



Standing Committee on Crown Corporations

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**STANDING COMMITTEE ON CROWN CORPORATIONS
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Regina Victoria

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Saskatoon Nutana

Greg Brkich
Arm River

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Saskatoon Idylwyld

Yogi Huyghebaert
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Saskatoon Meewasin

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Indian Head-Milestone

Peter Prebble
Saskatoon Greystone

Kim Trew
Regina Coronation Park

Brad Wall
Swift Current

The committee met at 09:34.

The Chair: — Meeting to order. Before us is still the Crown Investments Corporation. Mr. Hart, are there any other officials with you today that you would like to introduce to us?

Mr. Hart: — Yes, I have two additional people this morning: Heather Forbes, director of investments, and John Hicke, executive director of investments. Mr. Douglas had a death in his family so he's unable to be here today.

The Chair: — Are there any further questions of Mr. Hart?

Mr. Wall: — Thank you, Mr. Chairman. Does Crown Investments Corporation have any specific dealings or negotiations for partnership or any kind of an arrangement or relationship with the Saskatoon Credit Union?

Mr. Hart: — Not to my knowledge. I don't believe so, Mr. Chairman. We have invested in a fund with a number of credit unions. I believe there are 18 in total. The lead organization for that was Sherwood Credit Union. It's a fund managed by Prairie Financial Management. I don't believe the Saskatoon Credit Union is part of that. At least that was my latest information, unless something has happened recently. In any case, it's an arm's length from us so I'm not absolutely certain but I don't believe that we do have anything.

Mr. Wall: — Thank you, Mr. Chairman. I wonder if Mr. Hart or any officials who might be close to the file would just give members of the committee an update on the December transaction respecting Premium Brands and just where that particular investment is at now, if you want to update it to the current.

Mr. Hart: — Sure. I'd ask John Hicke to maybe come up and do that.

Mr. Hicke: — As you may recall, in December we invested \$15 million in Premium Brands. As part of that process they were, over a period of a number of years, to spend the \$15 million in Saskatchewan projects.

We anticipate that by the end of this year that they will have been in significant progress in Yorkton and commenced and hopefully finished that project — the expansion in Yorkton.

And they were also looking at investments within Community Pork which is looking at expanding their 600 sow operations to 1,200 in numerous communities in the province.

Mr. Wall: — Thank you, Mr. Chairman. To the officials, you know there was some discussion I remember in December, and here recently I heard the Minister of Agriculture in the province and the MLA (Member of the Legislative Assembly) for Yorkton indicating that were it not for that transaction and the involvement of CIC (Crown Investments Corporation of Saskatchewan), the expansion wouldn't have gone ahead.

And I'm just wondering if you'd care to comment on that. And to be fair, I mean, obviously what I'm referring to is an indication at least in the Saskatoon newspapers that, you know,

the company was fully prepared to proceed with expanding their investment in the province of Saskatchewan, notwithstanding the government investment, one way or the other.

But was that CIC's understanding last year heading into that transaction, that officials were told or informed by the company that they needed this . . . that they were looking for this investment in order to proceed with this expansion in the province?

Mr. Hicke: — Yes.

Mr. Wall: — So if the information that has come out since then or the reports from officials with the company — I think they spoke directly to Mr. Randy Burton of *The StarPhoenix* and indicated that that wasn't necessarily the case — then that would have come as a surprise to CIC officials.

Mr. Hicke: — I think in my discussions with the CFO (chief financial officer), I think who is quoted in that paper, he indicated that in their business plan their plan was to expand Yorkton and they did need the financing. But the expansion had not been financed, and they had been looking for financing which we provided for them to ensure that it did happen in Yorkton.

Mr. Wall: — So they were looking from . . . financing from some source?

Mr. Hicke: — Yes.

Mr. Wall: — I have a question. If I can change to the topic of potatoes . . . if I can, Mr. Chairman?

The Chair: — Are there any other questions around . . . with this issue with respect to Premiums? Do you have one on Premiums?

Mr. McMorris: — If I can just ask one question regarding that. How long do you know, or are you aware of, that they had been looking for financing? Had it been a long period of time or was CIC there quite quickly after they started looking for financing? I mean, how long . . . how far down the road had it gone?

Mr. Hicke: — Actually I don't know the time frame. I know that they did a transaction in July, which they acquired some of the assets . . . or bought back some shares. But that was sort of a whole package and the expansion was as part of the business plan which they had developed probably within a year earlier.

Mr. Hart: — My understanding is that there had been . . . there had been a desire on the part of Premium Brands to expand in Yorkton for some time. They are fairly heavily concentrated with their processing operations in Vancouver. Access to labour, cost of labour, things like that, are . . . is a challenge for them in Vancouver.

So they had a long-term desire to expand but the company didn't have adequate capital structure to provide for the financing basically because they had to acquire some of their own stock back or something like that, which left them in a

situation where it would have been at least two years, maybe more, before they would have had enough earnings to finance the expansion in Yorkton. So they were . . . they were not able to do it without our investment in the company was clearly what we were told.

Mr. McMorris: — To your knowledge then, no one else was willing to back them. There was no other financial organizations that were willing to back them, just CIC?

Mr. Hart: — Well they needed equity, I believe, in order to proceed with the expansion.

The Chair: — Mr. Wall on potatoes.

Mr. Wall: — Thank you, Mr. Chairman. I wonder if officials can update us on the 10-year . . . Well first of all, I'm referring to, you know, news reports and articles back to 1998. But in light of sort of the windup activities of the Sask Valley Potato Corporation here in 2001, I wonder if you could tell us what is currently the status of the agreement, the memorandum of agreement with the . . . with the National Agriculture Research Organization in Chile involving potatoes? And I'd like to be able to pronounce the actual name of the institution, but I'm not going to . . . I mean, that's beyond me. So I can send you the article if you want.

But certainly, you'd be aware of the . . . It was the previous vice-president of SPUDCO (Saskatchewan Potato Utility Development Company), Mr. Fjeld, who was commenting in several different papers about a 10-year memorandum of an agreement with this institute, this National Agriculture Research Organization, the INIA (Instituto de Investigaciones Agropecuarias) of Chile. And I'm wondering, could you tell us where that's at?

There's also a reference here from January of '98 to Sask Water subsidiary, SPUDCO, signing a \$10 million deal with the same institute, the INIA. So 10 million, 10 years is what the press reports were anyway. And I'm wondering if you could tell us where that agreement is at with this institute?

Mr. Hart: — I believe that we should look into it and get back to you because we have no knowledge of the agreement being in force today.

Our belief is that there is no agreement, that it was a memorandum of understanding that may have been signed between Sask Water and some group some number of years ago, but there's nothing active today. And our understanding, to the extent that we have any, is that it was either never enforced or was terminated or something like that.

But I can try to get more information for you that's more accurate and get back to you on it. We just . . . There's nothing current that we're aware of that's active today, and predates my time and I think everyone's time here.

Mr. Wall: — I would appreciate that, Mr. Chairman, if all members of the committee could get some more information on this, on the status of this particular deal. It's a little surprising and maybe the officials could comment on, you know, now . . . And the government was clearly winding down its interest in

the potato industry and I assume tying up all the loose ends. And what we're . . . you're saying that there's just no current knowledge of whether this agreement was for sure cancelled or at all or . . .

Mr. Hart: — I think to give you an accurate answer we'd have to do some research and get back to you, but nobody has any knowledge of anything current.

Mr. Wall: — Thank you.

Mr. Hart: — You might want to direct a question to Sask Water when it comes before the committee, because our belief was that it was an agreement signed between them and this entity that you mentioned. It wasn't transferred in any case, as far as we know, with the . . . to the Sask Valley Potato Corporation when we assumed the assets and liabilities from Sask Water.

Mr. Wall: — With respect to what things might have been transferred to CIC with the Sask Valley Potato Corporation and some of the work that had been done probably, possibly for Sask Water, frankly, on the whole file that I'm sure would have been transferred over, would have been some work, any work that was done by third party financial consultants, perhaps based in the province of Saskatchewan, CA (chartered accountant) firms, perhaps — whatever might be commenting on the business, maybe even on the issues of the sort of the probity of how things were . . . of how the, you know, the finances and how all of the deals . . . the deal was being structured and the transactions were being completed.

And recently I wrote to the minister and requested some of those or any of those if they exist. And I did receive back from, I think, Mr. Douglas, basically a PowerPoint, an internal PowerPoint presentation that I'm assuming CIC officials had perhaps done up to brief the minister or to . . . for their own internal use, I'm not sure. But it was just a PowerPoint presentation on how they were going to wind down their interest in the industry.

And subsequent to that I wrote another letter to the minister which I'm sure has been forwarded to CIC officials and asked if, you know . . . indicated that's not quite what we were wondering about. And in the first response the minister indicated, well there's some confidentiality issues. And I had just indicated in my letter, you know, I don't understand. If you're winding down the corporation, if we're not in the potato business any more, if the last of the sheds are about to be sold and we're out as a government, as taxpayers, what confidentiality considerations could there be?

And if there isn't a case that can be made, then when will we be able to see those documents that might detail what went wrong, some of the things that went wrong in the potato deal and highlight them for all of us so we can avoid those sorts of things in the future?

Mr. Hart: — I would have to say that whatever information we were able to release, we have released at this point and perhaps more will be able to be released once transactions are completed and so forth.

I'd have to ask Mr. Douglas about that. I haven't spoken to him recently about what's available and when it might be available.

Mr. Wall: — Thank you, Mr. Chairman. What of any existing documentation or just reports that were done by third parties on various issues — work I'm sure invited by the Government of Saskatchewan — what in those documents could possibly be sensitive in terms of what remains of the Sask Valley Potato Corp?

Mr. Hart: — I'm speculating, but perhaps there was information that might have assisted potential buyers with regard to valuation or something like that for bidding on the assets. I'm not sure.

Mr. Wall: — Well I think it's a fairly important area of question so I look forward to some response back.

You know, the taxpayers lost a significant amount of money, the government lost a significant amount of money on the venture. And what work that has been done by different third parties, at the request of the government, to look into the problems there, maybe to some of the other issues at the two different potato companies, I think are of use, as apparently the government's going to go forward and CIC is going forward in making other very, you know, frankly at least similar kinds of investments in various new industries.

It would sure be nice to see these sorts of things. So we look forward to the report, to some more information on why we can't see, why the public can't see some of these reports. I think it's important that they do.

And, you know, we want to perhaps move on to some other areas so if there is anybody . . . Do you have anyone else, Mr. Chairman?

The Chair: — I just have a follow-up question on this. If there is to be any kind of retrospective analysis of what took place with respect to investments in the potato industry, would that then also cover the tens of millions of dollars that were invested in the 1980s in infrastructure in that area to accommodate an industry such as this?

Mr. Hart: — I'm sorry, I was listening to my advisor; I didn't get all of your question.

The Chair: — My question would be, is that if there is to be a retrospective analysis of government investments in the potato industry, would that then also include an analysis of the investments which totalled, to my understanding, tens of millions of dollars and approximated probably \$100 million in the 1980s in infrastructure in that area to accommodate industry such as the potato industry; would it have also included analysis of those kinds of investments?

Mr. Hart: — It certainly could if our board wished to have that analysis done. It's not uncommon, certainly not been uncommon for large amount of public subsidy to go into the building of infrastructure related to intensive cropping.

Alberta has massively subsidized its irrigation industry over the years as have other jurisdictions in the US (United States). And

certainly it's an issue for Saskatchewan going forward in terms of intensifying agriculture as where the money is going to come from to support that investment in irrigation.

Clearly we made a decision to get out of the potato business having seen no way to operate profitably based on the infrastructure we had invested. We have certainly looked at our investment in the industry and made our decisions. We haven't contemplated at this stage going back and looking at, you know, the very significant public investment that went into irrigation infrastructure in the region and the subsidy that was provided to producers to get into irrigation.

We don't, I believe, have any plans to subsidize irrigation going forward, from Sask Water, although there is a lot of potential for more irrigation in the area.

As for the, I guess the other issue related to the disclosure of documents, is that there is still some law suits pending that may come forward that may prevent the release of that. In any case the auditors have full access to all of those reports and will be looking at them and reporting when they report when the corporation is fully wound up.

Ms. Atkinson: — . . . the question because I think it's a significant question in that tens of millions of dollars were spent, taxpayers dollars were spent on irrigation infrastructure in the Outlook area, the Birsay/Lucky Lake area. So I would be interested, if we're going to put this all in perspective, what kind of infrastructure was put in place by the taxpayers of Saskatchewan, and then relative to that, the infrastructure that was put in place by Sask Valley Potato because there is infrastructure that's there that the public should be aware of.

And I'd also be interested in knowing what sort of growth have we seen in the seed potato industry since the irrigation — all of the irrigation — which was done by the previous administration was put in place. Have we seen any growth? Because I think one of the comments that certainly the ACRE (Action Committee on the Rural Economy) committee made, if I recall, was that all this infrastructure's in place and people are continuing to grow crops that don't necessarily require continuous water, and there is a potential for growing the seed potato industry out there and I think it has grown.

So if you could provide the committee with that information that would be very useful as well.

Mr. Hart: — Yes, I think . . . I don't want to dodge the question but it's probably better answered by the Sask Water people who have been really the ones involved in the development of the irrigation program in the area over the last number of years, a decade or more.

As you know and it's sort of indicated in your comments, there was a lot of infrastructure investment publicly funded in the Outlook area in the '80s. It wasn't necessarily resulting in the development and the planting of crops that are high enough value to justify that infrastructure. I mean, in effect, a lot of wheat and canola was being irrigated on those lands and part of the motivation I believe for Sask Water to get into the potato business was to, in fact, make better utilization of the irrigated land there in terms of producing higher value crops.

Certainly Sask Water and Sask Valley Potato Corporation, and ultimately CIC, have sustained some losses as has the treasury — if you want to look at it that way — over the number of years putting infrastructure in place. The private sector is growing now, and one of the reasons we felt we could exit was that there is, in fact, a growing and more vibrant private sector there, primarily in the seed potato area. And as that industry develops, I think it'll make better use of all the infrastructure that's there including that put in by Sask Valley Potato Corporation and Sask Water previously.

It has required a lot of public money. It did in other jurisdictions, as I mentioned, but I'm not really an expert in this area. And I think if Sask Water is here before the committee and are given some advanced warning, they could prepare quite a good presentation on sort of how much has it invested, what value has come from it, and where we might go from here.

Ms. Atkinson: — I just want to respond briefly to Mr. Hart's comments. And I would make this observation that while the question may best be left for Sask Water, I think you want to take a more holistic view of this, because my view is that Sask Valley came about as a result of wanting to grow the seed potato industry.

You now have this in your domain. And I think that we need to tell the whole story here, and not just part of the story, so the public has all of the information in terms of public investment that has gone into this region of Saskatchewan. Not only in terms of the big storage sheds that are out by Lucky Lake, and they are massive, but also the infrastructure that went in, in terms of irrigation infrastructure to support what was supposed to be higher value crops. And that hasn't always been the case, that there was continuous water put on canola, wheat, barley, oats, and not necessarily vegetables or potatoes.

Mr. Hart: — Yes. Well I gather the committee is interested in more information on this, and what I will undertake to do is to speak to Sask Water and arrange for either a joint presentation or for them to lead a presentation or, in some manner, to get a presentation for the committee on the full sort of cycle of development of irrigation in the Lake Diefenbaker area over the last 20 years.

Mr. Huyghebaert: — Thank you, Mr. Chair. Just to switch gears a little bit, Mr. Chair, I'm quite interested in SOCO (Saskatchewan Opportunities Corporation). And now that SOCO is under CIC, I'm wondering how it fits under CIC — what kind of a structure it may be?

The Chair: — . . . I just want to finish up any questions there might be with respect to these potatoes, then we certainly can take it in a new direction. And your questions are on potatoes. What a surprise.

Mr. Brkich: — Thank you, Mr. Chair. Just talking about the study on the infrastructure there, briefly, on the water that's put on. The users pay for the water and also have paid for the infrastructure probably on that over the number of years, if you talk to the irrigator in the area. Because I know the price is built in on how much water you pay, for replacement and to expand even irrigation, was set up in the '80s.

But I guess my question is dealing with what do you own? Is there any equipment left with the Sask Valley Potato Corporation? I understand the sheds have been sold, but I know . . . I knew there was equipment purchased. Is there any other buildings that you still own in the Outlook area? Any potato growing equipment yet that hasn't been disposed of; or if there is, how are you planning on disposing it? Or anything dealing with Sask Valley Potato Corporation assets, if you could list them.

Mr. Hicke: — Well currently I know there's been some newspaper reports about Sask Valley entering into some agreements. Those agreements have not been closed. So today we have the two sheds at Broderick, the planting equipment and all the related handling equipment at Broderick, and we have the Tullis facility including the Coteau Hills sheds there.

Riverhurst, as you know, we are very close to entering into agreement with a group there, as well as the two Broderick sheds. And that agreement with . . . potentially with the Cavendish group, which is public here, would include the equipment as well.

So we anticipate what will be remaining will be the Tullis and the Coteau Hills facilities with no equipment.

Mr. Brkich: — Sorry, with the equipment on them two sheds yet? Or without the equipment . . .

Mr. Hicke: — There is no equipment at Tullis. So there would be no equipment at those sheds.

Mr. Brkich: — Okay. Thank you.

The Chair: — Could I just ask one final question on this. The capitalization that occurred in the 1980s to develop infrastructure: do you know if Sask Water continues to carry that on its books? Or is that part of what was written off by the taxpayers subject to the report of the Gass Commission?

If you can't, that's always a question for Sask Water.

Mr. Hart: — Yes, I'm not certain. They may still be carried on the books, but again, you'd have to ask Sask Water chief financial officer when you see her.

The Chair: — No, that's fine. Great. Thank you. Okay. We have Mr. Huyghebaert on son of SEDCO (Saskatchewan Economic Development Corporation), SOCO.

Mr. Huyghebaert: — Well yes. Just to repeat, SOCO now comes under the auspices of CIC and my question, Mr. Chair, is how, just to get a knowledge of how SOCO fits into CIC and what the structure is, and if in fact the modus operandi of SOCO has changed.

Mr. Hart: — It's really . . . this is a matter that occurred after the 2001 report, but I can tell you what the state of affairs are as of today.

We have integrated the investment arm of SOCO into CIC and downsized the number of investment officers substantially from what was there, the balance of whom have been integrated into

the investments division in CIC. And they are currently managing the files that came over from SOCO to CIC.

We're conducting a review of what we will be doing going forward, whether or not we will continue to be offering services in that lending area that SOCO was active in, as you know sort of smaller investments. And we're having some discussions, very preliminary at this stage, with other groups out there that we may approach about outsourcing the entire file.

So it's not clear whether we'll retain it in-house to manage down those accounts or whether we'll outsource that. It'll be a decision taken based on cost of managing the files and the opportunity to support the building of the private venture capital industry which we've been actively trying to do. So those decisions will be taken sometime in the next few months.

In terms of existing files that SOCO had, the discussions underway with some of those, I think we are still talking to clients where there was substantial discussion under way. And we're continuing to look at new applications that come in but on a very selective basis. So we have maintained a policy that we won't leave people sort of without access to financing where SOCO was the only alternative, if the deals are still prudent in our view. But as for the long-term, go-forward plan, that's still under review.

Mr. Huyghebaert: — Thank you, Mr. Chair. Just one follow-on. With the, I gather, the picture of downsizing and outsourcing, have you . . . has SOCO recalled any of their loans to try and pre-empt this downsizing? Or because of downsizing, have they recalled any of their outstanding loans?

Mr. Hart: — You mean, demanded payment on them or something?

Mr. Hicke: — Nothing out of the ordinary other than normal course type of scenarios that may happen. They have not been actively looking at cashing in the portfolio.

Mr. Huyghebaert: — I guess, Mr. Chair, I'm just a little bit concerned about what would out of the ordinary — and I don't know if there's an explanation for what's out of the ordinary for recalling loans. I guess my interest is if there's businesses out there that are operating and if the loan is recalled, it puts their business in a very difficult state. I'm just wondering if any of those, like I say, have been recalled and if there is a specific reason for them?

Mr. Hicke: — Mr. Chairman, just to clarify, out of the ordinary means really in default or in some fashion now. We were not actively looking at closing accounts which are current and up to date.

Mr. Hart: — We've essentially told the SOCO clients that were in place prior to the integration that it's business as usual. We'll honour the commitments made by SOCO, allowing them to pay out their loans and investments as per the schedule. And the only sort of out of the ordinary as John says would be in instances where they're in default or we have to take some action to protect our investment, that's all. So that would have been the case even before the integration.

The Chair: — Are there any further questions of CIC on this matter or any other matter at this point?

Mr. Wall: — Mr. Chairman, I wonder if the . . . Last week we talked about the \$240,000-plus that CIC paid to a company called Points West Consulting. And I think the officials indicated basically generally the work they did for that.

A couple of questions: the first one, was that all . . . the project that you outline, that, you know, working with all of the major Crowns, was that the entire billing or were there other activities they perform for CIC? And if so, what were they?

Mr. Hart: — Other than what I outlined last week, they did some additional survey work for us. We had them interview board members of CIC with respect to their satisfaction with services from the corporation and I believe the Crown executives as well. They did a survey of Crown executives asking them their level of satisfaction with regard to services provided to the subsidiary Crowns by CIC. And I think that probably constitutes the full scope of the services they provided under those contracts.

Mr. Wall: — Thank you, Mr. Chairman. How much would that project have cost?

Mr. Hart: — There are two projects. I'll try and get you the summary for the total. We'd have to . . . Wait a minute. I'll just take another question and we'll get back to you on that. We're just doing some calculations.

Mr. Wall: — Was that project tendered?

Mr. Hart: — No.

Mr. Wall: — So just so I have it straight, the officials with . . . or this company was hired by Crown Investments Corporation to survey the board of Crown Investments Corporation and the senior executives of Crown Investments Corporation to determine what again? Sorry. Whether or not people were happy with the . . . to do what, to do . . .

Mr. Hart: — Maybe I'll let Mike Shaw address that. It's in his area.

Mr. Shaw: — One of — yes, Mr. Chair — one of the objectives we have as a corporation, any of the corporations has, is service. And the people we provide services to are our board and also to all the subsidiary Crown corporations which are under the CIC umbrella. And we have ongoing relationships, of course, with them and we have ongoing responsibilities and duties to them, as they have reciprocal duties and responsibilities to us.

So we survey, each year now, we survey to determine how we're doing — just like any company would do in terms of looking at customer satisfaction. We ask a number of questions of the people we provide services to, to get the feedback from them as to what we're doing well in their view, where we're not doing so well and why that is. And that gives us good information as to how we can improve, how we work, and how we provide services.

Mr. Wall: — Mr. Chairman, so . . . Sorry, who are the customers then? The customers are the executive and the board of the . . . and the members of the board are the customers, using that analogy?

Mr. Shaw: — Using that analogy, one set of . . . one group of people we work for are the CIC board. We are staff to the CIC board and we provide a broad range of services on behalf of the corporation and behalf of the board. And it's important for us to know what their views are as to the quality of work that we're doing on their behalf.

And the second group of customers, to use that phrase . . . that phrasing or that analogy, are all of the Crown corporations that come under the CIC umbrella. CIC of course is a holding company. And there are very significant relationships between ourselves and the Crown corporations.

Members might recall, last year, I was asked . . . given the opportunity to make an extensive presentation on the planning governance performance management process we have in place within the Crown sector to ensure that what the government's requirements are in terms of the outcome from Crown corporations in terms of service is, in fact, achieved.

And so we have a very comprehensive relationship and set of methodologies that we use to ensure that that happens.

And that's a complex relationship and we have to know how well we're doing. And the way to do it is to ask people questions. And the way to get the best quality of information is to have a third party ask those questions, provide that information, so you get full disclosure and very good feedback in that way.

Mr. Wall: — Thank you, Mr. Chairman. Was there, as a part of this process, was there, you know, sort of a survey, a satisfaction form or . . .

Mr. Shaw: — Absolutely. There's a very detailed survey instrument in both cases.

Mr. Wall: — Would the officials share with members of the committee a copy of, you know, obviously one that's not completed?

Mr. Shaw: — Sure. Absolutely.

Mr. Wall: — And so since the project wasn't tendered . . . First of all, I should back up. Who was it that determined that (a) this kind of a survey was needed, and (b) that they needed to contract it out; that there wasn't people internally, including the CEO (chief executive officer) or his immediate staff, that would undertake that kind of work if it was a priority? So from where did the project come, I guess, within CIC; and again, who made the decision that you needed to hire that work out?

Mr. Shaw: — Well that would . . . the person in charge of that area is myself. It's well-known, I believe, in the customer satisfaction business that you have to have an individual or a firm that has a good knowledge of surveying and focus group testing and focus group methodology.

And also the most important thing is that you get better, fuller, more honest, more complete answers if you're not asking the person directly yourself as to their satisfaction. You get better answers, better quality answers, fuller answers if someone else who is not associated between the two parties actually does the work for you. And that's what we do to make sure we get the best quality information.

Mr. Wall: — So how then did you choose the firm if it's . . . You know, this obviously is the sort of work that many companies would do. How then would you choose to hire Points West Consulting? Did you do a request . . . If not a tender, did you do a request for proposal?

Mr. Shaw: — They're relatively small contracts and we did not do a request for proposal. We picked a firm that we thought had the qualifications to best do the job.

Mr. Wall: — And they had these qualifications because they had done a lot of these customer surveys, a lot of this customer survey work in the past?

Mr. Shaw: — I believe that's a fundamental part of their business, yes.

Mr. Wall: — So what was the result? How do your customers feel?

And I mean I understand the analogy you're using, I think. You know, I guess I understand it. I have a problem agreeing with it, frankly, that Crown Investments Corporation has customers that they need an independent party to survey but that's argumentative. I mean, it strikes me that the analogy . . . Well I think actually the analogy was raised by officials to be true . . . to be truthful about it.

But because really these are part . . . You're a holding corporation. I mean that's what CIC is; that's what we've heard in the many presentations. And all of these Crowns effectively . . . All the other Crowns effectively report to you, and the board are members of the cabinet.

But you know, that notwithstanding, what did you find out? Are your stakeholders or customers satisfied?

Mr. Shaw: — First of all, I think it's important to note that this is a fairly standard practice in terms of good governance in large organizations. And I think the members will recall that last year I was able to report that in Saskatchewan in the Crown sector we have a governance framework that has been recognized nationally as being very sound and, in fact, at the leading edge of governance practice in Canada. And surveying your customers or understanding how well you're doing with respect to the people you're doing work for is a fundamental element of continuous improvement and a fundamental element of good governance practice. So that's the foundation.

We don't think we're any different than any other Crown corporations in terms of the fact that we have people that we do work for and we want to understand how well we're doing and where we can make improvements.

To get directly to your question, I think we've received a fairly

good score from our customers. We find that they're hard markers and we're glad that they are. They tell us truthfully how well we're doing in certain areas and where we need to improve.

And this year's business plan and the way that we actually do our work has been better informed because of the results of that work. And we're very happy with how we do surveying and how we find out from our customers where we can make improvements that will serve them better.

Mr. Wall: — Mr. Chairman, does CIC plan to make this an ongoing project? Have they planned it already for 2002, and will you be retaining a consultant? And if you have, have you chosen a consultant already?

Mr. Shaw: — Customer service surveying is an ongoing practice and we expect to continue to do it. We haven't made any decisions this year as to who will be doing this work for us.

Mr. Wall: — The decision with respect to who is doing the work, the other customer surveys that this particular company has done, are you aware . . . did you find out for whom they have done the surveys?

Mr. Shaw: — No.

Mr. Wall: — So can you say for certain that they've done these sorts of surveys in the past?

Mr. Shaw: — I can't say for certain. I believe that's one of the services that they offer.

Mr. Hart: — I've been advised by other clients of theirs — not by that firm obviously because they don't as a normal course disclose who their clients are — but other firms that we have relationships with in other industries, in the oil and gas industry, for example, or in the mining industry, have reported that they've used this firm and have been quite satisfied with their services. So I'm aware through those discussions with other corporate executives that they provide these services.

Mr. Wall: — Are the folks that they provide those services for, Mr. Chairman, Crown corporations?

Mr. Hart: — I believe they've worked for other Crown corporations as well.

Mr. Wall: — Do you have yet — you've been looking — do you have yet the total cost of the customer survey?

Mr. Shaw: — The two contracts is — sorry, Mr. Chair — the two contracts together was \$36,702.

Mr. Wall: — I beg your pardon. The two together . . . I'm sorry, Mr. Chairman . . .

Mr. Shaw: — \$36,702.

Mr. Wall: — Right. But the two projects specifically being in it . . .

Mr. Shaw: — The two surveys — one of the executives of the

Crown corporations, the subsidiary Crown corporations, and the other is of CIC board members.

Mr. Wall: — Thank you, Mr. Chairman. So the other amount that Sask — I beg your pardon — that Crown Investments Corporation paid to this consulting firm would have been over \$200,000. The other project dealing with the major Crowns that the president . . . and I'm not being . . . I'm not trying to put words in your mouth. If I'm wrong just correct me. But there was . . . I think the total bill for the year was 240-some thousand dollars and if this is 36, then we're left at just slightly over 200,000 for this other project. Is that correct?

Mr. Hart: — There was one other project which was some work they did for us advising us on essentially issues in the oil and gas industry and meetings with a number of oil and gas executives related to some projects we were looking at with that sector. That was I think 17,600. The balance of it would be for the surveys that I mentioned last week which I think were, I believe, three in total or more than three — three or four — with very large sample sizes for the whole province.

Mr. Wall: — For the major Crowns?

Mr. Hart: — For all the major Crowns, yes.

Mr. Wall: — Similar sort of surveying?

Mr. Hart: — Yes, it was a series of them we did every so often.

Mr. Wall: — Thank you, Mr. Chairman. So CIC, in 2001, was actively considering getting involved in the oil and gas industry?

Mr. Hart: — No, we were surveying with regard to discussing issues with oil and gas companies with regard to, for example: SaskEnergy provides services in terms of pipeline; SaskPower provides services in terms of electricity issues related to future regulatory schemes with regard to energy regulation — a series of issues like that that our subsidiaries provide services to the oil and gas sector around. And we had a number of discussions with oil companies about that.

Mr. Wall: — Why would CIC be doing that, Mr. Chairman? Just out of interest, when . . . you know, I know that departments change but it sounds like . . . I don't know, I just heard this for the first time and it just sounded very much like the Department of Energy and Mines kind of a project where they're trying to make it as easy as possible for oil and gas companies to do business in the province, if they're looking at this whole array of, you know, electricity to the sites and gas to the sites and these other issues. Why would CIC be doing that sort of work?

Mr. Hart: — Well the industry, CAPP (Canadian Association of Petroleum Producers), for example, and its members have raised issues from time to time with these subsidiaries of ours. I'm sure they've talked to yourself or other members of the opposition about their issues related to cost of electricity, rate re-balancing, times to hook up, regulatory issues around pipeline access, those kinds of things.

They expect us to be involved and informed of these issues. And so we do spend some time periodically talking to oil and gas companies about these issues, so that we're not only advised by our subsidiaries in terms of their perspective on the issue but we're actually hearing directly from their customers.

Mr. Wall: — Thank you. Mr. Chairman, was that work tendered the 17,600?

Mr. Hart: — No.

Mr. Wall: — So why was the company chosen for . . . why was the company chosen in this case? It's not a survey . . . or maybe it is. I won't answer the question, I just ask it.

Mr. Hart: — Well they have extensive contacts in the oil and gas industry. In Calgary they act for a number of companies there I believe, and in province represent their interests here. And so they seem to be knowledgeable, had good connections, could organize and get us access to information, were able to gather information from their customers and provide that to us as a group. So you know they have a lot of qualifications in that sector basically.

Mr. Wall: — Mr. Chairman, this consulting firm currently engaged by CIC, by the holding corporation?

Mr. Hart: — I don't believe we have anything going on with them at this time, no.

Mr. Wall: — But you are working with them, although not as a client but in regards to the potential ethanol deal we talked about last week?

Mr. Hart: — Yes, my understanding is they're engaged by the Broe Companies.

Mr. Wall: — Well, I want to have . . . we have some other issues to raise, but I don't know if there's . . .

The Chair: — Can I just do a follow-up on the initial set of questions about where you contracted with Points West to survey executives in the Crowns, management in Crowns, and then also other stakeholders, I guess, in terms of people represented on the boards? Was there some mention a short while ago of some recognition that Crown Investments Corporation received for its work in terms of governance structures and accountability? And could you elaborate on that please?

Mr. Hart: — Yes, we have the Conference Board of Canada assess our . . . the quality of our corporate governance periodically. We did a survey in '99 and again last year. Mike Shaw's area handles that; Mike's the executive responsible for that. I can get him to give you a high-level overview of the results.

Mr. Shaw: — Mr. Chair, the Conference Board has been in . . . has had an interest in the area of governance generally in corporations in Canada for about 30 years. And they have been tracking issues and changes in governance practice over that period of time in Canada, as well as in the world.

They have a enormous database of results from surveys of companies, both in the private sector and in the public sector in Canada.

We asked them in 1999 to have a look at our particular practice and how we conduct our affairs and how the boards themselves, the directors of the company, the individual companies, managed their affairs. And we rated 15 out of 20 in the first survey in 1999. The average at that time was 10. So that put us in the top quartile.

We asked . . . As I was saying in a response to an earlier question, one of our principles or one of our objectives at CIC is continuous improvement and so we have been working away at addressing some of the issues that the Conference Board report to us showed where we might make improvements to . . . where we might make improvements.

And so we re-surveyed, or asked the Conference Board to re-survey in late last year, 2001, and that score had improved from 15 to 16.75. So even . . . and so we're particularly pleased with that because generally in Canada the quality and level of governance practice has been improving over time. And so that we have even . . . if you look at it in this particular way, we have improved at a faster rate than kind of the general practice in Canada. So we're very satisfied with that work.

Mr. McMorris: — Thank you, Mr. Chair. I guess just maybe more of a statement than a question. I find it quite interesting that you would hire . . . contract a firm to survey what really is the people above you, the CIC board. You were talking about it's common practice, and I guess it may be. I just find that really curious that you would contract a firm to survey your bosses.

I think if they were happy with or wanted to set a direction, that is a job of the board. And I would be very interested to know what the board felt about spending CIC money to get their own opinions. That just almost seems backwards to me.

Mr. Hart: — Maybe if I can just add . . . It's not uncommon in appraisals of this nature to do what's normally referred to as a 360 degree review, so that an executive or group of executives will essentially contract with an external agency that will collect data from those that they report to as well as who report to them.

The concept behind this is that if people can reply anonymously and to an independent party that they are likely to be the most honest in terms of their answers. And you also get a wide perspective on things, analyzed by one person seeing all of the data, using a common framework, and that's really the best way to get feedback.

It is more expensive, I suppose, if you consider that contracting out as opposed to using staff time to go and gather that information. We have tried both approaches and I can tell you that the responses we've got as a result of the Points West contract were much more thorough and much more informative than when we, we tried to get it ourselves directly. So that's why we did it.

We've done it once. We would consider doing it again.

Whether we will use Points West to do that again has not been decided. Last year was the first year we did it, and some of our subsidiaries have done it with other agencies as well.

Typically, these surveys are completed on the Internet or something like that. I fill them out routinely for executives in the Crown corporations when their performance is being reviewed; and those executives' direct reports are often surveyed . . . are always surveyed in the 360 degree review. So it's pretty common practice in corporate management.

Mr. McMorris: — Just one follow-up, I guess. Is Points West . . . we've talked a little bit about Points West here and you were saying that they're very well connected; they're very well connected in the oil field. I'm sure they're very well connected in this government also. And I could certainly see maybe that's, that's maybe why you chose Points West right off the bat.

I am interested though . . . I mean I don't know the full purview of the business of Points West but I never knew they were into customer service and surveying. I thought they were to open doors for people to get the . . . whether it's Broe into whichever door they needed to get into. I was kind of surprised to hear that they were into customer service as much as what was said.

Mr. Hart: — Well they're into market research, I think more fully getting the information. But they provide a broad range of services not only to us but a number of other companies in the province.

Mr. Forbes: — Thank you, Mr. Chair. I'm just curious about this survey with the board. Would that be an opportunity for the board to reflect on its vision and mission, and also internal workings on the board itself as opposed to just with a management . . . sort of organizational behaviour developmental strategy?

Mr. Shaw: — I think that's fair. The process used was there was a survey instrument, but also it was an interview, an extensive interview, so that the CIC board members had an opportunity to talk more broadly about their view of how it performs in the Crown sector, what CIC's role was, whether or not they're performing it well, giving kind of general, general views. And so it's, it's a good opportunity for ministers to be reflective and contemplative about how things are going and to provide that feedback.

And the way that the information is given to us and the reason, one of the other reasons we use a third party, is that it is given in confidence so that no particular views are attributed to any particular member. So the surveyor is able to give us kind of specific trends, specific directions where we are doing well and where we're not doing well. It's a much better process in terms of providing a, kind of an open environment for providing good information. It would be much . . . It's a much better process than my going to the ministers directly and asking them. I will get information, but I think I get much better information if ministers are able to take advantage of the process I've just described.

Mr. Forbes: — I would just say that this sounds like actually a common practice with boards in the voluntary sector, in terms of board development and that type of thing.

And quite often, it's by word of mouth how groups are hired or consultants are hired and who has done a good job with another group and that type of thing, so . . .

Ms. Atkinson: — Well I . . . You know, it's obvious that members of the opposition have some sort of problem with Points West and the problem obviously is — I always believe in sort of cutting to the chase here — the problem is that Mr. Aldridge is one of the people involved with Points West. Mr. Aldridge is the former chief of staff to Roy Romanow and Mr. Aldridge used to work for Mr. Blakeney.

So my sense of Mr. Aldridge is, I've never met anyone who didn't consider him to be capable, competent, and know his business — whether that's in the private sector or the public sector.

So I guess my question for the people at CIC is, do you consider the information that Mr. Aldridge provides you as competent information, factual information, credible information? Is he considered to be one of the best at what he does? In terms of market research, market surveys, and providing advice based on the facts, is he considered to be one of the most capable people in that field in the province?

Mr. Hart: — Well I would say, clearly Mr. Aldridge's abilities to analyze data and provide a useful perspective on what people are reporting is very good. I mean, he has a very good understanding of government, having worked in it for a long time. He's an excellent writer and presenter, probably owing to his background in journalism.

And in terms of the market research, he brings a team to the table that does not include just Points West people. I believe they contract out the actual . . . much of the survey, data collection, telephoning, to professional surveyors.

So this contract that we have with him would . . . he would receive a portion of that total contract but a substantial portion of it, I think, he would subcontract to other firms in the province, who are professional at interviewing and that sort of thing. But clearly, we use him because he does provide what we consider to be very high quality analysis.

And I've heard, as I mentioned earlier, from other companies in the private sector who also use him for the same reason. And they seem to get repeat business and that's usually a pretty good indication that your clients are happy when they keep coming back. So we've certainly been well satisfied with the service. We feel we've got good value for money and we would continue to use them.

Ms. Atkinson: — So I guess for former . . . or for CBC (Canadian Broadcasting Corporation) reporters, there is an opportunity here. Because that's what Mr. Aldridge used to do . . . (inaudible interjection) . . . And a very good one.

Mr. Wall: — I'm interested in the last answer as well, Mr. Chairman, because earlier I believe Mr. Shaw couldn't indicate whether or not for certain they had done this kind of work in the past.

So I'm wondering about the answer that we just had from Mr.

Hart which seemed to indicate that you had every reason to believe they had perhaps or I . . . there just seems to be a bit of a conflict there between the two statements, the indication that CIC officials weren't even sure if they'd ever done that kind of work before and Mr. Hart's very positive review of what they . . . of their qualifications for this kind of work.

Mr. Hart: — Well to be clear, what I said was we were not given specific information to my knowledge. And I wasn't involved directly in the contracting, so others may know differently about what type of work they do for which specific clients.

What I said is I know generally they do this kind of work because I've talked to other corporate executives who have told me they've retained them for similar kinds of work and have been satisfied with their services. That's all I know about what they've done for other people. I can't be specific about what they've done.

I don't know whether anyone else here can.

Mr. Wall: — You were just commenting on the abilities of Mr. Aldridge. Do you also deal quite . . . do officials at CIC also deal directly with . . . I think the vice-president of Points West is a former NDP (New Democratic Party) MLA by the name of Mr. Reg Gross. Do you also deal directly with him then on these contracts?

Mr. Hart: — Not to my knowledge.

Mr. Shaw: — No direct dealings with Mr. Gross.

Mr. Wall: — Mr. Chairman, we have some other issues within the CIC annual report, but if people want to continue on this subject . . .

The Chair: — I wonder if at this point whether members can agree that we should call Jamie Wilson, who's the partner charged with the . . . for KPMG on their review. And if Mr. Wilson would be willing, to call him forward to see if he has any comments to make with respect to the consolidated financial statements and see if there are any questions of Mr. Wilson before we proceed further down the road with CIC.

Mr. Wilson: — Certainly. Good morning, Mr. Chairman, committee members, CIC officials, other guests. We've conducted the audit of CIC's consolidated and stand-alone unconsolidated financial statements. The financial statements are included in the annual reports which we are discussing today.

Our audit reports on all of the entities are clean. That is, we concluded at the end of our examination that they presented fairly, in all material respects, the financial position and results of operations in accordance with generally accepted accounting principles.

I have nothing else to say about the audit other than the fact that we worked with the Office of the Provincial Auditor. We followed the protocol contained in the Task Force on Roles, Responsibilities, and Duties of Auditors. So they were involved in the audit process.

We have also reported on the legislative compliance and internal control and certain other matters as required by sections 11 and 12 of The Provincial Auditor Act. Those reports were made to the Office of the Provincial Auditor and they were also unqualified reports.

I'd be pleased to answer any questions if anybody has any.

Mr. Wall: — Mr. Chairman, in general I wonder if the auditor, either the Provincial Auditor or KPMG, can comment on the valuation, the booking of shares. And I'm referring specifically to page 55 of the annual report where the 1.9 per cent remaining holdings in . . . that SaskTel and CIC have in Austar United Communications Limited is booked at — it looks like by quick math — it looks like it's booked at, you know, the price that the shares were purchased at, at about four-fifty or four-sixty.

And I understand that it's a practice, I understand that it's an accounting practice to be able to reflect that book value. Now they trade I think in the range . . . they've traded between 17 and 27 cents a share recently here — I think down around 20 — and I didn't check today.

But I wonder if you could tell us, is there a provision, is there an accounting provision or a generally accepted accounting rule or provision that allows the company, the corporation to certainly put the book value of the price of the shares, but then also to qualify that? And I know, you know, you can do some work with . . . in notes. But is there anything preventing the . . . any corporation from saying, look, here's the book value of this but, you know, given some realities, here's some liability or exposure, or do companies just go ahead and put the book value in?

Mr. Wilson: — I can answer the question in terms of general . . . what's common in generally accepted accounting principles. Ultimately, this investment is held within SaskTel. The . . . And it's consolidated up into CIC.

Canadian generally accepted accounting principles require that an organization — in a case of this sort of an investment — typically records the investment at cost. There is a requirement that there is a writedown if there's considered to be an impairment in value which is other than temporary — i.e., permanent.

So management, of SaskTel initially and ultimately of CIC, is forced to make a determination as to whether or not, in their opinion, they feel that the value of that . . . those shares or that investment in that company is other than temporarily impaired. So that determination would have been made by the management of SaskTel. And the disclosure around the investment is virtually identical in this set of financial statements as it is in SaskTel. And management of CIC then make a determination in their best estimate whether or not there's an impairment which is other than temporary as well.

There are a number of . . . I guess the only other comment I would make is there are a number of factors that management would typically consider in making that determination. You can ask them more specifically the thought process or perhaps SaskTel more specifically.

Mr. Wall: — Right.

Mr. Wilson: — Certainly the length of time the investment is held . . . has been held, plans in the future, how long the trading has been significantly under value, would all be considerations that would be taken into account.

Mr. Wall: — Thank you. Thank you very much.

Mr. Wilson: — You're welcome.

Mr. Wall: — And a follow-up question to the officials from CIC. Was that a red flag as CIC received the information from SaskTel? Was that red flagged at all?

And is that a concern that the . . . These shares have been booked, you know, around \$40 million more than they're clearly worth and, you know, four-fifty to . . . I mean, I'm not a . . . I'm not a financial markets expert, but four-fifty to 17 cents sounds like a pretty significant impairment.

So was it red flagged at CIC . . . I won't ask you SaskTel questions. We'll ask them at SaskTel. But from CIC's perspective, was that a concern, because it certainly impacts your financial statements as a holding corporation?

Mr. Amundson: — Certainly from an accounting standpoint, it was of concern and it was red flagged. We had very, very long discussions with both KPMG and the Provincial Auditor's office and SaskTel.

The determination was made that there wasn't enough time with this investment to make a determination that this was a permanent decline and not a temporary decline. It will continue to be red flagged and we will continue to monitor it. And if we get to a position where this is considered something other than temporary, there will be writedown.

Mr. Wall: — Thank you.

The Chair: — Thank you very much, Mr. Wilson, we appreciate your attendance. Thank you. Are there further questions of Mr. Hart and CIC officials?

Mr. Huyghebaert: — I just have one follow-up to that. I understand what you're saying about it, if the shares are going to go back up, but how long of a time can they stay at a depressed value, and at what level of depressed value before the writedown would occur?

Mr. Amundson: — The GAAP (generally accepted accounting principles) in this area allows for there to be a two- to three-year window for viewing these things and whether or not they're temporary. I would think that if we don't see significant improvement in the results over the next year or two, then there will be some more serious conversations that occur with KPMG, the Provincial Auditor, and Deloitte & Touche, who is SaskTel — or sorry — PricewaterhouseCoopers who is SaskTel's auditors, and we'll make that determination at that time.

The Chair: — GAAP being the generally accepted accounting principles?

Mr. Amundson: — Yes.

The Chair: — Are there any further questions at this point of Mr. Hart and his officials? If not, I want to thank you for attending and for answering the questions. I think you've undertaken to provide some further information in response to a question this morning, and we'll look forward to receiving that. And the Clerk, no doubt, will look forward to receiving lots of copies of that for distribution.

Mr. Hart: — Thank you very much.

The Chair: — Thank you.

Mr. Wall: — Just on behalf of the opposition now, I just want to extend our thanks to you for you to attend for both days, last week and today. Thank you very much.

The Chair: — Before the committee . . . And at this point is a motion that the — is the annual report of the Crown Investments Corporation agreed? I need someone to move that and then . . .

Ms. Atkinson: — So moved.

The Chair: — Ms. Atkinson, you can move it and sign it, and read it into the record.

Ms. Atkinson: — I move:

That the Standing Committee on Crown Corporations conclude its review of the 2001 annual report and financial statements of the Crown Investments Corporation of Saskatchewan.

The Chair: — Is the motion agreed? It's agreed. And we have another motion still on the books, by Ms. Atkinson. The motion by Ms. Atkinson reads:

That the Crown Corporations Committee acknowledge the benefits that a publicly owned SaskTel, SaskEnergy, SaskPower, and SGI provide to Saskatchewan citizens in the way of customer service, jobs, economic activity, and revenue, and this Crown Corporations Committee goes on record as supporting continued public ownership of these Crowns.

Further to that, there was a proposed amendment by Mr. Wall to add the words:

But that in this recommendation this committee not preclude any change in ownership structure of these Crowns including joint ventures if such structures can be proven to provide the best way of ensuring customer service, jobs, economic activity, and revenue to the province.

So the issue before us, at this point, is the amendment by Mr. Wall. Are you ready for the question on the amendment? And Mr. Wall has requested a recorded vote. Are you ready for the question? Is the amendment agreed? Okay. Then we need a show of hands. All those who are in favour of the motion — that is the amendment — please raise your hand.

Mr. Kaczowski: — Mr. Chair, for those in favour . . . there's four members in favour.

Can I have a motion to adjourn prior to the normal adjournment time of 11:30, if that's your wish, of course?

The Chair: — And those opposed? Those opposed to the amendment?

Mr. Wall: — So moved, Mr. Chair.

Mr. Kaczowski: — Five members are opposed.

The Chair: — Moved by Mr. Wall. Are we agreed? Agreed. Thank you.

The Chair: — Five members are opposed. So the amendment is lost. So the question before us then is the motion by Ms. Atkinson.

The committee adjourned at 10:52.

Ms. Atkinson: — And I request a recorded vote.

The Chair: — And we're asking for a recorded vote on this as well.

Mr. Wall: — Mr. Chairman, just if I may. You know, as I look at the motion here from last week . . . and it's unfortunate that the amendment was defeated because I think it's a . . . I think frankly it was a maybe not a friendly amendment, but one that certainly fit with the spirit of what the member for Nutana is trying to suggest here.

You know, there are clearly benefits . . . there have been benefits to the province that the Crowns have provided, especially as they were originally set up for their core functions and their core mandates.

So the members of the opposition are going to be voting in support of this particular motion. However we're on record with respect to our amendment. We think there are benefits to public ownership, but we also think we have to be open into the future to all ownership structures that can maximize the very things that the member for Nutana wants to maximize.

Ms. Atkinson: — I'd just like to make an observation that the opposition continues to have difficulty when Crown corporations enter into partnerships — private, public partnerships — when it comes to investments both inside and outside of the province. And yet, you know, they will put forward this particular amendment.

First of all, I never trust anything that has a but in it. When but . . . There's a but. Clearly the resolution that was put forward by myself indicated that this Crown corporation go on public record as supporting continued public ownership of the key Crowns: SaskTel, SaskEnergy, SaskPower, and SGI (Saskatchewan Government Insurance). And the member opposite moved an amendment, but, you know, they can enter into a joint partnership. So it really is a privatization of Crowns.

So while no doubt they will support this resolution as the member has indicated, let's all be clear that their agenda is the privatization of Crowns and they'll do that by depleting or diluting public ownership by entering into joint ventures, should they ever become the government. So . . . (inaudible interjection) . . . Well, we'll see.

The Chair: — Are you ready for the question? Is the motion agreed? Could you raise your hands all those who are in favour of the motion? There's five who have raised . . . no, we have nine members — the committee is unanimous.