

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
April 5, 1993

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

Hon. Mr. Lingenfelter: — Mr. Speaker, I would like to introduce to you and to members of the Assembly, 19 grade 7 and 8 students from the Sacred Heart community school here in Regina in the constituency of Regina Elphinstone. With them are their teachers, Dan Folk, Jim Braun, and Len Kleisinger. I want to welcome them all here to the Assembly and look forward to meeting with them shortly after question period. Thank you very much.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Health Policy Advertising

Mr. Neudorf: — Thank you very much, Mr. Speaker. My question this morning . . . or this afternoon is to the minister responsible for the closing of hospitals, the Minister of Health.

Madam Minister, unfortunately the bunker mentality of you and your government on this issue is becoming more and more apparent. Not only do you refuse to attend the meetings that are being held all over Saskatchewan to discuss your plan for massive bed closures; now you're starting to run costly newspaper ads designed to sell your destructive plan.

And I ask, Madam Minister: isn't this the exactly the kind of costly political advertising you promised as a government to eliminate? How can you justify spending thousands of taxpayers' dollars preparing and running this type of advertising that is clearly designed to promote the government's political agenda and nothing else.

How can you justify spending this money at the same time that your funding reductions are causing hospitals to close all over Saskatchewan?

Some Hon. Members: Hear, hear!

Hon. Mr. Calvert: — Mr. Speaker, in response to the member's question, I want to say first of all that over the course of the past few days I've had much opportunity, I myself and the minister responsible and others in this government and caucus, have had much opportunity to be meeting with people who are involved with health reform across this province.

I had two very good meetings up in the area around Turtleford, Glaslyn, Spiritwood, and people are enthused and informed. They are anxious, Mr. Speaker, of course, to have as much information as they can have as they go about their decision-making process. And it's our intention as government to provide that information.

Some Hon. Members: Hear, hear!

Mr. Neudorf: — Thank you, Mr. Speaker. To the hon. member I say, this political ad that I was referring to, that you refuse to answer, provides no answers to serious questions being asked by Saskatchewan people. What hospitals are going to close? How far will I have to drive to the nearest hospital if there's an emergency? How many jobs will be lost in my community?

Instead this costly political ad paid for by the taxpayers is designed solely to put the best face possible on your betrayal of health care in this province. And if that's not a big enough waste of taxpayers' money, the ad which ran on Saturday — Saturday — had an 800 number. And I know people who called that 800 number. And, Mr. Minister, do you know what happened, what type of answer they got? The same as when we talk to the Minister of Health. There was no answer.

Madam Minister, or Mr. Minister, whichever one of you decides to answer, how many places did this political advocacy ad run? How much did it cost, and how do you justify spending taxpayers' money to sell the NDP (New Democratic Party) agenda when you say your government is cutting back on this kind of advertising?

Some Hon. Members: Hear, hear!

Hon. Ms. Simard: — Mr. Speaker, the fact of the matter is, is the members opposite have been spreading misinformation and using scare tactics throughout the province. For example, the member from Kindersley had said at a meeting in Eatonia that only 20 per cent of the health care budget for Saskatchewan is spent in rural Saskatchewan. That's what he said, Mr. Speaker.

The facts, the true facts are, Mr. Speaker, that 43 per cent of the total health care budget is spent on rural Saskatchewan, 56 per cent on Regina and Saskatoon of which 44.9 per cent goes to rural residents, being a total of 70/30 in favour of rural Saskatchewan. Those are the facts, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Ms. Simard: — The members opposite, however, are using scare tactics out there with respect to people. And it is important for us to get the message out that there will be emergency acute care services for people throughout Saskatchewan when they need them, that there will be improved community-based services, Mr. Speaker, and that health care is not being destroyed in rural Saskatchewan, as the members opposite are attempting to have everyone believe through their misinformation. The government has an obligation to reassure people that they will have access to quality health care services.

Some Hon. Members: Hear, hear!

Mr. Neudorf: — Thank you very much, Mr. Speaker. I'm glad that the Minister of Health got on her feet to answer that question. Madam Minister, you talk about the meeting in Eatonia as if you knew what you were talking about. Madam Minister, you were as far away as possible from that public meeting. You chose not to attend after being invited.

Now, Madam Minister, I'm talking about this ad and I'm told that that ad in the *Leader-Post* alone cost a thousand dollars. That's, Madam Minister, enough to supply insulin and all other supplies for a diabetic for five months. And that's not to mention, Madam Minister, all the other places that this ad ran as well.

Madam Minister, people in communities in this province are asking us to ask you to slow down this destructive process. They're asking for more time, for more information, for more input. Yet your political ad tells people to hurry up. It says . . . your political ad says we must speed up our transition. The sooner the better, your ad says. If you are so certain that all is well with your wellness plan, then why not give more people time to understand and provide input?

Madam Minister, will you organize and will you attend public meetings so that you can hear firsthand people's concerns? Will you postpone your artificial August 17 deadline and give communities more time to consider their options? Will you do that, Madam Minister? Or is this ad designed to set the stage for your government to ram this destructive legislation through this legislature with as little debate as possible?

Some Hon. Members: Hear, hear!

Hon. Ms. Simard: — Mr. Speaker, this legislation is not destructive, and the members opposite know that.

But the misinformation campaign that they have going right now is absolutely reprehensible. They are saying that people are going to be driving hundreds of miles in order to get acute care. The fact of the matter is, in many of these small communities people go into a hospital, get stabilized, and go into a larger centre in any case. That happens in a very large number of cases. So I mean it is just total misinformation.

We have received letters from the Saskatchewan Association of Special Care Homes, from the Saskatchewan Home Care Association, from the Saskatchewan Health-Care Association urging us to get the legislation through as quickly as possible.

There are very, very . . . Mr. Speaker, there are very, very difficult decisions that have been made in this budget and in this fiscal year. And it will result in reductions to acute care beds in the province and therefore it is important for people to get organized on a district basis in order to be able to deal with the budget decisions that have been made by the Government of Saskatchewan in this budget.

So it is urgent that we get into districts in order for us to do a needs assessment on a district basis and in a

reasonable way be able to afford acute care services and other health care services to all members of the district.

Some Hon. Members: Hear, hear!

Mr. Neudorf: — Thank you very much, Mr. Speaker. It's kind of ironic when Miss Information gets up to chastise us for misleading the people. It's interesting to note at the same time, Mr. Speaker, that if this is going on, if this went on in Eatonia, why were you not there to give your side of the story? Why do you refuse to meet with them, Madam Minister?

You're talking about saving money and then you waste thousands of taxpayers' money on an ad that has no other purpose but to promote the NDP agenda. Well, Madam Minister, I'm going to tell you a way in which you can send that information out and it won't cost you a thin dime other than gas to go to a meeting. Tonight, Madam Minister, in Brock there will be a public meeting involving the people of Eston, Kindersley, and Dodsland — three communities whose hospitals are on the chopping block due to your wellness model.

Madam Minister, on behalf of the people of Brock I ask you, will you come to Brock? Will you end your expensive propaganda campaign and instead come out and listen to the real concerns of real people? Will you come to this meeting, Madam Minister? Or should we tell the people in these three communities that you have turned your back on them as well?

Some Hon. Members: Hear, hear!

Hon. Ms. Simard: — Mr. Speaker, with respect to the health reform across the province, the Health department officials and the Minister of Health and the Associate Minister of Health as well as MLAs (Member of the Legislative Assembly) and other cabinet ministers will be meeting with communities in the weeks to come. There will be consultation with people in Saskatchewan so there will be attendance at some meetings and there will be other meetings that we will be attending in addition to some of the ones that are mentioned here in the legislature.

So, Mr. Speaker, there has been a lot of consultation over the weeks and months preceding with respect to health care reform and with respect to getting organized on a district basis, which is essential. We have to get on with that. We will have further consultation in the weeks and months to come.

The fact is, however, is that rather than the members attempting to raise fear in people, attempting to . . .

The Speaker: — Order, order. The member from Morse, please come to order.

Hon. Ms. Simard: — Rather than the members opposite attempting to raise fear for their own political agenda, people incidentally who have . . . for example, let me give you an example. These members opposite who claim that they're saving medicare, Mr.

Speaker . . .

The Speaker: — Order. Next question. Next question.

Some Hon. Members: Hear, hear!

Mr. Neudorf: — Thank you, Mr. Speaker. Madam Minister, all I can say is that the people of Saskatchewan are beginning to have real concerns why you are so afraid to meet with them openly in an unorchestrated kind of fashion, a public meeting, Madam Minister. Because they are beginning to tell me that the champions of medicare are fast becoming the champions of I don't care. That's the impression they're getting. You would rather spend thousands of dollars on a propaganda machine through newspaper advertising rather than meeting with the people themselves.

I'm going to give you another chance now, Madam Minister, a serious other chance. You've been invited to a meeting in Weyburn tomorrow night to discuss the uncertain future of the Souris Valley Regional Care Centre.

Madam Minister, the people at Weyburn don't understand why you are doing this to them. One of the employees of Souris Valley said, and he's quoted in the *Leader-Post* actually, and I quote: right now nobody knows what will happen and I hate living in fear. Unquote.

How does that feel, Madam Minister? How does that feel to know that because of you, people in this province are living in fear? And that's not my fearmongering, it's the people saying that.

Madam Minister, will you come to Weyburn tomorrow night and explain your actions to the people of that community? Or do you prefer to stay in Regina where it's nice and safe, and buy more political propaganda in the hope the problem that you've created is somehow magically going to disappear? Will you come to Brock tonight and to Weyburn tomorrow night, Madam Minister?

Some Hon. Members: Hear, hear!

Hon. Ms. Simard: — Mr. Speaker, I have said repeatedly that we will be meeting with the people across Saskatchewan. We will be meeting in the days and weeks to come.

The members opposite . . . I would like to ask the members opposite, who say today that they are going to save medicare in this province, where they were when their federal counterparts decided to offload some \$4 billion in the '91-92 fiscal year. I would like to know where they were when 1.7 billion of those dollars was related to health care, and why? It translates into some \$540 million this year in direct federal program cuts, and which impacts on health care enormously.

Where were the members opposite when their federal counterparts decided to bring in drug patent

legislation that increased health care costs in this province from 6 to \$10 million? Nowhere. In fact they supported drug patent changes back in '87-88 and they remained silent during federal offloading.

These same people stand in their places and try to represent themselves as being champions of health care in this province. Where were they when they created a \$15 billion deficit that makes it necessary for this province to take some very tough decisions and to make hard choices?

If they wanted to save medicare, why didn't they . . .

The Speaker: — Order. Next question.

Mr. Neudorf: — Thank you, Mr. Speaker. The minister has now lit her blame thrower once more, and obviously all her cohorts are trying to give her some kind of moral support on something that's not morally defensible, Madam Minister. Not only are you refusing . . .

The Speaker: — Order, order. Will the members please allow the member from Rosthern to ask his question.

Mr. Neudorf: — Thank you very much, Mr. Speaker. Madam Minister, as if it's not bad enough, I'm now being informed that you are turning your back on another group of people in this province. Hemophiliacs who have contacted HIV (human immunodeficiency virus) through blood transfusions want to meet with you as well, Madam Minister.

But the other day when this issue came up you refused to talk to the media. And the hemophiliac who was interviewed on CBC (Canadian Broadcasting Corporation) says that he was not surprised; that you had refused to meet with this group on numerous occasions and you have turned a deaf ear on their concerns. And they really have to wonder why, Madam Minister.

Who are you meeting with these days? First you refuse to meet with communities whose hospitals you are closing. Now you aren't meeting with hemophiliacs.

And before you light the blame thrower once again, Madam Minister, and delve into the past, will you at least meet with this group to discuss their concerns or are you going to say, well the toy minister's meeting with them or we'll be running another ad to tell them why you will not meet with them, Madam Minister. Could you explain that to them?

Some Hon. Members: Hear, hear!

Hon. Ms. Simard: — Mr. Speaker, this is a very difficult issue and I want to put on the record that the government has met with hemophiliacs in the province. The fact is this . . . (inaudible interjection) . . . Just a minute. This fact is this. There is a lawsuit pending. There are also confidentiality provisions respecting that and it is highly inappropriate for us to be discussing here in this Legislative Assembly what is

taking place in that situation.

Some Hon. Members: Hear, hear!

SGEU Contract Offer

Mr. Swenson: — Thank you, Mr. Speaker. Mr. Speaker, this NDP government has steamrolled just about the entire society of Saskatchewan with this iceberg budget of theirs — its rural Saskatchewan, its towns and villages. They've attacked senior citizens like they've never been attacked before in this recent budget and they've taxed the ordinary taxpayer to the hilt.

Now, Mr. Speaker, they asked us the other day to spread the sacrifice around. That was the message from the Minister of Finance — spread the sacrifice around so that everyone was treated equally. Well now we find out, Mr. Speaker, that we aren't all equal. It seems some of the friends of the government, the union leaders of this province, the people that helped them win the last election, get a little bit of help.

In the middle of all this sacrifice, Mr. Speaker, it appears a two and a quarter per cent increase has been given to the friends of the government. Now that two and a quarter per cent increase in my calculations comes out to 56 to \$60 million, Mr. Speaker, and this doesn't include the other benefit costs that are going to go along . . .

The Speaker: — Order. Does the member have a question? I'd like to ask the member to direct his question please.

Mr. Swenson: — Thank you, Mr. Speaker. My question is to the Minister of Labour. Mr. Minister, given your relentless attack on everyone else in society, how do you justify another \$60 million to your union-leader friends? How do you do that, sir?

Some Hon. Members: Hear, hear!

Hon. Mr. Mitchell: — Mr. Speaker, collective bargaining is of course a very difficult and very dynamic process. When we came to office we found that practically all of the collective agreements were then open, or became open within the matter of the next few months.

As we learned the dimensions of the fiscal disaster that our friends opposite have left for us to cope with, it became apparent to us that we would not be able to pay a wage increase in the first year. We bargained in our initial months with that in mind, and we had in mind trying to put something into the second year of the contract. We found as the dimensions of the disaster became even more apparent, as we discovered some of the hidden bombs laying around the piece that hadn't been brought to the attention of the Saskatchewan people, that we weren't able to pay a wage increase in the second year either. So we bargained from that point of view.

Now at some point, at some point we reached the

stage where we had to ask the public servants of this province to . . . or we had to say that we can't ask them to keep giving up forever. They had already lost something like 16 per cent of the cost of living during the 1980s and by asking them to take two more hits of zero, we felt that we had asked them to pay enough. So we said in the third year of a contract we are prepared to consider a small wage increase, and we bargained on that basis and arrived at the position of the settlements that were approved in the Crowns. The present recommendations respecting the public service, the SGEU (Saskatchewan Government Employees' Union), reflect that as well.

Mr. Swenson: — Thank you, Mr. Speaker. Question to the same minister. Mr. Minister, the third year is now. You've hit senior citizens in this budget like seniors have never been hit in this province before.

Net farm income in this province is as low as it was in the 1930s. Mr. Minister, one or two points for lots of those people makes a really big difference. It's not zero for them, it is minus.

Now you have chosen, Mr. Minister, knowing full well that we're into the third year, you've chosen to help out your union-leader friends.

Mr. Speaker . . .

The Speaker: — Order, order. Will the member from Regina Rosemont please come to order. That pertains to the member from Estevan as well.

Mr. Swenson: — Thank you, Mr. Speaker. Mr. Minister, given that everyone else in the province has taken less than zero, would you tell the folks today if you have budgeted for this extra \$60 million in this budget year, and does that mean that there has to be an extra \$60 million from every year on forward from now. Is that true, Mr. Minister?

Some Hon. Members: Hear, hear!

Hon. Mr. Mitchell: — The settlements across the piece include the public service proper as well as the Crown corporations, will include teachers, will include health care workers.

Each of these collective agreements have a different date, so that the increases we're talking about will come into effect at different times for different units. As of the moment, I think it is correct to say that none of them have yet come into effect. Some of them may have budgetary implications in this budget, and if so, they have been taken care of. Some of them of course, with the Crown corporations and the health care side, have not.

The member will also know that in preparing a budget, it is not customary to build in the cost of anticipated increases from collective bargaining, because you simply don't indicate your bargaining position in your budgetary documents. So there is some effort to ensure that those figures don't get released in that way. And the hon. members will know

that from their own experience in government, if indeed they paid any attention to their financial situation while in government.

Some Hon. Members: Hear, hear!

Mr. Swenson: — Thank you, Mr. Speaker. A question to the same minister. Mr. Minister, the money has to come from somewhere. Your Minister of Finance has been standing in this legislature for the last three sitting days, saying that she has projected out four years in advance. There is nowhere in there, Mr. Minister, for \$60 million extra this year or 60 million the year after or 60 million the year after.

There is only one place it can come from. And that's increasing taxes or cutting seniors or cutting agriculture or cutting somebody else, Mr. Minister. You've got to come up with \$60 million to settle this agreement. Mr. Minister, please tell us where the extra \$180 million is going to come for the next three years because of this settlement you just made.

Some Hon. Members: Hear, hear!

Hon. Mr. Mitchell: — Mr. Speaker, the member's figures are not accurate, and he knows they're not accurate. He knows the amounts involved are nothing like \$60 million. He knows that for a fact. I've already explained that these agreements come into effect at different times so that the impact on this budget will be a lot less than that. And the member well knows that as well.

Now what I want to also say to the member is that the fact of the matter is that departments are going to have to come in within their budgets. What they're going to have to do to do that, if people in their bargaining units get wage increases, they're simply going to have to cope with that. And there's no question about that.

We are in a position, as a result of the mess that you left us, where we have to achieve our budgetary targets. If we don't achieve our budgetary targets, then this province is really going to suffer. You created that situation; we didn't. We're trying to manage it as best we can.

Some Hon. Members: Hear, hear!

Mr. Swenson: — Mr. Speaker, people in Saskatchewan know all about cuts. People in rural Saskatchewan today are up in arms because they're being reduced to 1.5 beds per thousand, when they may have to drive hundreds of miles and see their communities close down because they're losing their facilities. They know where the money's coming from, Mr. Minister, to satisfy your union-leader friends.

What they want to know: are they going to get cut again? Are seniors going to get cut again? Where are you going to find the extra money? Are you going to increase utility rates and taxes again, Mr. Minister? Come clean and tell us where you're going to get the extra money from, right now.

Hon. Mr. Mitchell: — Mr. Speaker, I tried to tell the member, and if the member would just listen to the answer instead of preparing his next question, it might not be necessary to keep repeating the answers to the same question.

The fact is that these increases, as they're negotiated, will come into effect at different times in different bargaining units. They will have a greater impact in some bargaining units than in others.

The reality also is that we must achieve our budgetary targets. And that means that our departments and the agencies must achieve those targets. How they do it will be a matter depending upon what the management of those departments in consultation with the ministers responsible decide to do.

We can't sit here and say in a general way how they're going to do it. We can only say that they have to do it, Mr. Member. They have to do it. We're going to require them to do it, which is a far sight different than the way you ran your departments when you were the government.

Some Hon. Members: Hear, hear!

ORDERS OF THE DAY

GOVERNMENT ORDERS

SECOND READINGS

Bill No. 21 — An Act to amend The Labour-sponsored Venture Capital Corporations Act

Hon. Mr. Lingenfelter: — Mr. Speaker, I'm pleased to introduce to the House, for consideration, The Labour-sponsored Venture Capital Corporations Amendment Act, 1993.

Last fall, Mr. Speaker, I announced the *Partnership for Renewal* economic strategy for the province of Saskatchewan. An important component of that strategy is the involvement of Saskatchewan working people in developing their economic future.

I am pleased, Mr. Speaker, to inform you that measures announced in 1993-1994 provincial budget speech strongly support this objective, and the labour-sponsored venture capital corporations program will continue to play an important role.

Mr. Speaker, the labour-sponsored venture capital program offers tax incentives to encourage Saskatchewan labour and employee groups to make equity investments in Saskatchewan-based small- and medium-sized business. Individuals investing in the shares of labour-sponsored venture capital corporations or LSVCCs are eligible for both, first, a provincial tax credit equal to 20 per cent of the cost of the first \$5,000 of their investment per year; and secondly, a similar federal tax credit.

(1430)

Mr. Speaker, the investment stipulated by this program creates new jobs, protects jobs that might otherwise be lost in Saskatchewan because of decisions made in head offices outside the province.

Last year, Mr. Speaker, this government introduced legislation to streamline the program, add compliance features, increase maximum contribution limits, and maintain compatibility with the federal government legislation. There is still more that can be done to build on the productivity and creativity of Saskatchewan workers through this program.

Mr. Speaker, this Bill will add compliance features to protect the interest of Saskatchewan taxpayers with regard to tax credits. There will also be amendments to maintain harmony with the federal legislation. And the program will be strengthened to make type A corporations more economically viable in the province.

Mr. Speaker, a type A LSVCC (labour-sponsored venture capital corporation), Mr. Speaker, is a broadly based investment corporation sponsored by a labour union or group of labour unions which invests in capital raised from investors into a number of different eligible businesses. There are also type B corporations or single-purpose LSVCC corporations and national corporations.

This Bill was prepared after extensive consultation with various government departments, unions, industry, and other interested users of the programs. Mr. Speaker, this Bill will permit type A corporations to raise capital from any resident of Saskatchewan instead of only employees in the province.

It also increases the maximum amount of equity that type A corporations can raise to \$10 million annually, with the maximum aggregate consideration of \$35 million to be prescribed in the regulations.

These amendments, Mr. Speaker, will enhance the ability of Saskatchewan corporations to raise equity capital which will create, protect, and maintain jobs, as well as allowing corporations to diversify their activities. They will also make it more possible for type A corporations which will ensure the capital raised from Saskatchewan residents is invested into Saskatchewan businesses to create Saskatchewan jobs.

Mr. Speaker, I now present The Labour-sponsored Venture Capital Corporations Amendment Act for second reading.

Some Hon. Members: Hear, hear!

Mr. Martens: — Thank you, Mr. Speaker. Labour-sponsored venture capital corporations have been in existence for a considerable period of time, Mr. Speaker, and were initiated by the Conservative government when they were involved in running the province. And I agreed with the concept at that time.

Mr. Speaker, we are going to take a serious look at some of the amendments to see whether they flow with the benefits provided to the people who are involved in it, and whether the security risks are reduced or in fact enhanced by and whoever the security is held by, and is the risk greater for the government or is it reduced; is it greater for the individuals involved in it or is it being reduced. And that is what we're going to take a serious look at and we'll be discussing through the debate that follows.

I just want to say that and then move the adjournment of debate, Mr. Speaker.

Debate adjourned.

Bill No. 32 — An Act to amend The Family Maintenance Act

Hon. Mr. Mitchell: — Mr. Speaker, I'm pleased to rise today to move second reading of The Family Maintenance Amendment Act, 1993. These amendments resolve issues which have arisen since The Family Maintenance Act was passed respecting maintenance for offspring over the age of 18 years.

A new section is proposed dealing with maintenance for these young people. If one parent is supporting such a son or daughter because they are unable to support themselves because of illness, disability, or other cause, a maintenance application may be made by that parent to require the other parent to contribute to the support of that son or daughter. This obligation will not extend to step-parents. And the Minister of Social Services will not be able to make the application on behalf of these young people.

Mr. Speaker, these amendments address a number of concerns that have been raised about the current provisions. By adopting the federal Divorce Act wording, they ensure that children of parents who have never been married will be treated in an equivalent manner to children of divorced parents.

They allay the concerns of adults with disabilities and their parents that the government intended to use the Act to reduce the social assistance benefits available to these young people. The government did not so intend and these amendments make that clear.

Mr. Speaker, I move second reading of An Act to amend The Family Maintenance Act.

Some Hon. Members: Hear, hear!

Mr. Martens: — Thank you, Mr. Speaker. This Bill I will move to adjourn. I just want to say a couple of things though before that, and that is that these are very serious concerns that need to be addressed. They are the evolution of the maintenance family . . . or The Family Maintenance Act, the evolution of it, and the evolution of it is an important part of an ongoing society. And I think that we need to take a consistent look; we need to take a look that progresses along as society moves.

Our critic for the family maintenance isn't here today, so I'm going to adjourn debate, and we will allow him to have those words to say to you and what his concerns are later on. Thank you, Mr. Speaker.

Debate adjourned.

Bill No. 33 — An Act respecting Security Interests in Personal Property and making Consequential and Related Amendments to Certain Other Acts

Hon. Mr. Mitchell: — Mr. Speaker, I'm pleased to rise today to move second reading of The Personal Property Security Act, 1993.

Mr. Speaker, in 1980 this Legislative Assembly enacted The Personal Property Security Act in an effort to consolidate the regulation of all personal property security transactions into one comprehensive piece of legislation. This legislation was at the forefront of innovation in this technically complex area of the law. It served as a model for subsequent legislation in Alberta and Manitoba as well as for the Uniform Personal Property Security Act prepared by the Uniform Law Conference of Canada.

Notwithstanding this apparent success, the time has now come to modernize this legislation. Alberta and British Columbia have recently introduced third-generation personal property security legislation to address certain legislative oversights and to reflect evolving commercial practices.

In addition, the final report of the Law Reform Commission of Saskatchewan recommends a new personal property security Act because of the desirability of substantially uniform personal property security legislation in western Canada and the need to modernize our Act to address certain policy inconsistencies.

In the last session of this Assembly, this Act was introduced as a first reading Bill to allow the widest possible consultation with interested parties. That has happened, Mr. Speaker. The Bill that I am introducing today reflects the final report of the Law Reform Commission and includes certain minor amendments which were made as the result of consultations conducted over the past winter and spring.

Mr. Speaker, in general terms this legislation has the following purposes: to modernize the existing Act to reflect evolving business practices; to harmonize our Act with the personal property security law of western Canadian jurisdictions; to accommodate intended innovations in computer technology to offer remote computer access and registration to clients; and to address judicial decisions inconsistent with the intended policy of The Personal Property Security Act.

Mr. Speaker, the enactment of this legislation will ensure that Saskatchewan continues to be at the forefront of personal property security legislation in Canada. Mr. Speaker, I move second reading of An Act respecting Security Interests in Personal Property.

Some Hon. Members: Hear, hear!

Mr. Martens: — Mr. Speaker, this Act has a lot of implications and ramifications in relating to many and various kinds of security instruments and relating to personal property.

And I've looked through it — part of it — already, Mr. Speaker, and it's very complex. And I know that the minister will be answering a lot of questions in Committee of the Whole in this one in regard to the amendments that he's making and adjustments he's making.

And I'm going to move adjournment of debate today so that our critic will have an opportunity to lay some of these things before you, and we will review them in Committee of the Whole as well.

Thank you, Mr. Speaker. I'd move adjournment.

Debate adjourned.

Bill No. 41 — An Act respecting the Financial Administration of the Government of Saskatchewan

Hon. Ms. MacKinnon: — Mr. Speaker, I rise today to move second reading of Bill No. 41, An Act respecting the Financial Administration of the Government of Saskatchewan.

This is a new Bill, Mr. Speaker. While many of the existing provisions have been retained, this Bill makes substantial improvements to government accountability. The most significant of this is the adoption of accrual accounting. As part of the government's commitment to restore open and accountable government, the government agreed to adopt accrual accounting in 1993-94. The proposed changes in this Bill give the government the authority to make this significant accountability improvement.

The adoption of accrual accounting satisfies a major recommendation of the Financial Management Review Commission. In addition, the Public Sector Accounting and Auditing Committee of the Canadian Institute of Chartered Accountants and for several years the Provincial Auditor have recommended that the government adopt accrual accounting.

Mr. Speaker, the switch to the accrual basis of accounting puts the province in line with and in some instances ahead of how other jurisdictions are accounting. Currently eight other provinces are using accrual accounting, and some of these provinces have been doing so for more than a decade. The adoption of accrual accounting also brings Saskatchewan in line with the accounting practices used by businesses and responsible governments around the world.

The government and the public will both benefit from the adoption of accrual accounting. The major benefits of accrual accounting are that it provides a more accurate description of the province's financial position at the end of the year; reports financial obligations as expenses as soon as the obligations are

made — today's obligation's can no longer be recorded as future costs; it enhances management's ability to make sound financial decisions; and it holds the government more accountable for how tax dollars are spent. In short, it means the government giving away or tearing up its credit card.

Mr. Speaker, another key accountability change concerns the financial statements of the government. Prior to 1992 the *Public Accounts* only contained the Consolidated Fund financial statements. As you are aware, in response to a recommendation of the Financial Management Review Commission, summary financial statements were included in the March 31, 1992 *Public Accounts*.

Through this Bill a requirement to prepare and include summary financial statements in the *Public Accounts* of the province is being entrenched in law.

Mr. Speaker, various sections of The Revenue and Financial Services Act have been moved into this Act. The sections dealing with the powers and duties of the Provincial Comptroller and the Public Employees Benefits Agency are now included in this Act. This Act will now include all matters related to financial administration of the government. The Revenue and Financial Services Act will contain only issues related to tax collection.

(1445)

Mr. Speaker, in addition to the major accountability improvements, this Bill makes a number of minor policy and housekeeping changes to enhance the financial processes of the government. Two examples of these are: first, changing the name of the government's operating fund from the Consolidated Fund to the General Revenue Fund. This amendment will ensure that there is no confusion between the General Revenue Fund and the summary or consolidated financial statements. Secondly, providing authority for the government to bank with trust companies — this is an important amendment for trust companies because they will now have the same status as a chartered bank when it comes to dealing with the government.

Mr. Speaker, this Bill demonstrates that the government's commitment to open and accountable government is ongoing. These changes will come into force on the day to be fixed by proclamation by the Lieutenant Governor.

Mr. Speaker, I move second reading of An Act respecting the Financial Administration of the Government of Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Martens: — Thank you, Mr. Speaker. And to the members opposite I notice that there was quite a bit of discussion from the minister's comments dealing with accrual accounting. I know that chartered accountants and auditors across the province and across Canada and other places are going to that

method of accounting, and it definitely makes sense to move that way.

The minister said that government benefits from this accounting practices, and I hope that the consumer of government and the user of these funds will also get the benefit. I know that the critic for the finances of this province will want to have a lot more to say about this and we'll probably discuss it very firmly and intensely with the Minister of Finance. And therefore, Mr. Speaker, I move to adjourn debate.

Debate adjourned.

Hon. Mr. Lingenfelter: — Mr. Speaker, I wonder if I would have leave of the Assembly to return to ministerial statements.

Leave granted.

MINISTERIAL STATEMENTS

World Curling Champions

Hon. Mr. Lingenfelter: — Mr. Speaker, I appreciate the members of the opposition allowing us to revert to ministerial statements.

This is a very important occasion for the province of Saskatchewan, Mr. Speaker, as I rise today to honour the 1993 women's curling champions. I know all members will want to join with me in congratulating them here in the House today.

Hon. Members: Hear, hear!

Hon. Mr. Lingenfelter: — Mr. Speaker, after winning the Scott Tournament of Hearts in Brandon last month, skip Sandra Peterson and her team won the honour of representing Canada at the world championships in Geneva, Switzerland.

Thousands of Saskatchewan fans watched the championship, cheering on Sandra and her rink mates. We couldn't be more proud of their outstanding performance, and commend them for the hard work and dedication that led to this important achievement.

Their victory became doubly sweet for all Canadians when Russ Howard and his Ontario team captured the men's world curling title as well.

Mr. Speaker, on behalf of all Saskatchewan people, I want to extend warmest congratulations to Sandra Peterson and her Callie rink mates, Jan Betker, Joan McCusker, Marcia Gudereit, and the team's fifth, Anita Ford.

I'm sure all members will want to join with me in extending congratulations and best wishes to Sandra and the Canada team on their outstanding accomplishments.

Hon. Members: Hear, hear!

Mr. Neudorf: — Thank you very much, Mr. Speaker. And yes, Government House Leader, the opposition certainly wants to join in with you and other members of this House in extending our congratulations to Sandra Peterson and her rink, and to Russ Howard and his rink.

And if I recall correctly, some of the comments made on TV, Mr. Speaker, this has not occurred since 1989, where there was literally a clean sweep of the curling throughout the world. And I think that's something to be very, very proud of, even though Sandra did beat in the final game, a former Reginian as well. The skip of the other rink was also from Regina at one point.

And Sandra, at the same time, Mr. Speaker, is a native of the Biggar area, which is my neck of the woods. And after this victory, I can certainly imagine what Biggar is going to be saying now on their sign — we are now even Biggar, with a person like this coming from there.

So I was certainly very pleased, having skipped a few games in my life too, Mr. Speaker. I really could feel for Sandra when that last shot was not necessary because I missed a lot of big, important last shots. But it was a good idea that the game turned out as it did. And we have something to be very, very proud of in this province at this time, Mr. Speaker; indeed all of Canada. So I want to join with the Government House Leader in extending the official opposition's best wishes as well.

Hon. Members: Hear, hear!

The Speaker: — Order. Does the member from Saskatoon Greystone have leave?

Leave granted.

Ms. Haverstock: — Thank you, Mr. Speaker, and thanks to members of the Assembly.

I too would like to add my heartiest congratulations to those expressed by the government and the official opposition. I listened to the interview this morning with Sandra Peterson and her attitude and that exemplified by her team is one that should be emulated by us all — to not take anything for granted and to make sure that one puts one's best effort forward at all times. So team Peterson is truly a tremendous model for our province and country and I think we've all expressed how very, very proud we are of them.

Hon. Members: Hear, hear!

The Speaker: — Before we move to another item, I just want to remind members that this was really not a ministerial statement. It was a statement that a member wanted to make by leave, and that can be done at any time. It's not a ministerial statement.

ADJOURNED DEBATES

SECOND READINGS

Bill No. 4

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Ms. Carson that **Bill No. 4 — An Act respecting Local Improvements in Urban and Northern Municipalities and to Effect Certain Consequential Changes** be now read a second time.

Mr. Goohsen: — Thank you, Mr. Speaker. It has been a few days since we first addressed this Bill but I'm sure that those members that are interested in the subject matter of this Bill will recall that we went into some length and depth on the things that we felt that weren't exactly the best in the Bill.

There are numerous things in here. As people can see, the Bill is very long. But it does a lot of housekeeping types of things throughout it. Some of the implications in the Bill probably are more fearful than the actual housekeeping parts of it. The attempt by this administration, Mr. Speaker, to take over a dictatorial kind of control on behalf of each of the ministers of the Crown is probably the most objectionable part of these types of Bills. I think we outlined that to some extent the other day.

We also went through the Bill to quite a bit of an extent in terms of analysing what our feelings are about the intent and the direction that we are taking the province with these Bills.

So the reality being then that having made those remarks and the fact that they are in *Hansard* for those people that are really curious about what we said, they can get the *Hansards* back out and read those.

So rather than to repeat all of that, I want to say that there are a lot of things that we will want to question the minister on. And because we need to get answers rather than just dialogue, we are going to be suggesting that we allow this Bill to carry on to the next stage of the process so that we can get into the questioning part of it.

Thank you, Mr. Speaker.

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

Bill No. 5

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Ms. Carson that **Bill No. 5 — An Act to amend The Planning and Development Act, 1983** be now read a second time.

Mr. Goohsen: — Thank you, Mr. Speaker. Bill No. 5 is very much similar in its content and approach as far as principles are concerned. There's quite a bit of housekeeping involved in it, and yet at the same time we did note that that same trend that I mentioned earlier is evident in all of the Bills.

There is seemingly a rather heavy-handed push by

government to achieve more and more control and more and more power for individual ministers. We believe that this has gone beyond the point of good government. We believe that this has gone beyond the point of being beneficial to the taxpayers and to the citizens of our province.

And we make note of this fact publicly here so that people will realize that we haven't missed what's going on, but realizing of course at the same time, Mr. Speaker, that there's very little that we in a small opposition can actually do in the long run to stop this trend until we of course get to another election.

We feel that we must then go on to the point in the process of legislation where we can get answers, where we can pose our questions and get the ministers to explain in detail what exactly it is that they're saying so that we can get on the record for those people that want to look back on to *Hansard* to find out what the intention of the Bill is rather than just the actual writing.

Because sometimes as life goes by, people who find themselves in conflict with an interpretation of an Act will come back to *Hansard* to find out what the minister has put in his words of the general intention of the Bill to be. And it will be important for us to achieve that goal of getting the minister's explanation so that the spirit of the law and the intention of the law, as explained by the minister, will be apparent to the people who need to know those kind of things.

Having gone through the Bill to some extent on our last occasion when we discussed it, leads me to think that those people who want to know what our views were, should in fact be able to do the same thing. They can go back in *Hansard* again and read up on it.

And rather than to take a lot of time of the Assembly today to repeat myself, I think in the interests of good government and in the interests of showing the government side that the opposition wants this administration to achieve some direction in getting some work done . . . We want them to be accountable and we want to ask those questions, but we also want to show a spirit of cooperation. And in that spirit of cooperation, we're not going to dwell on this matter further today but will allow it to pass on into the next stage of government so that we can ask the questions next time. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

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

Bill No. 8

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Ms. Carson that **Bill No. 8 — An Act to amend The Uniform Building and Accessibility Standards Act and to make Related Amendments to Certain Other Acts** be now read a second time.

Mr. D'Autremont: — Thank you, Mr. Speaker. We've already discussed this Bill to a certain extent. There are a number of changes in here which we do have some concerns about. And some of these changes, while they may appear fairly frivolous, are going to be expensive to the government, particularly when they're just changing names.

There's also some implications for the buildings owners of this province that everyone needs to be aware of. But we feel that we can bring forward those concerns and hopefully the government will answer the questions when we pose them in Committee of the Whole. So I propose, Mr. Speaker, that we allow this Bill to go to committee.

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

(1500)

Bill No. 9

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Ms. Carson that **Bill No. 9 — An Act to amend The Emergency Planning Act** be now read a second time.

Mr. Goohsen: — Thank you, Mr. Speaker. I did want to say just a few words about Bill 9 before we allow it to go on.

Here we've got a situation that is becoming evident again with this administration, Mr. Speaker, that is unnecessary, totally unnecessary. What this Bill, a large part of it, does is change the name of our EMO (Emergency Measures Organization) system; and to change the name and to cause all of our residents now to have to try to think of a new word or a new term or a new expression to describe something that they've become used to over many, many years gone by. To do that without any actual real benefit coming to the people seems to me to be a confusion that is unnecessary and causes people to have less esteem within our own province and within themselves.

Something like EMO has almost become as synonymous with certain things that happen in our society as, say, the RCMP, Royal Canadian Mounted Police. That term is known by everyone. It's got pride and respect because everybody knows it and understands it.

EMO is the same thing — Emergency Measures Organization. Everybody's known that since I can't remember how far back. And all of a sudden a government decides that this explanation of a whole process that we are used to in our society, this explanation is no longer to be with us or to be used. We are now going to call it something new.

And why? So that this government can brag that they started something new when obviously an emergency measures organization can never be anything different than what we've done in the past. It's an

organization to take care of emergencies.

We have structures, all kinds of things taken care of here that are taken care of and evolved through necessity. And yet we now say we're going to go to the trouble of trying to re-educate everybody to learn and know a new title for something that has been around for many, many years.

It seems like such a waste of time and such a waste of money. Everything that has EMO on it will now have to be painted over and a new sign put on it. All of the books, all of the literature will have to be destroyed. How many millions of dollars will it cost simply to entertain the whim of somebody in this government who decides that we want to have a new name on EMO.

Millions of dollars just squandered and wasted away, and we stand in this Assembly day after day listening to this administration telling us how hard up we are, how we can't do the things that we should be doing because we don't have the money. We can't have prescription drugs for sick people because we're broke, but we've got millions of dollars to change the name of EMO and to change all of the literature, all of the documentation, all of the signs. And for what?

It's a total, absolute waste of money. Not to mention the confusion that it puts into the people's minds having to now, every time they refer to anything to do with these kinds of problems, thinking of a new name and trying then to relate back and explain to everybody, but what we really mean is the old EMO system.

Why don't we just leave our hands off of those things that aren't broken and stop trying to fix them? We don't need to fix this. It's not broken. There's nothing really wrong here. Changing some of the problems within the Bill, well I mean housekeeping is housekeeping. It's natural; it will be an ongoing process and that's the way a democratic society is, Mr. Speaker. And that's okay. We don't mind seeing some housekeeping done and some updating brought about.

But to change the name, and then at the same time to once again have this Bill as the other ones I talked about earlier today — and it's a general trend now through almost everything that's done — there is this trend to try to bring about more power for the minister in charge. And that's really what it's all about.

And it's extremely objectionable that we find ourselves in a situation where each minister is becoming a dictator in his own right. That goes against the very fundamental basis of a good democracy. The dictatorial control by a minister is not only not necessary in order to achieve the things you need to achieve, but it takes away from the very essence of the parliamentary process that we are working under in this Assembly.

If a minister has dictatorial control through legislation to do whatever he pleases, why will we need a

legislature after a while? In fact it will also follow true that you won't need the legislature because it'll be circumvented. The ministers simply will take every controversial issue, wait until the Assembly is no longer in session, and then in those days when people are most likely to all be somewhere on holiday or not paying attention, you slip your ministerial order into effect and you make the changes that you want to make that might otherwise have been debated and changed in a proper democratic forum.

And so, Mr. Speaker, there are some very, very sinister things going on in these Bills. And yet to stay here all day debating that part of it and to talk about it for ever isn't going to change that. If the people want to maintain and have a democracy in this province, they will have to be aware of what's happening and make that change in the next election.

And so again, with the spirit of cooperation, we will allow this Bill to continue into the next stages of government, but we want the people to know that we do it very reluctantly and we do not like what the government is doing. Thank you, Mr. Speaker.

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

Bill No. 7

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Ms. Atkinson that **Bill No. 7 — An Act respecting Social Workers** be now read a second time.

Mr. D'Autremont: — Thank you, Mr. Speaker. As we discussed earlier when this Bill came forward, this Bill deals with the establishment of a professional body for social workers. And while we feel that is a good idea in itself, we do have some concerns as to how it will be implemented and administered.

This new professional body should be able to police itself, Mr. Speaker, and we hope that it will in fact be able to do so. But our concerns include who will be allowed to join such an organization and at what cost. What will the fees be, and will these fees be paid by the government for those social service workers within the government's employment, or will they be deducted from that person's pay?

There are various other professional organizations across this province such as the SMA (Saskatchewan Medical Association) which are allowed to police themselves, and this is the proper manner in which to do it.

The member from Arm River would have liked to have been able to join this debate on this particular Bill but is again receiving medical attention this week.

One thing that's very interesting though, Mr. Speaker, is that the Social Services' budget since October 1991 has gone up by \$119 million — \$119 million, Mr. Speaker, when most areas of this province are

receiving cuts.

So when the professional body is put in place for social service workers, will they also be ensuring that the province receives value for its dollar spent? And I believe that's very important, Mr. Speaker.

We wish to ask further questions on this and we will do so in committee, so we are prepared to allow this to move on to committee, Mr. Speaker.

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

COMMITTEE OF FINANCE

Motions for Interim Supply

The Chair: — Order. The business before the committee is the motion moved by the Minister of Finance:

Resolved that a sum not exceeding \$340,881,000 be granted to Her Majesty on account for the twelve months ending March 31, 1994.

Mr. Swenson: — Thank you, Mr. Chairman. I wonder, Madam Minister, one thing I neglected to ask you the other day in our short questions, is if in this one-twelfth Appropriation Bill and the money that you've allocated for your department to do analysis and that type of thing, if you have any costs included here for a further issue of the Saskatchewan savings bond which you promoted soon after the budget last year and which I presume that the government will be doing once more, and if you have allocated any funding for the development and promotion of another savings bond issue.

Hon. Ms. MacKinnon: — Mr. Chairman, thank you very much for that question. We have announced that we are going to issue Saskatchewan savings bonds again this year but we don't anticipate any costs associated with that to be accrued in the month of April.

Mr. Swenson: — I wonder, Madam Minister, just as a point of interest if you could remind the House of what the return was on that particular instrument last year and are you expecting similar types of returns in the coming budget year.

Hon. Ms. MacKinnon: — Mr. Chairman, the return last year was 7 per cent on the annual basis. We sold 567 million of them last year. We anticipate issuing them in June this year. The rate will be determined closer to the time in light of what market rates are. We're estimating \$250 million in sales this year.

Mr. Swenson: — I wonder, Madam Minister, if you could enlighten us as to why you think that your return will be half of last year and maybe a ballpark — given some of the projections that you made in your budget analysis of rates, I think you've set a 9 per cent rate for

yourself as far as borrowing across the piece in government — I wonder if you could give us a ballpark figure of where you think those rates might come in at.

Hon. Ms. MacKinnon: — Mr. Chairman, in response to that question, \$250 million is a conservative estimate but we want to be cautious in what we're estimating. It depends on the nature of the issue.

The short-term rates right now are about 7 per cent; long-term rates are about 9 per cent. Because these instruments tend to be short term in nature, we will tend to be closer to the short-term rate, but we want to leave that issue of the rate open because rates are falling. So we want to reserve judgement on the final number there.

(1515)

Mr. Swenson: — Thank you, Madam Minister. I think last year you used about the same projection of around that 200 to 250 million on the bond, and then you were pleasantly surprised when it went to the level that it did. Would your budget analysis that you have been doing indicate that the Saskatchewan economy is strong enough to go to that upper end again if people are so inclined?

Hon. Ms. MacKinnon: — Mr. Chairman, last year the estimate was 150 million. This was uncharted waters. We had no idea what to expect. We do estimate 250 million, but you have to remember as well that we've already sold \$567 million worth. And we don't expect significant cashing in of those particular bonds. So it's difficult to know exactly what the limits are in Saskatchewan for that particular market.

Mr. Swenson: — Thank you, Madam Minister. I wonder if you could tell me — last year you closed at seven on your issue — what the spread was at the time vis-a-vis prime and give me an indication what prime is at this year.

Hon. Ms. MacKinnon: — Mr. Chairman, all that we know is that it was close to prime. But I can get that number for you and we'll have it for you by tomorrow.

Mr. Swenson: — Thank you, Madam Minister. Madam Minister, the Government of Saskatchewan borrows various amounts of money in different market-places on an ongoing basis and you break that up into different categories. You have short-term borrowing and long-term borrowing. I don't know if the . . . sometimes I think the Crowns do what they call mid-term or mid-length borrowing.

Madam Minister, has the Government of Saskatchewan been in the market-place recently for any significant amounts?

Hon. Ms. MacKinnon: — The most recent issue was \$250 million U.S. (United States) which was to replace SaskTel, SaskPower issues.

Mr. Swenson: — Madam Minister, has the . . . or

maybe I should ask first, could you share with the House what the rates were that this last issue with the 250,000 U.S. was?

Hon. Ms. MacKinnon: — The rate was seven and a quarter, all in U.S. funds.

Mr. Swenson: — And what was the exchange on that, Madam Minister?

Hon. Ms. MacKinnon: — Mr. Chairman, it was in the neighbourhood of 79.

Mr. Swenson: — Madam Minister, has the Government of Saskatchewan borrowed in Deutsche Marks to a significant amount in the last little while?

Hon. Ms. MacKinnon: — Mr. Chairman, yes, we had an issue recently that was in the German mark and in Deutsche Marks.

Mr. Swenson: — Madam Minister, could you tell us what the rate was on the Deutsche Mark buy?

Hon. Ms. MacKinnon: — The amount involved was 154 million Canadian. The rate was 9.055 all in cost Canadian dollars.

Mr. Swenson: — Madam Minister, would that be considered long-term borrowing or short term?

Hon. Ms. MacKinnon: — Mr. Chairman, medium — it was a 10-year issue.

Mr. Swenson: — Madam Minister, given that the Deutsche Mark has remained relatively strong compared to other currencies over the last period of time and that you have entered into a fairly long-time agreement here for nearly 10 per cent Canadian, why would you go to the market for that amount when you're anticipating offering Saskatchewan people 7 or less to our market-place here? It seems to me that that's very expensive money given that you have access to U.S. funds and Saskatchewan funds at a lot lower rates.

Hon. Ms. MacKinnon: — Mr. Chairman, first of all I want to clarify something. It has a swap involved, so there's no currency exposure; that is, we are not at any risk if the currency fluctuates, it's swapped right into Canadian dollars. The other thing that has to be considered is you have to compare it to what's available at that particular time in Canada.

And what you have to do is you have to diversify the borrowing so that some of it is 5, some of it is 10, some of it is 15, some of it is 20, so that they come due at different times. So in light of that, this was very attractive. This was a very attractive opportunity.

Mr. Swenson: — Well I can appreciate, Madam Minister, that you wish to diversify your market approach but I would consider 10 per cent Canadian, given the expectation of Saskatchewan investors particularly, whether it's GICs (guaranteed investment certificate), RRSPs (registered retirement savings plan)

. . . I mean you can go across the piece here and I would think that you could offer just about any instrument available out there today at three points less than what you've paid with Deutsche Marks at nine five five Canadian and be able to offer people just a heck of a deal.

So I'm wondering when, if you expect this to be such a good deal and it's convertible, when you'll be doing this conversion back to Canadian funds?

Hon. Ms. MacKinnon: — Mr. Chairman, I want to clarify that again. The conversion has already occurred. This is in Canadian funds. There's no foreign currency risk involved. But I want to make the distinction. This money is locked in for 10 years, so therefore it's worth it to pay a somewhat higher interest rate relative to when you just have money locked in for one year. The interest rate . . . this is not as an attractive proposition for the government because we don't have the security that we have that money for that period of time at that particular rate.

Mr. Swenson: — Madam Minister, you said on the 250 million U.S. it was seven and a quarter U.S. all in. What was the term on that? What was the length of time?

Hon. Ms. MacKinnon: — It was a 15-year issue.

Mr. Swenson: — Is that particular amount of money convertible at any time, Madam Minister, back into Canadian funds?

Hon. Ms. MacKinnon: — Mr. Chairman, it would be convertible through a swap at any time.

Mr. Swenson: — Madam Minister, given your projections here in the budget and the, obviously the borrowings that you're into, are you basing some of your budget projections on the fact that the Canadian dollar is slightly undervalued? Would that be a reasonable statement to make?

Hon. Ms. MacKinnon: — Mr. Chairman, I would refer the member opposite to page 29. What we're assuming throughout is that the Canadian dollar will be 81 cents U.S., but also on page 51 we're assuming that the majority of our borrowings are going to be in Canadian dollars.

So that's not . . . that 81 cent figure has no direct relationship to our estimates as far as the deficit and the borrowing goes.

Mr. Swenson: — Well, Madam Minister, you must be projecting some value of the Canadian dollar. And I refer you back to page 40, where you have forecast a number of growth-related potentials here in saying that your budget numbers are smack dab on the money because these are the projections.

Now at some place there, Madam Minister, you must have pegged the Canadian dollar at some value. You're buying in U.S., 250 million, you're buying in Deutsche Marks, you're saying that all of these things

are a good buy for you at around 10 per cent Canadian over long term. And I would think if you're converting back into Canadian dollars, as you've done with the Deutsche Mark, immediately in a swap that you would have pegged the Canadian dollar at some place here. And if it's not 81, what is it?

Hon. Ms. MacKinnon: — Mr. Chairman, I can clarify that. The Canadian dollar is pegged at 80.9 for 1993. It's pegged at 82.6 for 1994. It's pegged at 83.9 for 1995.

Mr. Swenson: — For 1993 that was 80 point . . . Madam Minister, do you anticipate . . . My calculation is about . . . you're into the market in these two transactions for about \$440 million mid and long term. Do you anticipate, beyond the Saskatchewan savings bond, going into the market much beyond that in the current fiscal year?

Hon. Ms. MacKinnon: — Mr. Chairman, our borrowing requirements are anticipated to be 250 million Saskatchewan savings bonds, 275 million short-term promissory notes, 971.8 million medium- and long-term bonds for a total of one point four nine six eight hundred.

Mr. Swenson: — Madam Minister, the short-term promissory notes, those will be bought in Canadian funds in Canadian market-place, is that your anticipation?

Hon. Ms. MacKinnon: — Mr. Chairman, that's correct.

(1530)

Mr. Swenson: — Madam Minister, given some of your rhetoric during the budget process here about how we shouldn't be going and borrowing money from these other jurisdictions, I still don't understand how you can quite square paying 10 per cent in U.S., paying 10 per cent in Germany when you're saying to Saskatchewan people that you aren't going to have the opportunity to participate beyond \$250 million here, that you'll go into the Canadian market-place above 9 per cent for your short-term promissory, and that you will go internationally for around 10 per cent on longer-term stuff.

Wouldn't you consider, Madam Minister, re-evaluating the type of package that you might put together for Saskatchewan people, given that today at the bank on savings rates that they're probably between 4 and 5 per cent return on investment, that there isn't an opportunity here for Saskatchewan people to participate in Government of Saskatchewan financing beyond what you're anticipating for them?

Hon. Ms. MacKinnon: — Mr. Chairman, I want to clarify that. It doesn't mean that they can only buy 250 million. If the projection for last year was 150 million, this is just the projection; this is the estimate. So we're estimating that they will buy 250 million. Last year we estimated that they would buy 150 million.

It doesn't mean that if they want to purchase more that they will not be able to, because indeed they can. Last year, although we estimated 150 million, they in fact bought 567 million.

Just with respect to the rates, as I said before, we haven't locked in any rate. But there is a difference between somebody committing to give you money for 10 years, and you have that assurance and you have that guarantee, and so that if rates go up they can't pull the money out.

Then there's a different situation between somebody giving you money for 10 years and somebody giving you money for one year, but we have not fixed the terms and conditions for this particular Saskatchewan savings bonds issue. And I can assure you, we will do everything we can to encourage people to invest in their own province.

Mr. Swenson: — Well, Madam Minister, I know some people that would take your 10 per cent for 10 years at the drop of a hat. There is a lot of money in Saskatchewan savings accounts and investments that are at a heck of a lot less rate than this that would be very happy to have a 10 per cent yield on investment over the next 10 years. And I suspect they would subscribe to this in overwhelming numbers.

Madam Minister, I don't think it's fair for you to criticize the past administration for borrowing money as they did in Swiss francs and in Deutsche Marks and in American funds, turn around and do it yourself at 10 per cent, and then say to Saskatchewan people that we aren't going to do this any more, that we're going to borrow locally, but we're going to make sure that the rates are much lower than what we offer the international investment house.

No one in Saskatchewan has ever had the opportunity to invest in a 10-year instrument at 9.55. You simply haven't offered it to them.

And I think you're being a little bit hypocritical blaming the . . . saying to the former administration, you went out and borrowed money in all of these different markets places. We turn around and do the same thing, we do it at high interest rates, and yet we don't offer them to Saskatchewan people. And I think you offer us an explanation of why you would say that politically when you're doing it yourself, and then turn around and just do the opposite when you're in government.

Hon. Ms. MacKinnon: — Mr. Chairman, several points here to clarify. I certainly have personally criticized the members opposite for many things. I am nothing on record as far as your borrowing and where you borrowed money. So what you're referring to there, I have no knowledge of. I have never made any comments on where you borrowed the money. Lots of comments on what you did with the money after it was borrowed and about the amount you were willing to borrow, but nothing on the record as far as where.

I want to clarify these numbers. What we're talking

about is 9.05. So not 10, not close to it — 9.05 and seven and a quarter U.S.

Then the final thing I want to clarify is we haven't said that we're not going to give people the opportunity to participate in a longer-term issue. What we have said is that if it tends to be in the short term, then the rates will be close to the short term. If it's in the longer term, the rates will reflect the longer term.

If indeed there is a belief that there's a market in Saskatchewan for 10-year locked-in bonds, we certainly have no problem responding to that particular demand. As I said, we will do everything we can to encourage Saskatchewan people to invest in their own economy.

Mr. Swenson: — Well, Madam Minister, I unfortunately . . . we refer you back to the closing budget speech made by the Premier, where he did make in his statement about Saskatchewan people borrowing money under the previous administration from all of these bad European and American folks, and the New York banks, and all of that type of thing. Simple fact of the matter is, Madam Minister, that by making your projections unrealistically low, it always looks better for you politically when the issue is oversubscribed, number one.

And the other thing is that I think that you are being hypocritical with Saskatchewan people — very hypocritical. These opportunities to invest at higher rates have been available to your government ever since the last budget. And yet you've gone into the market-place, okay, better than 9 per cent, when no one in Saskatchewan has had any opportunity even close to that.

I remember when the potash bonds became available. And the potash bonds were at a certain rate and there was 42,000 Saskatchewan people subscribed to potash bonds. Last year 38,000 people subscribed to your Saskatchewan savings bonds issue and you said it was a hallmark issue that so many Saskatchewan people would put their faith in our province.

Well, Madam Minister, that's 4,000 less than bought potash bonds, which were a fairly long-range instrument, were tied to the privatization of the Potash Corporation of Saskatchewan. And in fact there were more people bought into that than into your Saskatchewan savings bonds. And you criticized that roundly. And yet the rate offered on potash bonds, Madam Minister, was a lot more realistic to the market-place than what you have offered today.

No, it was far more realistic, Madam Minister, to what the actual market-place was doing. And I think that you've been short-changing Saskatchewan people, all in the name of participation and politics, that you have short-changed Saskatchewan people roundly.

I'd further bet you, Madam Minister, that the 38,000 people that bought Saskatchewan savings bonds last year are probably many of the same thousands of people that bought Saskatchewan potash bonds; that

they would be one and the same.

So, Madam Minister, given the fact that the same amount or greater bought potash bonds at a higher rate, which was a lot closer to what the market really was, don't you agree that maybe you've been short-changing Saskatchewan people a little bit with what you've been offering them in the way of them participating in our economy?

Hon. Ms. MacKinnon: — Mr. Chairman, now I am going to severely criticize the previous government. They talk about their handling the Potash Corporation of Saskatchewan. It is a black mark on the history of this province.

If you think you're getting a benefit to Saskatchewan people by selling off shares in a corporation at under their value so that the vast majority of the people of Saskatchewan find out that the assets that they had sold were sold at fire-sale prices so a very small group of people who could afford to buy those shares benefited and the taxpayer of Saskatchewan lost over \$300 million — if that's what you're talking about — no, we're not participating in that approach at all.

Mr. Swenson: — Well you see, Madam Minister, we get the same old dogmatic speech out of you people that we always get in here. The very fact that you had a book-value number on the Potash Corp which had no relation to the actual value of the creature, the fact that the shares went up in price afterwards means that Saskatchewan people had the opportunity to invest in a Saskatchewan company, in the Government of Saskatchewan at a reasonable rate of return. More people in fact invested than in your Saskatchewan savings bonds.

What I'm just simply saying to you, Madam Minister, is: give Saskatchewan people some confidence and give them an instrument to invest in that is closer to reality and let them take risks along with the Government of Saskatchewan.

My guess is, Madam Minister, that you are probably going to come out at less than 7 per cent on the next issue of the Saskatchewan savings bonds. You would give people in the international community much more. You would give Saskatchewan people less. And in fact, Madam Minister, we both know that all of that money — all of that money — stays in the province of Saskatchewan and turns around in our economy.

So I think you have some pretty simple choices to make here. That you can start coming clean with Saskatchewan people about what it actually costs you to invest and you can say to them, we have an opportunity here to displace some foreign debt as the former administration did with potash shares, which was basically money borrowed in the United States of America, or in the case of Cameco, money borrowed in other places and loaned back by the government at no interest; that you have an opportunity to displace some of that foreign capital at rates favourable to Saskatchewan people over long-term times. And you have clearly indicated that you would rather play

politics with this thing than you would with the actual helping out of the Saskatchewan economy.

Hon. Ms. MacKinnon: — Mr. Chairman, a couple of remarks. Potash Corporation of Saskatchewan shares were sold at \$18 even though Gass in his report says the government was advised not to sell them because the shares were going to go up. And in fact they managed to sell off potash of Saskatchewan corporation shares at \$18; they're now worth \$23 — a loss to the taxpayer of over \$300 million.

And it was that kind of financial decision that got this province into the mess that it's in. And you're standing there and saying given the chance you'd do it again. I don't understand the thinking.

It's an asset owned by everybody in the province and you're going to sell it at the lowest value to a small group of people who happen to have the money to afford to buy it. You're going to sell it at 18, even though worth 23, and you were told it was going up. You're going to do that and you're going to say it's in the best interest of the province, to benefit a small group of people and to cost the treasury of Saskatchewan \$300 million-plus. That's what you're saying.

I would also point out exactly what the members opposite were saying about a year ago about the rates for the Saskatchewan savings bonds. What they were saying is they were criticizing the government because they thought we had the rate too high. Now this year, before we've announced a rate, they know that the rate is too low. Before we announced the term, they know that that is wrong. All I've said is that the rate will be a fair one. We will look at the length of time that is appropriate and we encourage people in Saskatchewan to invest in their economy. Yet somehow or another the members opposite already know that this is hidebound ideology and it's wrong, when I haven't announced anything. I can't imagine what's going to happen when I actually announce something.

Mr. Swenson: — Madam Minister, last year you didn't tell anyone in Saskatchewan what you were borrowing at internationally. I don't think any Saskatchewan person out there today would realize that you're borrowing in Germany and borrowing in the United States, borrowing all over the place at above 9 per cent and saying to Saskatchewan people that you have to accept less.

Last year the government was criticized a lot because of the hypocrisy that they've displayed in former government initiatives. Madam Minister, the mortgage on my farm isn't paid off, and I don't own that farm until the mortgage is paid. The people of Saskatchewan didn't own the Potash Corporation of Saskatchewan. They didn't own SMDC (Saskatchewan Mining Development Corporation) because the mortgage wasn't paid.

And one of the reasons, Madam Minister, that the value, that the value that you placed wasn't true is

because you borrowed massive amounts of money in the U.S. market-place in the 1970s and then you attached a non-interest-bearing mortgage, a non-interest-bearing loan to those entities. Well you know what, Madam Minister, if my farm had a non-interest-bearing mortgage, I suspect that it would be paid off too.

So don't give us this garbage about the people of Saskatchewan owning the Potash Corp or owning SMDC when you have borrowed lots of money. If I remember the rate, some of it was at sixteen and three-quarters. And you turned around and lent it to SMDC, for instance, at zero interest — at zero interest.

(1545)

Now, Madam Minister, did that difference between zero and sixteen and three-quarters just disappear into the night-time air of Saskatchewan? I don't think so. That's a cost that Donald Gass didn't talk about in his report that probably should've been talked about.

And you did the same thing with the Potash Corp of Saskatchewan. You advanced hundreds of millions of dollars in non-interest-bearing loans when you borrowed at 11 per cent U.S. minimum. Now, Madam Minister, if we're going to get into truth and tell here, we should tell the whole truth about where the interest was or wasn't.

Now, Madam Minister, what we are simply saying to you is, you have gone to the market-place already for over \$400 million, that you've gone much higher than what the average Saskatchewan citizen can expect for a rate of return. What I'd like you to give the commitment today in this interim supply motion is that your figures and your borrowing rate will be much closer to reality for Saskatchewan people, whether it be short term, mid term, or long term, than what you've offered in the past; and that you'll bring that issue forward to this legislature for debate at some point in the near future.

Hon. Ms. MacKinnon: — Mr. Chairman, before we leave the analogy with the house and farm — you may not feel you own your farm because it has huge mortgages on it, and other people may not feel that they own their house because it has a huge mortgage on it. But I'll tell you, your children are going to be awfully angry at you if you get it assessed, and they say it's worth \$50,000 if you only wait for six months; and you say, no, no, no, I've got this neighbour I really like and I'm going to sell it to them for 35,000. That's when your kids are going to be mad. And that's why people in this province are angry with some of those transactions.

Now getting on to the rates. The rates will be announced when the issue is forthcoming. What I would point out about last year is, if there was a criticism of the rates, it was that the rates were too high, and in fact that \$567 million were sold because the rates were too high.

So what I'm saying is we will look at the situation. We

will look at the length of time that we're asking people to lock in their money. We will look at the competitive situation and we will decide a rate that's appropriate. I would finally point out that one of the reasons we get to pay such high interest rates — 9.05 Canadian; seven and a quarter U.S. — is because of the problems we inherited from the previous administration. Because our credit rating is low, we end up having to pay a premium; we pay more.

Mr. Martens: — Well, Madam Minister, that should make you reflect a little bit about what you paid for money when you bought the potash mine at sixteen and three-quarters, and never even took the time, Madam Minister, to think about the consequences of that in the economy of Saskatchewan.

That, Madam Minister, was a whole lot more than you're crediting it for. And that, Madam Minister, is a very, very serious problem. That's why we have a serious problem and financial difficulties, and that is exactly the reason why.

And if the member from Regina Rosemont wants to ask the minister some questions, he can go right ahead. I'll sit down and wait for him. But I want to say, Madam Minister, that at sixteen and three-quarters, which you borrowed the money at to buy the potash mines, did have a significant impact in the economy in Saskatchewan — a negative impact.

And if you take and calculate, you will find that every year from 1971 till 1982 your cost of your government went up \$200 million every year in a time when that was a whole lot of money, at a time when there was significant impact on . . . and sixteen and three-quarters per cent interest was very, very significant.

I want to ask a question about a news article, a news release that your Minister of Agriculture had, and that he said that \$126 million was going to be paid out in GRIP (gross revenue insurance program) payments. Would you explain to us and to this Assembly how that function works in relation to the fact that you only have \$26 million budgeted in interim supply in relation to this? Have you got the rationale that you use in sending out \$126 million and only asking us for 26?

Hon. Ms. MacKinnon: — Mr. Chairman, it's because we're only one of three parties involved in GRIP. The premiums come from the producers, the province, the federal government. All of those premiums are paid into a pool. The pay-out comes from that pool.

Mr. Martens: — Well as I understand it, Madam Minister, the premiums are paid by the federal government, the premiums are paid by the provincial government, and the premiers are paid by the farmers . . . (inaudible interjection) . . . Premiums, yes. The premiums of each of those participants, the two levels of government and the producer are all paid. Then where is the \$26 million going? Is any of that money going into premium at the Sask Crop Insurance or is it all going to go? Or how does the Department of

Finance handle the payment that is going to come out of Crop Insurance today at \$126 million? I asked this last week and I didn't get a satisfactory answer.

Hon. Ms. MacKinnon: — Mr. Chairman, again each department is being allocated one-twelfth of its budget to cover expenses associated with the month of April.

To return to the central point I keep making, it is up to the department how they spend that one-twelfth, whatever their obligations are for the month of April. Crop Insurance works on the same principle as GRIP; premiums are paid into a fund, the pay-out comes from that particular fund.

Mr. Martens: — The payment come from that fund, Madam Minister, but the Department of Finance will issue the payments to Crop Insurance. Are you taking some of the investments that you made or other people made investments or you went and borrowed the money, or are you using that now to supply Crop Insurance with the money to provide to the people of Saskatchewan the 126 million you're going to spend? Give me the scenario that you go through in order to develop that process.

Hon. Ms. MacKinnon: — Mr. Chairman, the answer is essentially what I said before. Premiums are paid by the provincial government, the federal government, by farmers, into a separate fund. Then payments are made to the farmers from that fund. Whether or not some of the one-twelfth being allocated to the Department of Agriculture right now is going to help pay premiums, I don't know. That's the kind of question that you should ask the Department of Agriculture when you have them here for their estimates.

But the process is one that is, as I have said twice, all governments or all parties — the two governments and the farmers — pay their premiums into a fund. The payments then are made from that fund.

Mr. Martens: — And, Madam Minister, where does Crop Insurance get the \$126 million for the month of April to pay farmers, as was announced today?

Hon. Ms. MacKinnon: — Mr. Chairman, that comes from the crop reinsurance fund.

Mr. Martens: — Well, Madam Minister, you're making my point and the point that the member from Estevan has made for a long, long time about GRIP and where this money comes from. On an actuary basis over 20 years this money was supposed to come in and flow through on an insurance program to deal with reinsurance on an actuary basis, that over 20 years it was supposed to pay for itself.

And, Madam Minister, what you're going to do now is create a very, very serious problem. And this problem is, Madam Minister, that you have now said to the federal government that you're going to opt out of the GRIP program in two years. You do not allow the farmers in the province of Saskatchewan to opt out at

this point in time. You don't even allow them to opt out in two years. You, Madam Minister, have the authority to keep them in GRIP for three years.

And what would the purpose be to keep them in the insurance program for the third year, the year beyond the two years that you have said that you're going to opt out in — what's the purpose of that, Madam Minister?

Hon. Ms. MacKinnon: — Mr. Chairman, the member opposite is getting into very technical details about a program in the Department of Agriculture. Again what I would go over is this is interim supply in which general questions can be asked about one-twelfth of the budget allocations.

If you want to get into detailed questions about particular programs, particularly particular programs two years in advance, there is an appropriate time and place for that, and that is when the Department of Agriculture is here going through the estimates.

Mr. Martens: — Well, Madam Minister, I believe that the decision to get out of GRIP was made in your department. I honestly believe that from the very bottom of my soul.

And your Department of Finance made the decision to get out of GRIP. It wouldn't have been the people in Agriculture, because I know the people in Agriculture and I've been involved with them significantly longer than you have. Not only did they understand the program, they knew what its implications and consequences were. I believe that the Department of Finance told you to get out.

And I'm asking you, as a part of the Department of Finance's recommendations to the Department of Agriculture, where — I think it is where it happened and I want to know from you — did your Department of Finance recommend that you allow the farmers to stay . . . you force the farmers to stay in for three years and then collect all of the premium load back that they have not paid?

And as I noticed in Crop Insurance in the reinsurance program, in the 1991 annual statement GRIP was 155 million over budget. So they had to go back to the reinsurance, Madam Minister, to get the 155 million.

My estimates are — and I believe this to be accurate — that your Department of Finance has told Crop Insurance what the actuary and what the farmers are going to have to pay in so that they can . . . the government can be out of the program in two years. And that, Madam Minister, is going to heavily weigh on every person in the province of Saskatchewan who's involved in agriculture.

Madam Minister, my question to you is this. Did the minister . . . did the Department of Finance give you an estimate of the volume of dollars required to get rid of the GRIP program in the next two years? Have they given you an estimate of the volume of dollars to get rid of the program? And from that we will deduct

whether the farmers' premiums are going to go up this year, whether they're going to go up next year to deal with that exactly.

And that, Madam Minister, is not made out of the Department of Agriculture; it is not made out of Crop Insurance; it will be made out of the Department of Finance. And that's why we're asking you the question.

Hon. Ms. MacKinnon: — Mr. Chairman, that is very convoluted logic. You believe that the Department of Finance made this decision, and you believe we told the Department of Agriculture to do this. Now the fact that this is dead wrong doesn't matter. The rest of the question just goes on those assumptions. The Department of Finance has no power to make those decisions. The cabinet makes those decisions. The recommendations come from the departments involved and the analysis is done by the departments involved.

The Department of Agriculture has no difficulty defending its decision to withdraw from GRIP because they see it — as the minister has said again and again — as a badly flawed program. This province withdrew from GRIP because the Department of Agriculture, the Minister of Agriculture, believes it's a badly flawed program that doesn't suit the interests of Saskatchewan farmers — based on production, not targeted, going to self-destruct before 1995, farmers paying more in premiums than they get in pay-outs. So please go back to the Department of Agriculture.

(1600)

Mr. Swenson: — Thank you, Mr. Chairman. Madam Minister, back to the question my colleague asked you. You in this one-twelfth have budgeted a certain amount of money. It's nowhere close to what the Minister of Agriculture says is coming on this GRIP payment in April, \$126 million.

Now all farmers in the province have paid . . . at least I have, I've paid my premium because they took it out of my first payment. This is the second payment due under the program. Now what you're saying, Madam Minister, is that there's a hundred million dollars coming out of the reinsurance fund then, that your department has come to the House for a supply of 26 in this one-twelfth, that you will make up the other hundred million out of the reinsurance fund, and I presume at some point in time in the other eleven-twelfths you will also make provision for some more money for the third payment if it would come in this fiscal year.

Can you tell me why you would budget anything then in this interim supply Bill and not take the entire 126 million out of this reinsurance fund?

Hon. Ms. MacKinnon: — Mr. Chairman, again you're mixing apples and oranges. The payment to farmers does not come out of the allocation to the Department of Agriculture so there's no relationship; it's a separate fund from which payments to farmers come. So this is

just allocating to the Department of Agriculture one-twelfth of its annual budget. But the payments do not come from that budget. The premium payment, the share of the premium paid by the province comes from that budget, but the pay-out to the farmer comes from a separate fund.

Mr. Swenson: — No, I understand, Madam Minister, on page 25 that you have budgeted \$94 million under gross revenue insurance and that will be the province's contribution to the premium load as far as the program goes.

Now the other issue is that the province of Saskatchewan is liable for certain amounts of money under the program. You've made one payment already, 30 per cent. You're going to make a 40 per cent payment in the month of April, and then you're going to make another 30 per cent payment after the pooling accounts close — sometime in 1994 would be my guess.

That is going to require, Madam Minister, a significant amount of money. As you said, it's up to the Department of Agriculture to get their money wherever they wish. Will that sum of money which is due Saskatchewan farmers, will any of that be borrowed, or is that money already in existence in a pot?

Hon. Ms. MacKinnon: — Mr. Chairman, my understanding is that it already is in existence in the pool. But again, this is a very detailed question that should be asked of the Department of Agriculture. Interim supply we ask general questions about the overall picture of the budget. If you want detailed, technical questions answered, what I would suggest is that this wait till estimates.

Mr. Martens: — Well, Madam Minister, we want to point out to you and to the people of Saskatchewan what crop insurance has always been about anyway; it's an insurance policy. And we always said it was an insurance policy. And there's a reason why insurance policies have to pay out on the basis of the risk and the calculations that determine comparison between the risk and the payments and the volume of risk and whether the risk is significant to make the premiums go up and all of those kinds of things.

And we understand that, and we have said right from the beginning the people in the province of Saskatchewan, the agriculture producers in the province of Saskatchewan need to have some of that risk reduced. And what they ask the provincial government to do was to reduce that risk. And, Madam Minister, you're going to take and reduce this risk over two years and come back with nothing for the farmer except that he's going to have to, number one, increase his premium load.

Have you taken into consideration in any of the studies that you have done in assessing whether . . . when you had made the decision to get out of GRIP program, have you made any assessments as to what the farmer is going to have to pay in order for you to

break even? Are you going to have a premium load in there that is significantly higher than the context of what they're paying today? Are you going to force the farmers in the next two years — when their wheat is scheduled to go down in price — are you going to force them to have more premium load, to be in the program, and then try and get the money out of them in the first, second, or third year? Are you going to try and do that to them?

Hon. Ms. MacKinnon: — Mr. Chairman, this government announced its intention to withdraw from GRIP, because GRIP is a fatally flawed program. It is a program which from the farmers point of view will self-destruct anyway. They can foresee the day when their premium is going to be higher than their pay-outs.

Our Premier said from the beginning, GRIP is going to be the shortest-lived long-term program in the history of Saskatchewan. So we're getting out of GRIP because it is a fundamentally flawed program.

What we have said to the farmers of Saskatchewan is that there is a two-year period in which there will be consultations with them and their farm organizations and with the federal government about putting in place an effective safety net program. That's what this government has said.

If you want to get into the technical details of debating GRIP and Crop Insurance and funds, then there is a wonderful time and place for that to occur, and that is during the estimates in the Department of Agriculture.

Mr. Martens: — I have a question about . . . you talked about the federal government, earlier on, offloading on health care, offloading on social services, offloading on education, onto the provincial government.

And I want to ask you this question: the \$420 million that the federal government gave to GRIP in crop insurance '91-92, they gave this province \$420 million to go into agriculture. And where is that going to come from in GRIP '93 and GRIP '94? That's what the farmers are asking us. They want to know where this money is going to come.

And if you close the door on every program that the federal government has involved with the other prairie provinces, they're going to get the \$420 million in premium load. But where do the farmers in Saskatchewan go? They go downhill all the time.

The federal government has told you over and over again that you should put more premium in so that you get more premium into . . . from the taxpayers in Canada into the program.

And that's where the farmers in the province of Saskatchewan are being short-changed everywhere you go in Saskatchewan. When Alberta gets the benefit, and we have to compete with them with federal tax dollars, it almost makes it impossible for us to do that. And then the people in the province of

Saskatchewan are going to get a whole lot less this year.

Will you tell this Assembly what the volume of dollars that your reinsurance is going to have to accommodate when you get a reduction in the volume of dollars coming from the federal government in premium load? You're going to get less premium from the federal government. Can you tell me what that difference between 420 million and what we're going to be expecting? Can you tell me the difference between that?

Hon. Ms. MacKinnon: — Mr. Chairman, I gather the members opposite are not able to go through a session without talking about GRIP.

I would say two things to them: with respect to agriculture, the largest single offloading in the area of agriculture onto a province was the offloading accepted by the previous administration. In 1988 100 per cent of farm safety net programs were paid for by the federal government; 1993-94 we're paying over 40 per cent. The tune of the federal offload in agriculture this one year alone is \$220 million.

Now what I would say to the member opposite is if he wants to get into a detailed debate on GRIP, the time and the place is when we get to the Department of Agriculture estimates. That's where the debate should occur.

Mr. Swenson: — Thanks, Mr. Chairman. I want to go back to this money, Madam Minister, that's going to be paid out in the month of April. My calculation is that the provincial government's responsible for thirty-one and a half million dollars if you use the existing splitting formula on revenue insurance.

Now you have said that this money is in place and that there is nothing in this one-twelfth here that you have to go to the House for in order to put that . . . that money's already in place in a fund. You've also said that the fund is in a deficit, that there's a deficit position there. Well that's one of the reasons that your ministers have given for getting out of it is because it isn't, in the words of your minister, actuarially sound and that you've got a deficit in place.

But the fact is, Madam Minister, that the money has to come from somewhere. Now obviously your government has borrowed some money to make sure that this payment in April happens. Money has to come from somewhere. You're writing cheques and those cheques have to be honoured.

Now, Madam Minister, where . . . and perhaps maybe some of this recent borrowing that you've done, perhaps some of that is going into this money that you're going to pay out in April. There's got to be . . . if the pool of money's there, you must have got it from somewhere. Could you tell us where your contribution to the reinsurance fund came from?

Hon. Ms. MacKinnon: — Mr. Chairman, again the member opposite put words in my mouth. We did not

say we were getting out of GRIP because of a deficit. What we said, we're getting out of GRIP because it is a fatally flawed agricultural program. It does not meet the needs of farmers. It is going to self-destruct at any rate because farmers are going to be paying more in premiums than they're going to get in pay-outs.

So with respect to where the money is coming from and what the details are about how the Department of Agriculture is going to spend the money that it's being allocated, that question is a question to be asked of the Department of Agriculture when it appears to discuss its estimates.

Mr. Swenson: — That's absolutely right, Madam Minister, the Department of Agriculture will talk about those things. But they don't get money on their own. I mean there isn't an agricultural program out there, whether it be a livestock cash advance or pasture rates . . . all of those things are paid to the Consolidated Fund. And one of the arguments that people in agriculture have made for years and years and years is that, for instance, on the provincial pasture program, if they could have paid their money in, their yearly dues, to a dedicated fund, then that particular program would never run into any trouble because it would be self-supporting.

But the fact is that they pay all of their money to your department; everything goes into the Consolidated Fund. You then reimburse through a budget process back to the Department of Agriculture. But those cheques don't go to the Department of Agriculture, they go to the Consolidated Fund. Okay? Madam Minister, the Department of Agriculture don't have any of their own funds. They get everything from you. And you in turn provide those funds through borrowing, through taxation, through lots of different means.

The simple fact is, Madam Minister, that the money being allocated in the month of April to Saskatchewan farmers has to come from the Department of Finance. It doesn't come from the Department of Agriculture; it comes from your department and your department only.

Now you may not personally have said that there's a deficit in the account. But I heard time and time again last summer in here when we debated GRIP, the member from Rosetown-Elrose and others saying that one of the reasons Saskatchewan had to get out of it was because there was going to be this huge deficit in the account and Saskatchewan couldn't afford to have this huge deficit any more, that we couldn't be responsible for this huge deficit that would occur in the account because of the way the '91 program was structured.

Madam Minister, you're going to cut some cheques here for \$126 million in the next few weeks, we hope. The money can't come from the Department of Agriculture; it's got to come from you. You must have borrowed it somewhere or gotten it somewhere to provide that money. All we're asking you is: how did you get it, and how are you going to disperse it?

(1615)

Hon. Ms. MacKinnon: — Mr. Chairman, the Government of Saskatchewan will not be cutting cheques because the Government of Saskatchewan does not run the crop insurance program; it is a tripartite arrangement which there are farmers, federal government, provincial government. So that will not flow through the Department of Finance or through the Consolidated Fund.

With respect to GRIP, why we got out of GRIP, I told you again and again that we got out because it was a fatally flawed program. But if you want to get into the debate on GRIP, what I suggest is that you wait till the Department and the Minister of Agriculture are here during estimates, and I'm sure he would welcome an opportunity to discuss at great length GRIP and its flaws.

Mr. Martens: — Madam Minister, in Saturday's paper, Murray Mandryk writes an article about a farmer in Arcola, a Mr. Hookenson:

... particularly angry these days with the prospect of rural Saskatchewan hospitals closing — thinks the time has come for the urban-based, social democratic government in Regina to reassess some of these so-called traditions before rural Saskatchewan withers away altogether.

And he talks about, Madam Minister, he talks, Madam Minister, about what it personally meant to him. He got \$12.37 and under GRIP '91 he'd have got \$38.

Now we have a very, very serious problem in this province, Madam Minister, and that problem is related to the very fact . . . You said that GRIP was flawed right from the start. Well, Madam Minister, I along with other individuals met at the request of the University of Saskatchewan. University of Saskatchewan professors including the now deputy minister were at this meeting. There was a significant amount of us. And the minister attended. And they gave the grading, government, what the opinion of the government was for '92, '91 and various other aspects of the revenue insurance program. They gave the taxpayers' perspective of it.

Do you know where the problem, Madam Minister, is? And that is exactly what Mr. Hookenson is talking about, and the problem occurs, Madam Minister, in defending the farmers in the province of Saskatchewan. There's nobody defending them in your government. There's nobody defending them on the basis of the input that they have and the benefit that they would have received and the economic boost it would have been in the province of Saskatchewan if this insurance policy would have been allowed to come full circle.

That, Madam Minister, is a fact. It wasn't me that did the assessment; it was the University of Saskatchewan, economics branch. And they said,

Madam Minister . . . they gave a grading, and that grading said over and over again, if you talk to the farmer in the province of Saskatchewan, he is the one that is going to get the benefit. And that is a fact, Madam Minister. That was a fact established, and one of the reasons why we went with that is that we had to have some security over the long haul.

Mr. Hookenson is correct in his assessment. You are taking it out of rural Saskatchewan. You're going to take . . . The premium load that the federal government was going to provide into the province of Saskatchewan, you are taking that premium load and saying, I don't want that any more. You're saying, okay I can reduce my liabilities in relation to the program because you have absolute authority. Last year you came into this Assembly and said, I'm going to even rule out these people going to court. And you, Madam Minister, stood in your place and voted against every farmer in the province of Saskatchewan, and likewise did all the rest of you.

And that, Madam Minister, is causing a very, very serious problem, and that's what leads me to say to you that your estimates of the economic upturn in the economy of the province is all wet. It is not accurate. Your volume of dollars in looking at one little thing . . . One thing — check out the housing starts in Medicine Hat, Alberta, as compared to Saskatchewan, and you will find, Madam Minister, that there are more housing starts in the city of Medicine Hat than there are in Saskatchewan.

Can you tell me that? Is that actually a fact? And, Madam Minister, can you give me that analysis? If you have that analysis then you've got some other analysis that we've been asking for also. And that, Madam Minister, is a fact. If you would take out FCC (Farm Credit Corporation) and Crown Life out of Saskatchewan, you would have been almost bankrupt of housing starts in the province of Saskatchewan.

And that, Madam Minister, has caused serious concerns on our part in relation to the estimates that you have done in economic growth in the province of Saskatchewan. We don't think that they're there. And we see all of the indicators, as you've expressed them, somewhat flawed because of the high cost of your taxes to the province of Saskatchewan. The people can take their money elsewhere. People are leaving Swift Current day by day. People that I know are leaving. So the people that I don't know — and there'd be very few of them — but people are also leaving for Alberta. And what they're going to do, Madam Minister, they're going to run their business out of Alberta into Saskatchewan. And so that's what causes us a real concern.

On your retail sales, Madam Minister, your sales are going down as we progress through the next two or three years. And that, Madam Minister, is also a concern of ours.

Personal income is going to go up. Madam Minister, farmers in the province of Saskatchewan are

having their . . . farmers in the province of Saskatchewan are having their incomes decline and their net incomes are declining faster than anything, especially when they have to pay higher power bills and higher gas bills and higher telephones rates, all of those things. Those are all going to decrease the economic benefit in the province of Saskatchewan.

And, Madam Minister, if you take 60,000 farmers and move them out of the taxpaying base, that is going to have a significant impact. And that's why we say your numbers here as you have forecast for the economy of the province of Saskatchewan are not accurate.

Are you including some of the things that I just got on the weekend in **Grain Matters**, that the wheat is not going to go up for the next two or three years? Have you taken that into consideration and the impact that that will have? As the rural people cannot pay their interest and that accumulates, you'll have less and less net return from the income tax paid by farmers. It will just decline on a slope that is downhill all the way.

You don't have the income that you have said you're . . . you won't have the income that you said you're going to have in the taxes payable because people can't afford to buy the things today. They can't afford to buy those new vehicles. They can't afford to buy lumber. Lumber just doubled in price in two months.

And so people are not going to have that confidence that they can say that from my earnings and from my salary I'm going to have that volume of income, enough to generate so that I can have tax payable. It's not going to be there. Your retail sales and your personal income are going to be less than what you've projected. They won't be going up at the rate you've projected.

And then today, Madam Minister, you tell everybody in the province of Saskatchewan, tighten your belt, and you give your friends, the union, the SGEU, \$60 million this year — \$60 million. And that comes, Madam Minister, from a statement that the Minister of Justice made in the *Leader-Post* on Thursday last week: every avenue was explored, Mitchell said, but the province's financial position dictated it couldn't offer public sector employees any wage increases.

But, Madam Minister, it says here, it goes on to say: a 1 per cent raise in wages, calculated across the public sector, would cost the government \$24 million, he says.

Twenty-four million for one point. And it went up two and a quarter, or better than two, so that you've got 48 million plus a third of a . . . or a quarter of a point. So you've got another 8 million or \$6 million more than that. So you've got 56 to \$60 million that is going to come out of the economy, the growth, the wealth creation sector of this province, and it's going to be put into the public sector in the salaries to individuals.

Madam Minister, this province can't afford \$60 million. One point in E&H (education and health) gives you \$60 million. You said the increase in the volume of the one point from 8 to 9 per cent, and the

change in the volume of exemptions, would collect \$122 million. Well, Madam Minister, if you only collect \$90 million out of that because the economy is going opposite, or in a different direction than you're saying, you're not going to have the money to come pay those people in the public sector.

That is a fact, Madam Minister — \$24 million dollars for every point. You gave it . . . you've given it to SaskPower, SaskTel. You've given it now to SGEU. Is this what the teachers are going to get as well? So that now they can say that this is a trend going across the province? And then, Madam Minister, you have said that you've already said, I'm not going to raise the grants to school boards. You're going to say to them that they've got to pick up this two and a half or two and a quarter per cent increase in their salaries?

Madam Minister, \$24 million for every point is a lot of money, a lot of money that has to come out of this 1 per cent interest that you raise. And we expect, Madam Minister, that your \$296 million at the conclusion of this fiscal year is not going to be accurate, because we don't believe that the retail sales, the personal income tax, are going to be achieving that mark that you have set for them — not this year nor next year.

And that is going to be a serious deterrent and a detriment to the economy of the province. What you've missed, Madam Minister, is the opportunity for wealth creation in the province, allowing people the freedom to independently make wealth in the province. And you haven't done that. You haven't given them the reason to do it and having any confidence in what you're doing. That's a problem. And we believe it to be a problem and a significant problem.

Now, Madam Minister, it's needless to say that we won't be supporting the motion for interim supply. However, we see a lot of flaws in each one of those items that you've got there, enough that we question whether you have the competence even to run the Department of Finance, Madam Minister. And the items that we see in your forecasts — 4.2 per cent increase in retail sales — I just can't hardly believe that. A personal income . . . from income tax, a 6 per cent increase. Well, Madam Minister, there is where some of the hurt really comes in the province of Saskatchewan. And that is that 6 per cent . . . a .6 per cent increase in income tax is likely the volume that you're going to pay the public service.

It's like inflation in the province of Saskatchewan is now only there because of taxes. Inflation is zero probably in Saskatchewan, and your taxes are making it go in an inflation cycle. That's what we need to point out to you, and the people of the province need to understand that as well.

And therefore, Madam Minister, we don't have any confidence in the numbers that you've presented to this Assembly — none at all. We ask you to prove it, and you wouldn't do that. You wouldn't prove it from your assessments and your analysis. You wouldn't

show them to us. You don't have any way to prove that your analysis would show that any of these numbers are real or that you just didn't pick them out of your hat. And that, Madam Minister, is exactly what we're pointing out to you and to the Assembly and to the people of the province. We don't think that they're facts. We think that they're a figment of your imagination. And that, Madam Minister, is exactly what the people of the province think about it.

You come to the west side of the province, and you will see a downturn like you've never seen because 9 per cent . . . there's a 9 per cent difference in what the materials cost that you do anything with . . . between our province and Alberta. And that, Madam Minister, is a significant amount. And you are going to have to deal with that in a very significant way; otherwise we have vitally shut down the west third of the province in retail sales. And that is going to make a significant difference in your 4.2 per cent increase in your retail sales. That, Madam Minister, is why we won't be supporting this interim supply.

Some Hon. Members: Hear, hear!

The division bells rang from 4:30 p.m. until 4:35 p.m.

Motion agreed to on the following recorded division.

Yea — 24

Wiens	Serby
Lingenfelter	Flavel
Shillington	Cline
Mitchell	Scott
MacKinnon	McPherson
Upshall	Crofford
Hagel	Knezacek
Koenker	Harper
Lyons	Keeping
Murray	Kluz
Johnson	Carlson
Draper	Langford

The Chair: — Order, order. Order. It becomes very difficult for the Clerk to hear what it is that the members are saying in the vote if other members interrupt proceedings.

Nay — 8

Swenson	Britton
Neudorf	D'Autremont
Martens	Goohsen
Toth	Haverstock

Hon. Ms. MacKinnon: — Mr. Chairman, I move:

That towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1994, the sum of \$340,881,000 be granted out of the Consolidated Fund.

The division bells rang from 4:38 p.m. until 4:39 p.m.

Motion agreed to on the following recorded division.

Yea — 24

Wiens	Serby
Lingenfelter	Flavel
Shillington	Cline
Mitchell	Scott
MacKinnon	McPherson
Upshall	Crofford
Hagel	Knezacek
Koenker	Harper
Lyons	Keeping
Murray	Kluz
Johnson	Carlson
Draper	Langford

The Chair: — Order. Again I want to ask members for their cooperation while the vote is being conducted. Other members speaking tends to make it difficult for the Clerk to hear what it is that members are saying when they're casting their vote.

Nay — 5

Neudorf	Britton
Martens	D'Autremont
Toth	

The committee reported progress.

FIRST AND SECOND READING OF RESOLUTIONS

Hon. Ms. MacKinnon: — I move that the resolutions be now read the first and second time.

Motion agreed to and the resolutions read a first and second time.

APPROPRIATION BILL

Hon. Ms. MacKinnon: — I move:

That Bill No. 43, An Act for granting to Her Majesty certain sums of Money for the Public Service for the Fiscal Year ending on March 31, 1994, be now introduced and read the first time.

Motion agreed to and the Bill read a first time.

Hon. Ms. MacKinnon: — By leave of the Assembly and under Rule 51-2, I move that the Bill be now read a second and third time.

Motion agreed to on division and, by leave of the Assembly, the Bill read a second and third time and passed under its title.

ROYAL ASSENT

At 4:47 p.m. Her Honour the Lieutenant Governor entered the Chamber, took her seat upon the throne, and gave Royal Assent to the following Bills:

Bill No. 12 — An Act to amend The Wascana Centre Act
Bill No. 43 — An Act for granting to Her Majesty certain sums
of Money for the Public Service for the Fiscal
Year ending on March 31, 1994

Her Honour: — In Her Majesty's name, I thank the Legislative
Assembly, accept their benevolence, and assent to this Bill.

Her Honour retired from the Chamber at 4:49 p.m.

The Assembly adjourned at 4:51 p.m.