, so I understand very well about thoroughbreds.

Let me indicate to the member opposite, and we can stand here and debate, and last night I laid out a number of the benefits that I see that flow from the Weyerhaeuser acquisition. You indicate that 4:1 people say it is a bad deal. Decima indicate that 75 per cent say it is a good deal for Saskatchewan . . . (inaudible interjection). . . Yes, 76. I'm corrected by my colleague from Meadow Lake that

it's actually 76.

And we can debate that. I believe that there's . . . you know, I think you as a member from Prince Albert must admit that, and I'm sure you've been out to see the paper mill, and it's state of the art. I think the people of Prince Albert are proud to see that there. I can't see any reason why they wouldn't be. I think the people of Prince Albert are happy to see 150 new jobs. I think the people of Prince Albert are pleased to see the construction jobs that are there. And I understand, as minister of Buy Saskatchewan, that a very large percentage of the employees are right from the Prince Albert area — pretty well all Saskatchewan people.

I mentioned last night \$33 million — I'm going by my memory now — \$33 million in subcontracts; about \$35 million, quoting from memory, in supplies and materials, Saskatchewan purchased. So I think that's the rationale, that's the reason why the people of Saskatchewan say yes, this is a good deal.

What are the other benefits? Sixty-three million dollars in interest flowing through the province. The repayment of the debenture of what, 248 million, over a period of time. The repayment of the debenture plus the interest, plus \$250 million in a brand-new state of the art, best in the world, they tell me, paper mill. So certainly I believe that the Weyerhaeuser deal was a good deal for Saskatchewan.

You look at the situation here in Saskatchewan today, and with the crisis in agriculture, with the amount of money that has been put into programs for agriculture, the government wouldn't have had the money to build a paper mill, but it's there. It's there right in your backyard, right there where your constituents, your friends and neighbours, can benefit from the jobs of that paper mill.

So I find it difficult for you to stand in here and criticize it. It's your option, if you so wish. But we believe, on this side of the House, it was a good deal for Saskatchewan, it was a well-crafted deal for Saskatchewan, and the spin-offs for subsequent years to come will be very beneficial to this province and certainly to the area that you represent at the present time.

Mr. Kowalsky: — Well, Mr. Minister, the deal is made. Now we have in the deal a statement where it says that the basis of the payment were based on an audit. Will you table that audit, Mr. Minister? And will you table the quarterly reports that Weyerhaeuser is supposed to provide?

Mr. Chairman: — Why is the member on his feet?

Hon. Mr. Lane: — I wonder, Mr. Chairman, and the hon. members, if I may before answer, introduce some students, with leave.

Leave granted.

INTRODUCTION OF GUESTS

Hon. Mr. Lane: — Thank you, Mr. Chairman. Mr. Chairman, through you I would like to introduce to the

Assembly some 19 grade 5 students from White City. They are accompanied by Lois Orten-Lederhouse, teacher; and chaperons Mrs. Vandendort, Mrs. Phenix, Mrs. Elek, and Mrs. Tiefenbach.

I've had the pleasure, Mr. Chairman, of meeting with the students and teacher and chaperons just prior to their attendance here this afternoon. I have, on behalf of all members, introduced them . . . or wished them a very safe summer, a very happy summer. I know it's very near the end of the year for them.

I would like all hon. members to join with me, Mr. Chairman, in welcoming the students from White City School here to the Assembly this morning.

Hon. Members: — Hear, hear!

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure Public Participation Ordinary Expenditure — Vote 47

Item 1 (continued)

Hon. Mr. Taylor: — Mr. Chairman, in regard to the audits of Weyerhaeuser, the appropriate place to ask for those would be from the Crown Management Board.

Mr. Chairman: — I recognize the member from Regina North West.

Mr. Trew: — Regina North. My colleague from Regina North West might be upset if he learned I was representing his constituency.

I want to follow up further on the Weyerhaeuser deal which, as the member for P.A. points out, was a good deal for Weyerhaeuser but a terrible deal for the people of Saskatchewan.

Minister, your government gave a \$350 million asset for \$248 million to Weyerhaeuser of Tacoma, Washington. And if that wasn't bad enough, you went with an ongoing commitment that each and every year we, the people of Saskatchewan, will build 32 kilometres, minimum of 32 kilometres, of logging road for Weyerhaeuser. And I point out to you, Minister, that that logging road . . . prior to your government taking over, those logging roads were all built by PAPCO and built out of the profits that PAPCO had made. As my colleague for Prince Albert points out, PAPCO made, in the final two years of an NDP administration, \$47 million. From their profits they paid for the building of the roads. So the people who owned PAPCO, in effect, were building the roads from the profits that PAPCO made.

(1130)

Then you make this sweetheart deal with Weyerhaeuser of Tacoma, Washington where you give them the assets — there's no money down. There was \$11 million cash and liquid assets the day the transaction was made, and did you withdraw that \$11 million for the people? No. Instead, that went directly to Weyerhaeuser, and I suspect

much of it left Saskatchewan.

But then this year in Department of Highways estimates we learned something rather interesting; that is, that the people of Saskatchewan are now buying 855 kilometres of logging road that they had paid for when PAPCO was running the mill. The roads were built and they were paid for; the people that ran the equipment were paid; those roads paid for by the people of Saskatchewan.

And now this year you and your government paid an additional \$3.75 million in cash to Weyerhaeuser for roads that had been built previously. For 855 kilometres of road you paid them \$3.75 million cash. Christmas came early for Weyerhaeuser this year. And next year you're going to pay an additional \$1.875 million again to Weyerhaeuser for that.

When I first pointed this out to the member for P.A., his response was no, you must misunderstand; they aren't that stupid; no one is that stupid. But the facts show that your government indeed is. I want to point out that the Minister of Highways, in his estimates — I have a short clip here — said:

Mr. Speaker, in summation, the arrangement with the Weyerhaeuser corporation for all the people of Saskatchewan was indeed a good one, and still is today.

So he's standing behind the deal. I'd like to clarify, Mr. Chairman, some of the money that will be allocated over the next year in the purchase of roads . . . and indeed this year it was \$3.75 million; next year that commitment is 1.875 millions for the purchase of roads. He goes on:

Mr. Chairman, the member opposite has asked: was that payment deducted from the purchase price? (Being the purchase price of the PAPCO mill)

His answer:

No. In fact it was a direct payment for that amount, and it will be direct payment next year.

In other words, you didn't even have the courage to deduct the \$3.75 million from the \$248 million that Weyerhaeuser owes. Instead you give them a cheque that they can trot down to the bank.

My question, Minister, is: how is this a good deal for Saskatchewan people when roads that were built from profits of PAPCO are now paid for yet again by the people of Saskatchewan?

Hon. Mr. Taylor: — Mr. Chairman, the question by the member opposite just illustrates the thinking of the member. He's making a point of \$3.7 million in some payment for roads, and another 1.7, supposed for next year. Well I guess you balance that off, Mr. Chairman, as I've said before in this House, balance that against \$63 million in interest coming to the government; balance that against the \$240 million debenture that will be coming to the government; balance that against the \$250

million pulp mill that is being constructed; added to that 700 jobs; add to that 150 permanent jobs; add to that half a million dollars a year coming into Prince Albert, and I think if you look at balancing those, then it certainly indicates that the benefits flowing to the province from the Weyerhaeuser deal far outstrip any of the costs regarded to roads.

Mr. Calvert: — Thank you, Mr. Chairman. Mr. Minister, last night in one of your long discourses in this House, as we approached the midnight hour, you mentioned the privatization of the Moose Jaw Wild Animal Park. And that's given me cause to want to raise a question today.

Mr. Minister, there aren't many of us in this province who sincerely believe that our parks are a public heritage, that parks in this province ought to belong to all of the people of this province and be accessible to all the people of this province. And the history of the wild animal park in Moose Jaw has been a prime example of a park which is a public heritage. It's built on land that was donated for the park. In its long history since the 1920s, it's been built and owned and operated by volunteers and service clubs and various levels of government.

In recent years the Moose Jaw Wild Animal Park has become, as I hope you know, a show-case of indigenous Saskatchewan species, a show-case that we as a province could be proud of, the only one of its kind in the province, Mr. Minister. And, Mr. Minister, we've seen it also as an attraction and a place where families, be they local or visiting our province or our community, could visit and enjoy themselves.

Now, Mr. Minister, what we have now by the action of your government is a park which exists for private profit; that's what we have now. And to ensure that that profit will occur, we have enabled the new developer to change the entire nature of the animal park. It's now, and will soon in the years to come, become an amusement park. And we could debate, I guess, whether that's wise or not, but frankly, that's what's going to happen. The Moose Jaw Wild Animal Park is not going to remain a natural park, it's going to become an amusement park.

Mr. Minister, I really have two questions, in essence. One has to do with the accessibility to that park because of your privatization move. And let me just say this, Mr. Minister. In 1985, if you took the gate fees in 1985 — before you raised them last year --- if you took those gate fees in 1985 and a family that consisted of two parents, three children, and one grandparent, if that family visited the park in 1985 they could pass through the gates for \$4.75. And by passing through the gates they had access, equal access to all the facilities of the park.

Now with the deal that you've made in terms of the privatization of the animal park, by 1992 that same family, that same family would have to fork out \$22 at the gate just to get in — \$22 just to get in — and then be faced with a whole range of other amusements that will cost money. So a family going in 1992, in my estimation, better had take with them between 50 and \$100 to spend an afternoon at the animal park.

Now, Mr. Minister, what that says to me is that we've

changed the nature of a park from a park that has been, since its creation, accessible to everyone, to a park which is more and more to become a playground of the rich and the middle class, and lower income Saskatchewan residents and lower income visitors need not come.

So, Mr. Minister, I ask you this: how is it that you can describe the privatization of the Moose Jaw Wild Animal Park, putting it into private hands as, one, public participation? and, Mr. Minister, do you share with me the concern, the concern about accessibility for ordinary Saskatchewan families?

Hon. Mr. Taylor: — Well, Mr. Chairman, I understand at the Moose Jaw Wild Animal Park the animals are still there; they're all there; that the new investor is going to put in about \$800,000 into diversification and development of other attractions at the park. There'll be new jobs created in both the construction and the operating. They will get a new amusement park which would have added attractions such as camping and go-carts and mini-golf and amphitheatre and things of this nature that will be there — added attractions for families to go and enjoy in Moose Jaw.

I believe the costs are . . . And also I should point out that the taxpayers of the province of Saskatchewan will be saving \$200,000 by this transaction because that was the operating deficit of the park — \$250,000 in the last year.

He mentions about the fees. I understand in comparing the fees to last year . . . let's look at an adult fee, went from \$2 to 3.75, and a student from \$1.50 to 2.50. But if you compare those with a movie, I think you go to a movie, it's generally about \$5. I don't know what it costs to go to a bingo palace, but I think most of these charges would be well in line with those, perhaps less. And also for that little bit of an added fee the people are getting a number of other attractions that were not there previously, as well as all the animals, I understand, are still there.

Ms. Atkinson: — Thank you very much. Well, Mr. Minister, we have listened to you for practically one hour this morning, and we listened to you last night, and my colleagues who are responsible for various critic areas in terms of the provincial government have asked you for information. And, Mr. Minister, you have not been forthcoming, you've been not forthcoming at all.

My colleague from Prince Albert asked you to table the audit with regards to Weyerhaeuser in order to ensure that the people of this province are in fact getting an adequate return on their investment, Mr. Minister, and you chose to slough off that question to the Crown Management Board. So much for public participation. So much for public openness.

My colleague, who's the critic for Sask Minerals, asked you to table the deal; the deal that has meant job loss to the workers at Chaplin; the deal that has meant a loss of control over a provincial resource to people who reside outside of Saskatchewan and who reside in Ontario and Quebec. And you chose not to do that.

My colleague, who is the critic for SaskPower, asked you to table the deal as it pertains to Manalta Coal and the sell-off of the drag-line to Manalta Coal and the

sell-off of the Poplar River coal mine to Manalta Coal, and you chose not to do that. My colleague asked you very specific questions about the sell-off of the natural gas distribution system, Trans Gas, to Nova Corporation of Alberta, and you chose not to do that.

You chose not to advise this House what, in fact, has gone on in terms of those deals and what your plans are for the sell-off of the natural gas distribution system. You said, ask the Deputy Premier; as the person responsible for SaskPower.

I asked you very specific information about Decima polling. I asked you to table the questions, table the answers, and table the cost. And once again you said, talk to Executive Council; I don't have the information, even though I'm the minister of privatization.

Well, Mr. Minister there's two more that I want to ask you about. I want you today to table the deal between SMDC and Eldorado Nuclear. I want you to table the valuation of those assets, and I want you to table the deal that sells off SaskCOMP and SaskTel to WESTBRIDGE computers and Mercury Graphics, who are your friends, and all of the other private enterprise corporations that have come into this merger of SaskCOMP and SaskTel. I want you to table that deal. I want to know how much money those private corporations are going to be receiving on July 1. I want you to table all of the details.

You have said from one end of this province to the other that you would be releasing this kind of information. Well, Mr. Minister, we have seen here this morning how you in fact react when we ask you specifically for that information. And the way you react, Mr. Minister, is to say, talk to my colleague. And, Mr. Minister, what are you hiding?

Hon. Mr. Taylor: — Well once again, Mr. Chairman, we're hiding nothing. As I've said previously in connection to the SMDC-Eldorado merger, all aspects of the deal isn't completed. As well, regarding WESTBRIDGE, Minerals, these ones, as I said previously in this House about half an hour ago, that when I am convinced that all aspects of it have been carefully scrutinized and have been gone over and are completely final, when I am convinced of that, I will certainly be tabling them here in the House for the opposition to look at and for the people of Saskatchewan to examine if they care to do so.

Ms. Atkinson: — Well, Mr. Minister, your response is totally inadequate. Premier Cdn is in fact in operation in Carrot River, operating the peat bog plant. Kam-Kotia is in fact in operation in Chaplain and Fox Valley, busy laying off workers. The deal is signed. Why don't you table the deal, Mr. Minister, so we can find out whether in fact we've gotten a good deal for those assets. And if you won't table the deal, Mr. Minister, that only tells me that you have once again sold off this province to some of your friends in Ontario and Quebec.

Table the deal, do it here today, show this province that you have some courage and you're prepared to live up to your word that in fact those deals would be made public.

Some Hon. Members: — Hear, hear!

Hon. Mr. Taylor: — Mr. Chairman, once again I rise to inform you and the members of the Assembly that when I am certain that all aspects of the deals are completed to my satisfaction as minister responsible, I will be tabling them.

Ms. Atkinson: — Mr. Minister, what aspect of the deal isn't completed?

(1145)

Hon. Mr. Taylor: — Well, Mr. Chairman, these deals are rather complicated deals. There's a lot of transactions, there's a lot of legal actions and so on, legal documents that have to be perused. I have a department that looks over all of these things. I can't say what specific item is not completed at this point in time.

I can assure you, and I can assure the member from Regina Centre, chirping again, I can assure him that when I am satisfied that those deals are completed then they will be tabled in this legislature. And I challenge the members opposite to at least read them, because they certainly didn't read the Weyerhaeuser operation.

Ms. Atkinson: — Mr. Minister, what aspect of the Sask Mineral deal has not yet been completed? It's a very specific question. I would ask you to address your remarks to the very specific question. What aspects of that deal with Kam-Kotia and Premier Cdn have not been completed in regards to the negotiations with Sask Minerals or Saskatchewan Crown Management Board or whoever it is that's negotiating on behalf of the government?

Hon. Mr. Taylor: — Mr. Chairman, obviously the member opposite doesn't understand how my department functions and how it works. We're involved in development of deals. I say after a deal is . . . often, after closing, agreements, legal documents that have to be in place. When I have the assurance of my department that all those things have been looked at, and when I am sure as the minister that every aspect of the deal has been considered, every aspect is closed, every legal document, every legal piece of paper is in place, then I will be tabling the document. And until I, as the minister, am sure of all of those things, I would not table the document because that would not be right for the people of Saskatchewan. I can assure you, once again, that when I am assured of all those, the documents will be tabled.

Ms. Atkinson: — Mr. Minister, can you explain to the people of this province how it is that Kam-Kotia is busy laying off people in Chaplin when you haven't completed all of the legal documents necessary in order to close that deal?

Hon. Mr. Taylor: — Mr. Chairman, again, we've been through this before. They are not laying off people. There are people that are taking early retirement, and I don't see that as a lay-off. There are people who are being moved from one aspect of the minerals to another area: engineer, moved from, I believe, from Fox Valley to Chaplin. There

have been some people that have exercised early retirement. There was one person that was terminated for cause with a severance package, so I don't see how you can equate that to lay-offs.

So the member again, I don't know if she deliberately tries to mislead or not, but certainly that is not the case.

Ms. Atkinson: — Mr. Chairperson, I've just been accused of deliberately misleading this House. I'd ask you to rule on that.

Mr. Chairman: — I would like to inform the members that the statement made by the minister was an inference and could be construed as such, so I would ask you to withdraw that remark.

Hon. Mr. Taylor: — Mr. Chairman, I do not believe it was an inference. I said, I do not know. There is no inference there. I said, I do not know. That's what the record said. That does not infer anything. I said, I do not know if the member is trying to deliberately mislead. There is no inference there.

Mr. Chairman: — I think that perhaps an unwritten rule of this legislature is that no members are to cast aspersions upon any other members, and I would stand by my original ruling that the inference can be so construed, and I would ask the minister then to withdraw that remark.

Hon. Mr. Taylor: — Mr. Chairman, I suppose we could go on arguing, but you are the chairman and if you rule that way, I withdraw.

Ms. Atkinson: Thank you very much, Mr. Minister. Mr. Minister, I just want to go back to the previous question. How is it . . . Let's buy your argument that those seven positions were abolished; five people took early retirement or took deferred retirement.

Kam-Kotia gave the instructions, Mr. Minister. How can they give those instructions? How can they make decisions to early retire people or fire people or whatever it is that you say that they've done if they don't have the legal right to be there because you haven't yet completed all of the legal work necessary to close that deal?

Hon. Mr. Taylor: — Well, Mr. Chairman, the member opposite knows very well. She was at Chaplin the day that the announcement was made, then we were out talking to the people in Chaplin. She was there, present. She knows that the next day that Kam-Kotia took over the operation of the mine the next day.

You know also, I'm sure, if you have done any business dealings, that there are a number of documents, things that have to be in place. You come to an agreement of understanding, and if there's a take-over, you finish the rest of the legal work.

So I guess the question would be: why would they be in a position to take over prior to all of those final "t's and "i's being dotted. Well that's just the way that the deals work, Mr. Chairman. I'm sure you're well aware of that, and the member knows. She was there the day . . . and you were well aware that the next day Kam-Kotia would take over

the operation. And I'm sure, in all fairness, you realized that day that every aspect of the deal would not have been completed. This is common in striking large deals.

I know the member for Meadow Lake who spearheaded the Weyerhaeuser deal, there was . . . it went on and took place for a long period of time, and there's often a lot of after-closing documentation that has to come into place, and that is the situation with Kam-Kotia.

Ms. Atkinson: — Well, Mr. Minister, I find it quite surprising that Kam-Kotia took over the day after you went out to consult with the workers because in a newspaper magazine article, or news article in the *Leader-Post* dated Saturday, March 19, 1988, this is what you said about privatization:

We want to see an adequate opportunity for consultation and discussion with those people affected. We don't want there to be any surprises.

Mr. Minister, is one day prior to the time that Kam-Kotia takes over Sask Mineral, is that adequate consultation?

Hon. Mr. Taylor: — Well I guess one can question what is adequate consultation. I can refer to the situation in Meadow Lake where I believe there is very adequate consultation, and you were there. You chose to come out and try and make it a political forum, much to the chagrin of some of the people of the area, because the political forum for you and I to debate the whole aspect of public participation is where we are this morning.

But certainly we were out there, consulted with them. I went up to Carrot River, talked to the employees and the people there, so I think as you look, as we unfold the public participation initiatives, there's been a lot of consultation and discussion on the Power Plus bonds, so I think there is a lot of consultation as well as the meetings that I'm having around the province.

Ms. Atkinson: — Well, Mr. Minister, I find your answers totally inadequate. You refuse to answer the questions; you refuse to table the documents; you refuse to table the appraisals done on these properties; you refuse to table the audit for Weyerhaeuser to ensure that we are in fact getting a proper return on this so called debenture that you negotiated; and you refused to table the documents and information with regard to Decima polling.

You're the minister that has gone from one end of this province to the other saying that this is going to be public participation, that this is going to be a public process, yet the members of this legislature, who are duly elected by the people of this province to represent their interests, don't have the opportunity to have a full disclosure by your government on these documents. You are doing nothing other than stonewalling.

Now, Mr. Minister, I just want to review for the record some of the privatizations that have taken place to date by your government, and I want to talk about Weyerhaeuser. It is clearly noted that in 1980 and 1981 under an NDP government, PAPCO, a publicly owned forest corporation, made \$47.6 million — \$47.6 million. And under your government it lost over \$60 million, and yet

you have the audacity to go around this province and say that PAPCO lost \$91,000 a day under an NDP government when that is a blatant untruth, Mr. Minister. It's a blatant untruth.

Now, Mr. Minister, this is a sweetheart deal. No money down; 30 years to pay; preferential interest rate; no payment required in years when Weyerhaeuser doesn't make profits of more than 12 per cent, or less than 12 per cent. The province is required to build 32 kilometres of forest roads each year for Weyerhaeuser, and Weyerhaeuser has agreed to build a paper mill but required an \$83 million loan guarantee from the province. That seems to be the way you people attract business to this province.

And Weyerhaeuser — let's talk about Weyerhaeuser. Weyerhaeuser made profits in 1985 of \$124 million. In 1986 when the pulp industry started to turn around, \$221 million; in 1987, \$522 million. And this is a company, Mr. Minister, that needs loan guarantees by the provincial government? — this is a company? Hardly, Mr. Minister.

And then we have Saskatchewan Mining Development Corporation which you folks are busy privatizing. Here's a company that made over \$60 million last year for the people of this province and returned a dividend to the people of this province of \$30 million. And this Conservative government's going to privatize a hard rock mining company in northern Saskatchewan that is just starting to return to the people of this province, returns on resources, and you're going to privatize it and sell it off to your Tory friends.

And then we have SED Systems. Here's another little lovely privatization. SED Systems is sold by the provincial government and other principals to Fleet Aerospace of Ontario . . . Not even sold. In fact what really happened is we didn't get any cash, we just exchanged our shares in SED Systems for share in Fleet Aerospace. And Fleet, within months of that privatization, laid off 70 working people in the city of Saskatoon and threatened to fire more staff if the province of Saskatchewan didn't buy a building at Innovation Place in Saskatoon. And what did we do? We bought a \$10 million building. Some business deal, folks opposite, some business deal.

And then we have Saskoil. Saskoil in 1982 made a \$1.5 million profit, in 1983 it made a \$30.9 million profit, in 1984 it made a \$44 million profit, and in 1985 it made a \$40.6 million profit, and then it's privatized. And what happens within one year of that privatization — and this minister talks about public participation and all of us owning shares in this corporation — 25 per cent of the shares are owned by people inside of Saskatchewan, and 75 per cent of those shares are owned by people outside of Saskatchewan. And in 1987 when Saskoil declares a dividend of \$22.6 million, even though the Government of Saskatchewan has a minority shareholding in Saskoil, do they receive one dividend? Do they receive one cent of that profit? They don't receive one cent. And who receives the dividend? Where does that money go? Seventy-five per cent of that money goes outside of Saskatchewan. Those shareholders don't pay taxes inside of Saskatchewan. That's money that has left our province for people outside, and that's resource money that is

revenue that is permanently lost to the people of this province to pay for health and education.

And the list goes on and the list goes on and the list goes on.

Now I just want to review for the public records. This government has trotted around this province saying that the Crown corporations under the NDP were mismanaged. And I just want to talk about that. And I have the economic and financial position of the province of Saskatchewan, dated July, 1982. It's presented by the hon. minister of finance at the time, the member from Kindersley.

And let's do a little review, a five-year review of what happened under an NDP government with regard to Crown corporation revenue. The net earnings in 1977, \$42,843,000; in 1978, \$67,804,000; in 1979, \$107,658,000 in 1980, \$182,604,000; in 1981, \$119,120,000 — that was revenue garnered under an NDP government. The Crown corporations were making money and they were returning money to the treasury of our province to pay for health and education, when these members opposite are busy cutting back on various public services. And we didn't have a deficit at the time.

Now let's just review what happened under the Tories — 1982, this is the first year the government came to power, they lost \$125,994,000; lost. Those are the business people; these are the people that know how to run business. Their first year of operation Crown corporations lost \$125,994,000; 1983, \$55,887,000; 1984, they made a little money — \$66,992,000; 1985, \$79,245,000; and in 1986, \$128,214,000; lost.

(1200)

Now this is the government. Let's compare the record. No deficit under a New Democrat government. When it came to the operations of the day to day funds of the Government of Saskatchewan, no deficit. In fact, when we left office we left a surplus. Five years prior to this government taking office, every year, profits from Crown corporations. Under this government they haven't had one balanced budget since they came to office, and they have consistently lost money in the Crown corporation sector. And they say the Crown corporations aren't efficient, they say the Crown corporations are money losers, but they've only been money losers under this government, only at that time.

Now, Mr. Minister, we have seen a lot of money flow into the provincial government, so we're told, in terms of these sell-offs. I want to know what you're doing with that money. is it going to reduce the deficit, or where in fact is it going?

Hon. Mr. Taylor: — Well if there's a sale of an asset that is held by CMB, the money goes to the Crown Management Board. It is not unusual for transfers from time to time from the Crown Management Board to the Consolidated Fund, and the expenditures of the Consolidated Fund are used for supplying education, health, social services — all those facilities that make our society a very good society, a very compassionate and caring society.

Ms. Atkinson: — Mr. Minister, you sold off Saskoil — \$75 million apparently was raised at the end of 1985. I want to know where that money went.

Hon. Mr. Taylor: — Again, those type of questions are apropos to the Crown Management Board because that's where the money would go, to Crown Management Board. And I just explained that Crown Management Board will use their resources for Crown developments, or there can be transfers across to the Consolidated Fund which finds its way into the delivery of public services such as health, education, social services, highways, parks and agriculture.

Ms. Atkinson: — Well, Mr. Minister, you've just received 30-point-some-odd million dollars from Weyerhaeuser — where is that money gone? You've just received less than \$16 million for Sask Mineral, and Sask Mineral should have been valued at a much higher rate — where did that money go? Where did the shares go that you got in Fleet Aerospace? Where is the money going to go that you get from SaskCOMP? Where is the money going to go that you get from SaskPower? And can Saskatchewan people expect that their provincial deficit of over \$3.7 billion is going to be lowered, and can they expect a decrease in their taxes?

Hon. Mr. Taylor: — Well, Mr. Chairman, I said the same answers as I did previously, that assets sold by the Crown go to the Crown Management Board. Certainly, as we have seen, many of these transactions have resulted in a considerable job increase, and I won't go through them all again. We've been over them and over them — Weyerhaeuser, Meadow Lake, so on and so forth, WESTBRIDGE. The list goes on and on.

And of course if there's people working in the province, they are taxed and there's revenues coming into the Consolidated Fund. There's supplies being bought. I mentioned \$35 million of supplies for Weyerhaeuser, so I don't think it takes too much understanding to realize that if you have economic activity you have jobs. Jobs are where people are paid. People who are paid, pay taxes. People who build, buy supplies, contracts. All of these things add to the economic activity of the province.

Hon. Mr. Hodgins: — Mr. Chairman, I move that we rise, report progress, and ask for leave to sit again.

An Hon. Member: — No, no. We can wrap it up here.

An Hon. Member: — I'm going to wrap it up and be done in 10 minutes.

Hon. Mr. Hodgins: — Mr. Chairman, I'll withdraw those remarks.

Mr. Chairman: — I will accept that withdrawal and revert back to Saskatoon Nutana.

Ms. Atkinson: — Thank you very much. I'll just close this off then, Mr. Chairperson.

I think what I want to say to the minister of privatization is this. In Crown corporations meetings with the minister,

the Deputy Premier, who's responsible for SMDC, I asked him and my colleagues asked him what sort of revenue we could expect from SMDC once it was privatized; could we expect a minimum next year of \$30 million? And the answer to that, Mr. Minister, was no. That with royalties and taxes that will now be paid, that the amount of money coming into the treasury would be a little over \$15 million. That's not a good deal for Saskatchewan people.

Now these Crown corporations that you have busily sold off, Mr. Minister, returned a goodly sum of money to the people of Saskatchewan. SaskCOMP had a 37 per cent return on equity last year. Sask Minerals has consistently made money. SaskPower . . . It makes no economic sense to sell off the Poplar River coal mine to Manalta Coal, and the drag-line, and then buy it back over a 30-year period or rent the drag-line. That makes no sense, Mr. Minister.

And if you look at all of the privatization deals that have taken place, they have made no sense. And you haven't been prepared to table any of the details in order that we could scrutinize them, because from a public policy point of view, from just watching what you have to say in this House and in the media, these deals make no sense.

Now, Mr. Minister, you have set up for your department a list of objectives, and those objectives talk about full benefit from the use of public assets to increase employment and create economic and investment opportunities for Saskatchewan people. And I just wanted to review for the record what that objective has meant and whether or not you have met that objective.

Here's what happened thus far in terms of increased employment. The privatization of highways maintenance work has meant a loss of over 20 jobs. In fact, some people say it's closer to 400.

The privatization of Saskoil has meant the loss, within one year after that privatization, of 25 per cent of Saskoil's work-force here in Saskatchewan. That is a failure, Mr. Minister.

Within one year of the privatization of SED Systems in Saskatoon to Fleet Aerospace of Ontario, 770 working people were laid off by Fleet Aerospace. That has not meant increased opportunities and increased employment for working people.

The privatization of the school-based children's dental program meant that 411 workers have lost their jobs in this province.

And the privatization of Sask Minerals has meant that seven positions were eliminated at Chaplin and Fox Valley. Clearly, Mr. Minister, even by your own objectives and the test that I have just completed, you are not meeting the objective of opportunities for working people and employment.

Now I want to talk about the opportunities for individual ownership, which is another objective that you have. Privatization of Sask Minerals has not meant increased opportunities for individual ownership for people in Saskatchewan. That company, Sask Minerals, was

privatized and sold to Premier Cdn from Quebec and Kam-Kotia of Ontario.

The privatization of PAPCO to Weyerhaeuser has not meant increased individual ownership for Saskatchewan people. It has meant the sell-off of a huge resource, our forests in northern Saskatchewan, to a company that's owned in Tacoma, Washington.

The privatization of other assets of SaskPower, particularly the drag-line and the coal mine to Manalta Coal of Alberta, has not meant increased individual ownership for Saskatchewan people.

And the privatization of Saskoil, Mr. Minister, has meant that three-quarters of those privately held shares are owned by people outside of Saskatchewan and not by people inside of Saskatchewan.

And then you talk in terms of meeting your objectives about public services as a good way of providing a good value for our money and they have to be effective and efficient. And I just want to review that. The privatization of our Highways equipment, and the send-off of working people — public sector Highway workers — off to the private sector has meant deteriorating highways. It has not meant a better public service.

The privatization of the school-based children's dental program has meant the closure of 338 dental clinics in rural Saskatchewan. That has not been an improvement in public sector programs. The privatization of SaskPower assets has meant an increase in our utility rates. And now you've just put SPC into four separate corporations, which I believe, Mr. Minister, and a good number of people believe, will lead to further steep increases and poorer services. And your privatization of our provincial parks has meant higher service costs, and it has meant reduced services.

And, Mr. Minister, those are your objectives. I've just outlined very clearly whether or not you've met your objectives, and my response, and my answer, Mr. Minister, is no you have not. Your privatization has failed in this province, Mr. Minister, and I think it's time that you said to the Premier of Saskatchewan and to the Deputy Premier and all of your back-benchers and cabinet ministers, that to set up a department of privatization makes no economic and social sense for the people of this province, and that it's time to eliminate your department and go on to bigger and better things as the minister in some other field.

Some Hon. Members: — Hear, hear!

Hon. Mr. Taylor: — No I won't. Mr. Chairman, I listened with interest to the member opposite, and she would not once mention the merits of the Meadow Lake deal — by all standards, by anyone who's looked at public participation — perhaps one of the best deals that has taken place in the province of Saskatchewan, involving employees, involving native Indians. In fact, if you look at the press reports from Meadow Lake, the *Meadow Lake Progress*, it says, "Privatization brings jobs and industry". That's what they think in Meadow Lake.

I hear the member opposite not give any credit to the deal at Weyerhaeuser, new jobs, new industry, new value added. I hear the member criticize WESTBRIDGE, 50 new jobs in Regina already, \$6 million in contracts in the two months it's been operating outside the province of Saskatchewan.

Mr. Chairman, I could go on and on and list the virtues of privatization and the jobs and public participation, the jobs that have been created in this province, but we've been over and over that ground and I'm not going to bore the Assembly with that, because I think it is well understood, as the Decima poll indicates, that the majority of people in Saskatchewan understand.

I do want to share one parting bit of information that I think will be interesting to my colleagues on this side of the House, and I'm sure to some of the newly elected members on the other side of the House, and I'm sure even the critic for Public Participation. And that is that there was a Saskatchewan holdings and reinvestment incorporated. It was called SHAR — S-H-A-R.

The member from Regina Centre doesn't want to hear this because he knows what I'm raising. It was called SHAR — S-H-A-R. And it was . . . the information was dated — get the date — January 14, 1982. All right? January 14, 1982. You know what the objective of SHAR was? It was — listen to this — it was to be a holding company which would issue shares to the Saskatchewan people and raise equity for new capital projects.

And do you want to know what the principles . . . would you like to know what the principles of SHAR was? Here are the principles. Number one, to provide an investment mechanism, to provide an alternate source of capital, to create the sense of a partnership between the provincial government and the Saskatchewan people, and to develop Saskatchewan's economy.

Now how do you square that, as big critics of public participation, when the member for Regina, East, the minister of Finance at the time in the Blakeney government, was one of the architects of this? And they have the audacity to stand in this House and condemn every public participation initiative brought in by the Devine government when they had the blueprint to do it themselves if they hadn't been turfed out by the people of Saskatchewan.

Some Hon. Members: — Hear, hear!

Ms. Atkinson: — Well, Mr. Minister, the question is, Mr. Minister, was it . . .

Mr. Chairman: — Order. Order, please. Order. I'm calling for order, please. Order. I would ask all members to contain their enthusiasm a little bit and let the member from Saskatoon Nutana please proceed.

Ms. Atkinson: — Well it's very difficult to proceed with all of the noise in the House, Mr. Minister. And I'm surprised that the members opposite would yell and scream in such an unseemly fashion, particularly, particularly when the minister . . . the Premier of Saskatchewan lectured us the other day about the kind of

behaviour we should have in Saskatchewan and in this legislature. And all of the school children, if they were here, would be quite shocked with the behaviour of the Conservative members opposite.

(1215)

Now . . . oh the member from Maple Creek wants to talk. Well here let's . . . you know she hasn't been here much this session and I'll . . .

Mr. Chairman: — Order. Order. I would ask the member from Saskatoon Nutana to withdraw that last remark about the absence of the member from Maple Creek.

Ms. Atkinson: — Sorry. I withdraw that.

An Hon. Member: — Keep going.

Ms. Atkinson: — Well . . . I will though, because she's had a lot to say this morning. I will sit down and she can continue the debate.

The member from Maple Creek, the minister responsible for SEDCO (Saskatchewan Economic Development Corporation) chooses not to get on her feet, but has a great deal to say from her chair. And we will listen with some interest when the member participates in any debate in this House, and I would hope that our members of the legislature will provide some courtesy and kindness to the member from Maple Creek in order that she can provide some information to the people of Saskatchewan, in order that she can participate in this legislature.

Now, Mr. Minister of privatization, can you tell us whether the little piece of paper that you read from a few minutes ago ever became the policy of the Government of Saskatchewan under an NDP government?

Hon. Mr. Taylor: — No, you got turfed out before you could put it in place.

Item 1 agreed to.

Item 2 agreed to.

Item 3 — Statutory.

Vote 47 agreed to on division.

Supplementary Estimates No. 2 Consolidated Fund Budgetary Expenditure Public Participation Ordinary Expenditure — Vote 47

Items 1 and 2 agreed to.

Vote 47 agreed to.

Mr. Chairman: — I'd like to thank the minister and his officials.

Ms. Atkinson: — Mr. Chairperson, I just had one final question for the minister. I have noted, Mr. Minister, in the last couple of days when we've been coming to the legislature that there is only the British flag, the Union

Jack flying over the Legislative Assembly building and no Saskatchewan flag. And I wonder if that is some indication of Oliver Letwin and Margaret Thatcher and Madsen Pirie . . .

Mr. Chairman: — Order, order, order. There is no substantive motion on the floor at the moment so I rule that question out of order.

Hon. Mr. Taylor: — Mr. Chairman, I'd like to take this opportunity to thank my officials for the assistance they gave me during these estimates.

Ms. Atkinson: — Mr. Chairperson, I'd like to join the minister in thanking the officials who have accompanied him today and yesterday on the privatization estimates.

You really do have our sympathies because I think you have a terrible job to do in terms of the sell-off of Saskatchewan assets. I can't say I appreciate . . .

Mr. Chairman: — Order. There is no substantive motion on the floor and I believe that you are getting into debate. There is no room for debate.

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

Item 1

Mr. Chairman: — Are there any questions?

Mr. Lingenfelter: — I just want to ask the minister a few questions. I don't intend that this will take a long time. Hopefully before lunch we can wrap it up. But I would like to ask the minister a couple of issues about the staff, officers, and senior management of the corporation.

As indicated in the annual report that was tabled here in the House, I believe, yesterday, 1987 annual report, could you indicate for the positions under officers and senior management whether there have been any changes to date in that group.

Hon. Mr. Berntson: — There were only two changes. The chairman of the board is now Wolfgang Wolff; and the senior vice president, Ron Rogers, has been there for only a few months. So those are the only two changes.

Mr. Lingenfelter: — I wonder, Mr. Minister, if you could get for me too, the salaries and remuneration for the officers and senior management. Do you have those with you? I mentioned to you earlier that I'd be wanting them. Have you got those here with you now?

Hon. Mr. Berntson: — No, and I'm prepared to, as has been the long-standing policy, to provide the member with the aggregate sum of the management team. That's been a policy of government since 1976 as I reported to this House some time ago and in Crown Corporations Committee, and I'm prepared to provide that kind of information as it has been historically provided.

Mr. Lingenfelter: — Well, Mr. Minister, it's a . . . I really wonder why that is the policy of the government. I want to

ask you particularly about the president of the corporation, Mr. Gibson. Can you give me that individuals' salary, remuneration, whether or not there's an automobile attached to the position.

Hon. Mr. Berntson: — I suppose we could spend a lot of time going through this, but since 1976 it has been the policy of government, a policy that I didn't invent but one that I agree with, and we will simply follow past practices. We'll provide you with the aggregate sum of the management team at CMB (Crown Management Board of Saskatchewan), the aggregate sum of the salaries.

Mr. Lingenfelter: — Well, I asked for salaries, remuneration, automobiles, and also trips taken by any of these individuals or expense allowances that would have been incurred. And I guess . . . I'm not going to get into a long debate, either, on this issue, because we've gone around this one before. But if you give me the commitment on those four areas, Mr. Minister, then we can move on.

Hon. Mr. Berntson: — I'm quite prepared to give the information as has been the past practice.

Mr. Lingenfelter: — I just want to ask for clarification. That would include then, salary, travel expenses, and any other remuneration that would be paid to these individuals. I just want that for clarification because that has been, I believe, just so we know that we're talking about the same thing, Mr. Minister.

Hon. Mr. Berntson: — We're talking about aggregate sums in past practice.

Mr. Lingenfelter: — Mr. Minister, I want to turn now to an important area, and it's been discussed for some time in this session and in the Assembly. And it deals with the privatization of your government, the policy that very much affects the statement of the Crown; we're now dealing with CIC (Crown investments corporation of Saskatchewan).

I would like to ask, in the area of your privatization mechanism and the process that you're going through, can you give me an outline of how the money comes into the government? We know you've sold off parts of SMDC and parts of SaskPower and parts of Sask Minerals, all of Sask Minerals, and on and on. Can you tell me how that process works? And if you could, in total, give me the total aggregate amount of moneys that was rolled into the government and where it came in, in terms of the privatization that occurred in the past year.

Hon. Mr. Berntson: — It would be reflected, Mr. Chairman, in the consolidated statement. Each one is treated to satisfy its unique characteristics. We are prepared to put together a document to set out the proceeds and forward that to you. And they're treated differently because they are different. Some, the debt may be held by the Crown, individual Crown; some, the debt may be held by CMB; some, the debt may be held by some branch of government. So each one is treated to satisfy its unique characteristics.

Mr. Lingenfelter: — I wonder, Mr. Minister, can you give

me the total for the year as I asked? Have you got a total for the . . .

Hon. Mr. Berntson: — I haven't got it here, but I'll get it for you.

Mr. Lingenfelter: — You don't have it with you?

Hon. Mr. Berntson: — No, I should apologize and explain. I just got the president off an airplane about five minutes ago, and he hasn't had a chance to go back and get all that material. But I will undertake to get that number.

Mr. Lingenfelter: — Mr. Minister, it's interesting that your adviser who sits beside you, who just got off the airplane, is pointing out in the annual report some figures to you which failed to give to the committee. But we can continue to play your game, I guess, or we can get on with the main issue here, and that is that the province of Saskatchewan under your management . . . and I think you have to take, at least in part, credit for the terrible economic situation we're now in in Saskatchewan, being the Deputy Premier.

But I want to say to you that the question people are asking all around the province is how can it possibly be that this program of privatization, where supposedly millions of dollars are being obtained by the government through the sale of assets, Crown assets, how can it possibly be that while we're getting that money for the sale of parts of corporations or all of corporations, supposedly, that we're raising taxes to record numbers. Sales tax up to 7 per cent; income tax, where we now have two levels of provincial income tax. All sorts of taxes going up, from taxes if you go to buy a licence, taxes if you go to buy cigarettes, if you buy booze. Everything at record levels, and on top of that, a record deficit. This is what the people in the province are asking.

How does that work? How can you be such rotten managers of the province that you could have record taxes, record sale of assets, and record deficits at the same time.

And, Mr. Chairman, you would know in your operation, and many farmers know, that it's not possible to have record income from taxes, record income from the sale of machinery or the sale of land, and run up a record deficit at the same time unless there's terrible job of management being done. And that's basically what they're saying, is that you people are collecting tax dollars like drunken sailors at every turn, and the list is . . .

Mr. Chairman: — I've noticed that some of the terminology is perhaps not quite parliamentary, and I'm going to just caution you to watch that, please. You may have the floor.

(1230)

Mr. Lingenfelter: — We're lucky the session's coming to an end because, I mean, this term has been used in the House over and over again. I'm not questioning whether or not your interpretation is right. But I just find it completely unbelievable, as do the many thousands of

people who indicated their support for a different party than the Conservatives in the recent by-elections, that you can possibly have a government that's so inept, so totally incompetent, that it would continue to raise taxes to record levels, continue to sell off the assets of the province and still have record debt. And I use, for example, even in the Crown corporation of SaskPower, the debt in that Crown alone has risen to over \$2.5 billion under the mismanagement of this government.

Now if you just think about that for a moment, in one Crown alone the deficit is now 2.5 billion. Yes, there was a deficit. It was 1.1 billion — 1.1. And that has gone up to 2.5 in six years.

Now the member from Morse would realize what would happen to his farm if he mismanaged it like that, where the . . .

An Hon. Member: — Well I think he has, hasn't he?

Mr. Lingenfelter: — Well he may have mismanaged, but I don't know the state of his farm.

But I'll tell you that any farmer or any business person who mismanaged his operation, that the historic debt up to 1982 was one level, and six years later it had more than doubled, simply because of change in the management, which is basically what's happened. What else could have changed, except the government changed in 1982, that we are having a great deal of trouble understanding, Mr. Minister, how you can be mismanaging the province as badly as you are?

And in your report of Crown Management, you talked about turning it around and that you're now making a profit. Well the only reason there's any sign of a profit is because of the sale of Crown assets. Now it wouldn't make sense if a farmer said, well I'm doing well; I'm not getting anything . . . any more for my wheat and I'm not spending less; in fact, I'm taking holidays all over the world, but I sold half of my farm so I'm showing a profit this year. That's total nonsense.

And what you're doing is living off the heritage of the past generations who built up, through the Crown corporations, a legacy that would mean that our future generations, our children and our children's children, would have money to spend in terms of education, health, and social services. And what you people are doing is spending it off, spending off the legacy of this province in order to try to maintain your power and your control in the province.

You're not going to be able to do it. So you may as well quit selling off now and at least walk away with it, with some semblance, I suppose, of character, that at least you saved, in the Crown, something for the next generations. Because what you're doing right now, in fact, I believe is immoral, and that's selling off assets that over the last 50 years have been built up for future generations.

And the young people, believe it or not, in the high schools when we go around and talk to them about it, understand what this government is doing. They understand that it's got nothing to do with control by

people of the province of the Crown corporations, as has been indicated with Saskoil, where that control has now shifted from the people of the province — 75 per cent now out of province. So you can't use that cover; it isn't working.

And I'll tell you, the most angry people at the election time, as indicated in the by-elections, are going to be the young people of this province who see the debt that you people are building up for them to pay off. You're spending it and they're going to have to pay the Bill. And I ask you, Mr. Minister, how can you possibly do the three things at once — increase taxes to record levels, sell off major portions of our province's heritage, and run a record deficit? How does that work?

Hon. Mr. Berntson: — Mr. Speaker, this . . . Mr. Chairman, this may be an interesting debate, but it's certainly not a new one. And let me tell you, Mr. Speaker, that this government has given record levels of support to rural Saskatchewan, Mr. Speaker, record levels of support to the agricultural community in very, very difficult times, numbering in the billions of dollars, Mr. Speaker, over the last few years of difficult times because of commodity prices and drought and grasshoppers, and so on — record levels of support. Record levels budgeted for health care, Mr. Speaker, record levels budgeted for health care.

We are the second lowest taxed people in Canada, and that's been put on the record by the Minister of Finance. We have a record number of exemptions under the sales tax regime in Saskatchewan, Mr. Speaker. No other province comes close, with the exception of Alberta.

And let's talk about SaskPower for a moment, Mr. Speaker. The debt has significantly increased at SaskPower. No doubt about that. I don't know how many hundreds of millions of dollars, Mr. Speaker, we have spent in rural gas distribution program, but it's significant, in support of the rural community here in the province of Saskatchewan.

In addition to that, in addition to that, Mr. Speaker, capitalized into SaskPower's debt since we took office, that was committed by the previous administration, was about \$500 million for Coronach, the second unit at Coronach. I don't recall, but over 3 or 400 million for the project committed by the previous administration at Nipawin — committed by that government, Mr. Speaker. And I don't criticize that government for building those projects. They were necessary and needed.

But let's talk about management during those buoyant times. During those buoyant times, let's take a look at the seven years preceding April of 1982. During that seven years, Mr. Speaker, there was an equivalent interest calculated, and so on, of \$300 million taken out of SaskPower dividends through the Consolidated Fund, number one.

Number two, in addition to that, the rate increase on the electrical side during that seven-year period was 100 per cent, give or take a couple of points below that. The seven years comparing apples to apples, seven years following 1982, there was zero dollars taken in dividends, number one; and number two, the rate increase for that

seven-year period was less than 50 per cent.

So don't talk to me about management. Compare apples to apples. You guys simply don't stack up. It's an interesting debate, Mr. Speaker, Mr. Chairman, but not a new debate.

Mr. Lingenfelter: — Well, Mr. Minister, there will be few in the province who will believe that the deficit that now has been incurred by SaskPower, and I say again a record \$2.5 billion, can be blamed on Allan Blakeney and his administration. You may go out on the hustings and try to say that, but there will be few who will believe you. And to say that it's because of increase in agricultural spending, in the estimates here there's \$10 million less being spent than there was last year.

So I say to you that the statement that you have record levels of taxes, record levels of taxes, record levels of sell-off of assets and record levels of deficit, stands. And I say to you that that is very, very difficult for the people of the province to understand. Just as if a young farmer had been left a farm, totally paid for — let's use 15 quarters of land totally paid for — not owing a cent, and it's turned over to the son. The father had been a good manager. Let's compare that to Allan Blakeney's administration. Turns it over to the son, the now Premier, and six years later the whole place is in shambles. The weeds have grown up, he's selling off land to keep up his bar bills and flights to Hawaii, and that's what's happened in this province. And we're selling off the assets of the province. We've record taxes and we have record deficit. That going from 1982 where the bills were paid — there was no deficit in the Consolidated Fund — to where we are today, 12 billion in debt overall.

And I say to you we're deficitting the heritage of this province. Our children's children will be paying for your mistakes and mismanagement, and I say to you that you should at least have the courage now to admit that you're on the wrong track with your privatization — move away from it, and get back to the fundamental principles that built this province, namely, a mixed economy where the Crowns are allowed to produce, as did Sask Minerals for many, many years.

But you won't do that. Your blind ideology is destroying you politically, as well as the economy of the province. And I can't for the life of me understand why at least some of the people in the back benches don't come forward and say, look, you birds in the front row are out to lunch on your economic development. You must be able to read a budget. Some in the back row must be able to read a budget. And why wouldn't some of them come forward and talk to the minister of privatization, the Deputy Premier, the Minister of Justice, and say to them, look, you're on the wrong track. This used to work in the past, it could work again. Why don't we give it a try.

And I just say to you, Mr. Minister, that I think you're making a big mistake.

Hon. Mr. Berntson: — Mr. Chairman, I want to apologize to the Assembly for calling this an interesting debate, because I don't think it's that either. I think that we're on a course that could take us for a very long time without

finding agreement.

I just want to make one point. CMB, in the annual report before you, CMB has reported a decrease in consolidated debt of approximately \$500 million when '87 is compared to 1986. And that's the first time in years, Mr. Speaker, that there has ever been a decrease in consolidated debt at CMB.

An Hon. Member: — Agreed.

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

Mr. Chairman: — Any questions?

**Consolidated Fund Loans, Advances and Investments
Saskatchewan Mining Development Corporation**

Mr. Chairman: — Any questions?

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

Mr. Chairman: — Any questions?

Mr. Mitchell: — Minister, I'm delighted that we have this opportunity to talk about the potash corporation for some time this morning. I had thought that we might have to wait until the Crown Corporations Committee got to your annual report in order to discuss some of these matters, but this provides us, I think, with a useful forum in which to discuss the Cory lay-offs and obtain from you some of the answers to questions that are outstanding.

The question that I want to ask you, Minister, the important question is: why? Why did the potash corporation find it necessary to give these lay-off notices, the effect of which is that 200 employees of the Cory potash mine are going to be off the job permanently as of mid-July?

Now I find it necessary to ask that question because frankly the answer has not been clear up to this point. Different people have been saying different things. We've had at least three reasons advanced so far. One was that there was an over-production by PCS (Potash Corporation of Saskatchewan) and that adjustments had to be made, and this is the adjustment that you chose.

The second one, which was the one that you seem to be advancing most often in question periods in this House, was that PCS had too much capacity and therefore you had to reduce some of that capacity.

And the third reason, which I picked from Mr. Eisler's article after an interview with a Japanese business man, was that this was an effort by the potash corporation to limit the supply or control the supply of potash and in that manner prop the price up, keep the price up.

So I ask you this in all sincerity, Minister, to take this opportunity to make a precise statement about why this decision was taken.

Hon. Mr. Lane: — You can discount the last one in that the capacity of the potash corporation is still so extensive that any reduction in production at Cory will not have any effect on price.

The potash corporation, again, succinctly, and we have been through this debate, the Potash Corporation of Saskatchewan for various reasons, going back to 1979, has enough capacity basically to supply the available world market. That's that one company alone. It has simply far too much productive capacity. It can produce far too much potash than we can sell even in record years.

Having said that, within that corporation some difficult decisions were made, and as I've freely acknowledged on several different question periods, yes, we could have cut all potash mines, divisions of the potash corporation down to basically nine months of the year operation. That has some serious disadvantages to particularly smaller communities. For example, that would be at the margin; if you have extended lay-offs in addition to that permanent three months, then you virtually would close the towns of Esterhazy and Lanigan and towns of that nature. So we did try and concentrate the impact of the need to reduce production.

(1245)

Secondly, the Cory potash mine is producing a specialized product for which there is a market, and that will continue as far as markets are available for Cory to operate to supply that specialized product. Again, we've been through these arguments before, numerous occasions, and really the circumstances haven't changed since the date of the decision.

Mr. Mitchell: — But my question remains unanswered, Minister, in the sense that why is it necessary for PCS to cut back their production of potash? According to the numbers that I have, which I admit are fragmentary and difficult to obtain, you're selling all the product that you're producing.

By the Cory decision you are probably cutting back your production by 20 per cent. Why is it necessary for the potash corporation to cut back its production of potash at this time? Now if it is because you can't sell all the product you've been producing, then I expect that you'll say that and tell us what is the gap; what is the tonnage? What is the difference between what you have been producing over the months and what you're able to sell?

Now if you take it either way, if you're cutting back Cory or if you're reducing all the mines by three months, it still comes out to the same rationale in the end, and that is that on your argument you must have been producing more than you've been able to sell. Can you give us the numbers that justify that rationale?

Hon. Mr. Lane: — I don't have the numbers with me, but I'll undertake to supply them to the hon. member.

Mr. Mitchell: — But is that the case, Minister? Is there that gap? Is there a significant over-production as opposed to over-capacity? Is there a significant over-production in the Potash Corporation that you're trying to get rid of?

Hon. Mr. Lane: — We've had examples of over-production in the past, obviously, and prior to 1982 election was a prime example. We have — and I'm just giving the general guide-lines to the hon. member — we are trying certainly to bring production in line with sales. We do not think that there's any advantage to price or to the potash corporation to have extremely high inventories. And I don't have those numbers, but I think we can try and find for the hon. members what may be a reasonable inventory, that we would like to maintain in the future, if I can use that phrase.

But remember as well that other mines owned by the potash corporation have had constrained production or/and employment over the last several years, so we've still got a tremendous excess capacity. We still could produce, if need be, you know, a significant portion of the needs of the potash corporation from Lanigan, without the others. We just simply have too much capacity, we have too much ability to produce potash, and we have made some difficult decision to try and bring those in line, and that's what we're trying to do.

Mr. Mitchell: — I wonder, Minister, if you would agree to give me that information in letter form. The information, just to remind you, is the recent numbers, say the numbers over the past year, where you compare PCS production with PCS sales, so that I can get a firm grasp on what is the extent of the over-production that you're attempting to resolve with the Cory decision.

Hon. Mr. Lane: — Yes.

Mr. Chairman: — If that finishes the questioning, that concludes the statutory items then.

The committee reported progress.

The Assembly recessed until 2 p.m.