

EVENING SITTING

COMMITTEE OF THE WHOLE

**Bill No. 22 — An Act to establish the Saskatchewan
Communications Network Corporation**

Hon. Mr. Lane: — Thank you, Mr. Chairman. Seated beside me is Bill Bruce, chief executive officer of SCN (Saskatchewan Communications Network) and behind me, Bob Hersche, director of operations of SCN.

Clause 1

Mr. Trew: — Thank you, Mr. Chairman. Minister and officials, welcome to the SCN Bill.

Minister, I want to start by expressing my dismay that your government has taken what should essentially be a non-controversial Bill, in other words, a non-political Bill, and made it partisan politically.

I see the minister wondering what it is I am saying. Well, Minister, you had a Bill last year to set up the distance education network — you called it SCAN (Saskatchewan Communications Advanced Network) last year — and that Bill died on the order paper. Then you wound up creating SCN by order in council, setting it up, selecting the sites for some of the distance education. And you did that, sir, with the board in place being none other than five cabinet ministers, five members of the Legislative Assembly, all of them government members, and no other input on the board of directors. So I want to start by saying, you've got that strike against SCN.

Now the good news about SCN is it fills a void in distance education and that we welcome. On this side of the House we think that that's a good move. We hope it works well. We wish SCN the very best in distance education.

We're a little bit concerned with the potential for propaganda, and in fact, we've already seen that. The Premier has used his own private — or public — television network, if you like, to do some politicking. And I don't think anyone would in their wildest dreams describe that as anything other than blatant political usury of this television network.

Minister, on page 5 of the Bill, I see that the chief executive officer and the secretary to the board are both named by order in council. In other words, there's no public input. But then you go on and describe how all employees do not have to be hired through the Public Service Commission or through a more normal hiring process.

You have in fact created a little fiefdom of SCN, where SCN can quite literally fill it full of whoever they want. For the sake of argument, let's say you could fill SCN plumb full of none other than political hacks, and there's very little that can be done to prevent that under the terms of this Bill.

Why is it, Minister, that you have set SCN up so that all of

the hiring is done by order in council?

Hon. Mr. Lane: — With the greatest respect to the hon. member, that's not the case. If you'll check section 12(1), it's the board that does this. Let me just clarify the board. The member is correct when he says the present board consists of members of the Executive Council. Understand that there has to be an independent board before our application can be filed before the CRTC (Canadian Radio-television and Telecommunications Commission) under their regulations. Any distance education or communications network established by a government under CRTC regulations must have an independent, arm's-length board. So certainly cabinet was the board to get it up and set up, but before we make our application to the CRTC, there must be an independent board appointed. But again if you refer back to 12, it's the board which will be independent when we make our application before the CRTC because of their regulations. But certainly we did at cabinet for start-up.

Mr. Trew: — Certainly I see that in section 12, but in section 13 I see, and I quote, subsection (1):

Notwithstanding *The Public Service Act*, the corporation may:

(a) employ any employees that it considers necessary for the purposes of this Act; and

(b) fix the remuneration, assign the duties and determine the terms and conditions of the employment of its employees.

And that's very clearly stated that that is done notwithstanding what I will refer to as more normal hiring practices. It is done at the pleasure of the board of directors.

We've seen SCN operate for some 17 months now, not 17 weeks, 17 months with five government MLAs consisting — that's what the board of directors comprises — five government MLAs. And you tell us that after 17 months, well you're going to some how make it non-political. It's just difficult for us to believe that, given the actions of the government, of your government, and given the actions of SCN over the past 17 months, quite frankly. It's been operating 17 months. The board of directors has been named. The funding has been started coming from the province of Saskatchewan at that time.

And again I point out . . . I mean, you correctly point out, Minister, that section 12 refers to the make-up of the board and that is appointed by order in council, but I'm suggesting to you that section 13 deals with the hiring of all other employees. Those employees are hired at the pleasure of the board, and the board serves at the pleasure of the government; ergo, the government can fill SCN full of employees. I see you have a response to that, and I would be most interested in hearing it.

Hon. Mr. Lane: — I'm going to explain to the hon. member a couple of criticisms. You said earlier that the site selection was political. In fact, the sites were selected, the old STELLA (Saskatchewan Tele-Learning

Association) sites. So if you're saying they're political, then you have to look at the previous government, as a matter of fact, if that's the case. That's not the case.

Secondly, you can't stand up here and say that although it's been operating for 17 months that it's been political. I don't think that that's fair. And I've got to advise the hon. member, you don't set up what I believe to be one of the most advanced communication networks anywhere in the world overnight. And it's been a difficult process.

I'll indicate a couple of areas where . . . a couple of policy decisions we made, one in particular, which will impact on section 13. We made the decision at the outset because SCN is not only distance education. We wanted to take the opportunity based on the telecommunications network that Saskatchewan has in place to be able to use that network for all sorts of people across the province. Corporations can use it for training programs. Professionals can use it for training programs, and I could go on. It's not only distance education. Okay? So it's more broad than, say, Access Alberta or TVOntario. And it's got the potential for two-way interactive television because of the network that we have in place in Saskatchewan. So it's far more advanced than what is being done elsewhere.

The second policy decision we made at the outset was we were not going to do it in-house. We believe that there is an opportunity with the development of this network to build an industry around it. And in order to build that industry around it, we had to make sure that it wasn't being done in-house. To date I'm advised that since SCN got started, I believe it's 35 production houses have started up in the province. Not government ones; people involved in the industry.

The industry tells us that this is the only province in the country where people involved in the communication, the arts, the cultural development, the programming, are coming into a jurisdiction because of SCN. That will mean, because we made the policy decision not to do it in-house, that from time to time there will have to be contractual arrangements made with some of the experts — be it children's program, be it whatever. And so the board has to have that flexibility. And rather than have a system where it's all done in-house, this was a deliberate policy decision. I've given the reasons for it. You may disagree with the reasons. I believe they're sound; I believe that we're seeing the success.

And I believe it fair to say that the people that are out there now developing this new industry in Saskatchewan are writing in support of SCN and its concept. They're not standing up and saying, oh, it's just political. They're very pleased with the way it's going. Certainly everybody would like to have it done 17 months ago, but that's frankly not realistic. I believe the interest we're starting to see from other provinces and the United States in what we're trying to do here that this will be the most advanced system anywhere in the world. So those are the policy decisions that led up to the need for flexibility which lets them do short-term hirings under section 13.

And again, it's the board that hires the CEO (chief executive officer). I mean we can debate this. I've told

you what the CRTC regulations are, that it must be at arm's length; that applies to other provinces — Ontario, Alberta, whomever; that it's set up by educational television. In order to get your licence, CRTC must approve the board and it must be at arm's length from the government, and independent.

Mr. Trew: — Minister, you talked about the site selection and it being the old STELLA sites. I had a representation to me from a town in Saskatchewan that wanted to be considered as a site for the SCN operation. That town is in the Souris-Cannington constituency.

An Hon. Member: — Is it Carlyle?

(1915)

Mr. Trew: — No, it's Redvers. The people there informed me that they had contacted the member, who was also . . . the member for Souris-Carrington who also was responsible for SCN prior to his resignation. They were applying to him in either capacity; take your pick.

What they were really saying is: all we want is a chance to make the representation. Now the time for that has gone by because as I understand it Carlyle is one of the sites. I'm just expressing my dismay, on behalf of those people that I spoke to from Redvers, that they never got — not only to first base; all they really wanted, Minister, was an opportunity to have their day with whoever was responsible for making the decision.

They simply wanted to know what are the ground rules. They had put together what, in my opinion, was a very good presentation. They had a fairly significant number of arguments why Redvers should be selected and they were quite frank with me. They said, this doesn't guarantee us we would get the site chosen. But they did feel it would at least guarantee that their expression of interest was listened to, and the last time I spoke with them that simply had never happened. So I'm more than a little frustrated by that.

How was it again that the sites were selected? And if it was simply the old STELLA sites, would you table the document that listed the old STELLA sites from the old STELLA information and then we can see that all of the sites are the same. But how was it, Minister, that the sites for the SCN distance education were chosen?

Hon. Mr. Lane: — Well there are a number of communities that obviously weren't chosen. I do find it difficult when you say that it's all political, and here it's one riding in a Tory seat that doesn't get a site. And it's political if a Tory doesn't get it and it's political if a Tory gets it. So I'm a little confused by your earlier statements.

Having said that, the Redvers situation, as in all cases, the board took the list of centres presented to it by the local regional colleges. Each college presented 10 locations in order of their priority. Okay? So it's up to them.

Because of budget limitations we can't supply them all and we hope over time that they're all included. That's the objective. But because we couldn't get them all, we took the first three communities identified by each

regional college. Now quite frankly I was a little upset in the Redvers situation, and so wrote to them stating that the choice was the regional college as to which three sites were to be located in that area.

And I don't think that resolved it, but I gather someone down there was, frankly, avoiding their responsibility, having participated in the decision, advised Redvers that he hadn't participated in the decision, and we have brought that to the attention of the local people down there as to how the choice was made.

Again I'll supply the information on the STELLA sites, and I'll give you what information we can on sites if we've got, you know, target dates as to when other sites can be chosen. But in all cases it was the community colleges, the regional colleges, and they all submitted 10 in order of priority. And in all cases it was the first three because we couldn't, for financial reasons, budgetary reasons, supply them all.

Mr. Trew: — Minister, would you share with us, table the situation, letters, and information regarding Redvers, and the list particularly, that the regional college submitted to you? Because what you're saying is that regional college submitted 10 and you chose the first three.

An Hon. Member: — Their first three.

Mr. Trew: — Their first three, in order of priority. And that was not, at the time I spoke with the people from Redvers some time ago, that was not their understanding. So I'm simply trying to confirm that. If in fact Redvers was fourth or further down the list, then that will take care of the Redvers situation. I see you nodding so I'm going to . . . (inaudible interjection) . . . You want to respond, fair enough.

Hon. Mr. Lane: — I'll certainly give the correspondence that I've had with regard to Redvers, and theirs. I have no problem supplying the list given by the local regional colleges; I would ask for their okay first. I don't think that there would be a problem. I don't think that's my place to give that, but if they don't have a problem I certainly have no problem with giving you that information.

Mr. Trew: — Okay. And further to this, Minister, because I suspect that the Redvers situation won't simply disappear, can I have your undertaking that you and I communicate about that back and forth, and we'll try and resolve this situation. I see you nodding. Thank you, Minister.

Hon. Mr. Lane: — Well, I'm not sure that we can resolve it. Frankly we had a situation where one of the officials involved in making the decision down there was trying to have it both ways of running and saying that you should have it. I called that to their attention down there because I was, frankly, a little upset with that type of approach. All the other situations, they were up front about what they were doing, and made it clear to the local people that they had made their priorities and they were standing by them.

We had one exception and I thought it was a little unfortunate. But yes I'll be glad to stay in touch with you over the matter, and I've basically communicated that

down there.

Mr. Trew: — Okay, thank you, Minister. You mentioned earlier some comments about the production houses welcoming the SCN and I concurred. That's what they're telling me too. They think this is an opportunity to do some further work in their chosen field.

My question is: when you're doing production does that — I know it's not in-house; it's all pieced out — does that go through an agency or is it direct from SCN to the various production houses?

Hon. Mr. Lane: — There's no agency.

Mr. Trew: — Okay. Minister, section 15(2)(i) talks about “. . . extra-provincial powers and rights and exercise its powers beyond the boundaries of Saskatchewan . . .” Can you tell us what it is that you are contemplating operating SCN outside of Saskatchewan? Tell me what was envisaged when that particular section of the Bill was drafted.

Hon. Mr. Lane: — We're sharing programs and joint venturing with say . . . or will be able to joint venture with . . . access Ontario, for example, or . . . I'm sorry, Access Alberta, TVOntario. Any of those type of networks, we want the power to be able to contract and joint venture in development and programming.

Mr. Trew: — Thank you, Minister.

Hon. Mr. Lane: — We're also sending K to 12 programming to Yellowknife already. So we need that power to do interprovincial . . . carry on interprovincial activities.

Mr. Trew: — I gather that would be by agreement of the Government of the Northwest Territories.

Minister, section 16 of the Bill, subsection (5), deals with the valuation of American money, and it says an American dollar is worth a Canadian dollar. The section before, as I understand, it simply says that the corporation can borrow up to \$10 million, and then the section I'm referring to says that may in fact be 10 million American, or something in excess of 12 million Canadian. Why would you choose to write an American dollar as a Canadian dollar? Why wouldn't you simply leave them both the same?

Hon. Mr. Lane: — Well the reason is that we've got the limit of borrowing and they can borrow in . . . say in American currency. There will be changing levels of that. Supposing — and it won't happen but just on the off chance that it was — the 10 million was all borrowed in the U.S., instead of saying that that is over the \$10 million that we have stated here, that for the purposes of interpreting that, it would still be \$10 million. That's the reason for that provision.

Mr. Trew: — Okay. It's interesting that we're now arguing about what I would think should have been a very fine line, because in essence what this will allow is for SCN to borrow \$10 million American which is something well in excess of \$12 million Canadian, so they can net an extra

\$2 million. They can still get up to that limit.

I hear the minister saying that's not the purpose. When there is a fluctuation in the exchange rates, I don't think anybody has gotten that hung up if the Canadian dollar went down 3 cents versus the American dollar and suddenly instead of borrowing \$10 million we were at 10.2 million. I don't think anybody would have gotten very upset. I hear your explanation; I just have to . . . well I'm going to ask. The purpose is not that you can borrow 10 million American and in fact turn it into extra money. As long as I have that assurance, I won't make a big fuss over it.

Hon. Mr. Lane: — No, and I mean for the purposes of the legislation, I mean we could have said \$12 million effective July 1 and varying exchange rate, whatever it may be from time to time, we could have modified this and complexified it. It's simply for the purposes that when they do borrow it's the 10 million limit.

And that's what it has to . . . We have to have some borrowing power stated in the legislation so that the corporation has the legal capacity to borrow, and we put the limit in at 10 million.

Now we could argue whether it should be 9.9 or 10.1. If they do borrow, though, in the American currency, for example, this just takes into account the exchange rate. They still can't use it for another 2 million, and frankly I think even if they did at that level, it wouldn't be much of an issue in the floor of the Assembly.

Mr. Trew: — Thank you, Minister. Moving to section 23, which is the distance education development fee. What that section says is that you are going to be charging every cable subscriber in Saskatchewan a distance education development fee. Every subscriber whether they want the service or not simply has to have it.

Why did you decide to charge cable subscribers this fee as opposed to distributing it in right throughout the piece? We have just under a million people in Saskatchewan. I don't know how many taxpayers we have, but certainly the number of taxpayers would be much wider than the number of cable TV purchasers. So why did you decide to do it that way?

Hon. Mr. Lane: — Well understand that the people that are receiving cable television will be getting probably ten hours of programming every day, continuous, which not everybody else will get. So they will be getting the service 10 hours . . . at least 10 hours every day, as I say, which other people out there not hooked up to cable will not have access to.

To say that the people though that don't have cable aren't paying for this is not accurate. They'll be paying for it when they use the sites; they'll be paying for it as they use that type of programming; people that want to use the SCN network, for example, professions, corporations, whatever, of course, would pay a fee; people would be paying a fee for classes. I could go on and on. It's being paid by several sources.

But the one group that would have continuous

programming of the education and cultural all the time, like I say, the 10 hours a day, would be the cable subscribers. So that's why that component was chosen.

Mr. Trew: — Was there any thought given, Minister, to having the SCN programming as optional for cable subscribers and thereby giving cable subscribers one more option? What thought went into that process?

(1930)

Hon. Mr. Lane: — Well, it is optional for some cable companies, the smaller cable operators. And understand that because of a policy change we made a few years back, we're now getting cable into very small communities out there. It's optional in their case. Yes, they're on the C-SAT cable system, or satellite system. It's optional for the very small ones. It's the larger ones, that have a different licence, that will in fact collect this fee. It's obviously to help fund the program development, to give a stable source of income for program development as well, so those were the reasons. But again, they get 10 hours of programming every day.

Mr. Trew: — Minister, if I were a cable subscriber in what you refer to as a small cable operator service area, if my neighbour also gets cable and my neighbour does not want SCN and I do, is that possible or is it all or none in the case of these small operators?

Hon. Mr. Lane: — It's all or none at those smaller-level cable systems. The option that they have to get the continuing program is to convince the cable operator to supply that programming as part of the service.

Mr. Trew: — So why, Minister, would you allow the small cable operators off the hook, so to speak, from the charge for distance education development fee? Why is it you would let those smaller cable companies and their subscribers, who are certainly as important as the subscribers in the major centres . . . but why would you differentiate and say to the people of Saskatoon and Regina and Moose Jaw, Prince Albert, North Battleford, that you have to pay this fee and yet if you happen to be in a smaller centre, you don't? How could you arrive at that two-tier system?

Hon. Mr. Lane: — A lot of those very small ones simply can't afford it. We put in a grant, for example, of \$2,000 to start up some of those very small cable operators. I don't look upon it — and I'll say this quite bluntly — I don't look upon this as letting anyone off the hook. I happen to believe that this has the potential to be a vital and important service to the vast majority of people in this province. I think it's a fair way to raise money. I don't expect everybody to like it, but certainly I believe that the type and the quality of programming that will go on air — and as I say, we're now very, very comfortable that we can deliver 10 hours every day — that it's a worthwhile service. It's a service that has to be paid for. It's a service that one group benefits more than others because they get the 10 hours.

I don't look upon it as letting anyone off the hook. I believe that this service has a great potential for the people of this province. I think they will see it as a

worthwhile service, and I believe that as well that they think that it's a fair way of building this service up, building the programming up, giving the options of the programming, improving the program development in Saskatchewan, improving cultural program development in the province. All of these things have tremendous potential. And as I say, I don't look upon it looking off the hook. I believe the people at the end of the day will see this SCN and the way that it is being funded as a fair way to fund it at a very reasonable cost.

Mr. Trew: — Well, Minister, you talk about it providing options, and yet you're the one that is deciding who's going to have options. What is the cost for a cable company to get the SCN feed? Is it a flat fee? Is it a fee that is based on subscribers, and is there any initial hook-up costs if a cable company starts getting the SCN programming?

Hon. Mr. Lane: — Basically it costs them nothing as long as they've got a Ku band receiver, which I gather most of them have. They can just pick it off the air.

Mr. Trew: — Then, Minister, I am much more perplexed by your decision to allow the small cable operators off the hook. You are not giving any option to cable subscribers in the major centres.

An Hon. Member: — I'll answer that.

Mr. Trew: — And I see the minister saying he will answer it. Before my speech gets inflamed, I will allow you to answer the question, Minister.

Hon. Mr. Lane: — Understand that what's being required is part of their CRTC licensing. What's being required with the large ones is different than the small one because of CRTC licensing, not something that we do. Okay? That is something that's decided upon by the CRTC, not ourselves.

Mr. Trew: — Based on the application that you submit to the CRTC. Now I need an explanation, because it's your application to the CRTC, and you're saying the CRTC is saying, oh well you can only do this much. So tell me how it is you can have it both ways.

Hon. Mr. Lane: — Well we're not having it both ways. Our application is to set up the system and to be able to broadcast certain types of programs. Their application depends on what they receive. Okay? Two totally different things. And so the CRTC has ruled consistently, I believe, since cable came in. They put higher standards on the ones that have the greater number of subscribers — usually the urban centres, large urban centres — and they generally carry more programming as well. So they get some benefits of that. They can give more options; at the same time they get more requirements. And the requirement that they give a channel for educational television has been a long-standing one.

So there's a difference in the tiers of the licences granted by CRTC. It's not something . . . We get a licence to send, they get a licence to receive, and they have different categories depending on the size of their operation, really, or the number of subscribers. And there's totally

different rules for larger ones than there are for the very, very small ones.

Mr. Trew: — If I can say what I think I heard, Minister, you're saying that if we have a beef, it's with the CRTC for the fact that Regina, Saskatoon, the major cable companies don't have a choice, they simply have to take the SCN, and the small companies do in fact have a choice, because what I hear you saying is that SCN will offer those services.

If they accept those services, they will be paying the dollar a month I believe you set the charge at right now and, of course, they'll be paying whatever the charge is at a given point in history. But you're saying that it's the CRTC that cable subscribers, if they have complaints, it's the CRTC that cable subscribers should go to.

Hon. Mr. Lane: — Understand that on the smaller ones . . . that the big ones will have no choice. The smaller ones, we have the following choice, and we haven't made the decision. We can charge them the fee anyway, based on the number of subscribers. That may, in some cases, some very, very small ones may cause them some real difficulty because they pay a much higher fee.

This gets complicated for another reason: that we have been fighting the CRTC on the charges that it has allowed to be charged the very small communities. So we're trying to get them reduced now, but we haven't made the decision whether we will give them the choice. We may charge them the fee based on number of subscribers; we haven't made that decision. The information I gave you is on my belief that some of them are so very small that it may be a difficulty for them, so we haven't made that decision. We may take that choice away, in which case, if we're going to charge them the fee, they might as well take the service obviously.

We haven't had our meetings with the very small operators yet — many of them community-owned, most of them community-owned, I think it fair to say. And we'll see what the assessment is in each of those communities before we make that decision.

Mr. Trew: — Minister, the fee charged in Regina — I'll use Regina; it's my city — the fee that SCN is charging Cable Regina is based on the number of subscribers. Correct? And therefore what you've admitted in your last series is that you are making, whether you've made it or not, you are making a conscious decision to allow cable subscribers in smaller centres to be able to not pay the fee that you are forcing Regina and the other major centres to pay. Does Cable Regina, Minister, have any choice at all? Cable Regina must accept the SCN programming or not?

Hon. Mr. Lane: — No, they won't. But understand that CRTC . . . There's two questions you ask and I want the hon. member to understand the difference. The CRTC has required of the cable companies for many years that they are to reserve a channel for educational television. They do that in Ontario; they do it in Alberta, Manitoba, or wherever. Okay? So that's one.

What I haven't said: there may be no choice in some of the very, very small ones, which are a totally different

system altogether. Okay? I think it's different satellite system as well, so it's for more isolated communities. They pay a much higher price right now than Regina or Saskatoon per person — considerably higher and generally fewer choices. We're trying to get that down. You get to a limit in this where people will disconnect from cable. Okay? So you have to be conscious of that.

And in some of the smaller areas, it gets very, very expensive per subscriber, and they're paying a very high fee now. We're trying to get that down. If it means that people are going to disconnect in the smaller areas because the fees keep going up, then obviously we need the flexibility. That's all I'm saying to you. So there may be a choice. I'm not, though — I don't want you to interpret it saying that Regina has no choice and they have no choice. In fact, they may not have a choice. We're doing the analysis; we'll be meeting with them to see; we haven't made that decision yet.

But the hon. member should understand that there are considerable differences between those very small communities and that type of CRTC licence than the one that applies to larger centres, not just Saskatoon or Regina, but the larger centres, and the problems are different. They may well not have a choice in the smaller ones.

We want them to take the programming; that's the way we're coming at it. We want as many people in the province to have access to this as possible. But I'm telling you the specific problems. You get a community of maybe 150 subscribers — it may be a problem, and we're . . .

An Hon. Member: — So does Regina have a choice?

Hon. Mr. Lane: — Regina doesn't have a choice, as I said at the outset; Saskatoon won't have a choice; larger centres won't have a choice. And in terms too, remember that the smaller ones may not have a choice depending what decisions we make in our analysis and our meetings with them.

Mr. Trew: — Well, Minister, I can tell you that there is a good and growing number of people in Regina and I suspect in the other major centres that have chosen to disconnect their cable because the price is ever spiralling, ever going up. I know we can debate whether they're getting a good bargain or not, but I can assure you that one of the two of us having this conversation had his cable disconnected because it simply cost too much for what I perceived that I was getting. So to argue that in the small centre, if you have to charge this dollar a month for 10 hours of SCN programming, may cause a disconnect, I can tell you it's happening in the major centres as well.

(1945)

Minister, I want to refer to section 29, subsection (d) which deals with defining, enlarging, or restricting the meaning of any words or phrases used in this Act but not defined in this Act. And that can be changed, any of the wording, by order in council — in other words by cabinet. So cabinet can define, enlarge, or restrict the meaning of any words or phrases used in this Act but not

defined in this Act. In other words cabinet can do whatever they want with . . . well cabinet can do whatever it wants with this Bill.

Minister, what you're saying here is that you're not going to have to come to the legislature if you're making any changes in the Act. Certainly the government is responsible for administering legislation, but what you are saying is that if you decide to change it you don't have to come back before the Legislative Assembly. In other words we don't have to ever get an opportunity to amend or review this legislation. And there may well be some problems with it, that after you've been operating for a year you see. And if that's so — hopefully the government will be different — and we'll bring on the amendments that are required. But I'm curious about why you would give yourself that power.

Hon. Mr. Lane: — It's a standard interpretive fee provision in any statute giving the power to do regulations. Understand that it doesn't apply to section 2, where the definitions are set out. If in the future you've got a word that you think should be defined for all purposes, then you need a House amendment to do that. That's not the practice, and the definitions are the ones that you expect to last for the longest time. They're put in the Act. The other one gives you the power to interpret those. That's not any different than any other when you've got the power to implement regulations.

Clause 1 agreed to.

Mr. Chairman: — The Chair asks for leave to go page by page.

Leave granted.

Pages 1 to 12 inclusive agreed to.

Hon. Mr. Lane: — Mr. Speaker, before I move the committee report the Bill, I would like to thank the officials that are here with me tonight and the other people in SCN. As I say, I believe and I think hon. members opposite believe that this communications network has tremendous potential for the people of our province. It will be one of the most advanced, if not the most advanced, in the world. It's creating a new industry here already and a great deal of excitement from those involved. I want to thank the officials for doing their part to make this happen, and it's a job very, very well done. Mr. Speaker, I move the committee report the Bill.

The committee agreed to report the Bill.

Bill No. 30 — An Act respecting the Saskatchewan Heritage Foundation

Mr. Chairman: — Would the minister introduce her officials.

Hon. Mrs. Smith: — Thank you, Mr. Chairman. Tonight with us is the deputy minister of Culture, Multiculturalism and Recreation, immediately to my right, Elizabeth Knebli. I have Dean Clark to my left, director of the heritage branch; Steven Schiefner behind me, legislation officer for the department; and Heather Sinclair, the

solicitor with the Department of Justice.

Clause 1

Mr. Kowalsky: — Thank you, Mr. Chairman. I want to welcome the officials to this committee stage of this Bill. I want to indicate to the minister that we're quite pleased with the concept and the principle of the Bill. I have one problem which I brought to the attention of the minister in my remarks on second readings, and I will just summarize very briefly at this time. The problem relates to the make-up of the board that is to administer this heritage foundation as outlined in Bill 30.

Bill 30 makes provision for the corporation to consist of 7 to 15 members appointed by the Lieutenant Governor in Council. I am suggesting on behalf of members on this side of the House, and people involved in this field who have had experience with boards, that the minister put in an amendment to this Bill that would make provision for the nomination of people to the board by parties that have an interest in the Bill.

I am suggesting for example that the Heritage Saskatchewan Committee be asked to nominate people to the board, that the Saskatchewan Council of Archives be asked to nominate people to the board, that the Western Development Museum, Heritage Regina, Saskatoon Heritage Society — each one of those be asked to nominate people to the board. And then in addition to that, the minister would nominate or appoint people over and above that.

The purpose of this of course, Mr. Chairman, is to make sure that the board that is comprised is made up of those people who are directly interested and knowledgeable of heritage properties in Saskatchewan and have worked with them, and that the appointment of these people not be subject, or even suspect, of anything to do with politics of the government of the day.

I believe that if we make provision for the minister to appoint several people over and above the ones nominated by each of the individual groups, that that would give the minister some flexibility and leeway just in case there was some group that was left out, or there was some particular group that the minister might want to emphasize or to have on the board. And one that comes to mind, for example, it might be advisable to have somebody there representing either the multicultural aspect of our province, or the aboriginal population of our province. And if the minister has those people then of course this provides for that flexibility.

So then my question, Madam Minister, is: will you be prepared to either accept an amendment or to present one yourself?

Hon. Mrs. Smith: — Mr. Chairman, the hon. member and I did have a fairly lengthy discussion on the issue. And I have to tell the hon. member tonight that, in fact, I did go back and had some discussions with the officials and also thought some more about the concept. And I would like the member to know that I don't have difficulty with the concept. However, after talking to the officials and getting some briefing material from the department, I

looked at it and compared it I guess with some of the committees or the boards that you may very well find in place to do with other agencies in the province. And whether it was the, for example, the Teachers' Superannuation Commission was one, the educational relations board, and I have to admit — and I may have missed some — but it was for certainly the educational field where I believe most of them are in place, done by the concept that the member has suggested.

I think one of the differences — with what is in place with some of those boards and commissions where in fact the organization is guaranteed that seat as opposed to government simply doing the appointing — is that the organizations are not what I would call voluntary in nature. For example, the Saskatchewan Teachers' Federation, within some of those boards and commissions, whether it's the superannuation commission or other — the Saskatchewan Teachers' Federation gets to do the appointing or the Saskatchewan School Trustees Association, and of course, their members in turn is what funds those particular organizations. So there were some differences in there.

In dealing and setting up with this particular agency, we took a look across Canada, and I would like to think that the drafting of it and the research that was done on it . . . it was finally concluded that here we have the opportunity perhaps to take the best of what everybody else had and leave out perhaps what didn't work so well. Hence the legislation before us, Mr. Chairman. And I believe that it probably is taking the better parts out of places like British Columbia, Ontario, and Alberta.

It would be our intent while not to put this into legislation, the guarantee of membership . . . I will share with the hon. member some of the things that I think need to be in getting this up and running.

First of all, there should be a process of inclusion rather than exclusion. Are you going to in fact exclude some organizations? Because you're well aware of all the organizations out there, and there's many of them. Granted, there are some that are more predominant than others in the heritage field and you've already listed some of them. But I would also suggest that there are a few others out there that they in turn would suggest that they deserve perhaps as much as some others.

It would be my intent, while this legislation says government will do the appointment of this corporation or this foundation, that in fact this is done in consultation and with a request of names to be submitted from the various organizations.

Now I will be the first to admit that that in fact does not guarantee, for example, the museum association of a seat or the Western Development Museum. But I think that any government in setting up this type of foundation would indeed be looking at various fields of expertise and interest when putting the board together.

So I guess to answer your question very simply, it would be no; it would be our preference not to have that in legislation, but in fact, we would be following the principle in practice. And while it may not be put into the

legislation, we indeed would uphold that in practice.

Mr. Kowalsky: — Madam Minister, I was hoping that you would be putting it at least part way — implementing the concept that I've outlined for a couple of reasons. First of all, we know that although, you know, the Bill is being brought in today with you as minister, but your duties could change and within a couple of years somebody else is going to be minister; then there's going to be another minister, and then there's going to be another minister, and every minister can come in who might want to make his or her own appointments — and you lose that kind of continuity. And though I believe you when you say that you will take those concepts into account when you make the appointment, that is not guaranteed for the life of this Bill.

I am cautioned by my previous experience with some boards. We have had boards appointed by this government, members of this government, which act merely as puppet boards. They get appointed and they end up doing exactly what the minister's office tells them to. They rely on the minister's office for advice and the minister may as well not have the board. It simply gives the minister an out of not having to answer questions that are tough because what he does is redirects the questions to the board.

(2000)

A good case in point right now is a board that's costing this government \$5 million a year, that's taking money away from the four campuses of SIAST in the province of Saskatchewan and setting up an empire of its own above and over delivery of programs that should be done directly through the SIAST campuses themselves. It just becomes another layer of bureaucracy. There's nobody on that board that's got the guts to say anything to the government when they really should be screaming and hollering for money, just like there's nobody on the board that should be protecting the Western Development Museum or the Saskatchewan Arts Board has got the courage to stand up and yell out at the government when you've short-changed them from this department, for money. So I will be proposing that amendment in a few minutes, Madam Minister.

I want to ask another question before we proceed though. What then is the main purpose of this foundation if it isn't to provide an organization that is at full arm's length? Because what you've got here is the powers given to this foundation are run parallel to the powers already given to the minister through the Saskatchewan heritage property Act, The Heritage Property Act. Some of the words in sentences are taken directly out of here, I would suspect. So why have two parallel outfits if one isn't going to operate differently from the other? The whole system is completely suspect when you do it that way.

Now I can think of a good reason to have the two — and I suggested this in second reading, why there is a good, logical reason for it — to have one that's independent and in one with the government. But doggone it, you got to make it independent and you've got to assure its independence — not just say that it's going to be independent.

So what is the purpose of this thing, of this new board that's going to be different? That it's going to really set it apart from what the minister can already do underneath the old Heritage Property Act?

Hon. Mrs. Smith: — Let me address one of your latter questions first, and that is the purpose of this foundation. It is one that would be to assist the preservation and development of Saskatchewan's heritage resources and in fact to foster the province's heritage industry.

Now I know that statement has been said to you before, and you have maintained that, well you don't need to do this; you can simply do it under the ministerial powers that are presently there now. And while some of that in part may be true, it is not the whole picture.

We currently have individuals and businesses and organizations that have very few means in fact to actively participate in the major heritage conservation projects. There's no instrument that exists by which individuals and organizations can form partnerships in heritage projects with businesses through donations of money or property. That is not unlike what happened in the rest of Canada in fact before various instruments were set up to form partnerships.

The foundation's ability to acquire and manage property, receive gifts, make investments, and earn interest provides some greater flexibility and in fact more opportunities to carry out heritage projects then now exist in Saskatchewan. And I believe that to be true.

We have seen the heritage trusts and foundations — call them what you may — in other provinces such as British Columbia, Alberta, Newfoundland, Ontario, and they've proven to be a very effective economic instrument for managing and developing heritage resources and in fact stimulating tourism. And up until recently we have not made that connection in terms of our heritage within this province and tying it into our entire economy, whether that be tourism or some other aspect of it.

So that was the main purpose in setting it up. It was also in fact to allow this agency its funding mechanism, which is much different than simply having the ministerial power, doing it through the minister, or anything that is presently there now where, as you well know, it would simply go into the Consolidated and from there it becomes one of, I suppose, putting forth your arguments as to why the expenditures should go back into Heritage when the revenues came from there. So it allows those kinds of opportunities.

I want to go back to the make-up of the board. Well I've said I agree with you in theory and I would make every effort to in fact carry that out in making this appointment. In part what you say is true, that there's no guarantee that this minister is going to be here tomorrow or the next minister for six months or whatever. All of that is very true.

But I would say to you any minister — it doesn't matter what government it is or what minister it is — that in fact takes boards that are put into place, particularly when it's one of creating partnerships between the business

community, individuals, the heritage community, and other factors out there, any minister that would not take the expertise and let them run with it, I believe, probably shouldn't be in the portfolio.

While that sounds good in terms of political rhetoric, it does not work when it comes to practice. Ministers should not be doing that, and I think any minister would probably place in jeopardy their own ministerial appointment if that were to be the case on this.

Clause 1 agreed to.

Clause 2 agreed to.

Clause 3

Mr. Kowalsky: — We're on clause 3 now then, Mr. Chairman? Consistent with the remarks that I made just a couple of minutes ago, I would move that with respect to clause 3 that we:

Amend section 3 of the printed Bill by striking out subsection (2) and substituting the following:

(2) The corporation is to consist of not more than 10 members nominated as follows:

- (a) two by the Heritage Saskatchewan Committee;
- (b) two by the Saskatchewan Council of Archives;
- (c) one by the Western Development Museum;
- (d) one by Heritage Regina;
- (e) one by the Saskatoon Heritage Society; and
- (f) three by the minister;

and appointed by the Lieutenant Governor in Council.

Implication being there that they're all appointed by the Lieutenant Governor after being nominated by the people given.

I here move that amendment, seconded by the member from Prince Albert-Duck Lake.

Hon. Mrs. Smith: — I won't go over my previous remarks on whether this is in theory or practice. I would simply like to say to the member: if anything, he affirms why we shouldn't close the door and exclude a whole lot of expertise and individuals out there, whether it has to do with individuals that don't belong to an organization but simply work in the field or have a specific interest in it. For example, I see a lot of exclusion on the part of communities. And while one can make arguments that, you know Heritage Regina, and it should be the Saskatoon Heritage Society . . . I would suggest to the member that there are a whole lot of other communities out there that are becoming interested in the area and in fact have organizations in place within their communities.

And so therefore, Mr. Chairman, this simply says to me we do not want to exclude the possibility of tapping into the best, and it may very well include these people when the appointments come down to it. But to put this in and exclude communities and individuals outside of that, I believe is not in the best interests of this province.

Mr. Kowalsky: — I just want to answer to the minister that the Saskatchewan Heritage Committee is an umbrella group which includes the Saskatchewan Museums Association, the Saskatchewan History and Folklore Society, the Saskatchewan Genealogical Society, the Saskatchewan Archaeological Society, the Architectural Heritage Society and the (Saskatchewan) Natural History Society. And I am sensitive to the concept that these . . . you wouldn't want to exclude any groups. And that is why I have in my amendment added three members to be nominated at large by the minister.

Amendment negatived.

Clause 3 agreed to.

Clauses 4 to 16 inclusive agreed to.

Clause 17

Mr. Kowalsky: — I would ask the minister whether there's any need for the treasury board to be given the powers to make orders and issue directives to any board about the financial conduct of the corporation? In a case like this I've just pointed out that we want the board to have independence, and then we give the treasury board complete powers over the financial transactions of this board. I would ask the minister to withdraw this particular item.

Hon. Mrs. Smith: — Mr. Chairman, the directives referred to in section 17 have to do with administrative matters and I am told it is standard for corporations. It has to do, for example, with procedures and protocols for handling invoices and paying bills. And in essence it is an obligation on the part of the corporation to abide by the financial administration manuals which all departments are required to follow. The foundation could not divert moneys back to government. They cannot do that. The moneys that they raise are designated by legislation to the heritage aspect, and government cannot take that back and nor can the corporation divert those funds back to government.

(2015)

Mr. Kowalsky: — Could the minister indicate where, from what department, this foundation is going to be funded, with respect to the government, and when this funding is expected to go forward to the foundation from the government.

Hon. Mrs. Smith: — This is going to be funded through the Department of Culture and Multiculturalism, and as soon as this is up and running the funds will be put over.

Clause 17 agreed to.

Clauses 18 to 22 inclusive agreed to.

Hon. Mrs. Smith: — Mr. Chairman, if I could just thank the officials and my hon. colleague across the way for the prior consultation we had and for his co-operation tonight. And with that, Mr. Speaker, thanks to the officials and I report the Bill.

The committee agreed to report the Bill.

THIRD READINGS

Bill No. 24 — An Act to amend The Municipal Revenue Sharing Act

Hon. Mr. Hodgins: — I move that this Bill be now read a third time and passed under its title.

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

Bill No. 15 — An Act to amend The Saskatchewan Embalmers Act

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

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

Bill No. 10 — An Act respecting the Manufacture, Sale, Use, Consumption, Collection, Storage, Recycling and Disposal of Ozone-depleting Substances and Products

Hon. Mr. Hodgins: — Mr. Speaker, I move that the amendments be now read a first and second time.

Motion agreed to.

Hon. Mr. Hodgins: — Mr. Speaker, I move that the Bill be now read a third time and passed under its title, with leave.

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

Bill No. 36 — An Act respecting a Report on the State of the Environment

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

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

Bill No. 12 — An Act to amend The Municipal Hail Insurance Act

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

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

Bill No. 22 — An Act to establish the Saskatchewan Communications Network Corporation

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

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

Bill No. 30 — An Act respecting the Saskatchewan Heritage Foundation

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

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

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure Economic Diversification and Trade Ordinary Expenditure — Vote 45

Item 1 (continued)

Mr. Chairman: — I would ask the minister to introduce his officials to us, please.

Hon. Mr. Schmidt: — Thank you, Mr. Chairman. They've already been introduced. I think he's been introduced before, but the deputy minister, Henry Kutarna, has returned for today's session. Everyone else has been introduced in the past.

Mr. Goulet: — Yesterday we were on the issue relating to the firing of Mr. Gach but also the transaction related to Mr. Clarence Cardinal. I'd like to get some clarification on a couple of questions there.

First of all, this was never answered whether or not there was any form of severance pay or any benefits provided for Mr. Gach upon his dismissal.

Hon. Mr. Gerich: — There has been no severance package.

Mr. Goulet: — No severance package or any other form of benefit then?

Hon. Mr. Gerich: — None at all.

Mr. Goulet: — You mentioned that certain bills were under investigation in the department in relation to the dismissal of Mr. Gach. Now I would like to know whether or not some of these bills include the one to Mr. Jacobson for over 15,000 and the one also to Quandt Enterprises, and also to Van Coughett's IGA for about approximately \$31,000, and Sumlic Mechanical and Welding for 5,000. You said some bills were under investigation. Does the investigation cover these bills?

Hon. Mr. Gerich: — Yes, these bills are part of the comprehensive audit that the Department of Justice is doing.

Mr. Goulet: — These bills that I mentioned, which ones have been paid for and which ones have not been paid for

to this date?

Hon. Mr. Gerich: — Jacobson logging has been paid for and the other bills are being reviewed by the Department of Justice.

(2030)

Mr. Goulet: — When I total the amount that Mr. Cardinal got, it was 32,000. The total amount of the bill, of course, is approximately in the neighbourhood of \$56,000.

One of the things that was very strange is that the bills came directly to the economic development branch, and I was wondering whether or not this was part of the policy of the department to have these bills come directly to you. Especially when they totalled 26,000 over what the limit was for Mr. Cardinal.

Hon. Mr. Gerich: — Mr. Lou Gach at the time was in charge of the loan, and he had the suppliers mail the bills direct to the department for payment.

Mr. Goulet: — So what you're saying is that every time somebody gets some money from the department, that all the suppliers can send their bills then, directly to the department. Is that what you're saying is departmental policy then?

Hon. Mr. Gerich: — No, I'm not saying that. I'm saying that Mr. Gach authorized the suppliers to send the bills to economic development department in La Ronge. And that's currently being investigated by the Department of Justice — why they were.

Mr. Goulet: — So what you're saying is that this definitely was not government policy, that there was something wrong with this whole process then. Is that what you're saying?

Hon. Mr. Gerich: — That's correct.

Mr. Goulet: — Something is wrong with the process then. All of these bills are going to be held for payment. And following that, if the moneys that are . . . is there any way of recovering the money? Is there any plan to recover any of the money?

Hon. Mr. Gerich: — Yes that's what the Department of Justice is looking at; how we can currently bring back and get our funds back.

Mr. Goulet: — I would like to know what . . . Again, another question on policy. What is your policy in regards to repossession as it pertains to sales and salvage, or any other system that you might have other than the equipment and the repossessions going back to sales and salvage? Is there any other system that is utilized by the department?

Hon. Mr. Gerich: — Under the Act the minister has, through the regulations, the power to . . . when these items are repossessed, to sell, rent, or lease. And if they're a fixed asset, they can be put up for public tender and disposed of through agreements, leases to purchase, purchase options, or just a straight lease.

Mr. Goulet: — In regards to the investigation we've talked about certain contracts. One example we gave was the Cardinal contract. Is the investigation also covering, you know, that aspect related to fixed assets, Mr. Minister?

Hon. Mr. Gerich: — That'll be part of the management review process that the Department of Justice is looking at.

Mr. Goulet: — Could you tell me who is involved in your management review process and what are the parameters of this review process?

Hon. Mr. Gerich: — Okay, the investigation is being done by the Department of Justice and Finance. It was authorized by the deputy minister.

Mr. Goulet: — Could you get me a complete list of — I've asked you the other day — on the repossessions that have occurred in the department? Have you got a complete record of all repossessions that the department has had and whether or not they were fixed assets, and all other assets and all other equipment as well? And could you provide me with the detailed information on this and whether or not these have gone through tendering or if they went through a non-tendering process?

Hon. Mr. Gerich: — On the articles that are repossessed, I won't be able to provide the information to you. It affects the credit ratings to the individuals that are involved, and the Provincial Auditor is the one that checks and audits to see that we're within the regulations.

Mr. Goulet: — I guess the reason why some people have alleged that some of the equipment has been utilized by other people in the area, and some people are asking me whether the proper authority was provided wherein it has gone through sales and . . . (inaudible) . . . has been properly tendered. The appearance is such that the information is required so that we will know the complete story behind it. If we don't have the information on the repossessions, then we will not know whether or not there is any way to make clear the allegations because there are a lot of stories going on this and that piece of equipment.

But I want to get into a specific one in that regard. A power plant was held by Predco in Pinehouse, and there were about four power plants that were, I think, repossessed. Could you tell me whether or not one of these repossessions ended up with Syd Nelson on fish hatchery program and whether or not this fish hatchery was supported also by the branch?

Hon. Mr. Gerich: — In regard to the Nelson fish hatchery program, and these are in the early '80s: my official here has no knowledge of that taking place. As to the repossessions and accusations, if you'd provide me with the information, we can have the Department of Justice and Finance look into that also.

Mr. Goulet: — Maybe check out the serial numbers as you would get from the records on the repossessions, because there's been about four major power plants that

people simply don't know where they've gone to, and it would be very important to find out whether they were legally transferred to the people that it allegedly has gone to.

And one of them definitely was, you know, that people mentioned to me, was the one at the fish hatchery. And the reason why people told me about that is because Mr. Syd Nelson was the president of the PC Party in La Ronge at one time and he got his money on the hatchery, and then he got also supposedly, allegedly this power plant during that time, and people were wondering whether or not these were proper and legal transactions because there was sort of an implication that you know the wrongdoing that Gach, which the investigation is presently into, may have occurred at that time as well. So would you also check on that, Mr. Minister?

Hon. Mr. Gerich: — I'll pass that on to the department concerned.

Mr. Goulet: — Would you also check the aspect of a truck. There was a Mr. Doug Pearson whose truck was also repossessed and later on it ended up in La Ronge. And could you have the Justice check out the . . . again the legalities on that transfer in this case, and whether or not a lease agreement or anything had been done, you know, prior to the take-over of a truck that was in possession of a Mr. Watt. Could you also check that out, Mr. Minister.

Hon. Mr. Gerich: — If you were to put it down on paper and list out all your accusations, and all the problems that are arising from the investigation in the North, we'd be more than glad to look after it.

Mr. Goulet: — Well the reason why I put these on the record is because I think they're very important. We know that there is a lot of tie-ins with the Conservative Party in the first case that I mention, and also in the second case. And the reason why I say this, is this: I saw a bill going into the department again. And this was a bill, again by a Mr. Watt, wherein after he got this truck, after the repossession of the truck, he was able to get this truck, and after he got that truck, so whatever arrangement that it was, the department paid for his tires, after the fact.

(2045)

Now I looked at the cost of the tires, and the tires were \$3,519.55. But a strange thing about that, I even have a copy of the actual invoice, and this is the surprising thing about the Tory connection. Because I found that the invoice didn't go even directly to economic development branch. This invoice went to the — this comes from Michelin, from Dorval, Quebec, where the tires were sent in from. Now the billing came to Saskatchewan government, northern health services branch.

Now here you have economic development handling these things, all of a sudden this Bill goes to northern health services. The public might be wondering why northern health services. Well a certain Mr. Tom Frook works in northern health services who also ran for the PC Party in . . . (inaudible) . . . in 1986.

So here you have a leading high official of the PC Party, he

works for health services branch. We have a problem with some of the billings coming to the office in that they're overcharged in connection with the amount of the loan, but this one is fairly blatant. It goes directly to the PC person who ran in the last election in health services branch. Could the minister tell us whether they have a suboffice in the northern health services branch where they run their . . . to sell tires from the northern health services branch.

Hon. Mr. Gerich: — I find the member's comments very interesting, and if he wants to send over a photostat copy, we'll check into this further. No, we don't have any economic development branch selling tires in the North.

An Hon. Member: — Health services.

Mr. Goulet: — Oh, it was in health . . . Okay, I'll send you a copy of that later on for your information then. Mr. Minister, it seems that your officials may not be providing you with all the information that you require at hand.

The other aspect that was very interesting in regards to economic development is this: I wanted to know, on the economic development loans, how many loans have we provided for trappers and fishermen in the past couple of years, and could you outline the names of the people and what amounts, Mr. Minister?

Hon. Mr. Gerich: — The loans that have been disbursed through the northern revolving fund number 150 over the last three years, to a total of 750,000, and they average about \$4,000 apiece.

Mr. Goulet: — Of those 750 grants that have been given out, could you tell me how many of them were for trappers and fishermen?

Hon. Mr. Gerich: — These particular 150 were all trappers and fishermen loans.

Mr. Goulet: — The 150 that were approximately 4,000 each then. That's what you're saying?

Hon. Mr. Gerich: — That's correct.

Mr. Goulet: — Could you tell me how much the original loan was to AEL and Northern Explosives and how much was the original amount and how much is still left owing and are any of them in arrears?

Hon. Mr. Gerich: — This information that you're asking for, Mr. Member, is confidential.

Mr. Goulet: — Well most of this information in regards to the amounts that have been given out to people on a yearly basis are provided in public accounts. Are you saying then that this would never be reported in public accounts? Is that what you're telling me?

Hon. Mr. Gerich: — You're absolutely right.

Mr. Goulet: — Well I have some information then. The reason why I asked about AEL and Northern Explosives is that the former PC candidate in the last election, Mr. Wolkosky, is also part owner in there. And my

understanding is that he had a loan of approximately 250,000 bucks, a Northern Explosives one which is still owing approximately, roughly 30,000, you know, somewhere around then. I was wondering whether or not these are accurate figures, Mr. Minister.

Hon. Mr. Gerich: — Well I can't tell you whether those are accurate, but according to the loans . . . And loans are not publicized in public accounts, only grants are. So if you are looking there at the *Public Accounts*, it must have been a grant.

Mr. Goulet: — In regards to the estimates, of course, they report the total amount. What I'm trying to get from you is to confirm whether or not I'm anywhere close to accurate with some of these amounts that are provided for the people. In other words, what you're telling me is that of the 150 that you've given to trappers and fisherman at \$4,000 each, you wouldn't be able to provide me with any names at all. Is that what you're saying, Mr. Minister?

Hon. Mr. Gerich: — That's correct.

Mr. Goulet: — Then I guess the only way therefore I could ask is to provide you with information and ask you whether or not these are accurate.

The other one that's . . . the other interesting amount . . . you know, I gave the PC member who ran for them on the last election the approximate amounts that were provided. The other interesting one that I heard about was the one relating to Eagle Point. This is the golf course.

An Hon. Member: — When does it open?

Mr. Goulet: — The Minister of Economic Diversification and Trade is asking when it's open. Well he should know when it should be open because a lot of the social welfare money was spent there to build that, over \$100,000. And also there are a lot of money . . . a big power line was built in there and nobody knows exactly how it was ever paid for. And, you know, the public is asking me in La Ronge how that big underground cable was brought into that area. And I see all those posts in that power line, and we were wondering exactly how it was done. And many of the people . . . I see the minister's name was written on the big sign that he helped build this through the social welfare money. My feeling is that they should have put the names of the social welfare people who worked there, and their names should be engraved for having built the golf course in La Ronge, you know, rather than the minister's name. But I could agree that the minister's name should be there as well.

But getting back to the . . . so we're talking about the golf course, and is it accurate to say that over \$500,000 was provided for the Eagle Point golf course in La Ronge, Mr. Minister?

Hon. Mr. Gerich: — Well the help that the Eagle Point golf course got is through the town or city of La Ronge. It's a social program, a Social Services program to put people to work.

In regard to the power line and some of the moneys that was spent, there was a tourism subagreement that the

fellow qualified for \$500,000.

Mr. Goulet: — On that tourism agreement, what did it entail? How did the person get a hold of over \$500,000 then?

Hon. Mr. Gerich: — Through the tourism subagreement regulations he applied for the loan, and he passed the regulations. And the grant was for \$495,000.

Mr. Goulet: — The reason why I raised that one was that it was an interesting one because the consultant who was working on that case, who is also a part owner of Eagle Point is none other than Dale Folstad. We know that Dale Folstad was a deputy minister of your department a couple of years ago. You may want to correct me on that, but I think it was approximately two years ago. And Mr. Folstad, I understand, is also part owner of Eagle Point, and here he was a former deputy minister of yours, and they're able to get, you know, half a million dollars.

And I understand that he also worked on another project with La Ronge Aviation which totalled over \$680,000. Could the minister tell me whether or not this is correct?

Hon. Mr. Gerich: — Okay. A local group in La Ronge started working on building and developing the golf course. The people, through the city of La Ronge, through Social Services, were used to help enhance and clean up the woods and work around the golf course site. Well through lack of support it was then taken over by another group of people who applied for a grant under the tourism agreement or tourism subagreement and qualified.

Mr. Goulet: — I guess the reason why I was coming down to this one was the amount of dollars were very, very large and also there were well-known Tory connections in the town of La Ronge. And not only that, you had a former deputy minister who was working in that situation as well.

I would just like to get some confirmation of other ones. I understand that Longpre's Holdings also got originally a sum of approximately 270,000 and they still owe about approximately 125. And there was also another sum thrown in, approximately 500,000 — 539,000.

(2100)

The other number that I have, a large figure that I can get is in relation to Thompson's Camps, Osprey Wings, and North Central Helicopters. In that regard, I see Thompson Camps outstanding about 550,000; Osprey Wings, originally 50,000, now 35,000 approximately owed; and we also have North Central Helicopters, that's \$500,000. It's interesting — that's about \$1.1 million, you know, for one person and his associates. That's a tremendous amount of money.

I guess the point that I'm making is that the trappers and the fisherman get \$4,000 each — the trappers and the fishermen in northern Saskatchewan get \$4,000 each. Then I looked at the sum figure on these four people that I mentioned and it's \$3 million. I got a figure of \$3 million. Yes.

So here you have approximately four companies, and this also entails other subcompanies that some of these people are involved in, getting approximately \$3 million. Four people — top connections with Tories in La Ronge. Then you look at the regular person who's trying hard to make a living in northern Saskatchewan.

Have you mentioned the golf course, Mr. Associate Minister? It's interesting on the golf course that another president of the PC Party, a Mr. George Pidaychuk, was an important person in the development of that course. I know he's no longer involved in the process but he was also a PC president of Cumberland constituency.

So it's very important that in regards to money and large amounts of money, four major companies to the tune of . . . and their interlocking subsidiaries: they total \$3 million for four people; 150 trappers and fishermen, \$4,000 each. A lot of people are saying, is there any money around? We say of course there's always a certain degree of money. But it's a lot similar to the farmers down south. They want money to build their developments at the local level, but Cargill Grain gets \$370 million and they get community bonds totaling \$25 million.

So we have a similar process taking place in northern Saskatchewan where a lot of the more established businesses in northern Saskatchewan get a lot of money and a lot of the people who are struggling don't get the money. As a matter of fact, when their equipment is repossessed, the repossessions — nobody knows where they are going. Nobody knows whether they're going properly into sales and salvage. Nobody knows how many have been transferred to different individuals, and I presume that's what the overall investigation will be.

So what we see in terms of . . . I hope that what we've seen in terms of secrecy does not happen in northern Saskatchewan. And we try and make sure that in this investigation we come out with the facts, because a lot of people are talking in northern Saskatchewan about the way the revolving loan fund has been handled, that it is not impacting on so many people, and if it does impact on many people it's at such small amounts. So that's a point that has been related to me in that whole area.

I would also like to ask one other specific one. Eco-Tech — could you ask me whether or for what purpose Eco-Tech is getting some money.

Hon. Mr. Gerich: — The four people that are involved in the Eagle Point golf course and recreational complex . . . it's a four seasons resort complex. It was an environmental impact study done. It was public hearings held in regards to whether it should go ahead or not. It involves quite a bit of money. It's being built and enhanced and promoted as a four seasons resort for tourist attraction. The construction with the \$495,000 grant provided jobs for 56 people, and it's going to be ongoing over 9 to 10 years. The description of the four seasons resort complex includes villas, rental cabins, 102 sites for vacation villas, a meeting and convention facilities, and golf course and pro shop. And what we're doing through our subtourism agreement is to provide and promote tourism in the north.

Mr. Goulet: — I guess, Mr. Minister, I hope that you do a proper investigation of the whole situation in northern Saskatchewan as it relates to the Northern (Revolving) Loan Fund. I certainly hope that you can get the facts because there appears to be a lot of alleged stories that have been taking place in La Ronge as I travel through.

I certainly feel that there is just simply too much secrecy on everything that we have done. We've talked about secrecy of this government, whether it was GigaText . . . even Chuck Childers' salary, we had to go to the United States to find out what his salary was. We were never able to find out from our questions here in the legislature what his salary was, his salary of \$740,000.

And a lot of people were saying, why should we put up with such secrecy, even in regards to the deal with Cargill Grain on \$370 million. And when the auditor wanted information from the government a couple of years ago, 50 per cent of the audited statements could not be accessed, basically because of the secrecy of the government.

And I certainly hope that in this case the investigation, which may go into the millions . . . I mean, this may be bigger than the \$50,000 deal with Saskatchewan Transportation Company. This investigation may be a lot more than the \$50,000 there, because what we are talking about is not only hundreds of thousands of dollars of repossessed equipment all these years; we may be talking in the millions.

And a lot of this stuff may be done legally and above-board, but some of the stories that I'm hearing is that that's not the case. So we need to have a very, very thorough investigation, and I hope that you are able to carry it out.

The only thing that I see in regards to the investigation if there is any actual wrongdoing, whether the RCMP will be involved and if that's what the intent is on the minister, and whether there . . . you know, if there is any legal improprieties, whether the police will indeed get involved. Could you tell me on that?

Hon. Mr. Gerich: — I missed one of your questions before. Eco-Tech, assay company in Creighton, got a \$25,000 loan or grant through the NEDSA (Northern Economic Development Subsidiary Agreement) program. And a lot of the allegations that you have made tonight will be passed on to the Department of Justice and Finance.

And regarding our audit and the workings of the northern revolving fund, the Provincial Auditor has given the northern revolving fund five clear audits, so we must be doing something right there.

Mr. Goulet: — Well the information that we got today shows that there is something wrong in the department, Mr. Minister, and it shows very clearly where the money is going. Some of the money goes to the trappers and fishermen, yes, \$4,000 here, \$2,000 here, \$1,000 here, and so on. But the large amounts of money, 1.1 million for one person and his subsidiaries. There was 500,000 bucks on the helicopter.

It was very interesting because I thought that there was going to have to have been open bidding on the contract to buy a huge helicopter. I thought that it was in regards to the transmission line, and if there was going to be a transmission line built up North, which was a reason why I assume the helicopter was bought, that there was going to be open bidding. So there is a question of open bidding which I don't want to really get into.

But it's problematic. I know that this helicopter now is fighting forest fires up in Manitoba. And this money that was utilized to pay for the purchase of this helicopter is now not being utilized in Saskatchewan but is also being utilized in northern Manitoba to fight forest fires right now, is my understanding.

But the basic point here, Mr. Minister, is this: a lot of the PC connections on La Ronge are getting large amounts of money, and many of the people, of course, generally know that. It's not news. As a new associate minister, I certainly hope that you provide some sort of fairness in regards to the distribution of loans, especially as it relates to the small businesses. The people who I have named are the most successful businesses. It's not that part of the money shouldn't go to the successful businesses, but when it amounts to four people getting \$3 million, and everybody else getting \$4,000 each, I mean it shows that there is something wrong in the system. And I certainly hope that you review that whole thing and come out with a proper set up, fair guide-lines, etc.

And maybe, in that way then, a lot of the people will be more at ease in regards to how economic development is being run because right now the level that people have in regards to economic development is pretty low. You know, it's not only the fact of one worker being squeezed out from the east side, but many other aspects that I've raised there. I certainly hope, as the associate, that he will look into all these things.

And I hope that investigation also comes out, and we can get the facts — and the full facts — here in the House and that we get all the specific nitty-gritty on all these things because the detail needs to be there. The truth has to be there. That's what the people are asking for.

Some Hon. Members: Hear, hear!

Hon. Mr. Gerich: — I agree with the member, here. Allegations and hearsay evidence is pretty easy to talk about and to promote in the House here, and what we need is some hard evidence. So I would appreciate the member sending me any of the information that he has, and we'll look into it through the Department of Justice and Finance.

Mr. Pringle: — Thank you very much, Mr. Chairman. Mr. Minister, I would like to make a few comments about co-ops and the importance of co-ops in the Saskatchewan economy. And I'd like to talk a bit about your record, as I see it, as we see it, in relation to not supporting the co-op movement. And then I have three or four questions that I would like to ask you.

Certainly co-ops, from a national perspective to many

people, Saskatchewan and co-ops are synonymous. Co-ops in Saskatchewan have been an important part of our mixed economy along with small-business people and government in that mixed economy that has served this province so well over successive governments up until this government.

Co-ops of course are important to Saskatchewan. They have some 400,000 members. Perhaps the minister from Melville may even be a co-op member or a credit union member. I think that may be possible. But certainly co-ops are important to the fabric of community life across Saskatchewan. Co-ops are an important part of the grass roots democracy at every level in our communities in every community across the province.

I have here a list of the top 100 companies in Saskatchewan, and I just wanted to point out as I look through this list, of course the largest company is the Saskatchewan Wheat Pool; the second largest is Federated Co-ops; and then we have 13th, interprovincial co-ops, co-operative life insurance, Dairy Producers Co-op, and so on. So the first . . .

An Hon. Member: — Sherwood Credit Union.

Mr. Pringle: — Yes, Sherwood Credit Union, number 35. In the top 35 companies 11 of them are co-ops.

An Hon. Member: — So?

Mr. Pringle: — The minister of Wilkie says, so. Well my point is that co-ops play a very important part in the fabric of Saskatchewan life and the economy of the Saskatchewan people, and I think that comment from the member of Wilkie was the kind of disregard that this government has shown towards the co-op movement.

Some Hon. Members: Hear, hear!

Mr. Pringle: — So that's my point, Mr. member from Wilkie, is that the co-ops play a critical role in not only the economic fabric of our life but also the financial aspect through the credit unions. It's one of the major financial institutions. Co-op members live in our communities. The 400 members I talked about live in Saskatchewan; decisions are made in Saskatchewan by Saskatchewan people. They're not made by people in Chicago or people in New York. Co-op members, those 400,000 members, have pooled their resources. They make decisions democratically. They have worked together. They share the risks, and they share the revenues. And that's the importance of this model that has continued to work almost in spite of this government and continued to work because it's a model of people working together — working together with each other, working together in their communities and out working together with governments and small business people.

(2115)

So co-ops and credit unions are all of us, those of us who are members. They're Saskatchewan people, and co-ops are part of the community, and I know that the minister's aware of that. The minister would also be aware that just in the retail co-op sector there are some 225,000

members alone.

We have seen over the last four or five very, very tough years under this government that co-ops are also very adaptable. They have adapted to tough economic times, and a number of the co-ops have become very efficient. They have made the adjustments that they need to make, and they are adapting. They are surviving, and they are helping in a very significant way to stabilize. To the extent that small rural Saskatchewan communities are being stabilized, co-ops are playing an important role in doing that.

So co-ops in Saskatchewan and credit unions have a very proud tradition in this province. It's proven itself as a very workable model. The co-ops generate, as the minister will know, some 25 per cent of all the economic activity in the province, all of the business volume. And I think that the minister would acknowledge that. While they've ignored co-ops as one of the major engines of the mixed economy, 25 per cent of the business volume is a significant portion of the Saskatchewan economy.

I'd like to talk just for a few minutes about ways in which co-op people throughout the province are telling me that this government has treated the co-op movement with little respect. There are many examples of this.

In the area of agriculture, I recently met with the rural agricultural co-op association, some 62 small, rural co-ops, and they're very concerned about this government's position regarding no stabilization programs for the co-op sector. They're concerned about this government's lack of a land transfer policy, lack of dealing with farm debt. They're concerned about erosion of the wheat pool that this government supported in terms of taking oats out of the wheat pool, rather the wheat board. They're concerned about this government's privatization agenda and schemes and about deregulation and transportation subsidies and so on.

So the small rural agricultural co-ops are very concerned as is, in many cases, the wheat pool. In many cases, this government is on the wrong side of the wheat pool in terms of the agricultural policies it's put forward.

Another indication is that this government was the first government to phase out the department of co-ops, phased out the department of co-ops early in its mandate and replaced it for the first time ever, as I understand, with a department of privatization. No minister of co-ops, a sector that generated 25 per cent of all the business volume, but a minister of privatization. Well they've abandoned that minister with good reason, mainly that privatization has been a disaster in this province for many reasons. And my colleagues will talk about that in a few minutes.

But they phased out the department of co-ops, and that signalled a message to the co-op movement that it wasn't a significant part of the Saskatchewan economy.

This government also — and this is something that really upsets people in the co-op sector and if the minister is in touch with the co-op sector, he will know this.

What really upsets them is that you continue to reorganize the department of co-ops. I think you've reorganized the department of co-ops for the last four years in a row. And the co-op people don't know whether it's got branch status, or whether it's part of another branch, or where to go to find out information about co-ops. People in the co-op movement are confused about the role and the mandate of the department of co-ops because you keep shifting the branch. You keep shifting it to some other department.

And so there's a concern about the continual reorganization of the co-op sector. And they're mainly concerned about the signal that you always tuck away co-ops somewhere without giving it some full-fledged prominence in the economic activity. You can't track funding; you can't track staffing; you can't track your government's intent in terms of the co-op movement, and you can't track what the role of the co-ops is from the government's perspective. I can assure you — and I assume that you know this — that the co-op sector is concerned about that.

Now these moves don't reflect, in the co-op sector, a sense of sound planning by your government, and they don't convey a message to the co-ops that co-ops are important. I've had a number of people in the co-op sector ask me if anybody knows what's going on in government about co-ops. Quite frankly, I don't know that, but they don't either. And that's the main point — they don't. There are many other signs that you convey in terms of the co-op sector. And one of the, I think, real danger signals that worries the co-op sector is that since you people came to power in 1982 — and I assume that the minister will know this — that the co-op sector has lost some 6 to 7 per cent of the economic pie since you people came to power.

Now 7 per cent is pretty significant. I see the minister is confused. I will send you over a table that demonstrates that that in fact is the case, that the co-op sector under your government has lost 6 to 7 per cent of the economic pie, the overall economic pie, to particularly the large corporate sector. And again, that's a loss of real jobs; that's a loss of decision making in Saskatchewan by Saskatchewan people; that's a loss of money that is not returned to the province of Saskatchewan and reused by Saskatchewan people.

The co-op sector is concerned. Not only are the co-op people concerned that the co-op sector has lost 7 per cent of the economic pie, but the Catholic bishops, the Catholic diocese of Regina, the social justice department, is concerned that privatization . . . In a recent letter to the Premier, May 15, and my colleagues will be referring more to this later on when they talk about privatization, but this open letter to the Premier by the social justice department . . . (inaudible interjection) . . . I will table it. I certainly will table it. It went to the Premier, so I assume that the Premier would communicate this to the minister responsible for economic development. But I will certainly table it if the Premier hasn't done that.

But they are concerned. They say, and I quote:

Privatization as a system of economic distribution

has serious implications for people in our society. We see and hear that the dignity of the people in our communities is not considered when decisions are made that affect the whole community.

That's what the Catholic Church in Regina says about your privatization agenda. So they're also concerned about decisions that are made not in the best interests of Saskatchewan people, and not made by Saskatchewan people.

Yes, Mr. Minister, I will table that. I will table that. And as I say, I'm very surprised that you don't have a copy of an open letter that went to the Premier. That's an example of how uncoordinated things are in your government.

Another concern that the co-op sector has is that you have cut back on field workers. You have cut back on field workers, small rural-based co-operative development, that there are fewer field workers in terms of child-care co-ops and other small co-op initiatives. A number of co-op child-care centres have called me and have indicated that, and I know the minister from Melville does not support co-operative child care. He has made that very clear, particularly in the last session. He supports commercial child care, commercial day care; he does not support child-care co-ops. Well the co-op sector is concerned about that, Mr. Minister.

And they're also concerned about your refusal to fund the centre for the study of co-ops at the University of Saskatchewan. The president of the University of Saskatchewan is concerned about that, and the co-op sector is concerned about that. It's a program that was supported by the previous minister. It's a program that I understand was supported by the associate minister who doesn't have the authority to get this decision through. I assume that the minister is the one who is blocking the funding for the centre on the study of co-ops.

But the point is that this is an important research and development and educational program for co-ops throughout the province; it's got a very proud record. And there's no money to support that centre. I think they want about \$400,000 from the government. And you don't have money for them but you've got \$370 million for Cargill and money for GigaText and Supercart and so on. But no money to share in the funding at the University of Saskatchewan with the co-op sector, no money to share the burden of the centre on the study of co-ops.

As I said, the co-op people were upset about that, and they're feeling that that again is another signal that this government does not support, on a day-to-day basis, does not support the co-op movement in the province.

I did a major survey of the retail co-ops in the province. They are very concerned, as is Federated Co-op, they're very concerned about this government's support of the GST (goods and services tax). Now you're saying now that you don't support it, but you have supported in the past. You have supported it until you realized that it was politically not popular to support in Saskatchewan. But they know that you're on record as supporting the GST. They know that you, when your support, when your

opposition would have been critical to turn this decision around, critical to press the federal government, you people didn't press the federal government. The co-op sector knows that they're just simply going to have to pass on the GST to their consumers. So they made their concern about that.

The other thing that the co-op sector that I talked to is a bit sceptical about and that is your seriousness with regard to the advisory committee on co-ops. They're sceptical about that and I would say with good reason. As I said earlier, the retail co-op sector has some 225,000 members.

And again I have a letter here dated May 9, 1990 that again was sent to the Premier. For some reason, people in the co-op sector aren't sending letters to the minister responsible. And I assume that they are well aware of his lack of support to the co-op sector.

They sent a letter to the Premier, this is the Saskatoon Co-op Association Limited, the president. She sent a letter to the Premier indicating that — I won't read it but I will send this over to the minister. She's expressing, the president is expressing their concern that at a recent board meeting there was a unanimous decision to ask the government why on earth they did not put a retail co-op person, representative, on their advisory board to co-ops. If they were really serious, if they were really serious . . .

An Hon. Member: — Is she an NDP candidate?

Mr. Pringle: — She's the president of the Saskatoon Co-op Association Limited. She says in a unanimous decision, Mr. Minister . . . I assume, Mr. Minister, that you're not taking seriously that the Saskatoon Co-op board is concerned that you have not put a retail representative on your advisory committee even though there are 225,000 retail co-op members in Saskatchewan.

Now the minister is laughing as if that is funny. That is a serious oversight. If you're really concerned about a working advisory committee to you in the co-op sector, how on earth would you have left out a representative of the retail co-op sector?

That's another message to the co-ops that you don't take them seriously. And I'll be wanting to know from you, Mr. Minister, if that committee has met, how many times, and what advice, if any, they have given to you, and what your plans are regarding that. And I'll be asking you if you have any intentions of adding a person to this advisory committee from the retail sector.

Now for your information if you don't know this, Federated Co-op is also concerned about this.

An Hon. Member: — Table a letter.

Mr. Pringle: — I will table a letter, and again I'm surprised that you don't have a copy of this.

An Hon. Member: — So are we.

(2130)

Mr. Pringle: — Well so are you. It's an indication that the Premier is not even communicating with you.

Mr. Minister, what I would like to do is to have you send over, and it doesn't have to be tonight but in the next week or so I would like you to send over if you could, a copy of the senior person in the co-ops branch. First of all is the co-op branch a branch within your department or which status does it have? Who is the senior person in there? What salary does that person have? Did that person get an increase or a decrease over the last year? Where are your field staff located in the co-op sector? Where are your field staff located?

I want to know the number that are in the co-op branch. I want to know the number that are in the co-op branch. I know there's a business services branch or division, and I don't know where that fits in with the co-op branch, but I'd like to know how many staff you've allocated to the co-op branch. I'd also like to know how many staff are allocated to child care from the co-op branch. You can send that over to me.

I would like to know the current mandate within this new structure, the current mandate of the co-op branch, the priorities for the year, and your work plan for the next year. I'd like to know that and have that over the next week or so if that would be possible.

I would also like to have a list of the co-ops that have been registered within the last year, if I can have that. First of all, I'd like to know, Mr. Minister, if it's in order for you to send me all of that information within the next week.

Hon. Mr. Schmidt: — Mr. Chairman, after listening to that speech it seems to me that I should point out to the member opposite that I happen to know a little bit about co-operatives. It was about 60 years ago that my grandfather was an original founding member of the Saskatchewan Wheat Pool. My father spent 19 years as an elevator manager for Saskatchewan Wheat Pool. I grew up in a Saskatchewan Wheat Pool elevator shovelling coal slag out of box cars, and digging skunks out of the boot. I know that system from the bottom up. The member opposite should know that I graduated from co-op college when I was a youth; my father was on the board of the Duff co-op; that I'm a member of the Melville co-op and the credit union, and have been for about 20 years.

An Hon. Member: — And the chamber of commerce, too.

Hon. Mr. Schmidt: — And as my friend points out here, and am also a member of the Melville chamber of commerce. And I buy regularly at the Melville co-op. I buy lumber; I buy grain bins; I buy food, whenever I'm home and have a chance to buy food, because most of the time I'm spending my time here answering your questions when I could be at home buying food at the Melville co-op.

Another thing you should know about the Melville co-op is that if you think . . .

An Hon. Member: — I don't think you need to buy any

more food, Grant.

Hon. Mr. Schmidt: — Well, the Leader of the Opposition probably is accurate on one point; maybe I don't need to buy much more food. But that's about the only thing I can agree with the Leader of the Opposition on.

That member opposite should also know about the Melville co-op, where I happen to be a member, that the Melville co-op has participated in the venture capital program, has built a new store for an excess of \$1 million, that Federated Co-op Ltd. invested a million dollars in a venture capital corporation, a program sponsored by this government which led to them building a new co-op store in the city of Melville.

Now you're going to say I'm treating the co-ops in my constituency too well? I take that criticism. We're pleased to have a new co-op store in Melville. We're pleased to have 46 employees there, and we're pleased that they participated in the venture capital corporation. You say we don't treat the co-ops too well? Well, we only invested with the Co-op refinery. We invested \$560 million in a NewGrade upgrader, the biggest project in the history of Saskatchewan, that we also . . . (inaudible interjection) . . .

Oh, the members opposite say the figure was too low. All right, let's raise it a little bit if you're not happy with how much we invested in the Co-op here in Regina.

But certainly you cannot deny that that was the largest project in the history of Saskatchewan when it was built. The only project that may be larger is the Husky upgrader, and that is between Saskatchewan, Canada and Alberta. The Biggar malt plant, half of which was sold to the Saskatchewan Wheat Pool . . . You complain about privatization, and the co-ops are joint-venturing in the case of the NewGrade upgrader with the Government of Saskatchewan. In the case of Biggar malt, the co-op is joint-venturing, having bought out the government interest with an American corporation. These co-ops, some of the largest in Canada, know business when they see it. They will do business in a commercial manner and not follow the ideology of the movement as you express it.

You should also know that the co-ops employ over 14,000 employees in Saskatchewan. And you want a list of the newly incorporated co-ops. I'd be pleased to send you a list because in the last year exactly 100 new co-ops were incorporated in Saskatchewan, bringing the total number up to 1,200. Out of the 1,200 co-ops 100 were incorporated this year; about 8 per cent of all the co-ops in Saskatchewan were incorporated in 1989.

These new co-ops include: farmers' markets; feeder associations — 57 out of 60 feeder associations are co-operatives; they include a railroad, a co-operative railroad in this province which we never had before; they include small-business loans associations which will lend out \$1.8 million to their members this year; they include child-care co-ops; they include rural development associations — 19 of 24 rural development corporations are co-operatives. Twelve out of the top 50 co-operatives in Canada are located in Saskatchewan. We have 4 per cent of this country's population and 12

of the largest 50 co-operatives in all of Canada.

And you say we haven't done enough to help co-ops. Well you ask the Melville co-op and you ask the dairy producers whether we stand behind them. And you ask Biggar malt and the wheat pool whether that expansion is worthwhile. And you check the NewGrade upgrader, something that you tried to build for years and years and could never get going. You were going to build it north of Moose Jaw, and you never got it going. The site is still bare. That was built through a co-operative effort between this government and the co-operatives of Saskatchewan.

And you have the audacity to stand up here and say: I don't know anything about co-ops; this government hasn't done anything for co-ops. Well you will get a list of 100 new co-operatives that have been incorporated — 8 per cent of all the co-ops in existence, and then you produce a letter written by an NDP candidate in Saskatoon. And I said to you from the floor here, tell us that that person's not an NDP candidate. You wouldn't have the nerve to stand up on television and deny that. I haven't seen it yet, but the information I get is that you're holding up a letter from an NDP candidate complaining about how we treat co-operatives. And so you should at least come clean and tell me that you got your NDP friends writing letters for you that you can wave around in the legislature. That is the limit.

Now I took it rather well when you said I didn't understand co-ops, and I took it rather well when you said that we hadn't done anything for co-ops, but that's the limit. But to try to use that kind of a tactic — wave around a letter from NDP candidate in Saskatoon and say, well that represents everybody in the co-op movement — that's the limit.

Mr. Pringle: — Now, Mr. Minister, enough rhetoric, Mr. Minister. If you're so committed to co-ops, how come the co-op sector around the province is very upset with you? The six or seven examples I talked about are serious issues conveyed to me by people in the co-op sector around the province. They reflect on your record. If you're so committed to co-ops, why has the co-op sector lost 6 to 7 per cent of the economic pie since 1982? So don't give me a bunch of hog-wash about a few examples.

There are many other examples of where co-ops are concerned about your record and the issue of this letter . . . I'm going to send you a copy of this letter. It's not by an NDP candidate, and I think that that is . . . that typifies the way you people offend. That typifies.

This is from the Saskatoon Co-op Association Limited board, a unanimous decision to the Premier of this province in a serious matter, in a serious matter, asking why you didn't put a representative from the retail co-op sector onto your advisory board if you were serious about working with the co-op sector. If you were serious about their input, why would you not have done this? Mr. Minister, you should have this letter. The Premier should have given you this letter. The Premier should have responded to the letter, which he has not done. This letter was sent on May 9. May 9, that's how little regard you people have for the public of Saskatchewan. He hasn't

even responded to the letter with an indication of whether or not he was going to add a representative to that committee; took great delight in a great public relations initiative, setting up this advisory committee; hasn't got a retail representative on it and has not made that commitment as of this very day.

And I can assure you that Federated Co-ops is also concerned about this. And you should know that, if you're serious about your job. We don't have to take any lessons from you on the co-op sector in Saskatchewan, Mr. Minister. Those 11 co-ops you talked about, those 11 big co-ops are no credit to your government. They were in place long before 1982, so don't take any credit for those. Our party does not have to take any lessons from you. We've a proud history of working with the co-ops. The co-op movement, and the CCF, the NDP, have deep roots. They go back many years.

And like the co-op sector, we're opposed to your sweetheart deals with Cargill. We want you to give more support to the co-op sector. You won't even fund a centre for the study of co-ops at the university — \$400,000 is all they're asking for a contribution from you, and you won't even support them.

Now, Mr. Minister, I want a straightforward answer: will you appoint a representative from the retail co-op sector on the advisory committee?

Some Hon. Members: Hear, hear!

Hon. Mr. Schmidt: — Well, Mr. Chairman, could the Clerk please give me a copy of the letter the member has tabled so that I can examine it?

Mr. Chairman, while I wait for the member to table that letter and look at the copies, I should point out to him some of the co-operatives that have been incorporated in the last year, 1989: the North East Bull Test Co-operative Limited, the Prince Albert Montessori Preschool Co-operative, the Old Wives Lake and Area Conservation Co-operative, the CCF Flying Co-operative Limited, the West Central Forage Co-operative Limited, the Pipestone Valley Rural Development Co-operative, the Pleasant Valley Feeder Co-operative Limited, the Coteau Hills Rural Development Area Co-operative Limited, the Lashburn Community Hall Co-operative, the Burgis Beach Co-operative Limited, the Swift Current Downstream Pumpers Co-operative Limited, the Rose Hill Building Co-op Limited, the Prince Albert Dance Club Co-operative, Thickwood Hills Feeders Co-operative Limited, Woodland Childcare Co-operative, the Cool Springs Rural Development Co-operative, the Weirdale Valuable Business Co-operative, the Gateway Rural Development Co-operative, the Kamsack First Co-operative Loans Association Limited, the Little Chicago Loans Co-operative Limited — I presume that's somewhere in Saskatchewan; I'm not familiar with it — the Naicam Business Opportunity Co-operative, the Regina Economic Development Co-operative for Women, the Lemberg and District Economic Development Co-operative Limited, the Canora . . . And it goes on and on, pages and pages of co-operatives incorporated last year for all kinds of co-operative ventures throughout all

of Saskatchewan. And they cover every part: Esterhazy, Lancer, Rocanville, Kipling, Kuroki, Porcupine Plain, Shaunavon, Cabri, Rose Valley, Langenburg, Beechy, St. Walburg, Prince Albert, Star City, Canwood, Zenon Park, Kelvington, Prud'homme. It goes on and on: Melfort, Kinistino, Garden City, Battleford, Kelliher, Maple Creek. The entire province is covered with new co-operatives, and the member opposite has the audacity to come here and say that there are no new co-operatives and nothing is being done to assist co-operatives.

Mr. Pringle: — Mr. Minister, you lost sight of my question there. My question was and my question now is: are you going to appoint to your advisory board a member from the retail co-op sector in Saskatchewan — yes or no — and when?

(2145)

Hon. Mr. Schmidt: — Mr. Chairman, the answer is yes. Those positions on the advisory board have been rotated. This is one of the years where the retail co-ops that you refer to do not have a position. We expect the next year when new appointments are made other co-operatives won't have representatives. For example, this year Co-op Trust doesn't have a representative. Possibly Co-op Trust will have a representative next year or the year after. So the positions on the board are rotated.

And the answer is yes, when the next appointments are made a retail representative will be on the board.

Mr. Pringle: — Minister, you're admitting that in setting up an advisory board to advise you on co-ops . . . We've got the retail co-op sector network throughout the entire province, and you didn't start out with the retail sector co-op member on your advisory board — and there are 225,000 retail members. How on earth is the retail co-op sector supposed to take seriously that you're interested in getting good advice on how to run your co-op department and how to co-operate with the co-ops so that the government is supportive to co-ops — the retail sector that has outlets across Saskatchewan in small communities that are hurting in this time of economic crisis and out-migration and depopulation.

Mr. Minister, I find it absurd that you would not have started with the retail co-op representative on your board if you were really serious about good advice. And that reinforces my point that I made earlier, and the point that many co-ops feel around the province, that your co-op advisory board is just a public relations initiative. And I want to know: how many times has that board met? And have they given you any advice?

Hon. Mr. Schmidt: — Well I think the member opposite should know that Federated Co-op is a member of the board, and Federated Co-op certainly represents all of the retail co-ops in Saskatchewan. It is the key backer behind the retail co-ops. The board's make-up is the way it is, because the co-ops agreed to have representation on a rotating basis. And the board was set up through a steering committee, which meant four times had representatives of all of the major co-ops in Saskatchewan on the steering committee. The new board has just been set up and had its first meeting on May 24,

and will be meeting again in a few months.

To say that there is no retail representation, because Federated Co-op is on the co-op advisory board and not a specific retail co-op, certainly is going way too far in stretching the argument that there is no representation. I really don't know what more you want here. They agreed to this kind of a format. Why are you complaining?

Mr. Pringle: — Mr. Minister, I hope you meant what you said there because I can tell you that it's my information, directly from Federated, that they're not satisfied, that they're not satisfied with the composition of the board. So I'll leave that for the moment.

I would like to ask you one more question, Mr. Minister. Do you have any intention or will you reconsider your decision not to fund, jointly, at the university, the centre for the study of co-ops?

Hon. Mr. Schmidt: — Mr. Chairman, that was a five-year program, the co-op studies at the University of Saskatchewan. In total, the provincial government spent \$641,451 on that program over five years. And if the five-year program has ended, I've indicated to the leaders to the co-op organizations that money is scarce and that the five-year program has ended, and that we are not in a position to renew it at this time because we don't have the money to do it.

Mr. Thompson: — Thank you very much, Mr. Chairman. I want to first of all start off, Mr. Minister, in asking you a few questions on the sale of the assets of the Silver Lake farm in Green Lake. As you're aware, in 1989 a group from Prince Albert known as the Prince Albert holding company purchased the Silver Lake farm from the Government of Saskatchewan, and all the assets. Included in those assets, Mr. Minister, were 1,800 head of pure-bred cattle. I wonder, Mr. Minister, if you could indicate tonight just how much was paid for the assets of the Silver Lake farm.

Hon. Mr. Schmidt: — Mr. Chairman, there were four farms in northern Saskatchewan which were losing approximately \$1 million per year. The provincial government decided that four farms could not be subsidized \$1 million per year, and we decided to deal with these farms in what would be a fair manner with respect to the local citizens.

In Ile-a-la-Crosse a local community development group, the community, took over the farm. It's operating the farm. In Cumberland, it was part of a settlement made with the community of Cumberland. In Green Lake the central farm has been offered to the community. The negotiations continued. We anticipate that there will be a finalization where the farm will be held in trust by the community for the benefit of the community.

With respect to the Silver Lake farm, we tendered that. There were 13 bids; one of the 13 bids was the mayor of Green Lake on behalf of Green Lake. There were other bids that were better bids than the bid from Green Lake. In any event, we are still prepared to complete the negotiations on the central farm. The Silver Lake farm was sold according to tender. The central farm, which was the

main farm, we are prepared to finalize negotiations with the community.

Mr. Thompson: — Mr. Minister, I most certainly never asked you any questions regarding farms, the Central Lake farm or the farm at Ile-a-la-Crosse or the farm at Cumberland House. All the answers that you gave just now had nothing to do with the question that I asked. Now I asked you specifically a question: how much money did the province receive for the assets of the Silver Lake farm? Now that was the only question that I asked you. And I would appreciate if you would answer that question, Mr. Minister.

Hon. Mr. Schmidt: — The answer to the question is that the sale is not finalized because of the caveats placed by the Green Lake community. And when the final legal transaction is completed, the sale price will be public. As a matter of fact, it will show up on the title, as is the case in all land titles documentation.

Mr. Thompson: — Mr. Minister, then you indicate that a sale of the assets of the Silver Lake farm have not been finalized, and those assets have not been turned over to this group from Prince Albert. Is this right?

Hon. Mr. Schmidt: — We have received some cash. However, the sale of the farm was a total sale and the caveats are still there. We still haven't been able to clear the title. Without clearing the title and conveying the title to the purchasers, the sale is not final and complete. Therefore, since the sale isn't final and complete, I'm not in a position to give you the sale price.

Mr. Thompson: — Well, Mr. Minister, what happened in 1989 . . . And you indicate quite clearly that the sale of those assets has not been finalized by your government. Yet you allowed that group from Prince Albert to come in there and take over the farm; you allowed them to fire the employees that had worked there, some of them up to 30 years; you allowed them to sell off the assets including cattle, and grain, and feed. So how, Mr. Minister, can you stand up in this House and indicate that that group from Prince Albert have not finalized the deal? They are not the owners of those assets, yet they can go ahead and do away with the assets.

I say to you, Mr. Minister, that that's not fair. Are you sure that that deal has not been finalized? I ask you that question specifically.

Hon. Mr. Schmidt: — Well there's a difference between equitable ownership and legal ownership. The purchasers have equitable ownership. However, until legal title is conveyed, they do not have legal ownership of all of the assets with respect to the tender and sale. The caveats are still there to the best of my knowledge and as long as the caveats are there we cannot finalize the sale. We will do everything possible to clear the title and complete the matter. As you know, there are people trying to apply pressure with caveats, and we'll have to see how that results. It's a legal matter.

Mr. Thompson: — Are we dealing with . . . Mr. Minister, the group from Prince Albert, did they purchase 100 per cent . . . Do they have 100 per cent equity in the Silver

Lake farm?

(2200)

Hon. Mr. Schmidt: — Mr. Chairman, I indicated earlier that the purchasers have equitable ownership of the property, but they do not have legal ownership in the common law sense that we inherited in 1870 from the British judicial system, so that the sale is not final and absolute until legal title is conveyed, although they do have 100 per cent equitable ownership.

I realize this is relatively complicated, but we have a Torrens land titles system. And under our Torrens land titles system you do not have legal title until you have your name on the title. But you can, under the common law system that also is applicable in this province, have equitable ownership. That's what the purchasers have. The money cannot be released, the details are not final until under the Torrens system you have the legal title that has been conveyed at the Land Titles Office.

Mr. Thompson: — Well after that confusing statement, Mr. Minister, I wonder if you could answer the question that I proposed to you or asked you. The sale, did it include a hundred per cent of the assets of the Silver Lake farm? Are we dealing with a hundred per cent, or are we dealing with a percentage of the Silver Lake farm?

Hon. Mr. Schmidt: — The total farm was not sold to the tender group. There was an employee that made an offer on 80 or 90 acres, and my understanding is that employee purchased those 80 or 90 acres. They would also be tied up with a caveat I believe.

Mr. Thompson: — Other than the 80 acres that were sold to the manager — Wilfred Morin, the former manager who was released from his duties — the rest of the assets were sold to the group from Prince Albert. Is this right?

Hon. Mr. Schmidt: — Your statement is substantially correct except I should point out that none of the employees went on to unemployment or anything like that. They were retained with employment of some other sort so that none of them lost jobs completely. They all had other employment. The man you refer to, I believe, is still working at that particular farm or is working at the central farm right now.

Mr. Thompson: — Oh yes, I'm aware of that, Mr. Minister, but I want to indicate to you that they most certainly lost their jobs at the Silver Lake farm where they had worked in some cases up to, I believe the oldest seniority there was 29 years.

And I just want to close off by saying to you, Mr. Minister, that what you have done here is you have sold off the assets; that the community of Green Lake had put in a bid and you just totally ignored the citizens of Green Lake.

And I want to also indicate to you, Mr. Minister, in closing off, that it was the citizens of Green Lake who were working at that farm over the years, and many, many individuals had put a lot of time in to clean the land. And we're dealing with 4,800 acres of land that were sold — we don't know what the deal is — but were supposedly

sold to the group from Prince Albert.

And I just say that that is a very bad deal, Mr. Minister. I'm just surprised that you only went as far as Prince Albert to sell it. I'm surprised that you didn't go down across the border into the States and sell it to some Americans down there, like you've done with most of the assets that we have in this province.

I just want to close off by making that statement, that it most certainly is a bad deal for the citizens of Green Lake and the folks that live up in that north-west part of Saskatchewan.

I now want to ask you a few questions, Mr. Minister, about another situation which I consider is far more blatant than this one, where we have lost the assets of 8 million acres of our prime forest land that your government in your wisdom in 1986 decided to sell off the Prince Albert pulp mill and all their assets to the Weyerhaeuser corporation of Washington. Mr. Minister, included in that deal was a deal that until the paper plant was built, the Weyerhaeuser corporation from Tacoma, Washington were in partnership with the Government of Saskatchewan, and they had to pay a lease in view of that. Up to 1988 when the paper mill went into production, there were \$63 million owing to the citizens of Saskatchewan on that original deal. To date, as far as I know, \$53 million have been paid and there is still \$10 million that is still owing. Could you confirm that, Mr. Minister, that Weyerhaeuser corporation still owes the province of Saskatchewan \$10 million?

Hon. Mr. Schmidt: — Mr. Chairman, before we sold the Weyerhaeuser pulp mill to Weyerhaeuser corporation, it was losing \$91,400 a day. I don't know what that works out to per year, but that was the average loss during the period of time that the government owned that particular pulp mill. The members opposite don't believe that. The calculation was done and that's the figures. And you want to know why there's deficit is because those are the kind of losses you incurred: a million dollars a year on farms and millions per year on pulp mills. Now they deny that. Well the figures are there.

But the answer to your question directly is that the \$63 million was the payment that Weyerhaeuser made in the first year pursuant to the sales agreement terms whereby they were to pay in accordance with the profits they made. The question would be properly put to the Crown Management Board minister.

The information I have as a member of Crown Management Board is that all payments from Weyerhaeuser are current to date, and that in accordance with the agreement they have made all payments. They are not in arrears. There would be some sum still to be paid on the payment plan on the purchase of the paper mill . . . or the pulp mill and the building of the paper mill. But the \$63 million is the payment we received in the first year; it is not a debt; \$63 million was the first payment. All payments are current up and to date.

Mr. Thompson: — Mr. Minister, are you saying that the Government of Saskatchewan received a cheque from the Weyerhaeuser corporation for \$63 million?

Hon. Mr. Schmidt: — Actually it was two cheques in the first year totalling \$63 million.

Mr. Thompson: — Fifty-three, Mr. Minister, or 63?

Hon. Mr. Schmidt: — The answer is \$63 million paid in the first year.

Mr. Thompson: — Okay, Mr. Minister, I want to rephrase the question. Of the \$63.5 million owing on the dividends on the agreement that work in conjunction with the province of Saskatchewan, you're saying that the province of Saskatchewan received the full \$63.5 million payment on the dividends?

Hon. Mr. Schmidt: — That's the information I have, and that's the information that I recall being announced in the public press release when they made the payments.

Mr. Thompson: — Well that's not the information we have, Mr. Minister. The information that we have is that there was \$53.5 million that were paid on those dividends, and that there were still \$10 million outstanding. And the reason that the \$10 million was not paid is that the Weyerhaeuser corporation wrote a letter to the Government of Saskatchewan indicating that they had a cash flow problem. Mr. Minister, is this right, or is this a wrong statement that I've just made?

Hon. Mr. Schmidt: — I know nothing of any \$10 million owing.

Mr. Thompson: — Mr. Minister, I just want to indicate to you that that's the information that we have. That's the information that I presented to the House when I asked the question and that was the answer that I got back — that that was still owing. So I think that maybe you should get together with the Minister of Finance and just find out if that information is wrong. I say to you that the information that we have is the right information.

You talk about the pulp mill in Prince Albert losing \$91,000 a day. Well that just is not the facts, Mr. Minister. You're just picking those figures out of the air. Those were assets.

I want to quote by Mr. Bill Gaynor of Weyerhaeuser, and he quoted in the P.A. *Daily Herald* on April 8, 1988, and he talks about the good deal that they received, "Weyerhaeuser was fortunate enough to purchase the mill for a good price just before market conditions improved."

Mr. Minister, I'm sure that your government was aware that the pulp and paper industry and the lumber industry in Canada was in problems, and that it was starting to turn around. It was also forecast from other outfits and individuals in the United States, who were in the lumbering industry that the next 25 years were going to be bright years for the forest industry. And you turned around and sold that deal.

Mr. Minister, I want to ask you now how much of the principal has been paid back, and I speak specifically of the \$236 million that the Weyerhaeuser corporation

owes the Government of Saskatchewan.

Hon. Mr. Schmidt: — Mr. Chairman, the pulp and paper industry is cyclical, and up until the sale of the pulp mill to Weyerhaeuser, we were not in the paper business. So now we can benefit from the paper business and also from the computer paper business.

This deal was a good deal for the province. There were 700 construction jobs — 80 per cent were local Saskatchewan people; 169 permanent jobs after the mill was completed. They're continuously adding more jobs now as they're putting in the sheeting machines. Weyerhaeuser directly employs 1,000 Saskatchewan people at Prince Albert, Big River, and Saskatoon Chemicals.

The construction of this paper mill was \$250 million. There's \$25 million expansion at Saskatoon Chemicals; \$6 million mill modernization at Big River; there was a \$20.8 million expansion of the paper mill for the new sheeting machine. And as a result of free trade, duties coming off, we now have access to the U.S. market and we have a capital investment of \$300 million, total, capital investment in this province, instead of a \$91,000 a day loss. The figures are there.

After all these years, this is the first time you've ever questioned the figures of \$91,400 a day. You probably are getting closer to an election, and you want to play with the figures, but why haven't you questioned these in the last three or four years? The figures have been out there all along . . . (inaudible interjection) . . . Well the member from Prince Albert now is there speaking from his seat.

I suppose he's denouncing the project. I suppose he's another like the member from Moose Jaw, against the fertilizer plant. The member from Prince Albert, if he's opposed to the Weyerhaeuser plant and its construction and opposed to the building of the mill and if he's opposed to adding \$20 million worth of sheet equipment, then he'll have a chance to stand up and tell us how he's opposed, and he can beam that back to Prince Albert so that his voters know where he stands on the jobs in his own constituency. That opportunity I will give him right now.

(2215)

Mr. Thompson: — Mr. Minister, you never answered the question, and it looks like you are not prepared to answer that question.

I just want to close off by making a few closing statements. You talk about the paper mill that they built up in Prince Albert. I just want to indicate to you, Mr. Minister, that your government signed an \$83 million guarantee to Weyerhaeuser corporation to borrow money to build that. It just seems like you continually are signing promissory notes to all the individuals that are coming into our province and taking over our assets. We have no assets left in this province, and that's why . . . you know there's an election coming up, and you indicate it's getting closer and closer, and I tell you, the citizens of this province are looking forward to the day when your

government gets up enough courage to call an election. Then we will compare the economic philosophy of your government compared to the economic philosophy of this government.

And one just has to take a look at what you inherited when you took over this province. We had those assets. We also had \$139 million in the bank. That is operating. Now we have a debt of over \$4 billion in this province, and it's rising every day. Two weeks ago your government — and you talk about good management — borrowed \$300 million on the money market to pay back the money market for moneys that you had borrowed to put us in debt in the first place. And you call that economic stability in this province. That's why we're \$14 billion in debt, totally, in this province. And you are going around to the money markets to borrow money to pay back money that you already borrowed from the money markets at high prices.

And I say that that deal up in Prince Albert was a bad deal in 1986 and it's still a bad deal. And I say to you, Mr. Minister, that there's a letter indicating that the Weyerhaeuser corporation did not pay back the loan because they had a cash flow problem. Now how could they have a cash flow problem when they had profits in 1985 of \$132 million? And it goes up — 1986 they had a profit of \$180 million; 1987 they had a profit of \$379 million; 1988 they had a profit of \$516 million; and last year the Weyerhaeuser corporation had a profit of \$377 million. And they got a cash flow problem they indicate to you so they don't have to pay any money back.

They got a sweetheart deal when they signed this agreement — no money down, 30 years to pay off the debt, eight and a half per cent interest, and if their profits are less than 12 per cent in any given year they don't have to pay any money back. Plus, we have to build 32 kilometres of highway for the Weyerhaeuser corporation — taxpayers' money. We have to maintain all the road system that's in there at the taxpayers' money.

I don't blame the Weyerhaeuser corporation, Mr. Minister. They came into this province, they knew who they were dealing with, and they seen a good deal and they took it. And let me tell you, Mr. Minister, they got a good deal. But the taxpayers of this province are paying for it. They are paying for it.

And look what they're paying their top executives, mister. We talk about Chuck Childers in the potash corporation making \$740,000 a year, so that's really peanuts compared to what the chairman, Mr. G. Weyerhaeuser, the chief executive officer of the Weyerhaeuser corporation makes. He makes \$1.06 million a year, Mr. Minister, \$1.06 million a year. The top executives, almost \$3 million a year, and then they don't pay for the assets that they received from this province.

And I say to you, Mr. Minister, that they still owe in dividends \$10.3 million because they had a cash flow problem. That's in writing. And I say to you, Mr. Minister, that they still owe the province of Saskatchewan \$236 million on the principal, on the assets that they took over from the Government of Saskatchewan. I say that that is a bad deal and I say to you, Mr. Minister, you can talk about

political posturing, but once the election is called in this province we'll find out whether that you can look after the economic problems of this province. You have destroyed this province, and it's going to take a little while to get it back, but I'll tell you, we will as New Democrats. And when the election is called, you'll be gone, the same as you were in 1934. You're going to be lucky to get one seat back.

Some Hon. Members: Hear, hear!

Hon. Mr. Schmidt: — I wasn't here in 1934, so I'm really not responsible for 1934 or 1944. But I can say this, that the two members from Prince Albert are sitting over there. They won't get up and denounce Weyerhaeuser; you've got to get a member from way out of town to denounce it here in Regina. Will your party stand up and say that in Prince Albert? Will your party be consistent and say, we're opposed to Weyerhaeuser and the \$22 million a year they spend on payroll in the city of Prince Albert?

The members for Prince Albert are absolutely silent. They don't denounce Weyerhaeuser, just like the members from Moose Jaw don't denounce the Saskatchewan fertilizer plant. They get other people from other parts of the province to stand up and complain about it for your own political purposes. What about the jobs? There are a thousand people working there, and you're opposed to it. What else are you opposed to? You're opposed to everything that makes money. That's what you're opposed to.

Mr. Thompson: — Mr. Minister, that's what the Conservative government stands for: anything that makes money you want to give it away, and you pay them to take it.

Some Hon. Members: Hear, hear!

Mr. Thompson: — And you want to take a look at *Hansard*, Mr. Minister. And in 1986 we said that it was a bad deal, and we elected two members in Prince Albert.

Some Hon. Members: Hear, hear!

Mr. Thompson: — In 1988 we said it was a bad deal, and you said it was a good deal, and we elected 10 members to the federal House of Commons. So I tell you, Mr. Minister, the voters in Saskatchewan know full well that it was a bad deal for this province.

Mr. Lautermilch: — Thank you, Mr. Chairman. Mr. Chairman, for the benefit of the minister I'm going to tell him exactly where the two Prince Albert members stand with respect to the sale of the PAPCO (Prince Albert Pulp Company) assets, just so the minister will be for once clear in his mind.

The only problem with the sale of the PAPCO assets was the incompetence of the people who negotiated the deal on behalf of the people of Saskatchewan — your cabinet. That's what the problem was, Mr. Minister. And for you to stand in this House and talk about \$91,000 a day being lost at that pulp mill is an insult to every person who spend their working lives working at that mill and making money and making returns on behalf of . . . for the people

of this province. That's what you've just done. You don't need to stand up and put words in anybody's mouth, Mr. Minister.

You will know that it's very clear that we're supportive of the Weyerhaeuser corporation because they're a big corporation and employ a lot of people in our province. And we have no quarrel with the deal that they cut with you, not on their behalf. They did what they needed to do on behalf of their shareholders. It's a problem that you didn't look after the shareholders of the people of the PAPCO's assets and you weren't looking after their interests when you sold it to them with the agreement and the deal that you sold. That's the problem, Mr. Minister. And if you want to repeat this in Prince Albert or in any other community in this province that's fine because that's the way it is. The deal stands that you have delivered an incompetent deal and you've cost the people of Saskatchewan an awful lot of money.

It's no different than your deal with Cargill or with Pocklington. With Pocklington and the Gainer operation in North Battleford, you end up costing the people of this province an awful lot of money, and you've done it with GigaText, and you've done it with Joytec, and you've done it with a number of different operations in this province and, Mr. Minister, you ought to be ashamed of yourself.

I've listened to you in these estimates for hours, and you know what still isn't clear to me, Mr. Minister, is what kind of economic indicators that you look at when you make a determination as to whether the economy of this province is in good shape or whether it isn't. And that's the one question I have for you tonight: can you tell me what economic indicators tell you that you've done such a fine job on behalf of the people of this province when you're standing on a \$14 billion provincial debt and a four and a half billion dollar deficit? Can you tell me that, Mr. Minister?

Hon. Mr. Schmidt: — Thank you, Mr. Chairman. Well the member opposite hasn't, of course, looked in his own backyard at the Weyerhaeuser expansion, the new jobs in his own city. He complains about the new jobs in Battlefords. He complains about a new recreation vehicle manufacturer in Battlefords. He complains about a bacon plant in Battlefords. Ask the NDP member for Battlefords if he's opposed to the bacon plant and if he's opposed to the manufacturing plant in Battlefords.

It seems to me that the NDP, when they get jobs in their own constituencies, are always opposed to these new jobs. And then I have to remind them where the jobs are. They're in Battleford which is an NDP seat right now. They're in Prince Albert. The jobs are in Moose Jaw. The jobs are in Regina where you have 80 per cent of the seats. And the biggest project in the history of Saskatchewan was built right here with thousands of workers working on that project. Manufacturing is up in the term of this government by 585 per cent — approximately 600 per cent increase in manufacturing.

Do I have to give you an explanation about the price of wheat or can you go out there and look at the facts and figures on where this province is? When you did not

diversify this province, we have to live with the consequences. We are diversifying while the price of grain is low, while the price of oil is low, while the price of potash is low.

And your leader asked today: why is New Brunswick doing better? And I told him in question period, because they've got our potash mines. The potash mines are in New Brunswick because you bought potash mines in Saskatchewan. And then you did that with our own money and shipped our money out of the province so that those companies could use our own money to build mines in New Brunswick.

And then you wonder, under your diversification, why, when we bought holes in the ground and shipped money out of the province, we don't have jobs, and why we don't have an infrastructure that is industrial based. At the same time, Alberta — which was not into Crown corporations, which did not go spouting about a mixed economy — Alberta diversified so that 70 per cent of their income in agriculture is now not from grain but from cattle and hogs. And they have a processing industry. And it just so happens that Alberta has a brand-new \$30 million packing plant built by Cargill Grain. What's wrong with Cargill Grain owning a packing plant in Alberta? But if they would have built one in Saskatchewan, you'd be opposed to that too. Even if they built it in your own backyard and they hired all of your relatives, you'd still be opposed to it because you are opposed to progress in this province.

I really don't know what the NDP stands for if it isn't for everything negative, everything that can bring people and drag them down to your low level. And I tell you, the people of Saskatchewan don't want to live at your level. They don't want to have your lifestyle. They don't want to have a planned economy. They don't like your plans, and they don't like your mix in a mixed economy. Saskatchewan has rejected your ideas. The world has rejected your ideas. And in your own constituencies you will be rejected if you don't start respecting the employers that you've got there.

Mr. Lautermilch: — Mr. Minister, let me tell you this: if there's a lack of respect from members on this side of the House, it's for you and your cabinet and that government who's almost destroyed this province. That's where the lack of respect comes from.

I asked you what economic indicators that might tell you Saskatchewan is in a buoyant situation with respect to our economy and clearly you don't have any answers or you don't want to talk about them. But let me tell you what the men and women in this province, the business men and women and the working people look at when they look at whether or not their province is doing well.

They look at the number of jobs that their governments have helped to create. They look at the number of new housing starts. They look at the number of small businesses that opened. They look at a population growth, and they look at a low number of bankruptcies with respect to existing businesses. Those are the kinds of things they look at. They look at whether or not they can maintain their family farms. And I'll tell you what, Mr.

Minister, the figures are here. And they're not my figures; these are from StatsCanada, and your own government figures. It tells us that you clearly have failed in every one of these areas in Saskatchewan, and since 1982 you have almost brought the economy of this province to its knees.

You talk about diversification, Mr. Minister. You compare Alberta to Saskatchewan, and that Alberta doesn't use Crown corporations. A man, Mr. Minister, with your education and your background, and the years of experience with this government, clearly you would know that Crown corporations are a part of Alberta's economy, just as they used to be in this province before you gave away every one of the lucrative ones. And you should know that, and I don't understand why you don't know that, Mr. Minister.

(2230)

Mr. Minister, I'm going to ask you again: the items that I outlined, are you happy with the number of jobs that have been created in this province?

I want to know if you're happy with the number of housing starts, this year probably the lowest on record in this province. I want to know if you're happy with the numbers of small-business people who have closed their doors and who have gone bankrupt.

I want to know if you're happy with the exodus of our young people from this province. I want to know if you're happy with the lower bond ratings. And I want to know if you're comfortable with the direction you've taken with respect to privatization that has in no small part caused a lot of these problems.

And I want to tell you, Mr. Minister, if you want to sit here till 2 or 3 in the morning, we can explain where these numbers have taken the people of this province. We can talk about how many businesses have gone bankrupt, and the thousands of young people who have left this province looking for work. We can do that. But I want to know how you feel with respect to these issues, Mr. Minister.

Hon. Mr. Schmidt: — I will never be satisfied with the number of jobs created in this province until we have so many jobs that socialism is erased from the minds of our people for ever. That's when I'll be satisfied. And I think it will take a few more years to erase that kind of thought from the minds of our people.

Now let me give you an idea of what is job development and decentralization. I was a member of your party when it was part of your platform to decentralize the province. And where is the decentralization? Where are the government offices that never were moved to Melville and to Swift Current and to Saskatoon? But let me give you an indication. In Delisle, Delsa Foods, eight new jobs; in Dysart, Veltek furniture, seven new jobs; in Melville, Babcock & Wilcox, 22 new jobs; in Moose Jaw, Phillips Cables, 30 new jobs; Northern Reel, 14 new jobs. Might I also say that the water corporation head office is in Moose Jaw, a decentralization that you would never do even though you promised it. In North Battleford, Hunters RV manufacturing, 200 jobs; Gainers, 150 jobs; and Prince

Albert, Weyerhaeuser paper mill, 169 jobs in total; Continental Lime, 10 jobs; Regina, NewGrade upgrader, 40 permanent jobs; Gelco Steel, 35 jobs; Saskatoon, Intercontinental Packers, 150 new jobs; Hitachi, the Japanese turbine manufacturers, 30 jobs; Flexi-coil, 100 jobs; Swift Current, Midwest Glass Tempering, 13 jobs, a possible 12 more; Flexibrick, 12 jobs; Spar packaging group, 50 jobs; Hara Products, 10 jobs; Weyburn, Austrak manufacturing, 20 jobs, possibly another 80; Wolseley, Saskatchewan, Canapharm, 45 jobs; Wynyard, Quill Natural Spring Water. The member from Quill Lakes knows that right in his own constituency this government is diversifying with eight new jobs in his seat. And you were opposed to this kind of diversification: the Saskatchewan fertilizer plant, with 70 or 80 permanent jobs, right near Moose Jaw; Cypress resort, 8 new jobs, 20 in season; the Shand power project in Estevan, 87 jobs; the Lloydminster bi-provincial upgrader, 150 jobs; Manitou springs hotel has an application that they're applying for, 10 new full-time jobs; the Millar Western pulp mill, in Meadow Lake — that's the one you cancelled after you got elected when you defeated Ross Thatcher — it's now being built at 125 jobs. Then an amusement, RV park, in Moose Jaw; Federal Pioneer's new plant, 65 jobs in Regina. You paved over the PCB spills. We're building a new plant.

It goes on and on: irrigation, 353 jobs; Saskatoon Westcoast Reduction, 65 jobs. Wynyard is planning on the expansion of their water plant. Harvest Meats Co. Ltd. in Yorkton just opened with another 15 jobs. These are the kind of projects that no Crown corporation ever would build or could ever operate if it did build it. So don't tell me that you had plans to do all that.

Mr. Lautermilch: — Can you tell, Mr. Minister, if all of these jobs that you've listed, have been the salvation and that things are so great in Saskatchewan, can you tell me why our labour force is shrinking in this province?

Hon. Mr. Schmidt: — Your labour critic is quoted in the paper — and he can come and deny this tomorrow if he wants to — but your member from Moose Jaw North is quoted in the paper admitting that between 1971 and 1982 when the NDP were government that the province lost 45,000 people. Now that's when the price of wheat was high, the price of oil was high, the price of potash was high. When commodities which you said we should invest in, which you said would be our future in the resource industry, when those prices were high, 45,000 people left Saskatchewan. Those people voted with their feet when the prices were high.

And I have the quote, and you can look at it in your own newspaper, *The Commonwealth*, where Allan Blakeney was asked when he was buying the potash mines: what would happen, Mr. Blakeney, if the price of oil and the price of potash and the price of wheat all went down at the same time? And do you know what his answer was? That would be a catastrophe, but that will never happen. That's the kind of forward thinking that you had when you were government, that you would rely solely on wheat prices, potash prices, oil prices. And what happens if those all go down? Well that's a catastrophe and that's what we have right now — a catastrophe because you put all our money in commodities which are cyclical.

It wasn't good enough to put it in potash, it wasn't good enough to simply pump out the oil and not produce chemicals, petrochemicals, it wasn't good enough to produce natural gas and try to make fertilizer as Alberta has done. You had to go and buy the holes in the ground and ship millions of dollars of our money to New Brunswick.

I stood up to your leader, I stood up in front . . . (inaudible interjection) . . . You weren't even there; you were probably way too young; you were probably in high school. I stood up to your leader and I said to him that buying holes in the ground will not do anything for this province. And you know, I convinced at your NDP convention, one other person, and that other person is probably a Liberal or a Conservative right now — one other person.

But you will never change. You won't even admit now that that kind of a policy of taking our tax money and investing it in holes in the ground is not building for the future. When Alberta and British Columbia were diversifying their economy, you were buying holes in the ground, and 45,000 people left this province during the time that you were government. And you say, now what happened? Well a catastrophe happened because you planned it that way.

Some Hon. Members: Hear, hear!

Mr. Lautermilch: — Mr. Minister, I can only say one thing. I'm glad the former premier of this province never listened to your advice because under his leadership and under his direction we were able to balance 11 budgets in a row in this province, something that your Premier has never done one time since he was elected in 1982, Mr. Minister.

Some Hon. Members: Hear, hear!

Mr. Lautermilch: — Mr. Minister, last year we lost 23,705 people from this province. Business bankruptcies were up from the year before, some 24 per cent, and you've got a record of increased business bankruptcies ever since you've been in power. And that's why our labour force is shrinking, and that's why people are leaving this province.

You've totally ignored the one vehicle that you could have used to stimulate this economy, and that's the small-business community. You've totally ignored that sector of our province. You've left them out to the wind. Instead you hinge your wagon to the horse that pulls Cargill and Weyerhaeuser. And that's your problem, Mr. Minister; you've got blinkers on, and you're not willing to use the tools that this province has used over the years in order to create a stable economy.

You talk about what would happen if agriculture went to pot, which I agree there's been some problems. But you know you've squandered away hundreds of millions of dollars in oil revenue since 1982, and you can't deny that because, Mr. Minister, it's in *Public Accounts*; the record is there. And if you had taken the resource revenue to cross-subsidize for agriculture when you could have, you

wouldn't have a \$14 billion provincial debt, you wouldn't be on the hook \$4.5 million in terms of general revenue. That's where you made your mistake, Mr. Minister.

You weren't willing to take the resource revenue when you could have and when you should have. And don't come in here and cry that you never had any resource revenue with respect to oil. You dealt with some of the highest priced per barrel oil that was a lot higher, Mr. Minister, than was ever around in the 1970s when the former premier balanced budgets in this province 11 times in a row. But not you. You chose your friends, Exxon and the large multinational oil companies, over the people of this province.

I want to say, Mr. Minister, you've talked about how I was probably in high school when you were giving advice to the former premier. What I want to tell you right now is, Mr. Minister, there are young people going to be going to the ballot boxes in 1990 or 1991, whenever you have the courage to face the electorate, who have never seen anything in their voting years other than your incompetence and your mismanagement. And I want to say they're not all of them walking up to this Premier and explaining why they're leaving the province, but a lot of them are.

But I want to say to you, Mr. Minister, that a lot of the young people that are staying in this province are waiting for a chance to tell you that they're fed up with the number of business bankruptcies. They're fed up with seeing their neighbours leave their farms. They're fed up with seeing their friends and neighbours in the cities working part-time jobs where they can't afford to support their families. And that's part of the reasoning, Mr. Minister, that you have the large out-migrations, and 77,000 people since 1985 have had to leave this province because of the direction of your government.

Instead of apologizing to the people, you stand up and tell them that everything is fine. But, Mr. Minister, they know better. You can't tell hungry children that you're doing such a wonderful job and that things are great for them and have them believe you. It doesn't work. And you don't tell young people who have been refused entrance to university that your government has created a viable and a great place for them. You can't do that, Mr. Minister, because you don't have any credibility with respect to that. And I'm going to ask you again: can you tell me what economic indicators with respect to the number of jobs in this province — and I don't want to hear your list of what might have been or what could have been. I want you to talk about housing starts in Saskatchewan and how many people are employed building new houses in this province, and I want you to tell me a little bit about the number of small-business bankruptcies that have happened since 1982 at an ever-growing rate and an ever-increasing rate.

I want you to tell me how people in this province are going to believe that you have created a buoyant economy. You've got those figures at your fingertips. Why don't you stand up in this House and read them to the public and let them know exactly what's been happening with respect to those issues? Why don't you do

that, Mr. Minister?

Hon. Mr. Schmidt: — Mr. Chairman, the Saskatchewan labour force increased by 17,000 since April of this year and 3,000 over last year. Clearly we are showing some economic progress despite the low grain prices. The total employment increased by 19,000 since April and by 5,000 over last year. The number of employed youth increased by 10,000 since April, 1990. We are turning the corner. We are starting to make some progress.

I don't deny that it isn't difficult, but certainly those of us on this side have been working 70 hours per week plus trying to get this province going, and all you've had to contribute so far is negative criticism and not one good idea.

Mr. Lautermilch: — Mr. Minister, I'm going to ask you to table those documents, because I think you might be the only person in this province who believes them.

But let me go through some of the youth unemployment rates in the 15- to 24-year-old category. And I want to tell you, you know that it's consistently higher with other provinces that are right surrounding us — Manitoba and Alberta. I want to tell you, Mr. Minister, that your record since 1982 is not one that you want to be proud of. The rate in Saskatchewan for youth was almost twice the normal rate of unemployment in this province. And I know you know that and I know you understand that.

Mr. Minister, in this year's budget, no program for youth employment — not a one, not a one. You cut back from what you had the year before. And I want to tell you, Mr. Minister, that the facts and the figures don't lie. They're there and they're there for you to know, and I think you know them. And what I'm asking you is: because you know those figures, why don't you change the direction of your government?

(2245)

You haven't delivered what this province needs and you haven't delivered a stable economy for our young people. And that's why they're walking out of this province in droves. You can look through any community you want — you see empty homes; you hear of families moving. And it's not just agriculture-related, it's through the whole piece. The construction industry is dead. The agricultural community is facing larger and larger numbers of bankruptcies, and I know you know that. But instead, what you do here, Mr. Minister, is you stand up and won't even admit to the fact that you have made some mistakes since 1982, and clearly you have.

And I would like, Mr. Minister, for you to table those documents that you just read from. I'm asking if you'll do that?

Hon. Mr. Schmidt: — There's some interesting statistics, Mr. Speaker. First of all, youth unemployment rose more when the NDP were government than it has since we are government. In 1975 youth unemployment was 5.1 per cent. By 1982 when the NDP were defeated, it had doubled to 11.4 per cent. Under our government, it went from 11.4 per cent to 12.2 per cent in 1989. Really not

much of a change in youth unemployment for all of the time that we were government, from the time that we took over from the NDP until now. The NDP had high prices to work with; we have low prices to work with. So the record of the former government during easy times is not very good.

The population increase in the first seven years of our government in this province, population rose by 3.1 per cent. During the first seven years of the NDP government, from 1971 to '78, the population rose by 1.9 per cent. So given three or four more years, we could probably do even better, Mr. Chairman.

Clearly our programs are working. We will even try to solve the international grain wars and do our part to help solve that. The Premier has made a large effort and the Premier and I will both make a contribution with respect to what can be done in the GATT (General Agreement on Tariffs and Trade) negotiations. There is nothing like peace in the international grain wars to bring prosperity to Saskatchewan.

Mr. Lautermilch: — Well, Mr. Minister, let's get to reality. And I'm going to ask you again if you'll table the documents that you read from. But let me give you some numbers. In 1982 there were 107,000 jobs. In 1990 there are 84,000 jobs for young people, and that's a drop of 26,000 jobs, Mr. Minister. And these are your statistics, not mine. Not mine. I just didn't pull them out of a hat.

Mr. Minister, I'm going to read down the list of jobs and how the decreases happened since 1982: 1982, 107,000; 1983, 103,000; 1984, 101,000; 1985, you had a little rebound there to 103; '86, you're down to 101,000; '87, you're down to 95,000; '88, you're down to 90,000; '89, to 88,000; and 84,000 in the year 1990, Mr. Minister. These are your figures. Mr. Minister, not mine, and I want to see the document that you're quoting from. Will you pass that across to us?

Hon. Mr. Schmidt: — The document's a public document, Mr. Chairman, and it's available to the opposition. There's a very elementary explanation: this is another example of NDP logic, which is an oxymoron, I would say. But with respect to the NDP logic, there are fewer youth in the '80s than there were in the '70s, accordingly because of the baby boom. You would have more youth in the job market in the '70s, there would be more youth employed. Once that holds and the demographics comes out of the population cycle, there are fewer youth — you cannot have more youth employed. It's the percentages that you're looking at; the number of youth employed, if you take into account the post war baby boom. And when they hit the job market, it will explain perfectly clear why your statistics give you the conclusion that you believe you have reached when you haven't taken into account the factor of the number of youth in each category during the '70s or '60s or '80s.

Mr. Lautermilch: — Well, Mr. Minister, baby boom or no baby boom, I want to take you back to some numbers. The net migration in this province in 1982 between the ages of 15 and 24, we gained 1,703 young people between those ages. These are federal government statistics, Mr. Minister. And I tell you, that was the first

year you took over government. Between there and 1985 there was a slight influx of young people, but from '85 on they disappeared like the wind.

In 1990 we lost 5,598 people between the ages of 15 and 24 years. Now are you telling all of those young people that you had decent employment opportunities for them and that they had an opportunity to work in this province and should have stayed here? I don't understand what you're saying, Mr. Minister. In 1988 we had 3,116 people leave this province. In '87 we had 2,100 people between the ages of 15 and 24 leave this province. In '86 we had 3,251 young people leave this province.

Now, Mr. Minister, I ask you to give me the source of the documents you were quoting from. You say they're public records. Could you tell us what the source is.

Hon. Mr. Schmidt: — I'd be pleased to. Statistics Canada press releases with respect to job opportunities and population migration statistics, and the Saskatchewan bureau of statistics.

Mr. Lingenfelter: — Mr. Minister, I have a few questions that deal with the economy of the province. I noted earlier in your comments you were saying how the revenue in the province since you took over has continually gone down. I just wondered whether you could indicate to us what was the revenue from oil, the total revenue from oil, in 1981, the last year that the previous government was in power, just so we can make a fair comparison.

Hon. Mr. Schmidt: — We'd have to look it up. We could call the library in to bring us the figures. I don't have the oil statistics at the top of my head because I've never had that portfolio. However, my officials are looking it up rather quickly so maybe I'll be able to give it to you.

In 1985, my recollection is the price of wheat went down to a low that was the lowest in history, and 1987, I believe, was the first year when that cycle came through where our net take on income tax — it was either 1985 or 1987 — our net take on income tax went down for the first time in history. So since income tax was temporarily invented back in World War I, every year the province's receipts in income tax went up. And I recall, as you know and will admit, when I was a member of your party, one of the biggest concerns at the annual convention was how are we going to spend all of the income coming in. Because you had an inflationary cycle, the price of wheat was high, and farmers for the first time were *en masse* paying income tax, that money flowed into the cities. City people were paying income tax. The income tax revenues went up so fast you had a hard time figuring out how to spend the money, so you wasted it. That was the simple answer of what your policy was in the 1970s.

And so now we have had a second year, and I believe it was 1989 when income tax revenue fell for a second time. So what you have is a system where annually the expenses of the province rise by 10 per cent. And Health has been very consistent; an increase of 10 per cent per year for Health. Education has been trekking along at that rate.

You have your expenditures in the 1980s increasing by

10 per cent and you have your revenue to the province increasing by 5 per cent. Anyone can tell you that that will lead to a graph that will show a deficit. The Premier in addition indicated that he would put the treasury of Saskatchewan on the line for agriculture, and he did.

You can only put the treasury on the line once. It was done. We now have a deficit. Agriculture has been saved, although I can tell you that in agriculture it is not — it is not — easy going. But agriculture in this province has been saved from prices that were the lowest in history.

Now when you calculate your prices as always — and I know that money is a disdainful topic for the members of the opposition, as are profits and all the things that the world runs on like efficiency, profits, money, capital. Those are all dirty words for the NDP, I know that, but you have to take into account the current value of money. What would a dollar buy in 1952 or 1982 or 1990? That's what you have to take into account. So whenever you're comparing statistics you have to compare current value and current dollars.

If you had a price, a barrel of oil at \$14 in 1977 and you have a price of oil going down to \$14 in 1989, the price of oil is not the same. You have to take inflation into account and that \$14 will not buy you now what it would buy you in 1977. So grain prices and oil prices have to be adjusted for inflation into current dollars so that all comparisons are in current dollars. I don't know if that's too complex for you, but I'm trying to explain as simply as possible so that you understand you have to compare a 1990 dollar to an adjusted 1970 dollar or whatever year you're adjusting for.

Taking that into account, I will give you an example of the price of wheat. I recall saying to my grandfather who bought our farm in 1920 and paid \$4,000 per quarter when it only had about 20 acres on it. I said to him as a young boy: grandfather, why did you pay so much — \$4,000 per quarter? He said, grandson, you have to keep in mind that the price of wheat was \$2.20 a bushel in 1920.

Now that was in 1920 dollars. When the price of wheat peaked in 1928-29, the price in 1928-29 dollars was in the range of \$2.57. In 1985 the price of wheat in actual 1985 dollars was less than it was in 1929. And when you take into account what a dollar would purchase. The price of grain from 1929 to 1985 had fallen by about tenfold, and that is what we're dealing with in the 1980s in this province.

We have relied completely on grain; we have not gone into processing of our grains or of our agricultural products. This government is diversifying into processing. Because we are diversifying into processing we are using large amounts of capital. We are trying to maintain health and education and we are trying to maintain agriculture. That results in a deficit.

I stand behind the Premier when he said he will put the treasury on line for agriculture. He did, and I stand behind him, and this entire government stands behind the Premier for having put the treasury in line for agriculture and having defended agriculture here in this legislature,

all over this province with cash dollars out of the treasury. And in Ottawa and internationally in Geneva where the GATT negotiations are going on, the Premier has stood up for this province.

We have gotten through very difficult times. We are turning the corner now and there is a bright future for this province if only the opposition could come up with some positive criticism and stop being so negative about all of the good things that have been done.

Mr. Lingenfelter: — Well, Mr. Minister, when I asked you the question about the price of oil about 15 minutes ago, I noticed that you skated around the issue but it didn't go unnoticed. I want to say to you, Mr. Minister, that the price of oil, the income from oil in 1981 was in fact relatively low. And in fact the revenue from oil did not go down as you indicated when you took over.

Now here I have a document, your own document, and if you open up the inside page there's the smiling face of the former minister of Finance, and in that statement he indicates that in 1981 the income revenue from oil was 821 million — 821 million — and on that \$821 million we got revenue of \$368 million. A little under 50 per cent of the amount of the total revenue from oil was collected in taxes by the provincial government. By 1985, the total revenue had increased to \$2.3 billion. That's an increase of 300 per cent in five years, in terms of revenue from oil.

(2300)

Now what did you take on that \$2.3 billion on oil revenues? Well you got about \$600 million — about \$600 million on revenues of 2.3 billion, or about 25 per cent.

Now, Mr. Minister, had you continued to collect the tax, to levy the same amount of tax on oil that was levied in 1981 in 1985, you would have got a revenue of something in the area of \$1 billion in 1985 on oil alone. And that would have been a major increase and there would have been no deficit.

If you follow the line through on oil revenue, you find in 1981 it was \$821 million. It went to 1.2 billion in 1982, 1.7 billion in 1983, 2.1 billion in 1984, and 2.39 billion in 1985.

Now those are dramatic increases in revenue from oil. But the simple fact is, Mr. Minister, that during those years when the income revenue from oil was going up by 300 per cent, you were running the first deficits that this province had seen for many, many years. And there was no money to going to farmers at that time. There was no drought on. In fact, if you look at the revenue to farmers during that period from the price of grain, they stayed very, very constant. They didn't go down.

The fact is, Mr. Minister, when this province got in trouble with the deficit was not during a time of down prices for grain. And it certainly wasn't when the price of oil was down. In fact, it increased 300 per cent, and you know that. And what the people of the province are saying is, where did the money go? Where did the money go? Well here, Mr. Minister, is where about \$2 billion extra went to

oil companies. This is on one item, about an extra \$2 billion in that five-year period.

That is when we started the slide into the deficits that we now find ourselves. That was a decision made by your government. It had nothing to do with the price of wheat; this had to do with the oil resource that belongs to all the people in the province. Had nothing to do with privatization at that point; it had to do with mismanagement and paying off your buddies who had paid for your campaign in 1982. And that's where we started the slide.

What I want to say to you, Mr. Minister, is that in about 1983 and '84, you began to privatize; your government began to privatize the economy of Saskatchewan. And I just want to ask you, in the area of the Crown corporations, in terms of employment and debt, can you tell me what has happened to the deficit in the Crown corporation side since you people took over as government in Saskatchewan. Has it gone up or down? And if it has gone up, what is the level of debt in the Crown corporation sector at the present time?

Hon. Mr. Schmidt: — Mr. Chairman, this isn't Crown corporations estimates. I don't have all of those figures before me at this time. On the economic development side, let me tell you this: that first of all the corporation I'm responsible, SGI, has gone from losing money to making money; has gone from being subsidized by the taxpayers' gasoline tax to being self-supporting and putting money aside for a rainy day. With respect to SaskPower Corporation, its debt has gone up. It has built a power plant, a hydro plant, it borrowed for that. It is building a thermal plant at Estevan, it has borrowed for that. If you look at last year's annual returns, it paid off millions of dollars last year out of its own internal earnings. With respect to other Crown corporations, the P.A. pulp mill, we discussed earlier, has gone from a loss situation of \$91,000 per day average during the time the NDP owned it, and it has now gone to not losing any money. It has \$63 million paid back since we sold it.

But let us go into what you do with the oil industry when you choke it by royalties that are out of line with the market. And I know the members opposite don't understand the market. And even if they did understand the market, they wouldn't like the market. Market is a dirty word for them.

But in 1973 when the members opposite were elected, we had 13 million cubic metres of oil production. By 1981 they had choked that down to half — 7.4 million cubic metres of oil production. So in 1981 you had choked the industry in half, in the time that you were the government. And you said, well you've got a large percentage of money, you got a large percentage of money on half the production. If you would have charged 25 per cent, you would have got the same money and you would have had some activity.

Then during our government coming to power, the oil industry has got back up. While we were in power, the 12.3 million in production . . . and you were producing in the period of time when the fields were new. We're now developing enhanced oil recovery in that same period of

time. You bought natural gas from Alberta at an inflated price and didn't give any incentive to our own Saskatchewan companies to find the natural gas that is there. And when you were the CCF (Co-operative Commonwealth Federation) you told my grandmother and me, as a small boy, there's no natural gas in Saskatchewan. That's what you told us — there isn't any. That's the kind of information you fed me as a child. It's bad enough you come in here with that kind of information and talk to adults; that's what you fed to children — there's no natural gas in Saskatchewan.

Now when the natural gas is being used to make fertilizer you say, oh it shouldn't be used to make fertilizer; oh no, sorry we've changed our mind; you've now changed your mind — it should be used to make fertilizer. And it's all right if you do it in Moose Jaw where you hold the seats, and it's all right if you do it close to Regina — that's fine; make fertilizer. But oh, don't do it with an international company, don't buy 49 per cent of the Saskatchewan Fertilizer Company. Do as the NDP would do — buy 100 per cent of the fertilizer company.

Doesn't matter that you don't know anything about making fertilizer or selling fertilizer, but do it through the government. And if you lose \$91,000 . . . or \$90,400 a day it doesn't matter; the taxpayers will pay, you can tax somebody. Well there aren't enough somebodies out there to tax for that kind of inefficiency.

And you say, oh well, we were government; yes, and we did this and that. You know, the only smart thing you ever did was you called an election before the people knew where the prices were going. And you tried to get away with it. And I remember when you called the election in 1982 the eastern media said: ho hum, Allan Blakeney called an election; he's going to win easy again. And then the people found out that you had squandered the money when it was easy to come by and that you knew the prices were falling.

I'll give you the prices. The price of wheat peaked in 1980-81 at \$222 per tonne. By 1986-87 it had dropped to \$130 per tonne. It's now \$135 per tonne. In today's dollars it is less than half; it is probably 25 per cent of what it actually was when it peaked. It shows up as 50 per cent down. When you take inflation into account and the cost of production of farmers, wheat in actual fact has gone down to 25 per cent of what it was worth when you called an election because you knew that was going to happen, and you tried to sneak in a new mandate.

Oil — oil peaked at \$33.16 per barrel in 1985, and now it's back down to \$14.44 per barrel in 1990 dollars. In reality, oil is down at about \$7 a barrel. Potash peaked in 1981 at \$157 per tonne. It went down to \$87 per tonne in 1986 and has now come back up to \$141, and it's fallen again.

Uranium in 1980 was selling for \$43.40 U.S. per pound; that's U.S. dollars. I know you have a hard time comprehending a U.S. dollar, but that was in U.S. dollars; \$43.40 was the price of uranium in 1980. In 1990 the price of uranium is \$8.35. It's crept up a little bit now. I think it's 9.50 or so.

So that is the kind of commodity prices we are facing, and when Allan Blakeney was asked when you started taking over potash mines, what would happen if oil, potash, and wheat all went down, he said it would be a catastrophe. And he was right.

And all you did was squandered money and prepared us for catastrophe, and now you say why is there this deficit? Why is there this deficit?

An Hon. Member: — Where did the surplus come from?

Hon. Mr. Schmidt: — You say there was a surplus? That is the biggest economic joke I've ever heard. You had an election budget, and you wouldn't even pass it. You called an election. When we added up what was actually there, there was no . . . there was \$80 million, 8 per cent cash in the Heritage Fund, and holes in the ground and hospitals are assets. That's what you had down as assets — holes in the ground as assets in the Heritage Fund. And you said there was a billion dollars.

You had a surplus projected of \$139 million and you called an election. Would you live with that? No. The result was that you were hiding \$200 million of deficit right during the 1982 election.

The people of Saskatchewan saw through that. The people of Saskatchewan rejected you, most of you. Well I can say that there's a few members here survived that; maybe they tried a little harder in the northern seats in particular. There's one member here who would never give that kind . . . he probably didn't even agree with the budget at that time. He survived that election.

All of you who believed that that was true that there was a surplus were misled by your Finance minister, and as a result, the people defeated you on the spot in 1982 — a record loss for the NDP, one from which you have not yet recovered. You lost anybody capable of governing in 1982, and you're now left with members who have never run anything bigger, nothing bigger than a sale out on a street — nothing bigger than a Kool-Aid sale. That's the only thing any of you have ever run, and you want to come up again and govern this province.

That's all you're qualified to be is Kool-Aid salesmen when you were little kids. You don't understand profit. You've gone broke trying to run Dairy Queens. None of you have ever ran a business. None of you have ever made a profit. And now you want to govern Saskatchewan. You can't even add these statistics. And then you say, oh we would make it wonderful.

Well I challenge you, for once and for all, come up and tell us one policy that would make Saskatchewan wonderful if you were elected. And you can't even come up with one. What were you going to do? "We believe in a mixed economy," you tell us. Are you going to run the Crown corporations ad — the wonderful family of Crown corporations? Is that the kind of families we're going to have in Saskatchewan?

I don't believe that the people of Saskatchewan will ever go for any kind of the mediscare that you've ran through in the past. They won't go through all those kinds of

political promises.

I remember when I was a little boy, every time there was an election, the highway stake business was the best business in Saskatchewan. I remember the curve around the village I grew up in had three sets of stakes put around it while you were government. Now when we are government, when the stakes go up, the dirt goes on the stakes. That is the kind of government you had, a highway stake government, a government of little cheap promises that go snap in the wind. That's the kind of government you ran, and that's what you want to run again.

Mr. Lingenfelter: — Well, Mr. Minister, this is going to take a long time to finish these estimates if you keep talking about your family history and all the problems you had with different political parties, getting kicked out here and there, and why parties wouldn't keep you, and why you couldn't win nominations.

But when you talk about the debt in the province, and the fact that you tell us that there was no surplus in 1982, when you took over, your own Finance minister, the previous minister of Finance, indicates in his report that there was a surplus of 139 million. Now I say to the minister as he leaves the door, that this is the simple fact that's signed by the minister . . .

Mr. Chairman: — Order, order. Members aren't to make reference to members' absence or presence in the House. Order, order. You are not to make reference to people's absence or presence in the House.

Mr. Lingenfelter: — Thank you very much, Mr. Chairman. Here's yet another document signed by the government when they took over in July of 1982. This one's signed by Bob Andrew, the minister of Finance. And in that report he says, on a combined basis the Consolidated and Heritage Fund showed a budgetary revenue of \$2.6 billion and expenditures of 2.5 and a combined surplus of \$139.3 million.

Now the minister comes to this committee and he should try to tell the truth, Mr. Chairman. He really should try to tell the truth. And coming here and giving misleading statements to the committee is no way for a minister of the Crown to carry on.

Our documents in 1981-82 showed that we had a surplus of 139 million. The documents signed by the minister, then minister in 1982, Bob Andrew, showed that there was 139 million in surplus. And then the next Minister of Finance, the member from Qu'Appelle-Lumsden, also signed the same kind of a statement that indicates that there was a surplus of 139 million.

(2315)

Now I don't know where this minister has been hiding. If he's being instructed by his staff, I don't believe that he's being given the wrong information. I think the minister chooses to mislead the committee and chooses to give us information that isn't accurate, and he's been doing that all evening. And I say to you, Mr. Chairman, it makes it very difficult to complete these estimates if the minister is going to keep misleading the committee on facts that he

has in front of him.

But I want to say there's one set of facts that we can't argue with and I know that he can't argue with, and that is that privatization in this province has led us to rack and ruin when it comes to the deficit of the province.

In their own document, the budget of 1990, March 1990, it shows an estimated debt by 1991 of \$13.2 billion — \$13.2 billion that has been run up in debt; that at a time when we have shown that oil revenues were higher than any time when we were in government. The only difference in oil is that this government chose not to collect revenue on the vast amounts of income that was being brought in from oil.

What they did with the money from the sell-off of assets, nobody knows. What they did with the money from the sell-off of the coal mines and the oil wells and the gas wells and the highway equipment and the potash mining equipment. No one knows where that money has gone, but it certainly has not gone to pay down the deficit. Because you know, Mr. Chairman, that the total deficit in the province, the total debt in the Crown corporation sector was a little over \$3 billion in 1982 and that has now risen to \$9 billion. Now how can a government do that? At a time when it's selling off the assets — coal, oil, gas, highway equipment — they sell it all off. PAPCO, they sold off the assets of that corporation and have driven the debt from \$3 billion to \$9 billion.

Now the minister indicates that he has obviously some trouble with facts and figures and that has been indicated by not knowing what the debt in the province was or the surplus when he took over government; by not knowing what the revenue from oil was in 1981 versus 1985. He's indicated that very clearly. He misled the committee when he said that the revenue from oil went down after 1981 and it didn't. The revenue from oil went from 800 million to 2.3 billion between 1981 and 1985. And I'm glad that the minister has moved back into his seat again.

Mr. Chairman: — Order. I've let . . . (inaudible interjection) . . . Order. The members are not to make reference to absence or presence in the Assembly . . . (inaudible interjection) . . . Order. The member from Regina Centre . . .

Mr. Lingenfelter: — I wasn't referring to whether the minister was in the House or not, I was referring to him moving from one seat to another, Mr. Chairman, so I hope that doesn't upset you. I know it's getting late at night and nerves get frayed.

But I want to say to the minister this: that when you talk about the revenue from oil going down after 1981 when you took over, you are misleading this committee. That isn't the truth and you know it. You know that the revenue from oil went from 800 million in 1981 to 2.3 billion in 1985. And during that period you ran the deficit up even though those revenues went up and went up handsomely, about 300 per cent. Now the revenue that you took in taxes didn't go up 300 per cent; that's for sure. But that was your choice. That was your choice. And when you privatized the corporations in this province and ran the deficit in the Crowns from 3 billion to 9 billion, that was

your choice. No one was arguing with you to do it. In fact, the public didn't support any of those privatizations.

I have here a letter from the Roman Catholic Archdiocese of Regina, from the Social Justice Department. This is the letter that was sent to the Premier. This letter was sent to the Premier of the province, and I want to quote from it. It says:

The Honourable Grant Devine, Premier of Saskatchewan,
Legislative Building, Regina, Sask.

Dear Mr. Premier: On the occasion of the May Privatization Conference in Saskatoon, the Social Justice Commission of the Roman Catholic Archdiocese of Regina invites you and the government to reflect with us on the implications of wealth distribution systems (of) our communities.

And it goes on to say that:

Privatization as a system of economic distribution has serious implications for (the) people in our society.

And this goes on . . . (inaudible interjection) . . . The member from Regina South can ridicule the Catholic church about bingos, and that's what he's doing from his seat. And you can ridicule the Catholic church if you want for having bingos, but I'll tell you that this . . . Pardon?

An Hon. Member: — Because it's mine.

Mr. Lingenfelter: — Because it's yours. Well that's maybe true that you think it's yours, and you may try to tax it and those kinds of things, on bingos and lotteries. But I'll tell you, you had to back off from that.

But I want to go back to the letter which clearly indicates problems that many people have with privatization. It's not only the New Democratic Party; it's not only the other political parties and political members because the polling clearly shows that the majority of now Conservatives are opposed to your privatization of SaskEnergy and SaskPower and SGI (Saskatchewan Government Insurance).

But it goes on to say that, "We see and hear that the dignity of the people in our communities is not considered when decisions are made that affect the whole community." And here referring to privatization.

And what they're saying is that your privatization madness, when it comes to privatizing SGI and privatizing SaskEnergy, you're not taking the needs of the people into consideration when you do that. You're certainly not taking the consideration of the economy of the province into consideration, because you've got the deficit now up to close to \$14 billion.

And what the Catholic Church is saying here, at least the Archdiocese of Regina, is that when it comes to the needs of people, privatization isn't working. Privatization isn't working. Now I want to go on and quote some other parts

of this letter. It goes on to say that the Canadian Catholic bishops, in the *Ethical Choices and Political Challenge*, state that the model of developing the economy cannot be based solely on economic growth. And, quote:

To be authentic, development must be integral, encompassing the social, economic, cultural and spiritual needs of the whole person. Integral development there encompasses both the personal and communal dimensions of human living.

And they go on to challenge the consumption/power/profit orientation of our economies. And they say, in quotation:

... economic strategies aimed at maximizing private profits and consumption and technological growth designed to maintain power and domination, constitute distorted models of "development" and must be resisted.

Now, Mr. Minister, the reason they're sending this letter to the Premier is that they believe your privatization, of selling off major assets and control of our economy to people outside the province, enriches the few at the expense of the many. And that's why they're opposed to privatization. And I think in many words, non-politicians, the bishops of Canada, can say it much more ably than I, that the reason that we are opposed to privatization is because the main beneficiaries are people like Chuck Childers — \$740,000 a year.

Now you know, Mr. Chairman, that that is not acceptable in today's economy where your neighbours and friends are being driven off the land — 10,000 have already left since you've become part of this government, have left the land, and 10,000 more . . .

Mr. Chairman: — Order, order. The member is not to include the Chair in his debate. He's to address his questions through the Chair. You're involving the Chair in the debate and the members aren't to do that.

Mr. Lingenfelter: — Mr. Chairman, I did not refer to the Chair at any time. If you check *Hansard*, I didn't say the Chair. I said you will know that since you became part of the government; I was referring to the minister.

Mr. Chairman: — You were involving the Chair in the debate, so I'd ask the member to refrain from that.

Mr. Lingenfelter: — Okay. If the chairman felt I was involving the Chair I will discontinue that. I wasn't. I'm referring to the minister. Since he became part of the government, 10,000 farmers have left the land. And you will know, Mr. Minister, that during that time period, many, many people have suffered as a result of your economic plans and strategy.

You will also know that in addition to the 10,000 who have already left, another 10,000 face foreclosure — 10,000 people now face foreclosure and will be forced to leave the land if this kind of economic strategy continues.

Now you can talk about how terrible it was back in the

1970s, but you can't prove any of the facts that you state because there is no evidence. Housing construction was at record highs during that time period. New job creation was high. Small businesses were starting all over the place.

It only started in 1982 with your economic strategy to privatize and sell off the assets of the province to a few of your friends. And as the bishops says, maximizing profits for a few at the expense of the many that we've gotten into this position.

Now there's a reason for that, and it was learned a long time ago after the last bout of Tory economic policies between 1929 and 1934. And you referred to that, that that was the last time we had a major depression and major problems of out-migration. But it may be just a coincidence that during period we had a Conservative government in Saskatchewan as well. But I don't think it is a coincidence.

I think what happens when you try to maximize profits in this province at the expense of the many, you ruin the economy. And that's why we developed an economy in Saskatchewan that was based on the three engines of growth, the three engines of growth being the co-operative sector, the small-business private sector, and the public sector. And what you've done is basically destroyed the engines that have built this province to where it was.

You've shut down two of the engines, and we're basically trying to fly on people like Chuck Childers and Peter Pocklington and Guy Montpetit, and it doesn't work. That's what the people are telling you. That's why the Premier in this province's popularity rating has now dropped below 20 per cent. It's simply not acceptable in this province.

and here we have yet another letter from another group, the bishops in Canada and the Archdiocese of Regina talking about why they feel that privatization has failed as an economic strategy. And they go on to say that:

We feel very strongly that the natural resources are for the use of all in our society. Therefore, the infrastructure supporting the use of the resources should remain in the hands of the society as a whole.

Now nothing could be more clear than that, Mr. Minister. And I think that in saying that, Mr. Minister, I want to let you know that your continuation of privatization, which you have explained again even as recently as a week ago, that you intend to privatize SGI, is not going unnoticed by the public of Saskatchewan and not going unchallenged. Because when you and the president of the corporation . . . it may only happen by coincidence that it's when the Premier's out of the province, because he has indicated that he doesn't want any more privatization, at least till after the next election. You wait until he's in Ottawa and the first ministers' conference and you start making announcements that SGI is going to be privatized.

Now I find it interesting that now that the Premier's back in the province, that now you're silent on privatization.

And this may be an attempt by the minister to start a bit of a leadership undercutting here in the province of Saskatchewan. Now that wouldn't surprise me when the Premier's at 20 per cent and has been there consistently for months, that this would begin to happen.

But I wonder, Mr. Minister, if you can explain why you choose to talk about privatization one week and now you're silent? Have you given up on privatization? Are you now listening to the people or do you intend to continue with this privatization mania that you started seven or eight years ago when you came into government?

Hon. Mr. Schmidt: — Mr. Chairman, I haven't seen the letter that the member refers to, but I will tell you that it is typical NDP that they will use anything to try to gain political power; that the NDP will go so low as to drag religious letters, to drag churches into this Assembly.

An Hon. Member: — This was sent to the Premier.

Hon. Mr. Schmidt: — Well I haven't seen the letter, and I say to you . . . The NDP say the letter was sent to the Premier and they won't say who signed the letter, so I don't know if it's authorized by the church or not. There are members of that same church in the government who are questioning who signed the letter. It is clear that if the NDP have a copy of the letter, that they are up to some political games here trying to drag the church into politics, something that the people have resisted for years and years.

But let me say to those people who want to drag the church into politics and those people who think that the church would be better off in a socialist system, let me say this to them clearly: let them look in the collection plates of eastern Europe and the collection plates of Cuba and see if they are getting one-tenth of what? One-tenth of next to nothing is nothing.

And so I say to anyone in any church that thinks that socialism is a friend of the church, I say this: don't ever get social programs and socialism confused or the church will suffer as a result. That's my answer to the NDP. They should keep socialism out of the church and they should not confuse socialism with social programs.

As for SGI, SGI will not be privatized. SGI may be expanded.

Mr. Lingenfelter: — Just one short question. I want you to know if you grabbed a copy of the *Prairie Messenger* . . . this is an open letter from the Archdiocese of Regina, an open letter to the Premier of the province. If you want to go the library or get one of your staff to slip over there, it's still open. It's in the *Prairie Messenger*, an open letter to the Premier, outlining their concerns about privatization because they see what privatization is here in the province is the giving away of resources that used to belong to all the people to a chosen few. And they talk about maximizing profits for those few at the expense of others.

That's what they're saying clear and simple, and if you wanted to read the *Prairie Messenger*, that letter is there

and it was sent to the . . . in the letter it says, the Hon. Grant Devine, so I would expect it's also in the Premier's office.

Mr. Lautermilch: — Mr. Chairman, I just want to say in closing these estimates, that I'm hoping for the people of this province, that this is the last time we'll have to face this minister in this forum, doing Economic Development Estimates.

Some Hon. Members: Hear, hear!

(2330)

Mr. Lautermilch: — One would hope that this government will have the courage to take the ideas and the thoughts of this minister, and the rest of cabinet, to the people and let them decide as to whether or not this province is going in the direction it should be.

One day he talks about privatizing SGI, and yes it's a good idea; tonight it's not a good idea. His Premier is back in the province so now he's off the privatization agenda, and he's put the muzzle on it. But when the Premier leaves the province, the first thing the minister is doing: he's out scheming and plotting to privatize the Crown corporation — one of the Crown corporations — that the people of this province do not want to see privatized.

They know the damage that privatization has caused the economy and caused their province. They know the damage that these ministers on that side of the House have caused. And they know that it's going take 50 years to rebuild this province and to cure the damage that is being caused by this Premier and by his cabinet.

And I say to you, Mr. Minister of Economic Diversification, what they want to do is start that rebuilding process now. And they want to start rebuilding with politicians and with a political party who they can trust, and who they know is going to work on their best interests, and not in the interests of the multi-national corporations of the world.

Mr. Minister, they're looking for a government that will work with them and not against them. And they know that your government has not been that since 1982, and they know that the future with your government in power is a dismal, dismal situation for them. And they're looking for an opportunity to ask the young men and women who've left this province to come back and help us rebuild this province. But they know full well they can't do it with your political agenda and the attitude you have towards this province.

Mr. Minister, I want to close by saying to you on behalf of the people of Saskatchewan, your display, your government's display, and the performance that you put on not only tonight, but throughout these estimates is an absolute shame.

And I say to you, Mr. Minister, if you have any influence with the Premier why don't you go over and ask him to call an election so that the people can judge you on the real record; so that they can judge you on the number of unemployed, and the number of people who've left the

province; so that unemployed construction workers can say to you, Mr. Minister, and Mr. Premier, we've had enough, we want our jobs back; so those that are working on part-time minimum wage jobs trying to support their families can have some hope that there is a future for them in this province. Mr. Minister, full-time jobs are not a new and novel idea. They're what all young people aspire to but they know that clearly under your administration it's not going to happen.

So I say to you, Mr. Minister, why don't you walk over to the Premier's office tomorrow, tell him it's time to call an election. If you're so confident that you can win the riding you represent, that should make you happy. And you should also know and you should be reminded that this fall is the four years of this term of government. But I tell you, I believe, that you're going to the full five and it's simply because you haven't got the courage to go to the electorate because you know that they know you've destroyed this province.

Some Hon. Members: Hear, hear!

Item 1 agreed to.

Items 2 to 9 inclusive agreed to.

Items 10 and 11 — Statutory.

Vote 45 agreed to.

**Consolidated Fund Budgetary Expenditure
Economic Diversification and Investment Fund
Ordinary Expenditure — Vote 66**

Items 1 to 5 inclusive agreed to.

Vote 66 agreed to.

**Consolidated Fund Loans, Advances and Investments
Economic Diversification and Trade
Ordinary Expenditure — Vote 167**

Item 1 — Statutory.

**Supplementary Estimates 1990
Consolidated Fund Budgetary Expenditure
Economic Development and Tourism
Ordinary Expenditure — Vote 45**

Items 1 to 5 inclusive agreed to.

Vote 45 agreed to.

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

Mr. Shillington: — On behalf of the opposition, I would like to thank the officials for having attended the session and having stayed to this very late hour. We appreciate your assistance.

Some Hon. Members: Hear, hear!

Hon. Mr. Schmidt: — Mr. Chairman, the officials you see here are officials that have come together from four

different departments to form a new department. They have done it very quickly, and they have served me very well in these estimates. They are serving the province very well, and they will do a fantastic job in Economic Diversification and Trade in the next while. And I want to thank them also for the efforts they've put in so far.

Some Hon. Members: Hear, hear!

The committee reported progress.

The Assembly adjourned at 11:41 p.m.