

June 15, 1989

EVENING SITTING

ADJOURNED DEBATES

SECOND READINGS

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Lane that **Bill No. 20 — An Act respecting the Reorganization of the Potash Corporation of Saskatchewan** be now read a second time.

Mr. Koskie: — Thank you, Mr. Speaker. I . . . this afternoon spoke a few words in respect to the latest privatization Bill of the government opposite and that is in respect to the privatization of the Potash Corporation of Saskatchewan or a portion thereof.

I want to lay to the public of Saskatchewan what, in fact, are the plans of this government. The plans of this government is essentially to privatize a portion, at least at this time, of the Potash Corporation of Saskatchewan. Essentially what they are saying is that some 55 per cent of that privatization of the potash will be sold to residents of Canada and a further 45 per cent will be sold to foreigners. And that's how it's defined within the press release and the government's commitment as to what this Bill in effect will do.

I want to say to the members opposite that when we deal with potash, we're dealing with a resource we have been blessed with. It is estimated that at the present rate of consumption — there is an extraction or a processing — that there would be up to estimated 5,000 years of supply of potash in Saskatchewan. That is a tremendous resource that the people of Saskatchewan have here in Saskatchewan.

And I want to go in a little bit into the history tonight of why the Blakeney government got into the potash industry. And I want to say that much of our potash was being produced by the private sector. And in 1975-76, the Blakeney government put into place a particular regime of royalties and tax structure. And the private industry of Saskatchewan, the resource owned by the people of this province, the potash corporations who were developing our resource at that time, indicated to the government, the duly elected government whose duty it was to extract as much profit for the people of Saskatchewan in respect to that resources as possible . . . And during that time, I want to indicate what were the steps of the private sector in respect to the government's rightful action to seek from its resources the maximum benefit for the people of Saskatchewan.

First, they refused to open up their books and produce the production and financial data that would justify their claim that they were really poverty stricken. And only in Saskatchewan as a favour to the people of this province, we asked them, we put into place a regime to get for the people of Saskatchewan the maximum benefit. And the private corporations indicated that they just couldn't possibly pay it. That's what they said.

Secondly, they launched what is called the capital strike

by announcing that they would take their future expansion plans and invest elsewhere. So in a sense they were holding the people of Saskatchewan and the government of Saskatchewan at ransom.

And third, they launched a series of court actions which they later lost. And finally, Mr. Speaker, they deliberately fell behind in the payment of the taxation regime that was imposed upon the potash corporation. In other words, they defaulted and were refusing to pay to the duly elected government, representing the people of Saskatchewan, a fair royalty and tax structure.

And at that time the Government of Saskatchewan was being held at ransom by the private sector. And what the government of the day indicated is that we have the duty and the obligation to see that the resources, and indeed potash, would provide the greatest amount of revenue possible for the people of this province because, after all, the people of Saskatchewan own the potash resource, not those that are developing it.

Some Hon. Members: Hear, hear!

Mr. Koskie: — And at that time no individual in Saskatchewan . . . There's no individual person financially in a position to be able to own a potash mine. And the option was then that the Government of Saskatchewan, on behalf of the people of Saskatchewan, would indeed take an interest and purchase some of the mines in the potash industry. And what they did is to leave in place exactly the royalty and taxation structure, applied it to the public sector as well as to the private sector, and, I'll tell you, the results were astronomical as to what benefits flowed to the people of this province.

Public ownership of potash mines was not an ideological thing for the government of the day. The purpose of it was pure economics in order to garner for the people of Saskatchewan the best return on their potash reserves that was being developed. And I'll tell you, the history under the Blakeney administration is one that the people of Saskatchewan can be proud of in respect to the potash industry.

And so I say to you, Mr. Speaker, now what we are doing . . . We have this wonderful resource, we have the public ownership, we have a financial statement indicating some \$106 million of profit that can be paid for benefits to the people of Saskatchewan. And at this time the government has said in this Bill that we're talking about, that they are going to privatize, and they are going to privatize the potash corporation or a portion thereof. And it seems to me that the question that the people are asking: it's a good deal for private investors; why isn't it a good deal for the people of Saskatchewan to own it? That's the question that they're asking.

And you know, I want to go, Mr. Speaker . . . The whole problem that this government has with its privatization of potash and other privatization is, one, as I indicated, the people have lost confidence in the competence of that government. The people actually do not feel that they can put together the sell-off of potash mines in Saskatchewan where an independent expert has indicated is in excess of

\$2 billion in value. That's the asset that the people of Saskatchewan collectively own. And what they're fearful of is that this government, through their incompetence again, will indeed bring about a bad deal in privatization of potash.

And the other thing, I guess is, Mr. Speaker, is that the people of Saskatchewan have lost faith in what the government says, because in 1982 *Pocket Politics* was put out, and there is a statement of the then leader of the Progressive Conservative Party and now Premier of this province, a message from the now Premier. But I want to indicate these are talking points and positions of this government.

And one of the things that they ask on page 14 of this booklet: is it true the Conservatives plan to dismantle Crown corporations? And you know what the answer is here that they told the people? Absolutely not; that's a scare tactic the NDP is using. That's what they told the people of Saskatchewan.

And we can go to a previous statement. Question: NDP cabinet ministers are always saying it isn't in the public interest to answer questions about Crown corporations. Is that true? The answer — this is the Tory manual, gospel — Crown corporations belong to you the taxpayer, they said. So if it isn't in the public interest, then in whose interest is it? That's what they said to the people of Saskatchewan.

And now, Mr. Speaker, what they are proposing to do is to dismantle the publicly owned Potash Corporation of Saskatchewan. And any comparison of previous types of privatization that this government have put in place — I'll tell you, the people of Saskatchewan see no benefits.

I want to go into a little bit of the history of this potash industry that we should be very proud of. I mean we have the potash corporation headquartered in Saskatoon. We've built up all of that expertise and we brought back men and women from across Canada to come home and to work — engineers, lawyers, and so on, and they're all right in Saskatoon, building an expertise and developing the province.

But I think we should take a look at what this industry has been doing for the people of this province. And I take a look at some of the NDP years, and we had it under public ownership from 1976 until 1981. And the taxes — royalties paid to the province, the taxes and royalties paid to the province . . . And I want to go through these and impress upon the people of Saskatchewan, and the members opposite, that a substantial amount is paid to the people of this province.

In 1976 when it was first started, \$1 million; 1977, \$16 million paid to the province in tax and royalties; 1978, \$35 million paid in taxes and royalties; in 1979, \$58 million paid in taxes and royalties; in 1980, the Potash Corporation of Saskatchewan, the public sector, paid in taxes and royalties, \$90 million; in 1981, the last year in office for the New Democratic Party, \$71 million. The total paid in during those six years — the total paid in taxes and royalties to the people of this province — was \$271 million.

Some Hon. Members: Hear, hear!

An Hon. Member: — How much?

Mr. Koskie: — Two hundred and seventy-one million dollars. That's paying the taxes and royalty structure exactly the same as what is imposed on the private sector.

Now let's take a look at the profits that the public corporation — the potash corporation — made for the people of Saskatchewan. And if we take a look: 1976, that's the year that the Potash Corporation was founded, \$540,000; 1977, \$1.12 million; 1978, \$24.72 million profit; 1979, \$77.96 million in profit; in 1980, the potash corporation, the public sector, made a profit of \$167.45 million; and in 1981, 1981, the Potash Corporation of Saskatchewan made \$141.721 million profit.

(1915)

In six years the public sector of the potash industry owned by the people of Saskatchewan, as confirmed in the Tory manual, that it belongs to them — that's what you said — the total profit over those six years to the people of Saskatchewan, retained by the Potash Corporation of Saskatchewan, was \$413.51 million. Not bad — \$413.51 million. Now I ask you . . . (inaudible interjection) . . . In six years. And we'll get to your operation and the incompetence of your government.

But here we have . . . here what the government opposite says: we've got to get rid of it; we've got to give it to the eastern, Bay Street, Ontario investors. They're going to make it run better, they said, going to make more money for the people of Saskatchewan.

Well, Mr. Speaker, I want to stay on this Bill, but the people of Saskatchewan no longer trust PC-style privatization. They don't trust the mechanism that they're using, they don't trust their managerial capabilities, they don't trust their competence.

Here we have an asset that's worth \$2.1 billion, says an expert in the industry, if valued properly — maybe more. And here we have a government that can't even manage the affairs of this province going into a transaction to give away a part of the heritage and a part of the economic strength of this province.

It's PC privatization that's the issue here. It's the Premier of this province — what he alludes and calls privatization is at the heart of the matter. The people of Saskatchewan have watched.

I want to say, Mr. Speaker, that in respect to Saskoil . . . No, in respect to the oil industry. Under our administration, when the oil prices were less than they are today, we made \$760 million profits for the people of this province. Today the price of oil is higher than those years when we were in office; the production is up on the government's own figures. And you know what they're budgeting after privatizing Saskoil for the revenue of the people of this province? One hundred and seventy-three million dollars is what the total take from the oil industry after it's been privatized.

And so I say to the people of Saskatchewan, under PC privatization the result . . . Under the privatization, potash will be no different than the results that we have in respect to Saskoil. I say that the ownership will drift not to the people of Saskatchewan in shareholdings — the people of Saskatchewan will not be the beneficiaries. The beneficiaries will be those foreigners that have 45 per cent, and it'll be the Bay Street boys from Ontario then owning.

And what will happen to the profits, what will happen to the \$413.51 million that we made during the period '76-81? I'll tell you, that money stayed here in Saskatchewan, working for Saskatchewan people, and building a future for Saskatchewan people.

And I'll tell you, you turn this over to the eastern Bay Street boys and those from Hong Kong or from China or from Japan or from Taiwan, or wherever, and the profits that we have made here in respect to the public ownership of over \$413 million will go anywhere they decide. Out of the province, over into other countries, setting up various competition in respect to our very own industry — maybe in the Soviet Union, using the profits from this industry here to go and to compete against our own industry which we have given to them.

And so I say to you, Mr. Speaker, our potash corporation . . . And the member from Cut Knife-Lloyd, I welcome him into the debate with his brilliant mind that so reflects the Tory philosophy.

I say to you, Mr. Speaker, not a bad record. Getting into the industry and building for the future of Saskatchewan a powerful corporation that can deal throughout the world and distribute its God-given wealth, a gift that we have been given.

And then I want to look at the operation of this here potash corporation under this group across the way. Well during the PC government's years, 1982, they paid \$15 million approximately into tax royalties paid to the province; in 1983, almost 11 million; in 1984, 17.7 million; 1985, they paid in 10.7; 1986, 13.3; 1987, 12.6; and 1988, 19.8.

Under the government's operation of the Crown sector, which they don't believe in and which they said before they even took an examination of it that they were going to get rid of it, because, after all, that's not philosophically in tune with them . . . It doesn't matter whether it's a benefit to the people of Saskatchewan. That's not important. We have an ideology and we say that we're going to get rid of it whether it's good for the people of Saskatchewan.

Well how much did they pay under their stewardship? How much did they pay in total on tax and royalties paid to the province? And remember, Mr. Speaker, under the six years under the New Democratic government, under Premier Allan Blakeney, 271 million; under the PCs' government, 100 million — 271 million compared to 100 million.

And let's take these great business men that were going to

turn this province upside-down and really give her snooze. They really are going to give her snooze. Open for business, they said. Yes.

Well let's take a look at their profit while they were running it. Well 1982 they still hadn't destroyed it so they got 607,000; in 1983, a loss of \$18 million; 1984, had a profit of 25 million; but in 1985, \$68.7 million in loss; 1986, \$103 million loss; 1987, \$21.7 million loss; and this year, they have finally organized that they had a profit of \$106 million.

Well let's just take a look. Let's compare the six years, the six years under the direction of the New Democratic Party government running the potash corporation. It brought in a profit of \$413.51 million. Do you know what the total loss under these geniuses across the way, these administrative geniuses? Almost \$78 million loss.

Well the people of Saskatchewan know they're incompetent and that's why the people of Saskatchewan in respect to this potash Bill are saying to us, as the opposition, stand firm; do not let them dispose of that valuable asset.

And what I say to you, Mr. Speaker, across . . . The problem that we have is that right wing governments across the country are in fact using the same advisers. There's the Adam Smith foundation in Great Britain, which is the laissez-faire philosophy, and the Fraser Institute. And they've tried privatization in other provinces. And I'm telling you, the people of Saskatchewan and the people of Canada where it's being privatized are taking an awful beating. If we were selling off the asset at its true value, if the business deal was transacted, was firm, and with experts that could handle it, the people of Saskatchewan may consider it. But what is happening is that this government is incapable of the administration of the government's affairs.

Some Hon. Members: Hear, hear!

Mr. Koskie: — The same advisers that are advising the Government of Saskatchewan, as I said, the Fraser Institute and the Adam Smith Institute in Great Britain, and they're advising the Vander Zalm provincial government as well, which have gone into a massive privatization. And what I say here is that in potash we have such a tremendous resource, non-renewable, but the supply, as I said, is large, huge. And it's very valuable not only for this generation, but tremendously valuable for future generations. And it seems to me that unless you have economic control, control of your economic destiny, I don't think that you can have control of your political destiny. I think that the two go hand in hand.

And we are not talking here ideology; at least I'm not. I'm talking the benefits for the people of this province. Which one is working? Which way will be of greatest benefit to the people of this province?

I want to refer, as I said, to privatization, the risks of privatization. I've used some illustrations here in respect to this Bill and I want to maintain, stay primarily on this Bill, or essentially, I mean, totally.

But in British Columbia they went through the same thing. And there there was a land flip. "Land flip furor builds in British Columbia," and they're selling off there too and privatizing. And they sold off a piece of land, just three quarter hectares, I believe it was, Mr. Speaker, along the waterfront. And they sold it to a numbered company, the public corporation did, for \$2.2 million.

That same day, another company owned by the same ones that had bought it for 2.2, bought it for over \$10 million. There was a loss to the people of that province on privatization of that of somewhere around 7 to \$8 million. And the bankers actually gave out a mortgage on that property that same day of over \$7 million and said that the appraisal of the property that was flipped, on the day that it was flipped, was 11 ... approximately ... Not approximately — the appraisal said it was \$11 million.

So this is the danger in privatization. It's really a transfer into the hands of a few major economic units of production in Saskatchewan. And so I say, Mr. Speaker, that we have to move with tremendous amount of caution in respect to the privatization of potash.

I want to say that the Minister of Mines and Energy indicated the other day that ... said that the NDP leader is overlooking the fact that PCS (Potash Corporation of Saskatchewan) made more money in 1988 than ever before. Well the facts don't support her. The facts aren't important to the members opposite because, as I've indicated, 1980 it made \$167 million and in 1981 made \$141 million. And so that is not the top performance for the Potash Corporation of Saskatchewan.

I want to say, Mr. Speaker, that much has been said in respect to the potential of our potash industry here, the public sector part. And I've looked at some of the quotes in the annual reports, of the evaluation by some of the chairmen of the potash corporation under the PC government.

(1930)

I want to look at the annual report in 1982, and the chairman was the member from Yorkton, and this is what he had to say in respect to their evaluation of the public asset, the Potash Corporation of Saskatchewan:

It is our firm belief that a new and stronger PCS can emerge. With this belief in mind the board of directors supported management's recommendation to continue with all of our major projects in Saskatchewan. I refer to the PCS Mining Lanigan expansion phase 2 which is now under way. This clearly illustrates (said the member) our commitment to and our belief in the future of PCS as a viable and vibrant commercial entity.

That was in 1982, and I'll tell you, the member, the chairman of the board at that time, the member from Yorkton, was dead on. The potash corporation, owned partly in the private sector and partly in the public sector, gives it the best of all worlds. Because I maintain that while right wing governments indicate that what you can do is leave everything in the private sector and tax — you

don't have to own — well the history of the potash industry demonstrates that that's not true, because if you don't have an option and all of the potash is owned by multinational corporations, multinational corporations are then in a position, Mr. Speaker, to set their own royalty rates because they've got the hammer.

They can say to the government of the day, we won't pay those royalties; they're too high. And what does the government do? They get down on their hands and knees and say, yes, you're right. Because what else can they do? It's all privately owned. They can get together and they say, well we're going to pull out our investment. Do you think the government has the courage to stand up and to take on the multinational corporations to get a good deal for the people of Saskatchewan? Of course not.

But I think there are other advantages in respect to public investment. I think that public investment, or a portion of it as we have here in Saskatchewan, it helps us to maximize, as I say, the profits for the people of Saskatchewan; it gives them an economic base for diversification and development. It also, I think, Mr. Speaker, lends itself to an advantage of, as I said before, of making it the centre of development. After all, Saskatchewan is the second largest reserve of potash in the world, second only to Russia.

And what a future we have to build on that great industry. And as I say also, Mr. Speaker, public investment, as I've said, is a window to the industry for the government of the day. They can take a look and see the costs. They can see the profit margins. They can look and see whether their taxation regime is indeed fair. And having set up a fair regime, then they can impose it to the private multinational corporations, because after all, if the public sector, which the private say is less efficient, can operate within the sphere of the same rules and make a profit for the people of Saskatchewan, then surely the private sector should also be able to.

And I think the other thing is that if we have an asset of the value of potash, which is fertilizer, used for fertilizer across the world, and as it has been indicated that the population of the world is likely to double by the year 2000, and so the production and the use of that resource is going to continue to increase in order to feed the millions and billions of people across the globe.

And I say that if foreign governments like Japan, China, Korea, other governments, are anxious to come and purchase our potash, there's a clear indication that it has a future because they come for an advantage. And if it's a private corporation, it comes for profit. And so the future of potash looks very, very good for the future. In fact, I will deal with some of that in the annual report which demonstrates that it has a very positive outlook as predicted by the present board of the Potash Corporation of Saskatchewan.

And I guess the other aspect that I think why public investment has some use is that, as I said, it's very accountable. Crown corporations have to be accountable to the people of Saskatchewan. No private corporation goes through the amount of scrutiny that a Crown corporation goes under. We have a Crown

Corporations Committee, and there obviously should be some improvements to that. But one thing is certain, is that the public of Saskatchewan have a full disclosure of an annual report and know the facts in respect to it. I say in respect to the private multinational corporations that that is not possible.

So what we're dealing with here is the Tory-style privatization, which every evidence indicates it doesn't work, and it's a very contradiction of what they seem to be saying at other occasions. It's a contradiction because this government has indicated that the eastern Canada, central Canada, is in the favourable position with a massive amount of development. And at the very same time what this Bill will do is, in essence, just as with Saskoil, turn over the shares and the ownership probably of a great percentage of the potash that is being privatized to eastern investors.

I say that under the Tory type of privatization, if that's what happens, the ownership will go outside of Saskatchewan; it will go outside of Canada; it will essentially be landed up in eastern Canada and foreign countries.

I say that under the Tory privatization, as they are purporting in this Bill, that the revenue generated for the people of this province will be far less than it would under the public corporation. The other aspect of the Tory privatization is that they're on an ideological kick. They are committed to the privatization regardless of whether or not public, private, co-operative, joint ventures is the best mix for Saskatchewan. They are deciding now that there's going to be only one engine to our economic development, and that has to be the private sector.

Well on this side, as we have said before, we believe in a mixed economy. We believe that Saskatchewan, which is land-locked, Saskatchewan, which has harsh weathers, has been able to develop here and build us into one of the wealthiest provinces in Canada, as I indicated, through a mixed economy.

And so I don't think that what we should do is get the ideologues indicating that we have to necessarily sell off that because it's public ownership.

And I guess Tory privatization also leads to the factor that he who pays the piper will call the tune. And it seems to me that the economic control will be handed off to other people, and as a result they will be making many of the political decisions in this province in the future.

And as I said before, Mr. Speaker, the people of this province are deeply concerned, deeply concerned about the incompetence of this government. I remind you, Mr. Speaker, that oil was shipped from Alaska through the port of Valdez and thousands, or literally thousands and thousands of gallons of oil were shipped through without accident until a drunken captain took charge of a ship and ran it aground.

And I think that's really basically what's the problem here in Saskatchewan. The economy of this province under the Tory type of privatization is running the ship aground. And so I say Tory privatization has not benefitted the

people of this province.

But they have tried to say to the people of Saskatchewan, well buy a Sask bond or a SaskTel bond or a SaskPower bond, and boy, you are participating like never before. Well how many people participated in the SaskPower bonds? Forty thousand people. How many participated in SaskTel? Less than 40,000 people.

I want to say, Mr. Speaker, that the average Saskatchewan person is not in the business of buying shares in private corporations. I'll bet you can go across Saskatchewan and you wouldn't find more than 10 per cent, if that many, that have shares in private corporations — so-called participation of ownership. What a farce!

And more importantly, the examples of experiences that people have had with other private corporations lead them to be suspicious, and rightly so. Many people invested in Pioneer Trust and got burnt; many people in Principal Trust and got burnt. And so I say, what happens under the Tory privatization is that what it'll be is foreign ownership, and the effects will be a loss of economic development in Saskatchewan.

Mr. Speaker, having been in this House now for a number of years, I think that any legislation or any government policy has to have at its heart and purpose, the benefit to the people of this province. That should be the objective. The major objective of a government should be to bring in policies and legislation that will maximize the benefits for the people for which it governs.

Maximum control of their economic and political destiny should be in the hands of the people. And I say that this Bill here, what it will do is to take that economic lever from the people of Saskatchewan and divest it into the hands of foreigners and outside multinational corporations.

I used my experience, Mr. Speaker, on a trip that I had some time, through the parliamentary association, and had the opportunity to go down to New Brunswick. And the Speaker at that time — was a Progressive Conservative government — and the Speaker of the day was our host and toured us through New Brunswick, and I saw privatization in New Brunswick at its best.

And I had the opportunity at that time to meet one of the, I guess one of the most successful entrepreneurs in Canadian history, K.C. Irving. K.C. Irving and three sons he has, I had the opportunity to meet with him. And I'm not knocking the genius of K.C. Irving because he has built a tremendous empire of economic development.

That company's into shipping, into forestry, into gas distribution, into filling stations, almost half of the New Brunswick economy. And he has contributed some jobs. But I want to say, also what happened is that . . . out of that, that's privatization. And you know where the major assets, the taxes are being paid by the multimillionaire . . .

An Hon. Member: — Where?

Mr. Koskie: — It's in Bahamas where there is no taxation. And he operates his companies in foreign jurisdictions

where the taxation burden is not paid to the New Brunswick government.

And so I say to you, the genius of private entrepreneurs we respect, at least I respect, and I think they have a contribution. But any deal that is to be negotiated, any deal that is to be negotiated has to be done with competent people. And I look at the little guy, they call him jack-in-the-box . . .

The Speaker: — Order. Order, order, order. Order. I don't think the hon. member wants to make reflections of that nature of any member in the House.

Mr. Koskie: — I apologize, Mr. Minister. It was his hilarious laughter that stirred me into my comments.

The hon. member from Regina South, I want to refer to, who used to be the hon. member from Regina North, but he was afraid to run there so he ran to the South to try to get elected — that's the one that I'm referring to, Mr. Speaker, the one that ran from the working class and went over to the high-priced boys, and ran so he could save his political hide. That's the one that I'm talking about, Mr. Speaker, the guy that was afraid to face the people that he represented the previous four years because they were going to whip him.

(1945)

So let us get back. I want to get back to the main core of my comments here. I say that the objective . . .

The Speaker: — Order. Order, order. The hon. member from Quill Lakes is attempting to make some points in his remarks but is having great difficulty because of a second debate taking place. Let us allow the hon. member for Quill Lakes to continue with his remarks.

Mr. Koskie: — Thank you, Mr. Speaker, I certainly appreciate it because we are dealing with a very important subject matter, and I view it with importance.

And I say again that the objective of any government should first of all maximize the control of the economic destiny by the people of this province. I think that we should be working here for diversification, spin-offs from the industries that we have here. I think also that what we need, and should be our objective, is to be fair with private investors, but be most of all fair to the people of this province.

Some Hon. Members: Hear, hear!

Mr. Koskie: — And therefore what we have to be able to do is to have a window into the industry itself in order that we can guarantee fairness and a fairness of return to the people of Saskatchewan.

I want to say . . . (inaudible interjection) . . . The hon. member from Saltcoats, I'm sure, is going to give his brilliant dissertations like he does so often. About as far as he gets into debate is introducing a group of school children; that's the extent of his debate.

Some Hon. Members: Hear, hear!

Mr. Koskie: — So, Mr. Speaker, I want to say that there are ways in which . . .

The Speaker: — Order. Order. Order.

Mr. Koskie: — Thank you, Mr. Speaker. And I want to indicate, Mr. Speaker, that there are various things that can be done in respect to public ownership. And I often thought and urged that in respect to potash and in respect to Saskoil, the public sector, the government, people of Saskatchewan, getting knowledge of the industry and what can in fact and could be done, is that part of the inventory of information that we had in respect to . . . Let me use Saskoil as an example, or potash.

And what we could have been doing here is taking Saskatchewan people, Saskatchewan entrepreneurs, Saskatchewan investors, and we could have been giving to them information in order that they could in fact facilitate exploration of oil, or they could . . . Actually we can get into the potash exactly the same way. We could spread it over a number of years. And if we want the people of Saskatchewan to own it, we can put it over a series of years in order that it be owned by Saskatchewan people.

Secondly, what we can do and has been done is allowing industrial democracy where the workers themselves are participating. But that doesn't happen. Because if you go over to Great Britain and look at the record of privatization in whether or not the public really have a large number of shares, the workers, the facts of the matter is that it does not bear up at all.

Workers which are initially given or granted shares soon after disposed of them, and the amount of share investment by the workers in Great Britain has dropped substantially. And I have the statistics in respect to a large number of the corporations in respect to that.

Mr. Speaker, I want to say that here in Saskatchewan, we want to ask in respect to privatization: can the people of Saskatchewan, in fact, help develop some of their resources? I have a great faith in the people of this province, the initiative and the entrepreneurial abilities. And therefore I think we should continue to give that opportunity. And I don't think that we need Easterners to run our potash mine, and I don't think that we need foreigners to run our potash. I think that the people of Saskatchewan can run a portion of our potash mine as they have so well demonstrated under the Blakeney's years.

Some Hon. Members: Hear, hear!

Mr. Koskie: — I want to continue, Mr. Speaker, and to say to you here this evening that what we're dealing with is very important. This corporation is one of the finest in the industry; there's no doubt about it.

I want to indicate another statement which really supports that. And this is not from one of our members, it's from another respected individual who was chairman of the board of the potash corporation, and that's the former mayor of Saskatoon, chairman of the board, Mr. Cliff

Wright. In the 1983 annual report he had this to say:

The optimism with which the board of directors and the provincial government view PCS is reflected in the decision announced shortly after the year end, that the corporation would move into new headquarters in 1985.

While their decision was based primarily on economic reasons, the fact that it involves a 20-year commitment indicates the confident way in which the future of the corporation is seen.

And that's the statement of the chairman of the board. And what has happened to the confidence that they exhibited in that annual report?

In 1985, Mr. Wright indicated one other thing in respect to the annual report.

The corporation believes its mines are among the most efficient and productive in the world.

And one final one, and I don't want to continue to read, but just to show the point of what the chairman of the board under the present administration had indicated. And this is a chairman, a former minister in the present government, chairman Paul Schoenhals. He says:

While the corporation has experienced hard times, it continues to be among the industry leaders in mine operation, technology, transportation, customer service, research and development.

What more? What more could you ask for from a corporation than to have that said by the chairman of the board? Is it too good for the people of Saskatchewan when we have to ask? Such a fine operation, leading the industry, and they say, no, we've got to privatize it. We've got to get rid of it. We've got to get the Chinese communists to come over and own a part of it, or the Japanese government to come over and own it.

And I say to you, Mr. Speaker, that there's no doubt that when the present government assumed office that many of the governments that had been dealing with the publicly-owned potash corporation here in Saskatchewan felt very comfortable dealing with one government to the next government. And the Japanese indicated that they had complete confidence in dealing with the Government of Saskatchewan in the purchase of potash, and that privatization, they would be more reluctant to deal for the purchase of potash.

And the Chinese in essence are the same. Many of the Pacific Rim countries have no fear of government ownership and they deal with governments. And it was a positive aspect of public ownership.

And so I say to you, Mr. Speaker, what we have to ask ourselves, why are we taking this direction? Why are we hastily moving ahead on privatization rather than dealing with other important issues facing the province?

And while we're dealing with privatization here, I

checked the paper and I take a look at Ontario. And there they have very high rates of auto insurance. And what they are not ruling out is, to go into public auto insurance hasn't been ruled out. And here, while other governments contemplate public involvement, here we're on a mad, mad dash towards privatization.

And so I say to you, Mr. Speaker, that we on this side are supporting the people of this province. And not only that, the people of Saskatchewan are supporting us in our stand in respect to the privatization of potash and the privatization of SaskPower.

Some Hon. Members: Hear, hear!

Mr. Koskie: — So when we take a look and we see that they're going to be offering a part of it to the private sector, that shares will be made available for people to buy, I guess the question that we have to ask: is it the single parents with children, of Saskatchewan, who will be buying those shares? And I say it won't be. They were invited . . . And they will be invited, rather. But they will have no opportunity because they have no money to participate.

Is it the hard-working Saskatchewan farmer with his saving account dwindling under the lack of agricultural policy? Well they will be invited to participate, Mr. Speaker, but they can't afford to participate.

Will it be the ordinary worker across Saskatchewan that will have a large shareholding in this sell-off of the privatization of potash? And I say again, they may well be invited. But I say also, Mr. Speaker, under this present government, they cannot afford to participate either. And so I guess all of these will be invited, but I'll tell you, Mr. Speaker, that they won't be participating.

The government talks a lot about public participation and how it involves the Main Street, Saskatchewan. That's what they were told to say by their high-priced advisers. But the reality of popular capitalism, of shareholders' democracy, does not match the rhetoric which we hear. And I want to say as I said before, the privatization of this potash corporation will not divest shares and ownership to the people of this province. The people of this province, I say, will have less control over the potash corporation than they have at the present time.

In Great Britain — to use as an example of privatization to demonstrate my point that the people of this province will not be participating — when the British Telecom was put up for sale, what happened there is that they undervalued the shares. And then shortly afterwards, because it's undervalued, those shares go up and many of those that have bought divest them, sell those shares, and those shares are taken up and held by a very few individuals who then have control of the company.

And I want to say, Mr. Speaker, that that's likely to happen here in respect to the potash privatization in Saskatchewan. It will be owned by a very few people, even if initially there's a large number of shareholders.

You can go to British Columbia too, with the operation they had there with the BCRIC (British Columbia

Resources Investment Corporation) — it was called the BCRIC — and that's what happened. Shares were distributed to people but what happened is that the shares in that instance became virtually . . . (inaudible) . . . yes, brick, virtually valueless.

I want to say, Mr. Speaker — and he was talking about the privatization of potash — one economist has referred to privatization as this being a taxation by privatization; for the taxpayers as a whole paid for the underpricing of those who purchased the shares and got the benefits. And that's really what's happening, is that you undervalue that asset, and that undervaluation of that asset has to be picked up by the people of Saskatchewan, because the asset is worth, say, twice as much as they're offering it for, and the people of Saskatchewan, in effect, are picking up that loss.

(2000)

Mr. Speaker, not only do the taxpayers of Saskatchewan lose, but what happens to the wonderful idea of public participation? And just to give a couple of examples here, and I predict will happen in respect to the privatization of potash, the number of shareholders for cable and wireless in Great Britain sank from 150,000 shareholders to 26,000 within one year, and so what was supposedly held out to be a distribution of ownership — from 150,000 to 26,000.

British Aerospace demonstrates the same thing that will happen in this, with potash: British Aerospace, from 158,000 to 27,000; the numbers of small shareholders sank by 93 per cent — from 44,000 to 3,300. That's all that remains as small shareholders.

And so this is a myth that the Tory government is perpetuating and spreading and trying to convince the people that they're going to be able to get some shares and they're going to have real control over this potash.

And just one more illustration here for Amersham International. The number of shareholders fell from 62,000 to 10,000 within a month. That demonstrates, I think, what happens; that there is . . . Eventually there is — and very rapidly — is a share concentration, and the effective control will be in the hands of those from eastern Canada and whoever may invest from foreign governments.

There's another myth that they try to perpetuate, and that is that if they have the privatization of potash, that somehow the workers are going to really be able to participate. And they offer them up a piece of paper and call it a share. And they say to the worker, now you're going to be better off.

Well experience shows that worker participation and the rate of participation by workers in any privatization — and that will happen in the potash — is minimal, minimal, experience shows.

Look at some of the initial percentages of share ownership by employees. And I use these examples to demonstrate to the people of Saskatchewan and to the workers, who they are going to try to convince that they will, in fact, be

involved in this share take-up, that it won't happen.

Here we have Amersham International. You know how many . . . The workers have 3.7 per cent of the share offerings. I'll just give you a couple more. Britoil, 0.1 per cent; one-tenth of 1 per cent in privatized Britoil is held by the workers of Britoil. Enterprise Oil, 0.03. British Aerospace, 3.6. And British Telecom, 4.6.

So the point I'm making, Mr. Speaker, and I think it's very relevant, that the workers who will be offered and given some shares perhaps, initially, or help to buy some shares, the total effect of their share held by the workers will be so small that they will have no effect upon the control of that company.

And the other thing that we should know is that with large multinational corporations, which has brought a lot of development to North America and throughout the rest of the world, there's no doubt, but essentially the operation is run by a board of directors and the executive management. Let there be no doubt about it. It's not the shareholders that go down to Toronto and meet for a shareholders meeting that are making the major decisions.

I think, Mr. Speaker, the question which this government has never asked, and even as it is prepared to place PCS on the market, the question it has never asked is that if this public participation, this shareholders' democracy which they are saying is such a fundamental part of private enterprise and such a telling indication of its natural superiority, why has share ownership in Great Britain, home of the Margaret Thatcher privatization, actually been declining? Why has the share participation in Great Britain been declining? And the obvious is that the concentration ends up with a very few.

And that leads, I think, to another question that the government should be asking. What is the point of artificially creating shareholders' democracy, as they call it, by government intervention, when private enterprise has failed so dismally to generate it as a part of their own dynamic? You take a private corporation and it's the same.

What the government is doing here is, as I said, privatizing a potash corporation, and they are saying that by people being able to buy shares are able to participate. Well if that's the gospel of private enterprise, that share offerings is the way to go, then why doesn't shareholders effectively have control of major corporations?

And as you know, Mr. Speaker, the fact is that shareholders do not. It's controlled by a very few, and that's what will happen in respect to the privatization of potash. I think what is even worse, Mr. Speaker, is that the members opposite know that public participation as a means of ownership is basically a myth and that public participation as a means of controlling privatized corporation is a even crueller myth.

Mr. Speaker, two American scholars, Adolph Berle and Gardiner Means, in their book, *The Modern Corporation and Private Property*, pointed out that, and this is a quote from that learned book:

The ordinary shareholder is left with a mere symbol of ownership, while the substantive ownership is left in the hands of management and the board of directors who are effectively the economic autocrats.

That's the fact of the matter. So you get the privatization, and as I said before:

The substantive ownership (will be) left in the hands of management and the board of the directors who are effectively the economic autocrats.

I say, Mr. Speaker, given that public participation isn't producing the benefits that it has alluded to or claims, I say that the economy of Saskatchewan will be adversely affected if this privatization goes forward.

I think that it's a myth; that the shareholders' democracy, I say, is a myth. And I think that the members opposite have been deluding the public into thinking that it is.

Mr. Speaker, I want to say, how did the leader of the government opposite handle this aspect of convincing the public that privatization is the way to go? Well I think there's various ways in which the Premier and other members of his government have tried to indicate that there's a benefit for the people of this province.

And they held a whole series of meetings throughout with the Minister of Public Participation. And I want to say the people of Saskatchewan did not attend in great numbers and in great excitement and great anticipation, as the member of Public Participation went around this province.

And I say, Mr. Speaker, it has been the same with other efforts that the government has put forward. SaskEnergy is another example again. And it demonstrates, I think, once and for all that the people of this province are not prepared to adopt or accept privatization as proposed by the PC government opposite.

Some Hon. Members: Hear, hear!

Mr. Koskie: — I want to say, Mr. Speaker, that there will be some winners if this Bill goes ahead. And I think the winners will be those who, as I say, not the ordinary farmer in Saskatchewan because not many of them will be buying shares. There'll not be many single parents who will be participating. There will not be any effective participation by the workers, but there will be some winners, Mr. Speaker.

And the winners who will be those who have won in the other schemes of privatization, which is so clearly demonstrated here in this province.

Some Hon. Members: Hear, hear!

Mr. Koskie: — I think, Mr. Speaker, I think any entrepreneur would be anxious to have PC-type privatization go forward. I think it must be exciting for those who sit on the board of Saskoil and control it now;

control a large, developed oil company, developed here in Saskatchewan for the people of this province, now under control of the board of directors, who many of them sat and gained all the information when it was a Crown corporation and then moved in when it was privatized because they had inside information as to the value of the corporation.

Some Hon. Members: Hear, hear!

Mr. Koskie: — That's what's going to happen in respect to the potash corporation. You watch and see who are going to be the winners in respect to the privatization of potash corporation.

I think the American that is currently running the potash corporation, Mr. Childers, Chuck Childers, I think he'll do all right. Because I would think that what they'll do is issue a substantial number of shares, because this is customary; they tried to do that in one other privatization which we rejected in Saskoil.

But executive officers and board members are traditionally given large issues of shares. And I think that the present manager of the Potash Corporation of Saskatchewan, I think he'll do all right.

And I would think that the chairman of the board, who was a former minister in the present government, I think he'll do all right because he's on the inside track. He knows how valuable an asset it is.

And I think the big investors down East know how good a deal it is. And I'll tell you, the tycoons from Bay Street will just lap it up because they know what kind of an asset they're going to be getting control of. So they'll win.

And there'll be other winners because they're going to go and help the foreigners too. They're going to invite the Chinese, communist China, to come and invest. The Japanese, they said they would; Korea and Taiwan, India. He was going to give them each 25 per cent when he was over there and he went to five people. And he gave them 25 per cent, he offered to each of the five countries. And they were all excited.

And I say, well they should be excited, because this government is incapable of handling a transaction of that magnitude because of their incompetence, gross incompetence that has been demonstrated time and time again.

Some Hon. Members: Hear, hear!

Mr. Koskie: — I want to say, Mr. Speaker, there'll be a few other winners, because the boys that come and take over, they don't have a little sock with 150 million or 200 million in it. What they do is they go and borrow the money. That's what the big boys that are going to be buying . . . and so what they'll be doing is borrowing.

(2015)

And the bankers are going to do pretty well. And the bankers will be in New York, in Chicago, and they'll be over in Hong Kong perhaps, and they'll be down East in

Bay Street.

And this same corporation here that they purchase, the same corporation that they're buying, or being gifted to from the PC government, they'll be paying a sizeable amount to finance the borrowings which they instituted in order to purchase the share in the ownership of the potash corporation.

And I want to say that there will be other winners. Those who are selling the shares are winners. The underwriters are winners. But the Saskatchewan people, I don't think they're the winners.

The Saskatchewan people haven't had one demonstrated privatization that has demonstrated to them that it works. And I'll tell you that the ordinary worker won't be buying the shares because he can't. He's looking for a job under this here privatization society.

Thousands of them, as I indicated before, Mr. Speaker, flocking out of this province to seek a future somewhere else. The largest exodus of people in the history since 1930. Thirteen thousand in the first five months have left this province because privatization is not working, and privatization of potash is not going to offer greater benefits to the people of this province.

But the losers again, I say, will be the people of Saskatchewan, because all of that sizeable profit which I indicated, there is no guarantee; in fact there is no suggestion that that profit, that 413 million that we made in the first six years, will stay in Saskatchewan. That money will go back to the foreigners that invest, to that country, or to the other parts of the world. And I say that the stability of the Saskatchewan economy will also be the loser.

Mr. Speaker, here in Saskatchewan this government prepares to sell off yet another hard earned asset, PCS. The tragedy here, Mr. Speaker, is that even as the members opposite ignored the British and European experience as being irrelevant to our situation, and even as they refused to admit the substantial difference between the rhetoric of the Margaret Thatcher advisers and reality, what is worse, Mr. Speaker, is that they cannot even comprehend what have been the results of their own activities right here in Saskatchewan. They are not even prepared to accept that even here in Saskatchewan their own public participation agenda has been studded with failures.

And I want to look briefly so the people will clearly understand what is happening. As I indicated, what will happen here is happening with other examples of privatization. Two years ago they privatized Saskoil. It was supposed to be participation. And all I can say, Mr. Speaker, is that we have not been receiving revenue from, in proportion to what we did before as a public utility, public corporation. But what is more, that 75 per cent are now owned . . . of Saskoil is owned down East, and that's what will happen in respect to the potash corporation under this privatization.

I think we saw also, Mr. Speaker, under other forms of privatization, is that what happened is that, once

privatized, investment went to another province and many of our workers were laid off, so our workers have no experience of being the gainers under privatization.

We've seen the same in respect to other examples. No, Mr. Speaker, I want to say that the employee participation will not be effective, nor will there be a large amount. There will be little public participation of the people of Saskatchewan and no increased opportunities for economic future. What we have here is, I say, a bad deal for Saskatchewan, which violates even the rhetoric used by the members opposite.

I say the privatization of Sask potash corporation, that that deal makes no sense. The only thing it does is really indicate the nonsense of the members opposite.

But there's more. Since 1982 the government has been privatizing bits and pieces of SaskPower. And what has this achieved? Not very much. You know, for privatizing parts of SaskPower for the residents of Saskatchewan, the most visible change is that we now have . . . We receive not one, but we receive two bills, a SaskPower and a Sask gas.

And this is job creation, Tory style. This is truly Devine inspiration, not one bill but two bills. And who prints these two power bills? Who is the recipient of this bureaucratic dream? None other, Mr. Speaker, than WESTBRIDGE computers. WESTBRIDGE computers, Mr. Speaker, who has also taken over SaskCOMP, another company privatized by this government and therefore in the need of government assistance.

So, Mr. Speaker, what better way than of having to print not one bill but two bills? Great Tory efficiency: twice the waste, but that's not the important thing, Mr. Speaker; twice the cost, but that's irrelevant to the members opposite; twice the profit, now that's what's important.

This is public participation, Saskatchewan style, PC style. We have seen loss of jobs, loss of investment, loss of control, increased waste, increased cost, increased bureaucracy. And I say, Mr. Speaker, no wonder the people have been leaving this province in droves during the last year and a half.

Those of us who remain here in Saskatchewan, Mr. Speaker, offer the Premier and the government a challenge: if you really truly believe that your vision of public participation has any degree of validity, Mr. Speaker, then we say to the members opposite, then allow the public, allow the public to participate fully in this decision. And what we have challenged the members opposite is, before they go and again destroy yet another asset and give it away, that what they should do is go to the people of the province, call an election on the issue before they pass any more privatization legislation.

Some Hon. Members: Hear, hear!

Mr. Koskie: — I say, let the people participate in the decision. Let them render the verdict of their past performance. Yes, I say to the Premier, if you have the courage of your convictions, let the public decide; let them participate fully in this process. I would suggest, Mr.

Speaker, that this is the farthest thing from the minds of the Premier and this government, to truly allow the people to decide, to truly allow the people to participate.

So I say to you, Mr. Speaker, no, what this government will do is to . . . What this government will do is, rather than let the people decide through an election, what this government will do is to spend millions of more dollars of taxpayers' money on advertising, trying to explain to us, trying to explain to us why it's so important to continue to privatize. We must give up all our assets, Mr. Speaker, and once more give control of our economic future to the outsiders.

Mr. Speaker, as we debate this motion to privatize PCS, this government has carefully neglected to mention why PCS was indeed established in the first place. As I indicated, PCS was formed after a bitter fight with the private potash producers, largely foreign owned, over the level of royalties. The world price of potash had shot up dramatically and the companies were making windfall profits. And at that time we decided that the people of Saskatchewan should get a fair return, and that's where the fight began, and I alluded to that.

And I say, Mr. Speaker, these actions were not in the . . . These actions that we took at that time were indeed in the best interest of the people of Saskatchewan. And certainly we can say that it was not in the best interest of the multinational corporations, but it was in the best interest of the people of this province.

And I say our government's response was to establish PCS, and as a result we finally had a potash corporation with its head office and jobs here in Saskatchewan. This gave us effective control of the industry here in Saskatchewan and made Saskatchewan the centre of the potash expertise in all of the western world.

Well, all of that will change now, Mr. Speaker. It will be a return to the good old days when an industry owned, for the most part, by foreigners will once again control a major resource of the people of this province. Mr. Speaker, I ask the members . . . Will the members opposite ever learn that regional Crown corporations, because they are rooted both physically and psychologically in their own regions and with their head offices in their respective regions, also benefit all the advantages that this local ownership provides?

I want to say that strategic decision-making experience . . . Self-confidence is built up by the experience, vital people knowledge about the region, and a keener awareness of the new economic possibilities arising at home that might be overlooked, ignored, or co-opted by absentee ownership.

Mr. Speaker, we should remember that public ownership of a Crown corporation gives it a very special entrepreneurial energy and commitment that comes from regional patriotism. Mr. Speaker, regional patriotism is a powerful motivating factor in economic history; and then at the bottom of this regional patriotism is the profound desire to control one's own fate, one's own destiny.

And I say, Mr. Speaker, in order to control one's destiny

there is no substitute for the spirit of self-reliance that comes from keeping hold of one's resources, including profits and savings for reinvestment — reinvestment, Mr. Speaker, not elsewhere but here in Saskatchewan; jobs here in Saskatchewan and opportunities here in Saskatchewan. And I would suggest, Mr. Speaker, that privately-owned corporations do not share this vision, and we have only to look at Saskoil's performances I have alluded to for proof of that.

The sad part of this story, Mr. Speaker, is that this new doctrine, which comes from Adam Smith Institute, as I said, in England, and from the Fraser Institute in Canada, which supposedly looked to the classical economists and their free market philosophy, actually betrays that philosophy. Eric Kierans, in his lecture "Globalism and the National State," points out that:

Men and women were citizens, the foundation and source of national strength. They were the substance of the state, not mere instruments and factors of production to be moved to and from at the bequest of capital flows and feedback systems.

Mr. Kierans further stated that:

Sovereignty, as understood in 19th century thought, not only depended on a strong citizenry, proud of their rights, but also depended on the control of one's resources.

And basically, that's what we're talking about here. And this brings us, Mr. Speaker, to the ultimate irony for the people of this province. We have here the rhetoric of the Premier. We have the rhetoric of this premisses, full of superficial western patriotism, but who aids and abets the centralization of economic power elsewhere by denigrating and suppressing public enterprise here in Saskatchewan.

(2030)

And I say, Mr. Speaker, the end result of these actions will be that once our public assets such as PCS have been sold off, not necessarily to the highest bidder, Mr. Speaker, the end result will be that the people of Saskatchewan will be reduced to being beggars in their own home. We shall have to cater to outside investment on their terms. We will no longer have any locally developed investment or ownership. We will have to offer, as our Premier has already done, Mr. Speaker, to weaken our trade union movements, to lower our labour costs, to provide cheap land to those to entice them to come and invest, in order to create a reasonable return on whatever investment they would be so kind to bring to Saskatchewan. We will have to take all the risks and put up most of the money so that the foreign investors will be able to provide us with the dubious benefits of their economic expertise.

Mr. Speaker, as this government moves to privatize PCS, the people of Saskatchewan have to ask themselves a simple question: since this government began its campaign of selling off our publicly owned assets, have any substantial benefits been provided to the people of Saskatchewan as a result of their actions? And I say, I would suggest, Mr. Speaker, that the answer is simple and

unequivocal — no.

No jobs have been created for the people of this province; no investment for Saskatchewan people; and in the end, no future for the people of Saskatchewan.

Mr. Speaker, I support policies that will create jobs in Saskatchewan, create opportunities for small business here in Saskatchewan; to keep control and ownership here in Saskatchewan by Saskatchewan people. I support a Saskatchewan future determined by Saskatchewan people for Saskatchewan people.

Mr. Speaker, I have considerable amount more that I want to allude to, and it is at this time I beg leave to adjourn the debate.

Some Hon. Members: Hear, hear!

Debate adjourned.

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure Consumer and Commercial Affairs Ordinary Expenditure — Vote 4

Mr. Chairman: — The minister could introduce his officials.

Hon. Mr. Meiklejohn: — Thank you, Mr. Chairman. It gives me a great deal of pleasure this evening to introduce my officials. On my left is Mr. Ron Kessler, the deputy minister. Directly behind him is Mac MacGillvray, the superintendent of insurance. Behind me is Mr. Al Dwyer, who is the director of human resources and administration; and Mr. Al Higgs, who is a special adviser to the department.

Item 1

Mr. Koenker: — Yes, Mr. Minister, I'd like to begin tonight by asking a few very simple questions. One, may I have a complete list of your personal staff including their names, present salary levels, and any changes in those salary levels that have occurred in the past 12 months.

Hon. Mr. Meiklejohn: — We have that and we'll send it right over.

Mr. Koenker: — Secondly, Mr. Minister, do you have any members of your personal staff who have access to government vehicles either permanently or intermittently?

Hon. Mr. Meiklejohn: — No.

Mr. Koenker: — No in response to both questions — permanently or intermittently? Okay. Third, Mr. Minister, could you please list all out-of-province travel by yourself or your staff in 1988-89, and could you please include the date, destination, number of persons on the trip, why the trip was necessary, and the total cost for each trip.

Hon. Mr. Meiklejohn: — Yes, we have that. We can send it over with the other list that you asked for.

Mr. Koenker: — And fourth, Mr. Minister, would you please supply a list of any travel by executive aircraft that you or your staff did in '87-88.

Hon. Mr. Meiklejohn: — We'll send that over with the other.

Mr. Koenker: — Mr. Minister, while we are on the subject of aircraft, could you list for us the use of all or any chartered aircraft during '88-89, including the total cost and what amount has been budgeted for charter aircraft in '89-90.

Hon. Mr. Meiklejohn: — That's zero and zero. There wasn't any for the last year, and there's none budgeted for the current year.

Mr. Koenker: — And could you please share with us the total amount spent by your department on advertising for '88-89 and also what your department has budgeted for advertising in '89-90.

Hon. Mr. Meiklejohn: — We have all of that here, and I'll send it all over to you now.

Mr. Koenker: — Thank you, Mr. Minister. I think we're off to a very good start. I commend you for having most of this material on hand, and I just add that when we come to Science and Technology estimates I'll be asking the same questions, so to be forewarned.

And that concludes my questioning for right now.

Ms. Smart: — Thank you, Mr. Chairman. Mr. Minister, it's been nearly two years, actually July of 1987, that the Principal Trust affair first broke here in Saskatchewan and in Alberta — nearly two years ago.

And in our questioning tonight on the estimates for 1989-90, I'd like to begin by talking a bit more about the people behind the Principal Trust affair, the many people in Saskatchewan who have been hurt by what happened and who are still waiting for your government to take some action to redress the wrongs that they've suffered.

I'd like to begin by sharing with you a letter that's come to you from two constituents in my constituency. It's a very nice letter, a well-written one that outlines very clearly . . .

An Hon. Member: — Are you going to table that? Are you going to table that letter? Table it.

Ms. Smart: — Well it was addressed to the Hon. Ray Meiklejohn, so I know that he's had a copy of it.

And the letter, I want to point out, emphasizes . . . It's written, it emphasizes the number of people that have been involved in the Principal Trust issue, not just the personal affairs of the people themselves who wrote the letter. And so I want to share the whole letter with you, sir, because you've received it as well, and it forms a base for us to begin our discussion tonight.

It says this:

Dear Hon. Ray Meiklejohn: RE: The Collapse of Principal Trust and Its Subsidiaries/The Code Inquiry: The Requirement for Immediate Compensation by the Saskatchewan Government (and that's underlined).

We are writing to express our extreme concern that the provincial government live up to its obligations with regard to the 6,733 Saskatchewan taxpayers, many of whom, like ourselves, are senior citizens, and who also lost their hard-earned life savings due to the collapse of Principal Trust and its subsidiaries, First Investors Corporation and Associated Investors of Canada.

An Hon. Member: — What was the date of the letter?

Ms. Smart: — May 12, 1989 is the date of the letter, so it was just last month.

The Saskatchewan government to date has refused to assume any responsibility in this matter, and has not protected the interests of Saskatchewan depositors. The province's legal counsel was not even present to cross-examine key witnesses at the Code inquiry. This has been the case in spite of the fact that we, and almost 7,000 other Saskatchewan citizens, lost our savings unnecessarily, because the Government of Saskatchewan failed to regulate the unscrupulous operators of Principal and its companies — Associated Investors and First Investors. Your government failed to enforce your own Investment Contracts Act (the letter says). Therefore, thousands of trusting Saskatchewan people, who relied on such provincial legislation as the Investment Contracts Act, and the Saskatchewan Department of Consumer Affairs, to protect their interests, tragically and unnecessarily lost their life savings as a result of the provincial government's negligence.

Financial statements were received from the Saskatchewan Government as far back as 1983 which indicated that Associated Investors and First Investors were essentially bankrupt, yet their licenses to operate in Saskatchewan were renewed. Their Annual Reports were filed late in 1983, in direct violation of Saskatchewan law, yet their licenses were renewed. The 1985 Quarterly Reports for Associated Investors and First Investors, required by law to be filed with the Saskatchewan Department of Consumer and Commercial Affairs, were never received; still, their licenses were renewed. The provincial government, and you yourself, have no acceptable explanation as to this incompetency, criminal negligence, blatant lack of enforcement of your own legislation (the Investment Contracts Act), and your failure to protect Saskatchewan investors.

That's the first page of the letter, Mr. Minister. It's a very well-written letter, written by two senior citizens in my constituency outlining their concern about Principal

Trust.

And they go on like this:

Risk may be associated with many financial investments. However, losses which result directly from regulatory failure are totally unacceptable. In addition, at a sales level, we were led to believe that we were investing in a solid company: Principal had been in operation for over 25 years. Like many senior citizens on limited pension income, we were extremely cautious investors. We would never even have considered investing our limited and hard-earned life savings in a risky venture or with a suspicious investment corporation. We were also led to believe that our investment was in Principal, and that it would be protected by the federal Canadian Insurance Deposit Corporation. Our investment was therefore obtained through fraudulent means.

(2045)

However, if the Saskatchewan government had enforced its own legislation to protect Saskatchewan investors, we, and the thousands of other Saskatchewan investors who lost their life savings, would never have been duped in this manner. Your Government had access to information which should have resulted in the cancelling of these businesses' licences to operate in the Province of Saskatchewan. We did not have access to this information, and counted on you to protect us. You did not.

The needless loss of significant life savings, particularly to senior citizens like ourselves, is distressing not only financially, but also emotionally. Due to the lack of protection from our provincial government, we have been placed in a tragic situation.

The next sentence is underlined, Mr. Minister:

We expect the Government of Saskatchewan to finally take action and fully compensate us for our unnecessary financial losses.

And the next sentence is really important:

Justice demands that the Saskatchewan Government pay out those of us who were needlessly victimized as a result of your Government's negligence, by compensating us for 100 per cent of our principal losses, as well as for our lost interest, and then pursuing settlement with Alberta and Donald Cormie.

On top of our already tragic losses, we have also been required to "throw good money after bad" to hire legal counsel to help us regain part of our losses. Many Saskatchewan people were not in a position to do so, given their losses in this fiasco. This "added insult to injury": why, at the absolute least, did the province not provide us with free legal counsel in this matter?

Many Saskatchewan voters, and not only the ones who lost their savings directly, have been watching the Government of Saskatchewan's inaction very critically with regards to this matter. Further inaction and refusal by the Saskatchewan Government to assume their rightful responsibility in this matter could have serious results for this Government in the next election.

We look forward with hope that our Government will, finally, assume its rightful responsibility by guaranteeing that we and other Saskatchewan investors are fully compensated for our losses in this matter. We should receive compensation for not only our full original investment, but also for the lost interest which we would have received over the past years.

And this letter was signed by Nell and Franklin Litz, and a copy sent to me, but the original sent to you, Mr. Minister.

Let me point out again how powerful I find that letter as a summary of what's been happening in the last two years. Let me point out how moved I am by the fact that these two senior citizens have focused not only on their own plight, but on the plight of the 6,733 people in this province who depended on your Department of Consumer and Commercial Affairs to take action to protect them when they invested their life savings.

And I've heard you say in this legislature earlier that no, they didn't lose their life savings, they got back a certain percentage. But when you lose the majority of the money that you've saved up to help you in your old age, you have lost your life savings.

The seniors are cautious investors, Mr. Minister. They don't go out to find risky things that they can put their money in. They are cautious; they wanted security; they depended on your government to provide them with that. They depended on your government to follow the rules and laws of The Investment Contracts Act.

They speak in this letter about the failure of your government to date, to assume any responsibility in this affair. And as you know, recently the Alberta government has said that they're going to help the citizens in Alberta.

We have many questions we want to ask you, Mr. Minister, about this Principal Trust affair on behalf of the people that have been so badly hurt by this fiasco that's gone on for two years already. So stand up, Mr. Minister, stand up and speak to the people in my constituency. Stand up and speak to the people across this province who have lost their investment because they trusted in your government and they trusted in your department. Answer them now, because this situation has gone on for far too long.

Some Hon. Members: Hear, hear!

Hon. Mr. Meiklejohn: — Well thank you very much, Mr. Chairman, and I am very pleased to stand up and respond to the letter that we've just heard. It was a very well-written letter and, I might say, also fairly well read.

But I would like to take the hon. member back a little bit in history and maybe we can save ourselves a little bit of time, because I think that some of the questions that you have asked this evening, you asked . . . were asked last year in estimates and they were asked the year before.

And I think that we have to clarify just what the whole situation is as far as the companies are concerned. You're talking a lot about Principal Trust, and let me point out to you that really what we are concerned about is Associated Investors corporation and also First Investors Corporation. Those are the two companies that we're really talking about. And I would also like to correct you on the number of people that were affected, and then I am going to go into a little bit of the history of this because you are in error again.

Firstly, you're in error about talking about people who have lost their life savings. Until the Code report has come down on around July 6, and until it's decided whether or not the Alberta government is found responsible and are going to be paying out these contracts, nobody has lost their investments to this point. They have received . . . (inaudible interjection) . . . Well just listen now. I sat and listened to you. I sat and listened to you; now you just behave yourselves. If the member from Moose Jaw wants to get into it later, he'll have his chance, and I'll listen to him.

The number of contracts, in actual fact, were around 8,600. Now you're talking about a figure here of 6,733 — that was the original number of contracts, the number of contract holders. The number of people in Saskatchewan that were actually involved was around 4,400, so we're talking about 4,400. Now regardless of that, this is a serious matter, and I fully realize, and the government fully realizes, that several people have been affected by these two companies going down.

Now let's go back in history. These two companies didn't just start up during the time of this government. These two companies have their beginnings back in the early 1950s, one of them in 1952 and one in 1954.

Both of them were registered in the province of Alberta. The province of Alberta is the primary regulator, or was, for both of those companies and has been ever since they were started back in the early '50s. The common practice, since those companies were started back in the 1950s, and that takes us through the reign of three different parties, three different political parties in this particular province — three different parties, and nothing different has been done in so far as the regulating of those companies since they were started in the 1950s.

And you try and make out like all of these problems have suddenly just arisen in the last few years. Well I would point out to the hon. member that during the Code inquiry, I believe it was brought out that some of these concerns were raised back in 1966. And I believe if you check the records at that time, we had a Liberal government in this province. Now one would ask the natural question then: why didn't the Liberal government in the province of Saskatchewan do something about these companies then, because people in Saskatchewan

were investing in those companies at that time? Now the main reason why they didn't do it is because probably they didn't have the information.

Now let's go on into the 1970s when your party was in power, because this is also information that came out during the Code inquiry. And I know that your colleague, the member from Sutherland, visited the Code inquiry as I did, and . . .

An Hon. Member: — So did I.

Hon. Mr. Meiklejohn: — Well that's good. More power to you. You know the amount of evidence that was put out at that particular time, and back in the 1970s it was also indicated that these two companies were having difficulty. Now one would ask then, why didn't your government do something about pulling the licences of them here in Saskatchewan then? And I can tell you, the same way that I told you last year, because your government of the day did not have the information that these companies were in difficulty, because the provincial government in Alberta was working with these two companies, and the problems that they were undergoing at that time were resolved and the companies carried on.

Now at the same time, one would ask, well what was happening here in the province of Saskatchewan? Whether we talk about 1966, whether we talk about the 1970s when your party was in power, or whether we talk about the 1980s when this party was in power, the fact of the matter is that Alberta was the primary regulator. And I'm going to give you a little bit of information on that as well, so that you understand what we mean by primary regulator.

The fact of the matter is that the governments in Saskatchewan of the day, in '66 or in the '70s and in the '80s, did not have the information that these companies were having any difficulty. Now that's obvious from the fact that your own party didn't do anything if there were problems at that particular time, because you were in power.

An Hon. Member: — Were there problems?

Hon. Mr. Meiklejohn: — There wasn't. It was clearly indicated in the Code inquiry that there were problems back in the 1970s when you were in power. So the primary regulator did not pass on this information.

The province of Saskatchewan, and your government and the government before that, and our government, have carried on in the same manner ever since these companies were formed. It's been the same process, that when the annual report was filed and when the auditor's report was filed, the annual licence was given out. Now you did the same thing. We have carried on that same practice from 1982 until today in the same way that you did for the 11 years that you were in power.

Now so that you understand just what we mean by primary regulator, I've got a little bit of information here that I'd like to read to you so that you understand what it means, because you keep bringing this out and you keep

trying to indicate that the province of Saskatchewan has been negligent in the regulating of these companies. And I can point out to you that that is not the case at all.

Primary jurisdiction. In the regulation of financial institutions by provincial governments, trust and insurance companies, no formal definition of a primary jurisdiction exists in legislation or regulation. The term has been borrowed from Securities Commission regulation.

With regard to financial institutions, trust and loan companies, primary jurisdiction tends to refer to the province where the company has been incorporated and has its head office.

Sometimes home jurisdiction is also used. Trust and insurance regulators have relied upon the home or primary jurisdiction to assume responsibility for active monitoring of the corporation to ensure compliance to that jurisdiction's legislation and regulation. Included in compliance are audits by that jurisdiction and detailed analysis of company and external auditor reports. The expectation has existed that should problems or issues be identified, these would be communicated to the reciprocal licensing authorities. In Saskatchewan, investment contracts are now regulated by the Saskatchewan Securities Commission, as The Investment Contracts Act has been repealed.

The concept of primary jurisdiction arises out of practical necessity (the same way today that it did when your party was in power). No province has the capacity to fully regulate all financial institutions they license. To do so would require having sufficient capacity to audit thoroughly, every licensed company. This would mean extensive out-of-province travel costs, if staff could be recruited to work under such circumstances.

Inherent is the ludicrous situation where a corporation could be subjected to audits by 10 provincial jurisdictions, one federal, internal corporate auditors, and external auditors. The cost to the corporation, excluding the impracticality due to time, space, and convenience, would be horrendous. The application of primary jurisdiction provides jurisdictional convenience arising out of necessity. If required, the licensing authority can intervene with capacity to control the corporation as needed.

So the same practice is carried on today, I would point out, Mr. Chairman, as was carried on ever since the time that these companies were formed. So nothing different is being done.

Now with regard to a question that the member raises about the fact that the lawyer was not there for questioning with regard to some of the hearings, this was the cross-examination. And I would point out to the member that there was no need for Mr. Brumlik's act of participation at the inquiry because special council

appointed by the court, in the persons of Robert White and John McNiven, have capably directed . . . directly represented the interests of investors.

Now Mr. Brumlik was available if his attendance was warranted. But I think that when you had two lawyers that had already been appointed as acting for the investors it really wasn't necessary to have a third person there, but he was available if he had been needed.

Now you go on and make a lot of allegations about the fact that this department was negligent in its duties with regard to these particular companies. And I'd point out to you that that is not the case at all.

(2100)

These companies were relicensed each year after the annual report was received. Now that was the same thing that happened when you people were in power. So you're suggesting, and as the people that wrote the letter had suggested, that there should be compensation going forward to the people who had invested in these two companies.

Now I would ask the hon. member, the Government of Alberta has already compensated the investors to the tune of 44 cents for Associated Investment Corporation and 35 cents for First Investors. Pending is another 12 cents and 15 cents respectively, which will give them 56 and 50 respectively.

Now granted, that's only half of what they had put into these companies, but you were asking last year why the government isn't doing something about compensating these investors. Now by doing that, you're suggesting a change in policy of your own party. And I would take you back to 1985 when Pioneer Trust went down and it was the policy of your party at that particular time that there was no way that the government of the day should be reimbursing the people who had money deposited, had money deposited with Pioneer Trust.

Mr. Chairman: — Order. Order! If the member for Moose Jaw North wants to get into the discussion, certainly he can rise in his place and be recognized and ask the questions of the minister. There'll be lots of opportunity for that, so I'd ask him to let the minister make his comments.

Hon. Mr. Meiklejohn: — So I would point out to the member opposite that you were suggesting, then, a change in policy of your party, because just four years ago there was no way that your party, which was in opposition at that time, was in favour of reimbursing the people who had deposited money with Pioneer Trust. And I have a quote here from your House Leader, and this was in **Hansard** of May 10, 1985, who indicated:

And I say to you, Mr. Minister, for this 20 million (and that's what the amount was at that particular time) a family of five will pay \$100 extra in taxes this year. Add this to the other major tax increases, and I believe the people in this province are very disappointed.

There is no way. And then one of your other members at that time, the member at that time from Assiniboia-Gravelbourg who is now history, he was very concerned too, and felt that there was no way that this should be happening. He said, you're prepared to give a blank cheque and take any amount of money that's required for depositors, for shareholders, for mismanagement because of mismanagement by the company directors.

Now what are we dealing with when we talk about First Investors and Associated Investors. How can you blame it on the government? Because it's clearly come out in the Code inquiry, if you've been listening and paying attention to it — and I'm sure you have — that if there was ever a case of mismanagement within companies, and we know that the Code inquiry was set up to see why these companies went down, I think it's quite clear to most of us why the companies went down. It was because of mismanagement and other things that were going on with the senior management of those companies. So it certainly wasn't the government's responsibility.

But here you have some of your own members then who were very opposed at that time with doing something for Pioneer Trust depositors, the very thing that you are now suggesting that this government should be doing for the investors in those companies which were registered in the province of Alberta.

The final point that I would make, and then we'll continue on with your questioning, we have maintained from the very outset that the primary responsibility for these two companies was with the Government of Alberta. And to this point the Government of Alberta have distributed the funds to all investors no matter where they lived — whether they lived in Alberta, or whether they lived in the other provinces.

The only exception to that was this latest announcement by the province of Alberta which amounted to something like 4 cents on the dollar, I believe, that they were going to refund to the investors in Alberta and to people who had put money into Principal Trust, I believe it was at that time.

So we feel that the Government of Alberta still has that responsibility. We don't think that they should be discriminating against investors that are from outside the province. We continue to maintain that position, and until such time as the Code report comes down — and I understand from an article I was reading today that it's supposed to come down around July 6 — that there will be no move made by any other province where these investors reside, to pay out any of the investors. We feel quite strongly that if the Government of Alberta has found that they were negligent in regulating the companies that they had primary jurisdiction for, that the Government of Alberta and the Premier and the treasurer have both indicated that they would be paying out those investors.

Now we will ensure that after the Code report comes down, if that in fact is what's going to happen, we feel very strongly that the province of Alberta should be paying out the balance of the money to those investors residing in the province of Saskatchewan. And upon the

payment of the next payment that's going to come out, which will bring them up to the 50 and 56 cents per share, we are still looking at about \$20 million for our Saskatchewan investors. And we would feel that the Government of Alberta, if they are found to be responsible, they should be reimbursing our investors in the same way that they have been in the past.

Ms. Smart: — Mr. Minister, you were the one, when you first stood up, that decided that you would correct me and say that I didn't understand the difference between a Principal Trust and the two investment corporations, Associated Investors and First Investors. And you have made the same mistake yourself when you try to compare Pioneer Trust with the situation here with First Investors and Associated Investors, because Pioneer Trust was organized under the Trust Companies Act, and these are companies that were regulated by The Investment Contracts Act.

The Investment Contracts Act only had three companies listed under it. Your department was directly responsible for those companies. You're quite right to point out that they were not regulated in the same way as Principal Trust, but it is called the Principal Trust affair because those companies operated fraudulently behind a façade of Principal Trust. And so the people that bought those investment certificates were duped into believing — many of them — that they were investing in something that was covered the Canada Deposit Insurance Corporation.

Now another thing that you reveal, Mr. Minister, when you talk about comparing Pioneer Trust and the Principal Trust issue, is that you haven't developed any sensitivity to who has lost their money in this. In Pioneer Trust there were big investors, there were members of the Tory party that had put their money into it, and the bail-out was tremendous in terms of people of wealth.

What we're talking about here are many small investors, Mr. Minister. We're talking about people who went into a Principal Trust office because the interest rates were supposed to be slightly higher than what they were getting at the banks, and they had a small amount of money to invest, and they were hoping to make as much as they could for their old age. That's a way of reacting to old age that we support in our society, that people should try to invest and put money aside for themselves.

And the majority of these people were seniors. That's the truth in Saskatchewan; it's the truth in Alberta. They've had tremendous distress both financially and emotionally because of this collapse. And when you say that so far they've gotten, or will get, 50 to 56 cents on the dollar, you demonstrate to me that you have no awareness of how seniors have to live on fixed, limited pension incomes and the costs that they have to cover.

And when you say that you're just waiting for Alberta to come forward with whatever it may or may not bail out, you're not addressing the concern that we raised before and we are still raising, that you, as the minister responsible for the department that was suppose to look after The Investment Contracts Act, have made no representations directly to the Government of Alberta on

behalf of the people. And also, that you haven't been prepared to trust the Government of Alberta to reimburse these people and so given them the money back now so that they would have some money to live on, so that they would continue to have their money for their old age. You could do that.

You head up the Department of Consumer and Commercial Affairs, and the emphasis of your department is supposed to help the smaller people who get caught in this kind of thing. It's not supposed to help in the same way, with the same compassion, the people who have high risk capital to invest. Obviously we want to help everyone, and I'm not trying to suggest that we don't. But when we have people like my constituent, who saved up \$11,000 over 30 years of working as a cleaning woman, cleaning the buildings in downtown Saskatoon, and put it in Principal Trust and lost it — we have people like that — that's the majority of people we're talking about, Mr. Minister. And I want to to distinguish that reality, and I want you to address the issue of what you're going to do to help the people in the province.

Some Hon. Members: Hear, hear!

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, I would point out to the member opposite that I probably am as familiar with seniors as she is, and I probably know just as many seniors as she does. And while it's true that there were many seniors that had investments with these two companies, I would also point out and like to correct you with regard to what happened to Pioneer Trust. You're indicating that this is only the wealthy friends of this particular government. Well let me point out to you . . .

An Hon. Member: — No way.

Hon. Mr. Meiklejohn: — Well this is what you'd said. Credit unions, the Grey Nuns, the city of Regina, and several charitable organizations, they had money deposited with Pioneer Trust. So for you to stand there in your place and say that this was only bailing out friends of the PC Party is just ridiculous . . . (inaudible interjection) . . . the loose jaw from Moose Jaw over there.

Let me also indicate to you, when you say that these people were duped — and I think that there is all kinds of evidence to point out that in fact, when salesmen were around, that they were not being straight up with the people who were buying these investments. That's clear. But I would point out to the member that when the certificates did come back, it was clearly stated on them that they weren't covered by CDIC (Canada Deposit Insurance Corporation), that the protection wasn't there. So there was some indication.

But I certainly agree with you that there were instances, and there were lots of people after that indicated that some of the information that they had been given was clearly not the case and that they were misled.

Now you say that we've done nothing as far as the province of Alberta is concerned. The province of Alberta then, has simply been handling this money, or handling the assets of these companies, and the money that's been paid out to the investors then has come from the sale of

assets of these two companies.

But we have discussed this on several occasions with the officials in Alberta. I've had several discussions with the provincial treasurer there, who is also their representative responsible for financial institutions. We've also made written presentations to them.

I would also point out that we were very much involved last fall in getting the information sharing agreement signed with the four western provinces, which then led to the signing of this agreement by all provinces right across Canada.

So that now we would expect that if every province lives up to this agreement, that if there is any problems with companies that are registered or for which they have the primary jurisdiction for, that if there's any problem, that this information will be passed on very, very quickly to all of the other provinces, and that's clearly stated in the agreement.

Now one wouldn't quite think, possibly, that maybe if there'd been an agreement such as that — and I don't know why your party didn't bring something like that in when you were in power; you had 11 years to do it — maybe then something like this wouldn't have happened. But that's one of the steps that we have taken, plus the discussions that we have had with those representatives.

So we have made it clear. I've had letters, as you've indicated, from some of the investors, but many of the ones that I have talked to certainly understand what the situation is. They've been kept fairly well up to date, I think, with regard to the Code inquiry. I've had several letters from them, and I've responded to all of them, indicating what our position is, and that as soon as the report comes down in the first part of July, that then our position will be made known. But until that time, we will not be taking any further steps than what we have done.

(2115)

Mr. Koenker: — Very fine, Mr. Minister, that you have an information sharing agreement with the four western provinces, and very convenient of you to suggest that had that agreement been put into place by the New Democrat government, perhaps we wouldn't have these problems, and perhaps the companies wouldn't have collapsed.

Mr. Minister, this problem has nothing to do whatsoever with information sharing among the western provinces. This problem has to do with your failure to regulate and to enforce your own legislation here in Saskatchewan.

You talk, Mr. Minister, about primary jurisdiction, and that this notion is very important to consideration of this matter; that it's a matter of jurisdictional convenience; and that we relied on Alberta, so that you said nothing different was being done by your administration that wasn't being done by the previous administration.

I ask you, Mr. Minister, do you have in your possession the quarterly reports for March 31, 1985 and June 30, 1985 for both First Investors and Associated Investors?

Hon. Mr. Meiklejohn: — Mr. Chairman, I was just looking. You want to ask the same questions you asked last year. If you give me a minute, I'll look for the same answers I gave you because we could save a lot of time, I'm sure, here if you just wanted to just take a few minutes and read Hansard.

What did I indicate to you last year? I indicated to you that these two particular reports were not available, and they are not in our files, okay? Same thing I told you last year.

Mr. Koenker: — Okay, Mr. Minister, you'll admit apparently that you didn't have the two quarterly reports last year. You still don't have them this year. I say something different was being done with The Investment Contracts Act here in Saskatchewan while your government was in power, and that difference was that you were not enforcing section 25 of The Investment Contracts Act of Saskatchewan.

Three companies to regulate under that Investment Contracts Act of Saskatchewan and they were two too many. That was something that was being done that was different.

Something else that was being done that was different was that the 1983 annual report was filed late for First Investors and Associated Investors. That's something new and something different. So it isn't quite accurate to say that simply because you were relying on Alberta as the primary regulator or the primary jurisdiction, nothing different was happening. There was a whole lot different happening here in Saskatchewan, and that is that your predecessors were sitting on their hands.

I'll leave that as it is. And now to get into affairs that are a little bit more contemporary, Mr. Minister, you indicated that there was no need for Mr. Brumlik to be at the Code inquiry. How many days was Mr. Brumlik at Code inquiry?

Hon. Mr. Meiklejohn: — Well, the member opposite, he gets carried away here again talking about quarterly reports and primary jurisdiction and lack of responsibility and all the rest of it. You weren't doing anything different when you were in power than what we're doing today, so don't give me that line again, the same as you did last year. We're not doing anything different whatsoever.

The annual licence was issued each year with the annual report — same way that you did. It was also issued after December 31, and you're saying, well it wasn't received until March. Well how do you get an annual report prepared before a few months period of time has passed? The same thing when you were in power.

It seems to me last year we had that information for you as to when all of the reports were filed when you people were in power in the 1970s, and yet you issued the licence, in some cases, even before the end of December. So don't give me that line about when we were issuing licences and what we were doing it for.

The other thing — you're talking about Mr. Brumlik. Mr. Brumlik was there; there were other representatives there as you well know. There were two lawyers that were

appointed by the government of Alberta, I believe, to represent all of the investors. I've given you those names before. Brumlik was always available on call. He was available for the Queen's Bench and also for the Court of Appeal. Other than that, there was no need for him to attend. We had an observer at the hearings every day that they were being offered there in Edmonton. So we had the information available to us all the time, plus the investors were well represented.

Mr. Koenker: — Was Mr. Brumlik in attendance at Code any given day?

Hon. Mr. Meiklejohn: — No, he was not there on any particular given day because it was suggested he need not be there; there were two other representatives. And you've got to keep in mind that all of this cost money, and we had an observer there, as I indicated, plus two lawyers that were there acting on behalf of the investors.

Mr. Koenker: — And what retainer did you pay to Mr. Brumlik for his services?

Hon. Mr. Meiklejohn: — Mr. Brumlik was hired by the Department of Justice, so I would suggest that you'll have to ask them the question then when they're in estimates. We don't have that figure.

Mr. Koenker: — Did you ever consult with Mr. Brumlik yourself, Mr. Minister? To your knowledge, was Mr. Brumlik paid anything by the Department of Justice?

Hon. Mr. Meiklejohn: — Yes, he was on a retainer and he represented us in the Court of Queen's Bench and in the Court of Appeal.

Mr. Koenker: — Mr. Minister, you mentioned that you did have an observer at Code, and this observer was at all of the sessions at Code. Who was this observer?

Hon. Mr. Meiklejohn: — The observer was Al Higgs, who is the member sitting here beside me.

Mr. Koenker: — And who did Mr. Al Higgs work for as he attended the Code inquiry?

Hon. Mr. Meiklejohn: — He was an adviser to our department and also to Justice.

Mr. Koenker: — And what was Mr. Al Higgs paid for his services while he was at the Code inquiry?

Hon. Mr. Meiklejohn: — He's a consultant with the government. He was paid his normal salary of \$60,000 a year — that's normal for anyone with his credentials — plus living expenses when he was there.

Mr. Koenker: — What are Mr. Al Higgs' credentials for such a position, Mr. Minister?

Hon. Mr. Meiklejohn: — His credentials are former ADM (assistant deputy minister) for Consumer Affairs and also the acting superintendent of insurance.

Mr. Koenker: — When was Mr. Higgs the acting superintendent of insurance, and when was he the ADM,

as you said?

Hon. Mr. Meiklejohn: — The time that he would have served in those capacities would have been around 1983-84. And I would also point out Mr. Higgs is a permanent employee of the Government of Saskatchewan.

Mr. Koenker: — Mr. Minister, can you tell us what the sum total of his expenses were while he was at the Code inquiry in Edmonton.

Hon. Mr. Meiklejohn: — Some of it would have been included in information you already have, but we'll find the rest of it for you and send it over.

Mr. Koenker: — You'll send over then the sum total of the costs for having Mr. Al Higgs at the Code inquiry, both with respect to his salary and with respect to his expenses and travel. Will that be here for tomorrow?

Hon. Mr. Meiklejohn: — We'll do our best to have it for you tomorrow. But I would point out that his salary . . . I've already indicated to you what his annual salary is, but the expenses, we will try and have that for you for tomorrow morning.

Mr. Koenker: — Mr. Minister, how often did Mr. Al Higgs report either to yourself or to the Minister of Justice from Edmonton?

Hon. Mr. Meiklejohn: — Generally daily, but certainly a minimum of two to three times a week.

Mr. Koenker: — Mr. Minister, how often did Mr. Al Higgs report to the investment contract holders of Saskatchewan?

Hon. Mr. Meiklejohn: — He didn't report to them at all.

Mr. Koenker: — And why would that be, Mr. Minister?

Hon. Mr. Meiklejohn: — He was acting on behalf of the government. I don't know why he would be reporting to all of the investors in this particular case. There was a lot of information certainly that was in the media every day, in so far as what was happening at the hearings. But other than that, I don't imagine that he even had all of the addresses of all of the investors in Saskatchewan.

Mr. Koenker: — Mr. Minister, how often then . . . I can understand that, perhaps — perhaps. How often then has the government communicated the information that it secured from Mr. Higgs? How often has the Government of Saskatchewan — your department or the Minister of Justice — communicated with investment contract holders in Saskatchewan?

Hon. Mr. Meiklejohn: — We don't have a full list of all of the names and addresses of all of the investors in Saskatchewan, but as I indicated earlier, anyone who has written to me or to my department, I have responded to.

Mr. Koenker: — And, Mr. Minister, that's commendable, that's wonderful that you will answer your correspondence. Did you share any of the information

that you received from Mr. Higgs in other communiqués to those people who wrote you, quite independent of answering their original letters?

Hon. Mr. Meiklejohn: — No, I did not, because Mr. Higgs was there acting on behalf of the department and the Department of Justice.

Mr. Koenker: — Oh! How very interesting that you can have a government employee there, paid \$60,000 a year plus expenses, to report to the government and not to report to the people of Saskatchewan. And to this day the people of Saskatchewan have not heard one word from your department or from the Minister of Justice, and I think that's contemptible. That shows contempt for the people of Saskatchewan.

Mr. Minister, it was your Minister of Justice who said, on the day that he talked about the appointment of Mr. Brumlik in this Assembly on September 1, 1987, who said:

With regard to the information obtained by counsel in the province of Alberta, obviously we would hope to have full disclosure. It would depend on the circumstances, whether it's privileged information or not, but our hope would be to give as much information to the Saskatchewan depositors and investors as possible to help them, in any case.

(2130)

That was your Finance minister — I believe I said Minister of Justice earlier. No, it was the Finance minister who said that on September 1, 1987.

Now how do you explain that, Mr. Minister, when the Minister of Finance can get up and talk about retaining legal counsel, Mr. Brumlik, with the expressed intention of providing full disclosure to the people of Saskatchewan, and you stand here tonight and tell us that nothing has been communicated to the people of Saskatchewan, deposit holders, or investors, other than the fact that you can answer your own letters. Any donkey can answer their own correspondence, but it takes a government that cares about people who will go one step further and share information with depositors who are affected by the very government that fails to enforce its legislation.

Some Hon. Members: Hear, hear!

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, the only comment I would have to the member opposite, that he likes to come out with all these wild-eyed statements. And you can call me whatever name you like. I might have a few for you as well, but they might not be acceptable in this House.

Let me point out to you that the investors had two lawyers acting on their behalf which could send out information to them. There was also a committee that the investors had appointed which could send out information to them. There were media stories every day going out as long as the Code inquiry was going on.

Don't stand there in your place and try and tell me that the investors in this province didn't have information as to what was happening with the Code inquiry. That's just ridiculous. And that just goes along with some of the other ridiculous statements that you like to make.

Let me point out to you and others that are in this House at this time, and any who might be watching on television, because you don't seem to understand over there what or how complex this whole Code inquiry has been. Even though you visited it and saw what was going on there, you still haven't got the message as to how complex it was, but that doesn't surprise me.

Keep in mind that Alberta, again, was the primary regulator. You haven't got that message into your head yet. The hearings sat for 207 days — 207 days — plus many court hearings. There were 157 witnesses examined — 157; 637 exhibits, some that were over 2,000 pages in length; 38,000 pages of transcript — 38,000, that is. That's a pretty big number, but I hope you can get it; 5.7 million words of testimony during all those 207 days that this inquiry was going on. It began on October 14, 1987; it finished February 21, 1989. When the report comes down on or about July 6, we may very well have a lot of answers to questions that all of us would like to know.

But you like to carry on over there, making all of these wild-eyed statements which really don't have a heck of a lot of relevance to what we're really dealing with here.

Mr. Koenker: — Mr. Minister, do you think that it may have been helpful for legal counsel at Code to have questioned Mrs. Connie Osterman when she was on the stand in September of last year?

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, as I understand it, the minister that the member is referring to was cross-examined by somewhat in the neighbourhood of 12 other lawyers. Now I can't really see any significance in her being cross-examined by one more.

Mr. Koenker: — Well given your previous responses to this situation, it doesn't surprise us that you can't see any reason, Mr. Minister.

Your colleague, again the Minister of Finance, in talking about representation, the province of Saskatchewan's representation at Code, talked to the press on August 14 of '87 about the different areas, the many different areas a Saskatchewan-appointed lawyer would probe. These included, according to the press report that I have in front of me, the Saskatoon **Star-Phoenix** of August 15, and I quote:

These include finding out if Alberta fully informed the Saskatchewan Consumer Affairs department when it cancelled the licences of the companies; if the Principal Group companies had different rules of operation for offices in different provinces; and if investors in different provinces were dealt with differently.

That was the logic for having a lawyer at Code with full

legal status for representation with cross-examining privileges. I'd ask you, Mr. Minister, if you can tell me if the Alberta government fully informed the Saskatchewan Consumer Affairs department when it cancelled the licences of the companies. Was there full disclosure at that time?

Hon. Mr. Meiklejohn: — Well I'd point out, Mr. Chairman, that that's why the Code inquiry was set up, was to find out that information. The only information that we had, which was the latter part of June in 1987, was that the province of Alberta was cancelling their licences, and we cancelled ours a couple of days later.

Mr. Koenker: — Now we know why Code was set up. What we want to know is if in fact there was full disclosure by the Alberta government to the Saskatchewan Consumer Affairs department when it cancelled the licences of the companies. Was there full disclosure?

Hon. Mr. Meiklejohn: — No, we did not have full disclosure, as I indicated to the member. The only information we had was that Alberta was cancelling their licences.

Mr. Koenker: — Well then, Mr. Minister, don't you think it might have been appropriate to have had legal counsel representing you with rights to cross-examine Miss Osterman when she was on the stand in September of last year?

Hon. Mr. Meiklejohn: — As I understand it, the lawyer Mr. Brumlik indicated that there was no need for him to be there for cross-examination because she was already going to be cross-examined by about 12 other lawyers.

Mr. Koenker: — And to this day we don't know — do we? — whether there was full disclosure to the Government of Saskatchewan. The case I'm making, Mr. Minister, is quite simple, that if you had had Mr. Brumlik doing more than picking up a cheque on a retainer system, we might know the answer to that question tonight.

Mr. Minister, can you tell us if the Principal Group of companies had different rules of operation for different offices in various provinces?

Hon. Mr. Meiklejohn: — Mr. Chairman, is the member opposite suggesting that the two Queen's Counsel that were appointed to represent the investors were not competent, and that the other lawyers that were there were not competent?

Mr. Koenker: — Mr. Minister, I'm asking you questions here tonight. You aren't questioning me. That time may come after the next election, but for tonight I'm questioning you and I'm asking you: do you think that there might not be some reason to have legal counsel at Code to cross-examine Miss Osterman with a view to finding out whether there was full disclosure to the Government of Saskatchewan, the Department of Consumer Affairs, by the Alberta government when it cancelled the licences of FIC (First Investors Corporation), AIC (Associated Investors of Canada)?

Hon. Mr. Meiklejohn: — Mr. Chairman, I'd point out that the Code inquiry cost the province of Alberta in the neighbourhood 20 millions of dollars, and for us to duplicate that type of thing here in the province of Saskatchewan would have really been a waste of money.

Everyone that was involved with this case advised that it wasn't necessary for Mr. Brumlik to be there to cross-examine Ms. Osterman. You indicate that he was picking up his cheque. Well, so he was on a retainer, but it would have cost a heck of a lot more had he been there on a daily basis doing what you're suggesting, because there were already several lawyers there that were doing it.

Mr. Koenker: — Mr. Minister, it isn't a matter of nobody suggesting that Mr. Brumlik wasn't necessary at Code. Your own Minister of Finance said to this Legislative Assembly on September 1, '87 and on August 14, '87 that it was necessary to have legal counsel at Code with full representational powers to cross-examine witnesses.

It was your Minister of Finance who said expressly to the press on August 14, in talking about this matter, that there were many areas that this Saskatchewan-appointed lawyer would probe, would need to probe, precisely because this host of other lawyers might not deal with Saskatchewan specific concerns.

Now you talk about two lawyers representing the investors at Code. Mr. Minister, I was there. I wager to say I spent far more time at Code than you did, and I can know from firsthand experience there were more lawyers at Code than you could report. In your litany of statistics, I'm not sure whether you did share the precise number of lawyers who were at Code. But it wouldn't have hurt to have had a lawyer representing the interests of the Saskatchewan depositors, rather than an observer representing the interests of the Government of Saskatchewan. But that was your choice. That was your choice and the choice of your Minister of Finance — to send an observer there to protect the hide of your government and your Premier; to cover up your negligence; to report whenever the opposition critic was there at Code; to pick up the phone and run out out in the hallway and to say that the opposition is here, you better know about that.

And meanwhile, you couldn't have the decency to protect the interests of Saskatchewan people, not just the depositors but the taxpayers of Saskatchewan; to cross-examine Ms. Osterman, one of the key witnesses. You talk about the principal regulator and regulatory responsibility, the principal jurisdiction, jurisdictional responsibility, and when you have the opportunity to question that key jurisdictional representative, the person that was responsible for pulling the plug in Alberta, that's too much for you to be bothered with. That's too much to ask.

Sure, you can have someone there protecting your own hide and the Minister of Finance's hide and reporting back little political snippets and tales, but you can't cross-examine key witnesses in defence of not just Saskatchewan investors or depositors, but in defence of Saskatchewan taxpayers. Why couldn't you have done

that — that one thing — had Brumlik go on one occasion even. Why was that so much to ask?

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, the member opposite doesn't seem to understand that the two lawyers, one of which was a Queen's Counsel, was appointed to represent all investors, not just the ones in Alberta but all of those in Saskatchewan too — two lawyers plus a whole team of other lawyers behind them.

You're indicating about cost to the taxpayers of Saskatchewan. Well who do you suppose would have been bearing the cost of Mr. Brumlik's fees, then, had he been there every day that you had suggested and there for cross-examining Miss Osterman? There were already a whole raft of lawyers that were there, including the two that were the representatives for all investors, and yet you're now suggesting there should have been another one there.

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At the outset, no one ever anticipated that this inquiry was going to go beyond maybe two months. Nobody could have ever dreamt that it was going to go the length of time that it did. So there were some changes, certainly, from the very outset to what happened as time went on.

But you seem to forget that the two lawyers then were appointed to represent all investors. There was really no need then for another lawyer to be there, costing the taxpayers of this province a little bit more money.

Mr. Koenker: — Mr. Minister, can you tell me what the Nova Scotia government has done with respect to the managership fees for Coopers & Lybrand for Nova Scotia investors?

Hon. Mr. Meiklejohn: — To our knowledge the province of Nova Scotia and any of the other provinces where investors lived have not paid any money out to the investors.

Mr. Koenker: — Mr. Minister, I'm surprised you don't know that the Government of Nova Scotia has paid money toward the managership fees, the Coopers & Lybrand managership fees, for Nova Scotia residents. Are you not aware of that?

Hon. Mr. Meiklejohn: — We're not aware of that.

Mr. Koenker: — Well, Mr. Minister, do you think that would be a good idea? Do you think that was a good thing for the Government of Nova Scotia to do, and do you think it might be a good idea for your government to consider?

Hon. Mr. Meiklejohn: — Mr. Chairman, I would point out to the member opposite that we do not have any knowledge of whether Nova Scotia has paid out any management fee. We have maintained from the outset, and we still maintain that, and we will continue to maintain that until the 6th of July, or whenever the Code inquiry report comes down, that the province of Saskatchewan is not going to be committing any money to the investors until the Code report is down.

Now the investors that I have corresponded with and have talked to understand that fully. They know then that no decision is going to be made until the Code inquiry comes down, so we haven't changed our position from that.

Mr. Koenker: — Not surprising, Mr. Minister, that you wouldn't know what's going on in other jurisdictions that might be pertinent to Saskatchewan people, because then you might have to answer for it. Ignorance is bliss.

Mr. Minister, can you tell us what the Government of Alberta has paid to Alberta depositors with respect to the Coopers & Lybrand's managership fees?

Hon. Mr. Meiklejohn: — Well, the province of Alberta has paid out around \$4 million, and that was something that they announced just a short time ago. We have indicated to them that we're very disappointed that they have not included all investors, as they have in the past. We cannot understand why they have chosen to discriminate against investors from other provinces, because up until this point in time they have been treating all investors equally, no matter where they lived, and we maintained that they should be continuing to do that.

At this point in time, they have paid out an average of less than 2 cents per dollar for the management fees.

Mr. Koenker: — Mr. Minister, have you shared your concern over this fact with your . . . to your Alberta colleague or counterpart?

Hon. Mr. Meiklejohn: — Yes I have, verbally and in writing.

Mr. Koenker: — Could I have a copy of that letter?

Hon. Mr. Meiklejohn: — We'll get it for you.

Mr. Koenker: — Could I have a copy of that letter for tomorrow, or even tonight?

Hon. Mr. Meiklejohn: — We don't have it here tonight, but I'll certainly give it to you tomorrow morning.

Mr. Koenker: — Well, Mr. Minister, what we have here is another situation where it's too much to ask you and your colleagues — your government — to do anything for the people of Saskatchewan.

The Government of Nova Scotia can give a little over \$200,000 — I might as well share that information and enlighten you. This was back in November, in the fall of '87. They could pay out two and a half to 3 cents per investor to help with the managership fees for Coopers & Lybrand. And now, more recently, the Government of Alberta can pay out \$4,030,280.

Are you prepared to pony up some money, on behalf of Saskatchewan depositors, to do one constructive thing to assist them? And not to pay off their deposit, we know you won't do that, but can you do one thing that's right? Can you say here tonight that you will cover that managership fee for Saskatchewan people?

Hon. Mr. Meiklejohn: — I've indicated to the member opposite that we are not going to be doing anything until the Code inquiry report comes down. You seem so intent on the government doing this, and the taxpayers of Saskatchewan becoming involved in this.

Let me point out, let me point out comments that the member from Quill Lakes made back in 1985 with regard to Pioneer Trust. And you're indicating now, this is obviously a change in policy of your party, because the member from Quill Lakes indicated at that time:

Most of the people of this province had nothing to do with Pioneer . . . (inaudible interjection) . . .

Well, Mr. Chairman, the individual from Moose Jaw, the loose jaw from Moose Jaw, can have his opportunity to ask questions if he likes.

This is what the member from Quill Lakes indicated:

Most of the people of this province had nothing to do with Pioneer Trust, and they're being called on to ante up.

Now I would point out to you that if this is a change in policy of your party that you're now asking the taxpayers of the province of Saskatchewan to ante up. And certainly many of them did not have any involvement with these two particular companies.

Now when the Code report comes down, and if the province of Alberta has found that they are negligent, we would expect that we would hold them to the words of the Premier and the Minister of Finance that they would be reimbursing those investors for money that they have lost during this particular event.

Mr. Koenker: — And, Mr. Minister, does that include the Coopers & Lybrand's managership fees?

Hon. Mr. Meiklejohn: — We would presume that that will also include the management fees.

Mr. Koenker: — You would presume that, but will you argue that, Mr. Minister? Will you stand up and argue that on behalf of Saskatchewan depositors?

Hon. Mr. Meiklejohn: — Well I've already argued it, but I will continue to argue it, definitely.

Mr. Koenker: — What would that total be, Mr. Minister? What would that cost the public purse to cover those Coopers & Lybrand's managership fees?

Hon. Mr. Meiklejohn: — Based on what Alberta is doing, where it was just under the 2 cents on the dollar, it would amount to somewhere in the neighbourhood of \$921,000. But I would point out again that we certainly maintain that Alberta has a responsibility for this, so we're certainly not going to be putting out this amount of money now. We would expect Alberta to treat the Saskatchewan investors in the same way that they have treated all other investors in the past.

Mr. Koenker: — Mr. Minister, if you had the resolve to deal with matters in your own backyard, such as the Joytec venture capital money that's gone — \$1.125 million — that could easily pay out the Saskatchewan depositors' portion of the Coopers & Lybrand managership fees.

If you, as the Minister of Science and Technology and Consumer and Commercial Affairs, could have given this much scrutiny to GigaText, you might have saved the taxpayers of Saskatchewan \$5 million.

And if you had the decency to speak up against an inane Future Corporation birthday party bonanza at \$9 million, you could pay the managership fees of Saskatchewan depositors nine times over.

Why don't you speak up for what's right? Why don't you get your priorities straight and protect Saskatchewan people when they need your help? You are the man in the position to give it. Why don't you do it?

Some Hon. Members: Hear, hear!

Hon. Mr. Meiklejohn: — Well would you like us to do Science and Technology estimates tonight as well, because you are just totally out to lunch when you start talking about the venture capital money with Joytec, that it's gone. It is not gone, you know that. If you just take a little bit of time to check into it, you'd understand that that money is not gone; that money is not gone. They're not required to pay it up for another two years, but that kind of information is all available. If you want to ask me that at any time I'll be happy to give it to you.

How many visits have you had to GigaText? You're the critic for Science and Technology. You haven't even been down there to see what they're doing.

An Hon. Member: — We'll be there Monday.

Hon. Mr. Meiklejohn: — We'll expect you to be there Monday, all of you. The other thing, you still obviously . . . and as the critic for Science and Technology, it really amazes me that you have not yet grasped the objectives of the Future Corporation. Maybe you need to go and spend a little bit of time there. I give you credit for the fact that you generally have taken a solid interest in the high-tech industry in this province. Why don't you go and spend a little bit of time with the Future Corporation and talk to the people over there?

And this idea — you talk about a birthday party. You'll find that you're totally out in left field, so why don't you go there and spend a little bit of time?

If you had your way here, from what I hear, you would have the government of the day pay out this amount of money totally. That's what you'd have us do. Now yet that's not what you felt back in 1985 with Pioneer Trust. We feel quite strongly that the government of Alberta is responsible and that they should be paying.

And yet again, the member from Quill Lakes didn't feel that that was the case in so far as Pioneer Trust was concerned; he felt that the Saskatchewan government

should only pay out residents of Saskatchewan. This would, of course, support the argument then that the Province of Alberta, even if they are responsible, should only pay out the investors in the province of Alberta. We don't agree with that.

We feel that they had primary responsibility for those companies; they have treated them equally up until this point in time with any moneys that have been paid out, and they should continue to do that. And if they are found that they have been irresponsible in the regulation of these companies when the Code inquiry comes down, they should continue to pay out the investors with the sale of the assets until these people have been fully compensated.

Mr. Koenker: — Mr. Minister, and if the Saskatchewan depositors aren't paid the management fees for Coopers & Lybrand by the government of Alberta, as you claim they should be, will you then make good on that payment for Saskatchewan depositors?

Hon. Mr. Meiklejohn: — We'll cross that bridge, Mr. Chairman, when we come to it. And when the Code inquiry has come down then the decisions will be made.

The committee reported progress.

Hon. Mr. Hodgins: — Mr. Speaker, before the adjournment this evening I would seek leave of the Assembly to make a change on a committee of only our members here, just switching a couple of members back and forth — one member back and forth.

Leave granted.

MOTIONS

Substitution of Names on Committees of the Assembly

Hon. Mr. Hodgins: — Mr. Chairman, I move, seconded by the member for Redberry, by leave of the Assembly:

That the name of Mr. Swenson be substituted for that of Mr. Andrew on the list of members comprising the Special Committee on Regulations.

Motion agreed to.

The Assembly adjourned at 10:03 p.m.