

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
April 25, 1985

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

PRESENTING REPORTS BY STANDING, SELECT, AND SPECIAL COMMITTEES

Non-Controversial Bills

Bill No. 33 — An Act to amend The Wascana Centre Act, (No. 2)

Mr. Shillington: — Thank you very much, Mr. Speaker. As chairman of the Standing Committee on Non-Controversial Bills, I wish to present the seventh report of the committee, which is as follows.

As chairman of the Non Controversial Bills Committee, I wish to report Bill No. 33, An Act to amend the Wascana Centre Act, (No. 2), as being controversial.

Mr. Deputy Speaker: — Second reading, next sitting.

Bill No. 34 — An Act to amend The Municipal Financing Corporation Act

Mr. Shillington: — As chairman of the Non-Controversial Bills Committee, I wish to report Bill No. 34, An Act to amend the Municipal Financing Corporation Act, as being non-controversial.

Hon. Mr. McLeod: — Mr. Deputy Speaker, I move that the second reading and consideration in committee of the whole on the said Bill be waived.

Motion agreed to.

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

Motion agreed to and Bill read a third time.

Bill No. 35 — An Act to amend The Agricultural Products Market Development Fund Act

Mr. Shillington: — As chairman of the Non-Controversial Bills Committee, I wish to report Bill No. 35, An Act to amend The Agricultural Products Market Development Fund Act, as being non-controversial.

Hon. Mr. McLeod: — Mr. Speaker, I move that second reading and consideration in committee of the whole on Bill No. 35 be waived.

Motion agreed to.

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

Motion agreed to and Bill read a third time.

Bill No. 36 — An Act to amend The Public Trustee Act

Mr. Shillington: — As chairman of the Non-Controversial Bills Committee, I wish to report Bill No. 36, An Act to amend The Public Trustee Act, as being non-controversial.

Hon. Mr. McLeod: — Mr. Deputy Speaker, I move that second reading and consideration in committee of the whole on the said Bill be waived.

Motion agreed to.

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

Motion agreed to and Bill read a third time.

Bill No. 37 — An Act to amend The Notaries Public Act

Mr. Shillington: — As chairman of the Non-Controversial Bills Committee, I wish to report Bill No. 37, An Act to amend The Notaries Public Act, as being non-controversial.

Hon. Mr. McLeod: — Mr. Deputy Speaker, I move that second reading and consideration in committee of the whole on the said Bill be waived.

Motion agreed to.

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

Motion agreed to and Bill read a third time.

Bill No. 38 — An Act to amend The Commissioners of Oaths Act

Mr. Shillington: — As chairman of the Non-Controversial Bills Committee, I wish to report Bill No. 38, An Act to amend The Commissioner of Oaths Act, as being non-controversial.

Hon. Mr. McLeod: — Mr. Deputy Speaker, I move that second reading and consideration in committee of the whole on the said Bill be waived.

Motion agreed to.

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

Motion agreed to and Bill read a third time.

Bill No. 39 — An Act to amend The Traffic Safety Court of Saskatchewan Act

Mr. Shillington: — Mr. Speaker, as chairman of the Non-Controversial Bills Committee, I wish to report Bill No. 39, An Act to amend The Traffic Safety Court of Saskatchewan Act, as being non-controversial.

Hon. Mr. McLeod: — Mr. Deputy Speaker, I move that second reading and consideration in committee of the whole on the said Bill be waived.

Motion agreed to.

Hon. Mr. McLeod: — Mr. Deputy Speaker, I move that the said Bill be now read a third time

and passed under its title.

Motion agreed to and Bill read a third time.

Bill No. 40 — An Act to amend The Department of Supply and Services Act

Mr. Shillington: — Mr. Speaker, as chairman of the Non-Controversial Bills Committee, I wish to report Bill No. 40, An Act to amend The Department of Supply and Services Act, as being non-controversial.

Hon. Mr. McLeod: — Mr. Deputy Speaker, I move that second reading and consideration in committee of the whole on the said Bill be waived.

Motion agreed to.

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

Motion agreed to and Bill read a third time.

Bill No. 42 — An Act to Provide for the Financial Assistance to Students for the Pursuit of Their Studies

Mr. Shillington: — Mr. Speaker, as chairman of the Non-Controversial Bills Committee, I wish to report Bill No. 40, An Act to amend The Department of Supply and Services Act, as being non-controversial.

Hon. Mr. McLeod: — Mr. Deputy Speaker, I move that second reading and consideration in committee of the whole on the said Bill be waived.

Motion agreed to.

Hon. Mr. McLeod: — Mr. Deputy Speaker, I move that the said Bill be now read the third time and passed under its title.

Motion agreed to and Bill read a third time.

Bill No. 43 — An Act to amend The Department of Advanced Education and Manpower Act

Mr. Shillington: — As chairman of the Non-Controversial Bills Committee, I wish to report Bill No. 43, An Act to amend The Department of Advanced Education and Manpower Act, as being non-controversial.

Hon. Mr. McLeod: — Mr. Deputy Speaker, I move that second reading and consideration in committee of the whole on the said Bill be waived.

Motion agreed to.

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

Motion agreed to and Bill read a third time.

Bill No. 45 — An Act to amend The Education Act

Mr. Shillington: — Mr. Speaker, as chairman of the Non-Controversial Bills Committee, I

wish to report Bill No. 45, An Act to amend The Education Act, as being non-controversial.

Hon. Mr. McLeod: — Mr. Deputy Speaker, I move that second reading and consideration in committee of the whole on the said Bill be waived.

Motion agreed to.

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

Motion agreed to and Bill read a third time.

Bill No. 46 — An Act to amend The Urban Municipal Administrators Act

Mr. Shillington: — As chairman of the Non-Controversial Bills Committee, I wish to report Bill No. 46, An Act to amend The Urban Municipal Administrators Act, as being non-controversial.

Hon. Mr. McLeod: — Mr. Deputy Speaker, I move that second reading and consideration in committee of the whole on the said Bill be waived.

Motion agreed to.

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

Motion agreed to and Bill read a third time.

Bill No. 47 — An Act to amend The Community Capital Fund Program Act

Mr. Shillington: — As chairman of the Non-Controversial Bills Committee, I wish to report Bill No. 47, An Act to amend The Community Capital Fund Program Act, as being non-controversial.

Hon. Mr. McLeod: — Mr. Deputy Speaker, I move that second reading and consideration in committee of the whole on the said Bill be waived.

Motion agreed to.

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

Motion agreed to and Bill read a third time.

Bill No. 26 — An Act respecting Securities in Saskatchewan

Mr. Shillington: — As chairman of the Non-Controversial Bills Committee, I wish to report Bill No. 26, An Act respecting Securities in Saskatchewan, as being non-controversial.

Hon. Mr. McLeod: — Mr. Deputy Speaker, I move that second reading and consideration in committee of the whole on the said Bill be waived.

Motion agreed to.

Hon. Mr. McLeod: — Mr. Deputy Speaker, I move that the said Bill be now read a third time

and passed under its title.

Motion agreed to and Bill read a third time.

INTRODUCTION OF GUESTS

Hon. Mr. McLeod: — Mr. Deputy Speaker, it's with a good deal of pleasure that I rise today and introduce to you, and through you to all members of the House, a group of 26 grade 11 and 12 students in your gallery, Mr. Deputy Speaker — 26 grade 11 and 12 students from the community of Loon Lake — Ernie Studer School in Loon Lake. They are accompanied here today by two of their teachers, Glen Leask and Ronda Scott and by their bus driver Keith Flanagan and by one of the parents as chaperon, Darlene Hein.

I would just like everyone to join with me in welcoming them here. And as everybody who knows the geography of Saskatchewan well will know, and I'm sure all members do, will know that these people come from an area that's about 400 miles from here. And I think their school and their program is to be commended for allowing them the time and seeing a visit to the legislature as an important part of their program.

So I would ask all members to join with me in welcoming the Loon Lake students here today.

Hon. Members: Hear, hear!

Mr. Hampton: — Mr. Deputy Speaker, I would like to take this opportunity to introduce to you, and to the members of the Assembly, a group of 33 students, two teachers, and a chaperon from Springside, Saskatchewan. These are grade 4 and 5 students from Springside Elementary. They are accompanied by Garry — and I hope I pronounce this right — Breitreuz; and Jacquie Barton; and another parent chaperon, Lydia Breitreuz.

I will be meeting with you folks at about 2:30 this afternoon for pictures and refreshments. I hope you find this very enjoyable this afternoon. I hope you're going to be a good bunch of students up there, and you're going to learn a lot, and feel free to ask some questions later. I would be glad to answer them for you.

I would like to ask all members to join with us in welcoming them.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Proposed SPC Rate Increase

Hon. Mr. Blakeney: — Mr. Deputy Speaker, I have a question with respect to the Saskatchewan Power Corporation. I'm not sure whether I should direct it to the acting premier or to the member of the board, but I will direct it to the acting premier, in the absence of the minister and the Premier.

My question deals with the recent budget brought down by the Minister of Finance, which takes nearly a billion dollars out of the pockets of Saskatchewan taxpayers over the next five years. And now, on top of that, the Saskatchewan Power Corporation is about to hit taxpayers with an increase in electrical rates.

Will the minister confirm that SPC is currently preparing an application to the Public Utilities Review Commission for a rate increase, and that that rate increase is within the range of 17 per cent?

Hon. Mr. Andrew: — Mr. Speaker, in response to the question, what my hon. friend, I'm sure, is referring to is the headlines in the Saskatoon *Star-Phoenix*. That headline is absolutely incorrect. It is absolutely irresponsible, and it is absolutely untrue.

This, Mr. Speaker, comes from a journalist, one Mr. Doug McConachie, as we all might know was the one with the brilliant insight that projected the location of a heavy oil upgrader in the Moose Jaw area. It is also the report who, in 1982, had a headline in the Saskatoon *Star-Phoenix* saying that the Potash Corporation of Saskatchewan had executed a sale to sell off the Crown corporation.

I simply say to you, Mr. Speaker, that story is wrong — categorically and absolutely wrong. And I would hope that the *Star-Phoenix*, before it writes other misleading headlines in the newspaper, would check their facts.

Some hon. Members: Hear, hear!

Hon. Mr. Blakeney: — Mr. Deputy Speaker, whether or not the story is right or wrong in detail, would the minister confirm or deny that SPC is in the course of preparing an application to the Public Utilities Review Commission for an increase shortly?

Hon. Mr. Andrew: — I can confirm this: that the SPC as they do on a yearly basis, apply to the Public Utilities Review Commission. The board has not dealt with the question as to what that increase would be asked for and, when it does, I'm sure that it will be made public with its application to the Public Utilities Review Commission.

The second thing, and the important thing I think we have to bear in mind is, in fact, once the power corporation makes its projections and requests, that request must go before the Public Utilities Review Commission, which hears representations from all interested parties including the people of Saskatchewan and the consumers of Saskatchewan, and it's not Sask Power that sets the power rates. It's the Public Utilities Review Commission that sets the power rates, a commission I might add, Mr. Deputy Speaker, that this side of the House supports, the concept this side of the House supports. The members opposite do not.

Hon. Mr. Blakeney: — Supplementary, Mr. Deputy Speaker. Will you concede that the president of the Saskatchewan Power Corporation has indicated that the corporation was looking at making a rate increase application to PURC, and will you concede that he has acknowledged that the corporation would "need a rate increase application before too long"? Will you concede that that is the stance of the president of the Saskatchewan Power Corporation?

Hon. Mr. Andrew: — Ah, but I think reading from the same newspaper article and I would like to read the whole part of it which is:

The SPC president Bruce Campbell admitted Tuesday the corporation was looking at making a rate increase application to the Public Utilities Review Commission but said no decision had been made on timing or the size of it.

Now I indicated that SPC has made a rate application to PURC each and every year. When that is made, it will be made public. When it is made public, it will go before Public Utilities Review Commission, and that commission will determine whether the rate increase asked for is reasonable or not reasonable.

Hon. Mr. Blakeney: — Further supplementary, Mr. Deputy Speaker. Will the minister concede that the Public Utilities Review Commission will not agree to any rate increase which is not asked for by your government and your corporation?

Hon. Mr. Andrew: — Give me that question again.

Hon. Mr. Blakeney: — Mr. Deputy Speaker, my question is to the minister. Will the minister concede that the Public Utilities Review Commission will agree to no rate increase unless it is asked for by the Saskatchewan Power Corporation on your instructions?

Hon. Mr. Andrew: — Well I take it what the hon. member is asking, is the Public Utilities Review Commission, even if we do nothing, going to step in and raise power rates? I would very much doubt that.

Mr. Koskie: — Yes, I'd like to ask the Minister of Finance a question. Mr. Minister, I want to ask you why your party has so completely changed its position compared to the position when it was in opposition. I want to read what the invisible leader of your party said back in 1981:

Rate and tax increases hurt those the most who can least afford them — low and middle income families and people like senior citizens who are on fixed incomes. That the government is doing nothing to alleviate this situation is a disgrace.

I ask you, Mr. Minister, in view of your position and misrepresentation to the people of this province while you were in opposition, why have you, in fact, continued to raise the utility rates and are in the process, depending on when the election comes, to put on another huge increase on the citizens of this province in respect to power rates?

Hon. Mr. Andrew: — Well, Mr. Speaker, the one thing that separates this side of the House from that side of the House as it relates to power rate increases is that we set in place a Public Utilities Review Commission. The purpose of that commission is to regulate the utilities, to allow increases or to call for roll-backs if that, in fact, is the case, and then the applications will be made in an order and proper manner.

I think the people of Saskatchewan support the Public Utilities Review Commission. But what they do not support, Mr. Speaker, what they do not support is the past history of governments that would raise the rates shortly after an election was held, keep them down until the next election was called, and jigger around in that way.

And that's why we've ended up with the problem in Sask Power which has a \$2 billion debt, and that \$2 billion debt is a reality whether you believe it or not.

Some Hon. Members: Hear, hear!

Mr. Koskie: — Supplemental, Mr. Deputy Speaker. Will the minister give the people of Saskatchewan, who have already been hit with the highest tax increase budget in the history of this province, at least a guarantee that you will not continue the rape of their pocket-books by utility increases?

Hon. Mr. Andrew: — I'd like to respond to that in two ways, Mr. Deputy Speaker. First of all, the tax increase announced in the most recent budget was a long ways from being the highest tax increase ever imposed on the people of Saskatchewan. One goes back, Mr. Deputy Speaker, one can go back to 1977. NDP were the government in this province. Income tax was increased, Mr. Speaker, 13.5 per cent. The total take is \$162 million. Over the term of office, they raised taxes on a yearly basis over \$200 million. I don't need no lecture from the members opposite about how to raise taxes. They are very, very good at it.

Secondly, Mr. Deputy Speaker, what I can assure the people of Saskatchewan is under this administration I can assure the people of Saskatchewan the increase in power rates will be well below the increase in power rates when the NDP were in office.

Some Hon. Members: Hear, hear!

Mr. Engel: — Thank you, Mr. Deputy Speaker. Mr. Minister of Finance, I have a question for you, and it relates to the amount of money that you've taken out of the pockets of farmers up to this point before an increase comes with Sask Power. Average farmer that hasn't got an intensified operation pays about \$2,000 a year. With a 17 per cent increase, Mr. Minister, you're adding another \$350 a farmer on top of the \$1,000 you've levied to this point. When has the increase been larger to farmers when they could least afford it, than under your administration? When in the history of Saskatchewan has there ever been that kind of an increase in taxes to farmers, in disposable money that they could use, a combination of that? When has it ever been larger?

Hon. Mr. Andrew: — Let me get it clear to the member from Assiniboia-Gravelbourg. It's a rate increase. The rate increase for Saskatchewan Power Corporation is not 17 per cent. And Doug McConachie does not set the power rates in this province. I can assure you of that.

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Last year, the farmers of this province had power rate increases of significantly below the rate of inflation. As well, the farmers of this province have benefited much and greatly from this government with the rural gas distribution system.

They and the members of the farm community in your riding pay \$2,800 for a rural gas hook-up that costs Saskatchewan Power Corporation \$10,000, Mr. Deputy Speaker. That is a contribution that is a benefit to the farmers of Saskatchewan, and I believe Sask Power and the Public Utilities Review Commission should endorse that type of action to deliver rural gas to the province of Saskatchewan, to our farmers, at something below cost.

Some Hon. Members: Hear, hear!

Mr. Engel: — Mr. Deputy Speaker, I didn't ask him about Sask gas. I asked him about when has the farmer been hit with a harder increase, with more money out of his pocket, than since you've been in office. One thousand dollars this year before the power rates are added on — \$1,000 considering that the farmer doesn't pay a flat tax. When has he been hit with a higher increase?

Hon. Mr. Andrew: — Well, Mr. Speaker, let's look at a couple of things. Look at a couple of things, Mr. Speaker. First of all, this is a perfect lesson of what happens when a journalist — and I refer to the members of the gallery — when a journalist writes irresponsible headlines in newspapers — irresponsible headlines in newspapers, not based on fact, Mr. Speaker, not based on fact, and that's exactly what happened. You get into a rhubarb in this particular Assembly dealing with irresponsible, misleading headlines by a journalist that doesn't know what he is talking about. That's the problem, Mr. Deputy Speaker. That is the problem with journalism.

If that wasn't involved, if that was not involved dealing with the government or a political party or something, but if that was dealing with an individual or citizen that would be libellous and slanderous. But you can't do it in the government process. But that's the process you have, Mr. Deputy Speaker.

I can assure the farmers of Saskatchewan . . . Apparently, Mr. Deputy Speaker, the opposition doesn't want to hear the answer. The farmers of the province of Saskatchewan, Mr. Deputy Speaker, benefit and benefit greatly from this government. Nowhere in the budget of this government over the last three years has there been more emphasis than in the field of agriculture.

The budget has been increased over 54 per cent in the agriculture sector of this province. That record we are very proud of. We are very proud of the fact the Farm Purchase Program has

assisted small farmers — 5,400 young, small farmers buy their land and dealing with over 2.25 million acres, Mr. Deputy Speaker.

I could go on from there. Mr. Speaker, the Government of Saskatchewan will look after the farmers. The Government of Saskatchewan will ensure that those types of power rates are not superimposed upon the farmers of this province.

Some Hon. Members: Hear, hear!

Mr. Engel: — I don't know if the minister needs my hanky or not, Mr. Deputy Speaker. He didn't answer the question. The question was, Mr. Minister . . . The question didn't relate to this article. I just asked you: when did the farmer face more money out of his pockets — \$375 on the home owner grant; \$300 on his property education rebate; over \$500 on his sales tax? Now you're adding a power rate increase. Twenty-three per cent. The flat tax could cost a lot of farmers more than \$1,000. You know it's 11 per cent, 11 percentage points on the income tax, Mr. Deputy Speaker. Isn't that less than 1 per cent flat tax?

Mr. Minister, the question again is, and I don't blame you for not wanting to answer it because not since you were in office or your forefathers were in office 50 years ago was there that kind of tax increase. When was it greater?

Hon. Mr. Andrew: — We've got another case, Mr. Deputy Speaker, of the member from Assiniboia using his classic logic. He said some of these farmers, some of these poor farmers are going to have to pay as much as \$1,000 under the flat tax system, as much as \$1,000 under the flat tax system. Any farmer that has to pay \$1,000 under the flat tax system is going to have a net income of \$100,000, and that person should pay some tax under the system, Mr. Speaker.

The second question was when did the farmers have their highest increase. That highest increase was in 1977, and the income tax went up, and the gasoline tax went up, and when everything else went up in the province of Saskatchewan including one of the highest increases in gas and power rates this province has ever seen.

Some Hon. Members: Hear, hear!

Sales Tax on Used Vehicles

Mr. Lingenfelter: — Mr. Speaker, I have a question to the Minister of Finance, in the absence of the Minister of Revenue and Financial Services who just left the scene. But I would ask him: Mr. Minister, in the 1982 election campaign, the people of this province gave you a mandate to cut their taxes. Mr. Speaker, the mandate that was given to this government was not to increase sales tax. It was to cut it and remove it, which was promised in the last election.

Mr. Minister, I would ask you whether or not the statement that was made by the Minister of Financial Services that he would not ask for a signed affidavit for the sale of used automobiles has now been changed, and when you go to register that automobile you will be asked by the insurer to sign a statement saying that the bill of sale is accurate. Has that now been changed?

Hon. Mr. Andrew: — I would take notice of that, Mr. Deputy Speaker, and respond tomorrow.

Mr. Lingenfelter: — Well, Mr. Deputy Speaker, I have here another article, and I will see whether this reporter too, whether another reporter is going to get lambasted by the minister who can't stand to take some criticism. But in the article it says:

Still, licence registration officials to whom the tax is payable will be provided with a standard automobile price estimate to compare against the actual selling price. If the

price is too low an affidavit signed by the purchaser is sought. The revenue department can arbitrarily slap the value on the vehicle and charge the appropriate tax if the price is still too low.

Is that the position of your government, that when I would buy a used grain truck at an auction sale and get it for 10,000, if your department believes it's worth 15,000, I will have to pay an additional tax on the extra 5,000?

Hon. Mr. Andrew: — Mr. Deputy Speaker, I am not familiar with the details of how that works. I would take notice from my hon. colleague and get back with a response to that tomorrow.

Election Platform

Mr. Lingenfelter: — A new question, Mr. Minister. I, in my original question, asked you about your mandate at the time of the last election. You went around the province. You were at the chamber of commerce meetings in my constituency and the members here and the members over there, saying what you would do is cut income tax. You will remember that because you were at those chamber meetings. You said to the chamber of commerce in Maple Creek and Shaunavon that you would remove the sales tax if you became the finance minister after the election.

Now I want you to tell me whether or not you see it as your mandate as Minister of Finance today in this budget to announce massive tax increases based on the election of 1982 and the promises that you personally made.

Hon. Mr. Andrew: — I often, Mr. Deputy Speaker, like to go back to 1982. And I recall what those . . .

Mr. Deputy Speaker: — Order. The member has asked a question. Allow the minister to answer.

Hon. Mr. Andrew: — I recall, Mr. Speaker, I recall many of the promises that we made, and I will go through them in what I consider was the area of priority, Mr. Speaker. First of all we said to the people of Saskatchewan who were facing 20 and 25 per cent interest rates that we would reduce their mortgages to 13.25 and we did that.

We told the people of Saskatchewan that the gas prices at that point in time were too high, particularly when we were one of the two provinces that produced gasoline, and that we would reduce that. And we did that, Mr. Speaker.

We told the small-business community of Saskatchewan, Mr. Speaker, that we would reduce their mortgage rates and their interest rates down to nine and five-eighths. We didn't do that the first day, Mr. Speaker, but last month we delivered on that one as well, and we told the people of Saskatchewan that we would get a handle on the oil industry which at that time was operating at less than 50 per cent — operating at less than 50 per cent, Mr. Speaker, and most of our oil people leaving the province. And we did that, and we're very happy with what we did there.

Mr. Speaker, we indicated to the people of Saskatchewan many other things that we delivered too, Mr. Speaker. We are very happy, Mr. Speaker, and we are very proud of the record of this government, and we are prepared to stack it up against the record of the previous government any day of the week.

Some Hon. Members: Hear, hear!

Removal of Sales Tax

Mr. Lingenfelter: — Mr. Deputy Speaker, I would like to ask again the minister about his personal commitment to the small-business people of this province. What he promised to the small-business people in Maple Creek and Shaunavon and Swift Current was that he would remove the sales tax in this province. He went there and personally gave his commitment that if he became the finance minister, that he would do that. He also said he would cut their income tax by 10 per cent. Is that not true? You promised it, you made a commitment to them, and I think there's a reason why the Minister of Education from Swift Current is not in the House today but out canvassing for the first time in Swift Current, because the small-business people are not impressed with a government and a finance minister who will mislead them. Say one thing to get their vote . . .

Mr. Deputy Speaker: — Order, order! Order, order! Does the member have a question?

Mr. Lingenfelter: — Mr. Deputy Speaker, I will ask it again. I think the minister heard it, but for your benefit I asked him whether or not, whether or not he feels it appropriate to mislead the small-business people of this province in saying you are going to cut and remove the sales tax and then put in a new sales tax scheme; whether it's fair to promise to cut the income tax and then raise it and put in a whole taxation structure? I say to you, Mr. Minister, that that's unfair, and I want you to respond.

Hon. Mr. Andrew: — Mr. Deputy Speaker, I recall quite well back in, I think it was late 1981, early 1982, speaking in both Maple Creek and Shaunavon, that was a question, Mr. Speaker,. I spoke to the chamber of commerce, Mr. Speaker. I spoke to the chamber of commerce in Shaunavon, and what I heard and what I said and what I spoke about in Shaunavon, Mr. Speaker, was the sorry state of the oil industry at that time, and it was a sorry state I can assure you. Wells were not being drilled. Wells were being abandoned . . . (inaudible) . . . Mr. Speaker . . .

Mr. Deputy Speaker: — Order. The member for Shaunavon asked a question, and I would ask you to allow the Minister of Finance to answer. Order. It's impossible to hear in there with the noise coming from the opposition benches. I would ask that you allow the minister to . . . Order. I would ask that you allow the minister to answer.

Hon. Mr. Andrew: — The second part, Mr. Deputy Speaker, about that meeting, that I recall very clearly, was: number one, was on the oil industry; and number two, was on the price of gasoline. And we delivered on both of those, Mr. Deputy Speaker.

And with regard to my colleague, the Minister of Education, we're very proud in this caucus and this government with the performance of our Minister of Education, Mr. Deputy Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — For the first time in this province somebody has taken . . . For the first time in our province, Mr. Speaker, somebody has really become serious and approached education in a very serious way. And the Minister of Education today is out talking to school boards and teachers. And if anyone should be down looking after the riding, I would suggest it's the member for Shaunavon.

Some Hon. Members: Hear, hear

Site for Storage of Hazardous Wastes

Mr. Shillington: — My question, Mr. Speaker, is to the Minister of Environment, and it concerns the treatment and storage of hazardous waste in Saskatchewan. Can the minister confirm in this House what you said outside the House yesterday after the question period, and that is that your department is looking for a site to use as a hazardous waste dump, which would collect waste such as PCBs and pesticides and others from across the province? And will you confirm something else which you apparently said outside the House, and that is that you've contacted a number of organizations to serve on a committee which is looking into the feasibility for such as site?

Hon. Mr. Hardy: — Mr. Deputy Speaker, last year in this House I announced that we would be looking at setting up a site selection committee to look at the storage of hazardous waste in this province. We have been looking over the last year to try and find competent people to sit on this committee. We've contacted SUMA and SARM for them to put a representative on it. We have not, Mr. Deputy Speaker, found a chairman to chair it.

We realize that in every province in this country there is hazardous wastes that has to be stored. We would like to see it stored on the best possible place that it could be in this province. For that reason, we'd like to see a site selection committee established to take the time, the effort, and the knowledge to find, if there is, Mr. Deputy Speaker, and I say, if there is a spot that we can store this type of substance. All other provinces are doing it, Mr. Deputy Speaker, and it is time that the province of Saskatchewan did it.

INTRODUCTION OF BILLS

Bill No. 54 — An Act respecting Apprenticeship and Qualification for Certification in Certain Trades

Hon. Mr. Currie: — I move first reading of a Bill, An Act respecting Apprenticeship and Qualification for Certification in Certain Trades.

Motion agreed to and, by leave of the Assembly, the Bill referred to the Non-Controversial Bills Committee.

Bill No. 55 — An Act to amend The Municipal Tax Sharing (Potash) Act

Hon. Mr. Domotor: — Mr. Speaker, I move first reading of a Bill, An Act to amend The Municipal Tax Sharing (Potash) Act.

Motion agreed to and, by leave of the Assembly, the Bill referred to the Non-Controversial Bills Committee.

Bill No. 56 — An Act to amend The Department of Social Services Act

Hon. Mr. McLeod: — Mr. Deputy Speaker, on behalf of the hon. member, I move first reading of a bill to amend the Department of Social Services Act.

Motion agreed to and, by leave of the Assembly, the Bill referred to the Non-Controversial Bills Committee.

Bill No. 57 — An Act to amend The Tax Enforcement Act

Hon. Mr. Domotor: — Mr. Speaker, I move first reading of a Bill to amend The Tax Enforcement Act.

Motion agreed to and, by leave of the Assembly, the Bill referred to the Non-Controversial Bills Committee.

Bill No. 58 — An Act to promote Regulatory Reform in Saskatchewan by repealing Certain Obsolete Statutes

Hon. Mr. McLeod: — Mr. Deputy Speaker, on behalf of my colleague, the Hon. Minister of Economic Development and Trade, I move first reading of a Bill to promote Regulatory Reform in Saskatchewan by repealing Certain Obsolete Statutes.

Motion agreed to and, by leave of the Assembly, the Bill referred to the Non-Controversial Bills Committee.

(14:45)

Bill No. 59 — An Act to amend The Alcoholism Commission of Saskatchewan Act

Hon. Mr. McLeod: — Mr. Deputy Speaker, on behalf of the Hon. Minister of Health, I move first reading of a Bill to amend The Alcoholism Commission of Saskatchewan Act.

Motion agreed to and, by leave of the Assembly, the Bill referred to the Non-Controversial Bills Committee.

ORDERS OF THE DAY

GOVERNMENT ORDERS

COMMITTEE OF FINANCE

Motions for Interim Supply

Hon. Mr. Andrew: — Mr. Chairman, I move:

Resolved that a sum not exceeding \$532,506,380 be granted to Her Majesty on account for the 12 months ending March 31, 1986.

And so that is understood, that is two-twelfths of the appropriation.

Motion agreed to.

Hon. Mr. Andrew: — Mr. Chairman:

Resolved that towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ended March 31, 1986, the sum of \$532,506,780 be granted out of Consolidated Fund.

Motion agreed to.

Hon. Mr. Andrew: — Mr. Chairman,

Be it resolved that a sum not exceeding \$138,010,400 be granted to Her Majesty on account of the 12 months ending March 31, 1986.

Motion agreed to.

Hon. Mr. Andrew: — Mr. Chairman,

Be it resolved 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, 1986, the sum of \$138,010,400 be granted out of the Saskatchewan Heritage Fund.

Motion agreed to.

Hon. Mr. Andrew: — Mr. Chairman,

Resolved that the sum not exceeding \$441,660 be granted to Her Majesty on account of the 12 months ending March 31, 1986.

Motion agreed to.

Hon. Mr. Andrew: — Mr. Chairman,

Resolved 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, 1986, the sum of \$441,660 be granted out of the Special Projects Fund.

Mr. Lingenfelter: — If I could from the minister, as I understand it, this will make two-twelfths of the total moneys budgeted in the estimates. Can I just get that as a clarification from you?

Hon. Mr. Andrew: — This will amount to two-twelfths, and there was a one-twelfth asked before, so that's a total of three-twelfths. And I passed over to you a list of historically how interim supply has been called. After this there's three-twelfths now has been allocated.

Motion agreed to.

The committee reported progress.

FIRST AND SECOND READING OF RESOLUTIONS

Hon. Mr. Andrew: — I move that the resolutions be now read a first time.

Motion agreed to and resolutions read a first time.

Hon. Mr. Andrew: — By leave of the Assembly, I move that the resolutions be now read a second time and agreed to.

By leave of the Assembly, the said resolutions were read a second time and agreed to.

APPROPRIATION BILL (Interim Supply)

Hon. Mr. Andrew: — Yes, Mr. Deputy Speaker, by leave of the Assembly, I move:

That Bill No. 60, An Act for Granting to Her Majesty Certain Sums of Money for the Public Service for the Fiscal Year Ending March 31, 1986, be now introduced and read the first time.

Motion agreed to and Bill read a first time.

Hon. Mr. Andrew: — By leave of the Assembly, I move that the Bill be now read a second and third time.

Motion agreed to and, by leave of the Assembly, the Bill read a second and third time.

COMMITTEE OF THE WHOLE

Bill No. 51 — An Act to amend The Farmers' Counselling and Assistance Act

Mr. Chairman: — Is the minister prepared to introduce his officials?

Hon. Mr. Hepworth: — Thank you, Mr. Chairman. I would be pleased to introduce my officials who have put in a great deal of effort in putting together what we have before the House committee today. On my immediate right is Jack Drew, the deputy minister. Seated behind myself is Henry Zilm, the assistant deputy minister. And to Mr. Zilm's right is Barry Andrew, the program chairman for the counselling and assistance program.

Clause 1

Mr. Engel: — Mr. Minister, in introducing your second reading speech for this Bill, you indicated that there are more than just cosmetic changes. In my comments I compared the changes to Henry Ford trying to improve on the Edsel by changing the width of the chrome strip, and it didn't work.

And I would like to have you stand up now and tell me why you think that this new and improved farm counselling and assistance program is going to be a better deal than Edsel was for Ford?

Hon. Mr. Hepworth: — Mr. Chairman, and hon. member, I would be happy to outline for you the many and various improvements to this legislation. I think what you have perhaps displayed, or didn't display perhaps, in your second reading speech was some of that Massey 44 mentality I referred to earlier. And it also interested me, if the bill was that bad, why then would your caucus support it in, in fact, second reading where you for all intents and purposes, I understand, endorsed it in principle.

I think that was a good move on your part and on behalf of Saskatchewan farmers because that is what they will want you to do. And the hon. member from Shaunavon is holding a newspaper, presumably the *Leader-Post*, perhaps. I know when we made the announcements of the proposed changes, virtually all the farm groups were pleased with the announcement, albeit that they, too, would like to see how it will ultimately work. I mean, as I recall, there was many of the farm groups there, including the NFU, I might add. And I suppose their laudatory comments almost worried me, but at the same time I certainly did welcome them.

To be specific about the improvements to the program. As I mentioned in the second reading debate, I think it's very notable that, not only do we provide guarantees for operating loans, we now provide guarantees for a consolidation loan of up to \$100,000. That is good not only of the farmers. Not only did it allow them to term out some of those debts and to put it into a planned prospective to deal with this problem — not over just a six-month period, but perhaps over a six-year period. It also was welcome news to the entire farm-service sector out there in Saskatchewan, and it's that farm-service sector that's so important to Main Street, Saskatchewan. It's that farm-service sector that provides many thousands of jobs in rural Saskatchewan. And I think small businesses and jobs are very much part of the agenda.

As well, I think, the fact that we've eliminated some red tape here will be welcome news to the farmers and that the lender through his counselling, through his review and drafting of a farm plan in conjunction with the farmer, can make application directly to the program chairman now. Everyone is in agreement that. Yes, with the government guarantee and with the improvements. Yes, we do want to walk this extra mile, and yes, we do want to advance the necessary funds to seed the crop or whatever this spring.

I think the fact that the interest rate is now prime plus one-half, as opposed to promise plus one, is

a significant improvement in the program. On the numbers of millions of dollars we're talking about here it's a significant saving — significant.

I think the broadened scope of the program, the increased eligibility feature of the program, is welcome news to many farmers who might not otherwise have been eligible, to many farmers who are viable in the long run, but were facing difficulties in the short term. I think that the fact that we have now addressed multiple operator units and the fact that a second operating loan guarantee feature is added, given what happened this past summer, is extremely useful.

So I think those are just a few of the many very positive amendments to the existing legislation, Mr. Chairman, and hon. member.

Mr. Engel: — Mr. Chairman, as you listen to the minister's first response, would you read into his response that he's hurting or smarting a little bit about something? All I asked him is: what cosmetic changes did you make to the Bill, and he starts talking about 44 mentality.

(15:00)

I don't know what 44 mentality is, Mr. Minister. I really don't know what you're talking about . . . (inaudible interjection) . . . I'll match my operation against yours any day, dollar for dollar, any kind of measurement you want to use. And let's about 44 mentality if you want to talk about it, Mr. Minister.

I'll take you on on any aspect you want, but what I really want to know is why you get up here and start this little cheer section going, and trying to imitate your Premier, and say, we've got to get a little help here. What was . . . (inaudible interjection) . . . I was nice with my first question. That might be as far as I can be nice.

My first question then brought out four reasons why the program wasn't working. Number one, we didn't have enough hype. We weren't cheering and yapping enough about it from the government's point of view, so consequently it didn't sell the program. We've got to do a little more cheering, he says. We've got to get in there and give this a little bit more pizzazz. Is that a good word?

The second thing he talks about is red tape. Apparently your banker advised that the deputy minister has designed a little piece of legislation for you that would appeal to the banks, and consequently, after a long career with the banking institutions, said, now I'm going to design a Bill (and you'll have to excuse me, Mr. Deputy Minister, because you can't answer me personally) — but now I'm going to design a Bill that's going to get at the credit unions. I'm going to level those guys, and I'm going to make sure that the credit unions are not going to be involved in this new program of ours, because they couldn't. Your red tape, as you called it — we're going to eliminate some red tape. Your red tape on the guarantee aspect of it, when you take the credit unions and compare them to the banks, and the amount of money you're backing, is you apply that to a credit union. I don't know if your staff understand credit unions, but I made a suggestion to the minister that he talks to somebody that knows something about credit unions.

And I wish you could understand that your guarantee doesn't really help a credit union very much. It's not a good guarantee for credit unions. And the red tape, the cosmetic changes you've made to this Bill, are still not going to be a good guarantee for a credit union.

Now I talked to a credit union manager and some officials from the credit union last night at Swift Current, and they told me that this new Bill isn't going to be any better than the old one was. They were serious about it.

They said if the Bill isn't passed yet, try and move some amendments that will help the credit unions get into a loan guarantee because they have farm loans out there that they'd love to

guarantee if they would get a government guarantee.

If you can assure a Swift Current credit union, or the Gravelbourg credit union, or any credit union, that if a farmer goes into the credit union, applies under the rules of your new program, that the credit union will actually be guaranteed that amount of the loan. Is there a guarantee in place, or do you still have a lot of red tape that's rooking it?

You say that, make application directly to the program chairman, so you've eliminated one step. I suggested last year, when you originally introduced this Bill, that you have a similar Bill to what Manitoba has. Manitoba's guarantee Bill works, Mr. Minister. Go down there and find out. Accept invitations that your colleagues across Canada are giving you to go and talk.

And don't make excuses why you're afraid to go and meet with Bill Uruski, because he is a nice guy. I want to assure you that he is a good guy to talk to. I talked to both of you. I'd sooner talk to him than you, but he will listen. He will listen. And he understands the problems of farmers. You're afraid to listen, Mr. Minister.

You listen to your deputy minister who has a banking mentality. That might be good if you're dealing with large banks, but it isn't any good when you're dealing with farmers. Farmers want to deal with the banking institutions and the credit unions.

And why don't you let them apply directly and go in? and if the bank decides that if this loan gets a guarantee, we'll guarantee it. Why don't you just have a simple program that works? Change the whole thing around and come up with something that works.

Interest rate. Boy, did you save them a pile of money going to prime plus a half . . . (inaudible) . . . that was big saving over prime plus one. Would you tell me how much a farmer that's going to get a \$15,000 loan guarantee is going to save with this big cosmetic change you've made? Tell me how much money a \$15,000 loan will save because you went to prime plus half instead of prime plus one? It's not a very big change.

Hon. Mr. Hepworth: — Just to pick up, Mr. Chairman, the hon. member's points from the bottom and work backwards. If he is trying to suggest that he would support higher interest rates as opposed to lower interest rates, that's interesting.

I would suggest to you that every move downward in interest rates for a farmer, whether it's a half per cent or 5 per cent or down to 8 per cent, which is what this province and this government pioneered — 8 per cent money for our farmers that Ontario followed; and you made reference to the Minister of Agriculture in Manitoba, that now Manitoba has followed — we wrote the books on low inters rates for farmers in this province, and don't you forget it.

And I would go on further to say to my colleagues here on this side, and particularly to those colleagues on that side, that we wouldn't have this Bill before the House today if in 1978 and '79 and '80, when interest rates were 22 per cent, if you had made some 8 per cent money available for the farmers of Saskatchewan. Those are the facts.

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — It is the NDP who today sit in opposition that are responsible for the farmers that are facing financial crises today in this province. You were the problem. You created the problem — you, and you alone. No 8 per cent money for the farmers when it was 22 per cent. No 8 per cent. What were you doing? You were running around the province with the biggest wallet — the biggest wallet in the province — \$40 million in the land bank wallet, bidding up the land, forcing our young guys out there to bid against he public purse.

And Mr. Chairman, the hon. member has been casting aspersions on my deputy minister and his

ties to the banking community. Well, I want to tell you about his ties to the world of the lending institutions — I want to tell you about his ties to the world of the lending institutions. His father was the chairman of the Sherwood Credit Union. There you go with that Minneapolis-Moline G mentality again — got the blinders on. Everybody that's associated with lending institutions, whether it be credit unions or banks are bad guys.

We have today put together a program in conjunction with the credit unions, and in conjunction with the banks, and in conjunction with farmers to help the farmers. Not necessarily to help banks and credit unions, but to help the farmers. And the credit unions, not unlike the other lending institutions, have the 100 per cent individual guarantees. They, too, can forward directly with no red tape recommendation to the program chairman.

This is the kind of program the farmers were looking for. We could have put together an entirely different program, run another program up the flag-pole, but we chose to do the common sense thing — make some amendments to it and improve it.

Mr. Engel: — Well you were going to start at the bottom. You didn't start at the middle or the top. You didn't tell me how much a half a per cent difference would make . . .

An Hon. Member: — On \$15,000.

Mr. Engel: — . . . on a \$15,000 loan.

Hon. Mr. Hepworth: — It's \$75, I believe, Mr. Chairman, hon. member, and once again, given the rantings and ravings that we've heard from the members opposite about the loss of the \$230 home quarter rebate, I think they will agree that \$75 is significant.

But more importantly, Mr. Chairman, is the fact that we have put the treasury of this province on the line for our farmers. We haven't put together an operating loan program as is in place in some of these other jurisdictions with 20 or \$30 million. We've put one together that has \$200 million behind it. The provincial treasury is behind our farmers.

I would ask the hon. member: you show me one other province in this country who has made this kind of commitment to make sure that farmers who are viable in the long run can get that crop in. I ask you: name me one other province.

Mr. Engel: — Mr. Deputy Chairman, the minister tells me to look at the big picture. Look at the big picture. We take a farmer and we're going to take \$1,000 out of his pocket, and we're going to give him \$75. Don't measure that, but look at the big picture.

Last night the new candidate for Swift Current gave us the big picture. He said the people of Swift Current are losing. He said the people of Swift Current are losing — how much?

An Hon. Member: — \$1.5 million.

Mr. Engel: — \$1.5 million, and look at the big picture. Look what they're going to get — look what they're going to get. The farmer gets 75 bucks, but it's costing that same farmer — There's not one farmer in Saskatchewan — not one farmer in Saskatchewan can get the thousand dollars, but only, only 100 — only 100 got 75 bucks. Now isn't that a good deal? You give a hundred farmers \$75 and you take \$1,000 from all the farmers. Now that's Tory good sense. That's the big picture in Tory government.

Well, I'll tell you, that's before the power rate increases hit. This \$75 isn't even going to pay for the increase in his power rate. And let's hope he doesn't have a chicken farm, or let's hope he doesn't raise hogs, or let's hope he doesn't have a dairy operation, or let's hope he's not irrigating some land, because that's not even going to pay his increase for one month on the power bill alone.

Mr. Minister, this Bill is a joke. It's cosmetic; it doesn't get down to the real problem. The red tape is still there — the red tape is still there. You raised the issue of where your deputy's father started and where he worked, and I congratulate anybody in Saskatchewan that said the big banks are putting it to us. The big banks got us in a vice. We've got to start our own banking institute. And I give credit, I give credit to the people that started and founded our credit unions and got involved.

But what happened to that credit union, that doing it together concept? Why should a credit union be penalized by this Bill? Why didn't you give the credit unions the same kind of guarantees as you did to your big friends the banks? When I borrow from the Toronto Dominion bank in Lafleche, or I come to a Toronto Dominion bank in the city, no matter where the Toronto Dominion bank is, they've got a guarantee.

But when you go the Lafleche Credit Union or you go to the Swift Current Credit Union or you go to the Moose Jaw Credit Union or the Grenfell Credit Union or any credit union in Saskatchewan, they're individual identities. They individually have to go, and they've got to get together and say, corporately, we've got to figure out a formula. We don't know which loan the government's going to guarantee. They'll give us a blanket guarantee to all the loans we write. Are we going to set up a formula? What are you doing? What are you doing for our friends that most of the farmers deal with and most of the farmer support is the credit union system? I think you've missed the mark. You've made cosmetic changes. You've broadened the loopholes. You've made it possible for some big farmers to get bigger loans. But you haven't got anything in place to salvage the average little farmer.

I've got a young guy working for me this spring. Are you going to give him a chance and have him put his crop in, or do I have to borrow him the money? I think I'm going to have to make that guarantee because I don't think your loan guarantee program is going to work. He deals with the credit union.

Hon. Mr. Hepworth: — Mr. Chairman, and hon. member, the issue of the credit unions, this Bill, is so far as humanly possible, treats credit unions on the same basis as banks. As I mentioned earlier, individual guarantees are 100 per cent. And I want to pick up a little bit on your example of the \$15,000 loan. Once again that was your number, and it flies in the face of reality. What is the average size operating loan under this program? Is it 15,000? No. Is it 30,000? No. Is it 60,000? No. In fact last year it was something in the order of 80,000 or even higher. And I'll give you a more realistic scenario.

I'll give you a more realistic scenario, because certainly on your example of 15,000, \$75 is perhaps all the saving on the half per cent but just not a realistic example. Once again it flies in the face of the facts. What would be a more realistic example? A more realistic example might be on that fellow who last year had \$80,000 in operating loan and has gone through a drought and grasshoppers and all the rest of it, and needs the help that this Bill provides, because now he can get another one to keep going, and he might need another 80,000 and, in fact, he might need an \$80,000 consolidation loan on top of that which he now can get.

So, the more reasonable scenario might be a farmer facing a \$240,000 loan, not a \$15,000 loan. You see that's the Massey 44 mentality coming through again. It costs in the hon. agriculture caucus's chairman his seat, his riding, his farm, his input's running \$90,000 an acre. Now how do you plant a farm for \$15,000? Come into the 20th century. Come into the 20th century.

A \$240,000 government guarantee at one-half per cent — that's not \$75 saving — it's 1,200 — \$1,200 . . . \$1,200 that we've saved that fellow. Oh, we've saved him that money. We've allowed him to get it in the first place. Come into the 20th century.

Mr. Engel: — Mr. Minister, in general I suppose we should get down to some basics. What's the average size farm in Saskatchewan?

(15:15)

Hon. Mr. Hepworth: — I don't have the exact number according to our statistics branch, but I think it's something in the order of 402,403.2 hectares.

Mr. Engel: — Mr. Minister, you multiply this by \$90 an acre, which do you come up with? Use your little calculator. You must have one along.

Hon. Mr. Hepworth: — Mr. Chairman, and hon. member, I think a ball-park figure certainly in the Kelvington-Wadena area, for example, would run you about \$225 per hectare.

Mr. Engel: — Mr. Minister, you were trying to make a big issue out of the \$15,000 average loan, and if you take \$90 an acre . . . If you take \$90 an acre for all its cost, let's say the fellow hasn't got any money and any saving at all, and you borrow him enough money for 90 bucks an acre; if this person can borrow enough money for \$90 an acre, I don't think that \$15,000 is that far off. I think the guy could up this crop in . I think the guy could hang on there, and this fall he'd have his cash advance and his wheat would be growing.

You are putting and setting a guy up something like a story I heard this morning when the little minister of small business was giving us this bad time and saving all these business failures took place because Sedco was borrowing too much money. Are you trying to tell me here that the only loans . . . And this is some new little switch here, and that the people that you have on these committees and are travelling around and counselling farmer s— look buster, if you don't need \$250,000 don't come to us. Is this what you're trying to tell me? Are these the farmers that you're trying to support, the guys that need a quarter of a million bucks?

Mr. Minister, I submit that the farmers that I farmed beside, and the neighbours I had that have a \$250,000 line of credit are the kind of guys that won't worry about an operating loan guarantee. They are the kind of guys that can make their financial arrangements that need that kind of money.

The people that need a loan guarantee, Mr. Minister, are the guys that need \$15,000. And if you call that a 44, or Minneapolis U mentality, maybe, maybe you'd better start thinking about the realities of Saskatchewan.

And like I told you at the outset when you first introduced this Bill, you are only listening to the guys that have 30, 40, 50, and 60 quarters of land, if that's what you're talking about. Because I happen to know what it costs to farm, and I happen to know what operating costs are all about. And I know which guys are in trouble and which guys need a few bucks. And I know which people you that you've turned down in the past, Mr. Minister.

Of the applications you had last year, you accepted about 110, I believe you said. I don't have the page open in my *Hansard* right now, but you said there's about 110 finally made it through the hoops. What about the 400 that were turned down? What size of loans, what's the average size of loans that they were applying for?

Hon. Mr. Hepworth: — This is sort of like . . . that question is sort of like having Santa Claus come, because I think it makes my very point for me, and I'll give you some of those statistics in a moment. Because I think the issue is here, and by every measure that's been taken out there,

including ours and farm credits, it's not good enough for you to stand across the way any more and argue that it's just the inefficient who are going under.

It's not good enough any more to argue that it's the small non-viable farmer who is going under. The fact of the matter is out there, it's some of the very large productive, very keen production-oriented farmers that are in difficulty. They got hooked on high land prices. They expanded perhaps the wrong time. Got hooked on high interest rates. There are very productive people that have become embroiled in some difficulties. Weather added to their difficulties.

And you've talked about averages, and you've talked about the other 400. Well the fact of the matter is that of that 400, we're dealing with farmers whose liabilities were slightly over, on the average, \$300,000. Now even at 10 per cent interest a year, even at 10 per cent interest rates 00 and most of these guys are hooked on 18 and 16 and 20 — even at 10 per cent interest rates, they need \$30,000 alone. And you're suggesting \$15,000 is what they need. A loan for the liabilities at 300,000, at 10 per cent it's 30,000. Their net worth was 180,000. The average number of acres, 1,400 — 1,400. And I could go on and give you more details.

But it substantiates exactly what some of the statistics were telling us out there, albeit that they're retrospective, that there is a small group, albeit that it's relatively small, a small group out there that has debts as high as \$500,000 that are making close to 40 per cent of all the interest payments in this province. This Bill has to reflect the current realities of farming today. That is the issue and I think the statistics bear it up.

Mr. Engel: — Mr. Minister, you're debating and discussing the issues you want to talk about. You have no intention of answering the questions. Are we just going to go through this rigmarole and not get any answers? You still haven't answered my last question.

Hon. Mr. Hepworth: — Mr. Chairman, and hon. member, perhaps he wanted, as I understood it, the numbers, the average size of these other 400, and that was what I was giving you.

Mr. Engel: — Mr. Minister, the application and the copies of the application that cross my desk, and the people that call us and the people that we see, are you determining that these people are not a viable unit and we're just going to have to let them go? Is that basically what you're saying? If they don't have a \$250,000 debt, forget it. Is that basically what you're saying?

Hon. Mr. Hepworth: — Mr. Chairman, hon. member, your logic has left me temporarily. What we have said in this Bill in terms of who is eligible for help — and I think you would agree with us given what I've heard you say — is that number one, we don't think we need to design this program as a sweetheart deal for the banks. It's the farmers that we're interested in helping.

It also is our view that those who have \$1 million in assets out there have other ways to solve their problem. Even in this downturn in the farm economy, you've got a lot more options if you're holding \$1 million in asset s or net worth than if you don't. And you do have some other options, albeit that they might be unpalatable. Nobody ever likes to have to sell off any land, but certainly for a fellow, who has a net worth of \$1 million, that's an option. So we didn't want to take the taxpayers' dollars and give it to those people, I would suggest to you, to the very rich. We did not want to give it to them.

At the same time we didn't think that we needed to provide a program that would just allow the banks to throw everybody into the pot, and make us guarantee every operating loan out there.

So we set some parameters. Your net worth must be less than 500,000, and your debt/equity ratio must be less than 40/60. We wanted to focus it at those that the statistics — our statistics generated by the program in its first year, the statistics of Farm Credit Corporation and others — generate a program that would target the group that needs the help. And that's what we've

done here and, I think, with some fair degree of success.

And I would suggest to you that with the improvements we'll enjoy an even greater measure of success. And some 500 or 1,200 or 2,000 — whatever the number of those ultimately is — will enjoy the fruits of this program, because we are committed to keeping those who are viable in the long run on their land.

Mr. Engel: — Just one more question. My colleagues will likely have some issues they want to discuss on this question.

Mr. Minister, you talked about, and you agree with farmers that are caught in a cost-price squeeze, as far as the interest rates are concerned. You've decided as a government that you're not going to both raising any extra revenue in the oil industry. The oil industry has doubled their sales to \$2.4 billion, and you're still only getting \$700 million worth of revenue, Mr. Minister . . . (inaudible interjection) . . . I'll tell you. Let me finish it.

And then you come along with a farmer, you come along and here's a farmer, and you tell me that he's locked in with FarmStart loans — on a FarmStart loan or from your Saskatchewan credit corporation loans that you've changed their name to. Why don't you give the guy a break? The same as you would to me if my son would decide to be a farmer instead of a lawyer, and we'd want to pick up this three quarters of land adjoining mien that would connect all my land together. I'll give you a little secret. And that three quarters is for sale, and I'd love to have it because I wouldn't have to go and transport anymore, because it would tie all my land together. It's three quarters in between there. Those three quarters are for sale. My son could come along and, if he qualifies under your program, we could get those three quarters at 8 per cent money.

We're farming fine; we're getting along; we're making an income. We're even paying income tax, and I hate the thought of adding a flat tax on top of the tax we have to pay.

But I would ask you something, Mr. Minister. Why can't my neighbour, or my hired man that has a small farm, why can't he get a write-down like his cousin in Manitoba that has money from the Manitoba Agriculture Credit Corporation, has his loans written down to 8 per cent right across the board? Why can't my hired man, or my neighbours, or my nephews get that same kind of an advantage? Why do they have to be locked in at that high interest rate?

I think the move you've made is commendable, and I agree that 12 per cent is better than 14. But why not do the same for the guy that wants to, as the guy that's starting up? Why not give him the stuff that's locked in there? Why not give him the same kind of break? Why not make a little bit of the treasury available that you have for your friends in the oil industry? Why not make a little bit of that treasury available for farmers and say, look, we believe in what you're doing. We believe agriculture's the number one industry, and we're going to put our money where our mouths are, and we're going to give everybody 8 per cent money on these loans. Why just give it to the guy that's got enough money to expand and start farming?

Hon. Mr. Hepworth: — Mr. Chairman, hon. member, starting at the top of the issues that the hon. member raised there, and particularly as he mentioned at the top of his remarks, and the oil give-away, so-called oil give-away (the NDP myth), and why don't we take this oil revenue and put it into farming.

I could go into, at great length, what the changes that my hon. colleague here, the Minister of Energy has put in place, and detail just how much they have meant not only to the Saskatchewan citizens at large here but to the farmers. But I won't because it would take some good long time. I mean one could, one could look at things like this that, if you compare apples to apples and oranges to oranges, there's something in the order of \$200 million oil revenue now than three years ago — \$200 million. And you know . . . (inaudible interjection) . . .

(15:30)

And I would suggest to that noisy member from the Quill Lake that that \$200 million came from Energy. The Midas man got here. It went from Energy right over to Agriculture and that's \$200 million in operating loan guarantees for our farmers. That's what we did with it. Took it from there and put it over here — \$200 million.

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — And I think that the hon. member should find that adequate because it's only in December of last year that the opposition leader wrote a letter to the Premier, and I referred to it in my budget address, I believe, or just recently in this House. And he described in there that we should put in place — this is the opposition leader in his letter to the Premier that was published in that widely circulated and widely read organ of the NDP, *The Commonwealth* — and he said there we should establish a \$150 million save-a-farm fund.

One hundred and fifty million dollars for this caucus, for this government in Agriculture, \$150 million is peanuts. We put \$200 million in this program. We've put another \$100 million and more in this last budget, we've put \$200 million — not \$150 million — a \$200 million fund in place for the long-term research and development, and extension programs, a \$200 million fund to plan for the future.

And the other dimension, the other dimension that the twisted and warped minds over there can't get their heads around . . . Let's look at all the spin-off benefits of the oil politics of this government. Let's look at all the spin-off benefits.

My colleague, the member from Bengough-Milestone, in his riding today, in a town not far from Radville in his riding, there is a rig working where every single person on that rig is a farmer, and he's darned happy to have that income to supplement his farm. That's how important the oil royalty changes are to this government, to our farmers.

Today there is a rig that is composed 100 per cent of farm boys, and the oil companies love them because they're hard workers, they're diligent, they come on time, and they give a dollars worth of work for a dollar.

But it doesn't stop there, Mr. Deputy Chairman. It doesn't stop there. In that same riding, if I was to use it as an example, in that same riding, Mr. Deputy Chairman, hon. member, in that same riding today, like all others in this province who have Crown land leases, for example, are enjoying something in the order of \$40 million pay-outs from oil companies for surface rights interruptions — \$40 million there. And that doesn't count all the spin-off benefits in the service sector and the farm businesses and in Main Street, Saskatchewan.

Now I would challenge the hon. member from Quill Lakes, in his usual warped kind of mentality, I challenge you to go to Radville, Saskatchewan, to Weyburn, Saskatchewan, and tell the people you want to close down the oil fields. I challenge you to come and tell them you want to close down the oil fields. Come and tell those farmers working on that rig in Radville, Saskatchewan you want to shut them down and take away their 20 or 390 or \$40, 000 a year job. Come and tell them.

Mr. Engel: — Mr. Chairman, if we could have a little order in this place maybe they could hear me. I've got one of the bigger voices, but I don't think they'll hear me, though.

Mr. Chairman, two little assumptions that the minister makes that I think need to be straightened out and clarified. And even my banker friend at the Table will agree with me on this one. The minister is trying to deceive the farmer and tell them that he's putting \$200 million into their hands and into their pockets — \$200 million of taxpayers' money. Oil money, he says, oil money

is going into the hands of farmers. Well I want to tell you that is unadulterated imagination, Mr. Deputy Chairman. I don't know how else to say that it's not true because it's so far from the truth.

There is no way, in anybody's stretch of the imagination, that you're putting up \$2 million, let alone \$200 million. This guarantee program, the hundred farmers that are in it from last year, every one of them will have to go broke, and every one of them will have to have not one dollar worth of net worth before you'll even start touching anywhere near that amount of money, Mr. Minister. If you think farmers in Saskatchewan believe you . . .

You finally are coming out as the champion of the oil companies. I never dreamt I'd live long enough to see a Saskatchewan Minister of Agriculture stand up and tell me that the only way I'm going to survive, and the only way I'm going to make it in farming is to get a job on an oil rig. That's his answer. Get a job on an oil rig. Belong to a group that drills oil wells and you'll survive on the farm.

Well, Mr. Minister, that's not going to wash. I suggest that my friend that drives the oldest vehicle on the parking lot . . . I'd like that old 1946 Ford truck that's around here. Have a look at it. That's in good shape if he'd paint it. But that's the kind of truck that they see shoving up in those liquor ads that they painted orange with a spray gun . . . (inaudible interjection) . . . The member for Eastview is moving into your seat as Minister of Agriculture, because I can assure you, Mr. Minister, that there's no way a premier in a province that considers himself a farmer is going to put up with that kind of garbage in this House — where you will stand up and take advice from your oil banker type adviser and stand up and say that you're going to make it on the farm, if you're farming in my neighbouring riding, you're going to make it if you've got an oil well, or if you're drilling an oil well, or if you get a drilling rig going.

There's got to be a better way than that. There's got to be a better alternative, Mr. Minister. I think that the indication of the questions I've asked you about this Bill — number one, you didn't answer — that the red tape involved is going to be wiped out, it isn't. You've taken it one step down where now they have to go to the local counsellor, the local counselling and assistance group to make his application. You said, go to them.

You told us, and *Hansard* will prove, you said they can now go to their local adviser, their local committee man, and get an application form, and talk to him about the loans they have to make.

Well I'd far sooner see a program where they can go to their bank. And I'd say, look Mr. Banker, I need \$15,000 to put my crop in this spring. I need \$15,000 to put my crop in this spring. I owe you and I owe the Farm Credit Corporation and I owe farm start or the Saskatchewan Agricultural Credit Corporation it's called now, 350 or \$400,000. My net worth is \$550,000. It looks like we'll qualify here. I need \$15,000 to put my crop in. I'm going to borrow as little as possible to get by this year. It looks like we're going to get a crop. We got a little rain. It looks good. I want to plan my crop one more year.

He'd go to his bank. The bank would look at the criteria. If the bank has to take it away and get it signed one step up the line, like in Manitoba's case where the ag rep signs it and it's gone, that bank has a 75 per cent guarantee on that loan. That's a loan guarantee.

But if you go to the credit union and say, look, we're going to guarantee \$400,000 — or raise it to six, whatever your number is — we're going to guarantee \$600,000 or up to \$600,000 of your loans in this particular credit union. And somebody makes a loan at the Moosomin credit union. What guarantee does Moosomin have, what guarantee is the member for Moosomin going to have that that credit union will be honoured? They'll get a blanket guarantee. But the credit union managers, credit union board members, credit union chairmen are telling me that it doesn't work. There is no way they can be assured that they're going to get an individual guarantee. There is no guarantee on an individual loan. And to make a loan guarantee program work, I told you last time and I'm telling you again, the only way it will work is if you can

individually sign an agreement and a contract that your endorsement of your government backs it up, and then there's the guarantee that it works.

If every loan fails, and you write \$200 million worth of loans, if every loan fails, you still won't spend \$200 million, Mr. Minister. Why do you want to deceive farmers? Why do you want to create this image out there as though you're something so special? Why not face the reality and the truth of the matter that this government hasn't given you any money. This government hasn't given you any money to work with. Admit it. Resign. Let somebody take over that can get in there and fight for something for farmers, and then we can get the show on the road.

Hon. Mr. Hepworth: — Well, Mr. Chairman, hon. member, it's interesting who you talk to and what story you get. As the minister of crop insurance was just telling me, the call he had from a credit union this morning was: when are we going to get it passed so we can get it in place for the farmers? He wants to use it. Now if you're going to continue to filibuster and stall the Bill, so be it. It will be on your conscience.

But to pick up, more specifically, some of the points that you raised about how much we may ultimately pay out, about how much we may ultimately pay out on this Bill, I believe, and sincerely hope, that we will not pay out very much. Do you know why I say that? It's because I have a lot of faith in the farmers of Saskatchewan that they will make it through this downturn with these government guarantees, and they will be viable, and they will survive in the long term. You want them to fail. You want us to make pay-outs. You'd love to see them fail.

You're the same party that sits in the coffee shops in rural Saskatchewan, and says, "I hope the price of wheat goes down so the Tories will be hurt." That's your mentality. You're the same kind of people that sit in the coffee shops in rural Saskatchewan, and say, "I hope there's a great grasshopper outbreak. That'll really make those Tories suffer."

Well I'm going to tell you that we're behind the Saskatchewan farmers, and we have a lot of faith in Saskatchewan farmers, and we believe, in the long run, they're viable. We're prepared to go to bat for them, and we know, in the long run, they won't let us down. And I hope that we don't have to make any or many payments.

The matter you raised, as it relates to off-farm income, and about how my view of the world is that everybody should have to work on the oil rigs — that's not my view of the world. That's your view of the world.

My view of the world is that there are a good many young, beginning farmers. Once again, you don't want to grapple with reality. Just look at the Farm Credit Corporation reports and statistics and Statistics Canada, and what does it say? The fact of the matter is, the reality of the matter is, is that there are many young people, beginning farmers, their wives, teachers, nurses, oil well workers, who are working off the farm because they want to make that farm work.

The potash companies, and the hon. member for Saltcoats in his riding, for example. The hon. member from Moosomin . . . They're that kind of people they're hustlers. They're workers. And if it will help their farming a little better with a little off-farm income, they'll do it. My dad did it. My dad did it in the early years to get this farm going. Is that a sin? Are you trying to say that because some of us, some of our ancestors went out and hustled, worked hard, worked 18 hours a day instead of eight hours a day, that that's a sin, to make that farm profitable and work?

As Winston Churchill said, "Profit is not a dirty word; losses is a dirty word." And as it relates to the write-down to 12 per cent at the Ag Credit Corporation Saskatchewan, and as you said, you welcome it. And so you should. Whose loans are we writing down? It was the NDP that was in place on April 1 of 1980 and who had loans out there at 14 per cent, but we today are prepared to write down to 12.

Worse, just like you've paved your PCB problem in this province in 1978 or '79, the biggest spill in history, you paved it. You covered up your problems — you covered up your problems. We're now dealing with the problems that we inherited from your administration. No 8 per cent money in 1980 — 14 per cent money. We're writing it down.

(15:45)

Mr. Engel: — You certainly are, Mr. Minister. When the interest rates were 22 per cent, a farmer could go into the Saskatchewan farm credit corporation that you call it today, which was then farmstart. He couldn't only get a loan, he got a cash grant. You show me a program as rich as farmstart used to be, and I'll show you that you'll be afraid to touch it.

And as far as filibustering this Bill is concerned, the day you read the Bill, Mr. Minister, I gave you a few comments. The next day we had the finish of it and you waited until today. I said later this day, and you refused to go ahead with it — you refused to go ahead with it. And we could have had this Bill passed the day before yesterday. This Bill could have been through on Tuesday. And you tell me who's filibustering. How many long answers are you giving, and who are you trying to blame for not passing a Bill?

I've been trying to correct the Bill, but you stand up and you talk about PCBs, and you talk about getting a job on an oil well. Well I don't blame you, Mr. Minister, because as I've said before, you're not competent enough to do your job. You can't hack those big guys in your cabinet that get all the money — that get all the money. You can't get any in your department. This is why I'm suggesting you get yourself a farmer that knows something about agricultural issues and agricultural problems, and get in there and start lobbying, and start writing up some memos that say we've got to put some money in these farmers' hands.

When the interest rate's 9.5 and 10 per cent, it's not good enough to lower it to 12. It's not good enough to lower it to 12. You think 12 per cent is great today, but the market's only 11 and 10. You go out there and you can get money for 10 and 11 per cent, and yet you lock farmers in at 12. Why don't you do the honourable thing and spend a little money?

An Hon. Member: — And resign.

Mr. Engel: — I asked him to do that a while ago. Why don't you do the honourable thing and lower it to 8 per cent where it belongs? And then this problem would work. If a farmer could get a loan like you said for five years and know that he's locked in at inflation plus three, then you'd have something — then you'd have something. Then Sask Wheat Pool would hold a flag high and say, Hepworth has done something for Saskatchewan. But what are they saying now? He's let us down. This man has let us down.

Hon. Mr. Hepworth: — Mr. Chairman, hon. member, he has raised the issue of the market today, 11, 12 per cent, whatever current lending rates are, and I was writing it down to 12 per cent. And I would remind him that we're picking up the NDP's clients' loans that were written in 1980 . . . (inaudible interjection) . . . Yes, you wrote it down from 22 to 14. And when we came along with the Ag Credit Corporation of Saskatchewan, what did we start with? Eight. We put 8 per cent money available through ag credit. We put 8 per cent money available through the farm purchase program.

When interest rates were 22 per cent, I want you to stand in this House and tell me that farmers had access to 8 per cent money under the NDP to buy farm land. Stand up and tell me that. Stand up and tell me that.

Mr. Lusney: — Thank you, Mr. Chairman. Mr. Minister, you continue to talk about how low you brought that interest rate down under your program. Mr. Minister, how can you say that this helps so many people — helps so many people. Some of them bought their land, and at 8 per

cent, it was a bit of a discount. When interest was 22 per cent, yes, we offered it at 14. That gave about an 8 per cent spread. When you offered your 8 per cent last year, interest was only around at 14 per cent, 15 per cent. If you had dropped it 8 per cent, that would have been a little bit lower, and that would have helped the farmers.

Mr. Minister, what are you going to do for those farmers that have problems today which this Act is supposed to help? Not the ones that bought some land at 8 per cent. That was a totally different program. The farmers that need help under this Act are not the ones that bought that land, necessarily, but there are a lot of other farmers that haven't benefited from the 8 per cent. They are farmers that have continued farming and didn't buy additional land at your 8 per cent but today have some financial difficulties. They need some help.

What are you going to do for those that don't have enough equity at this point because of some of the difficult years? How much of that loan are you going to guarantee for them? If they've got a higher ratio than their 40-60, are you going to approve the loan to those farmers? That is, I think, the first question that I'd like to ask of you before I go any further on it. If they have a higher ratio than a 40 to 60, are you going to approve those loans that they need to put their crop in this year?

Hon. Mr. Hepworth: — Mr. Chairman, hon. member, I'm not so sure I understood your question. We guarantee the loans. We don't approve them; we guarantee them.

And as it relates to your questions on the 22 per cent interest rates, I would suggest to you that many of the clients that we are dealing with today are clients that suffer from the NDP policies when the interest rates were very high — when the interest rates were 22 per cent, and there was no 8 per cent way to buy farm land — when land prices were spiralling because of land bank bidding them up. Those are the people that are hurt today.

It's unfortunate that there wasn't 8 per cent money available in 1978, and '79, and '80. If you compare the track record of those who are getting 8 per cent money through the Farm Purchase Program, and who is in trouble, and who is in trouble as a result of NDP policies, I think the number would pale by comparison.

Our job is to, as a government, help. We're committed to help. And this is just one part of many measures we've introduced to help out there. We're committed to our farmers. We're committed in this program to guaranteeing up to \$200 million. I have every reason to believe that this program will work as well as anyone can guarantee anything working out there, to help those many farmers who are facing some difficulties in the short term, but who, in the long run, are viable.

Mr. Lusney: — Again, Mr. Minister, you're going to that point of deciding, with your committee, who is viable and who isn't. And again, you're going back to the debt equity ratio. Now what you're saying is that if the farmer happens to have rather than a 40-60 per cent debt equity ratio, and if he has a 50-50 debt equity ratio, then he is considered, in your opinion, not viable and will not get a guarantee on a loan that he may need to put his crop in.

Is this what you're saying to us?

Hon. Mr. Hepworth: — I think the hon. member, Mr. Chairman, may have things reversed in his mind here. Who is eligible for government guarantees is this kind of person. He must have, first of all, a net worth of less than — and I'll take the single proprietor. There's a provision for multiple operator units which are not that uncommon out there today. The single proprietor, for example, would be a person who has a net worth of less than 500,000.

As I explained to your colleague from Assiniboia-Gravelbourg earlier, the reason for that is we view that somebody who has a net worth of more than half a million, he has got other ways to

solve his problems, as unpalatable as they may be.

The other fact that we think makes some sense — because we don't want to have the banks giving us the rush and saying look, we want you to guarantee not only the clients that are a little iffy, we want you to guarantee everybody out there — and I think that would be a sweetheart deal for the banks. We have said that your debt to equity ratio, to be targeting into those who, in fact, are in difficulty and in jeopardy of getting credit, we have said that your debt to equity ratio should be worse than 40:60. Is that cleared up for you?

Mr. Lusney: — Your debt equity ratio, you're saying, should be worse than 40:60.

Okay, Mr. Minister, in that case there are a lot of farmers that would be in that situation. Those that really need the help would be in that position, I would suggest. Are you saying then, that you are prepaid to look at a lot of these farmers?

And I can give you two examples right now where they have been refused because their debt to equity ratio is worse than 40:60, and that the banks will not risk loaning them any money without a good guarantee. Are you prepared to help those farmers and say that: yes, we will guarantee them; if you don't owe too much money to the bank, we will guarantee that loan and let the bank loan it to them — because you've refused a good number of those people to this date. You have not only refused them through the loans, but the banks in many cases were prepared to look at restructuring their debt, really, to restructure their debt and do a debt write-down for them on the loans that they have, rather than foreclose on them. The banks are prepared to do that.

But there are some of those farmers, and I'll deal with it in my area because I've got a lot of land bank land out there, and a lot of these farmers farm on land bank land, or lands branch land.

Those farmers, where the banks is prepared to write-down their debt, are finding that when they go to the government to see if they would write down their debt on that lands branch land a bit so they can again restructure their total debt and continue to farm, are finding that Agriculture is refusing to give them the same consideration as the banks are prepared to do.

Why don't you go along with what the banks are trying to do and at least do the same as they are and provide a little bit of a discount for those farmers, rather than saying, you owe us this much, and what we're going to do as long as you're not paying it is charge you so much interest on top of it. Do a little bit of restructuring on behalf of lands branch, and help some of those farmers that are in trouble.

Hon. Mr. Hepworth: — Mr. Chairman, hon. member, the Crown land clients are eligible for the provisions of this Bill, just like anybody else out there. Very often the Crown land client has other deeded land and, in fact, perhaps other agricultural enterprises other than just land. And I would suggest to you that maybe the one or two or however many cases that you are familiar with — I would suggest to you that maybe as soon as we get this Bill in place, in fact those guarantees might be approved.

Mr. Lusney: — What portion of the loans, Mr. Minister, are you prepared to guarantee to the bank?

Hon. Mr. Hepworth: — 100 per cent on an individual basis.

Clause 1 agreed to.

Clauses 2 to 14 inclusive agreed to.

(16:00)

Hon. Mr. Hepworth: — Mr. Chairman, hon. members, I would first of all like to thank my officials, and at the same time I move that Bill No., 51 be reported without amendment.

The committee agreed to report the Bill.

THIRD READINGS

Bill No. 51 — An Act to amend The Farmers' Counselling and Assistance Act

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

Motion agreed to and Bill read a third time.

COMMITTEE OF FINANCE

CONSOLIDATED FUND BUDGETARY EXPENDITURE

ADVANCED EDUCATION AND MANPOWER

Ordinary Expenditure – Vote 5

Mr. Chairman: — Is the minister ready to introduce his officials?

Hon. Mr. Currie: — Mr. Chairman, it's my pleasure at this time to introduce the officials from the Department of Advanced Education and Manpower, the people who will be working with me in committee of finance.

First of all, to my left is my deputy minister, Mr. John Law. Seated behind me, immediately behind me is the assistant minister of advanced education, Mr. Ed Evancio. To his left as the assistant deputy minister of manpower, Mr. Dave Murray. And to my right is the director of financial services, Henry Kutarna.

Mr. Chairman, at this time it's very appropriate that I recognize these people and, at the same time, recognize all of the people who support these gentlemen, and I speak about the people in the Department of Advanced Education and Manpower. The reason I say this is that I think they are to be commended for being extremely innovative.

The initiatives that they have taken over the last three years have been numerous. Many of these have been non-traditional. The goal of making learning and training more accessible to as many people who want it have prompted these initiatives. To accommodate the many kinds of people who want education and training today requires flexibility in the delivering of programs. This has required the co-operation and the creative thinking on the part of a great number of different groups of people.

I speak about the administrative staff. I speak about the institutes at the community colleges, about the universities, and I speak particularly about the co-operation that we have received from industry, both labour and management.

Mr. Chairman, it's most appropriate, I think, that I express to these people, these different groups of people, my sincere thanks and gratitude for the co-operation that they have extended in developing a curriculum, and in developing a program, and the delivery of programs that are in the best interests of the people of this province.

At the outset I would like to say, Mr. Chairman, that as a new government in 1982 we took a look at the whole global area in education. And in assessing the global picture in education, we tried

to determine which areas were in greatest need. And at that time, in our wisdom, we decided that there were two areas that had critical needs.

One of these areas was the area of technical vocational education, and so it was that we emphasized that particular area at that time. The situation in technical vocational education was that, in so far as participation rate was concerned, we were close to last in Canada, as a province. There were insufficient seats for our training in technical vocational education in this province.

The second area that was in great need was the area of adult basic education. And in that regard there was a very high percentage of people in the province of Saskatchewan, at that time, who had less than grade 10 education. And when we put alongside of that statistic the fact that at that time there were 72 per cent of the people, who were on social assistance at that time, had less than grade 10 education, there really was a message there. And for that reason we decided that the greatest emphasis, as far as financial resources was concerned, should go into those areas.

I'm very pleased to report, Mr. Chairman, that we can certainly report success stories in both of those areas. As far as technical vocational education is concerned, over 2,000 new training places have come into being. And in the area of adult basic education, last year there were something in excess of 5,000 people taking upgrading at different levels, as opposed to several hundred people taking upgrading in adult basic education in 1982.

I would like to spend just a moment, Mr. Chairman, describing how this was accomplished. First of all, it was accomplished through traditional methods — that is methods of building, of expanding as far as physical plants and facilities were concerned. And so it was that the Wascana Institute of Applied Arts and Sciences was expanded into the Winnipeg Street campus to accommodate somewhere in the neighbourhood of 500 training spots. So it was that the STI in Moose Jaw was expanded, and the decision was made at that time to construct a new technical institute at Prince Albert.

Then, and this is more interesting and more exciting, there were new ideas that were applied — ideas that were innovative, ideas that were creative. And these were applied at that time, Mr. Chairman, in order to accommodate the needs and the expectations not only of the 1980s, but beyond the 1980s. And the aim at that time was to accomplish flexibility and accessibility.

And so it was that we went into such programs as extending the school day in the institutes, and we went into such things as operating on an all-year basis in the institutes. And we introduced a new model for instruction and for learning, which is commonly known as the competency-based learning. This model, Mr. Chairman, allows for a student to begin at his level of competency. He's given credit for the knowledge and the information that he already knows. He is given the opportunity to learn at his own pace and to enrol at a convenient time for himself. He is able to depart from the course in order to attend to work at any time and still receive credit for the work that he has accomplished.

In addition, another innovative program that was introduced was sometime, approximately one year ago at STI in Moose Jaw, was the co-operative education program. I make reference, Mr. Chairman, to another innovation, an innovation that was established to accommodate the needs in the high-technology industry. What happened was that an institute was developed, an institute without walls. This was referred to as the advanced technology training centre.

In 1983 what happened was that, through our department, we took a look at what was being taught in the technical institutes in the area of technician training and technology training, and we took a look at what should be taught both at the present time and in the future. So we consulted a considerable amount with industry, and from the direction that we received from industry it was determined what training and what program should be provided. And so it was that the computer-assisted design and computer-assisted manufacturing facilities were set up at

Kelsey Institute in Saskatoon.

In order to do this we accessed to somewhat in the neighbourhood of \$2 million from the federal government. And so it is that right now at the present time we are able to respond very quickly to the needs of industry, and particularly in the area of advanced technology. This facility, the advanced technology training centre, and its equipment, has been put to further use. And by further use I refer to using it to adapt to computer-assisted instruction in connection with adult basic education.

(16:15)

At the present time, it is being used on piloting a program in connection with another new innovation and another new and exciting program that was developed this past year, known as the Saskatchewan Skills Development Program. This particular program, the Saskatchewan skills Development Program, was developed as a result of co-operation between two departments, the Department of Advanced Education and manpower, and the Department of Social Services.

Through this program we give the opportunity for social assistance recipients to take adult basic education or to take skill training, whether it be at the — adult basic education would refer to academic upgrading — whether it would mean up to grade 5, or 5 to 10, or on into 11 and 12. And over a period of two years, it is expected that 3,500 social assistance recipients will receive the opportunity to take adult basic education and training, which will give them the opportunity to become productive.

. . . (inaudible interjection) . . . Mr. Chairman, I think that the member from Regina Centre should pay attention to this, because I think that it's one of the most important programs, with regard to the help an the opportunities that we can give to social assistance recipients, that I've ever heard of.

I would like to mention, Mr. Chairman, that I did have the opportunity of attending a graduation in Saskatoon last Friday, and it was one of the most impressive graduations that I've ever attended. I had the opportunity at that graduation to listen to many of these individuals who had been on social assistance for many years, stand before their peers, stand before their friends and their relatives, and one after another, extending thanks, thanks for the opportunity to have a chance to make a beginning with some hope for a future, rather than what they were locked into, or thought they were locked into for life.

And so, in their words — thanks for the opportunity to perhaps have a chance to become productive; thanks for the opportunity to have some purpose and some meaning and have some worth attached to my life.

I would like also, Mr. Chairman, to make reference to the considerable expansion that has taken place in the extension programs. The Saskatchewan Skills Extension program is delivered through the technical . . . as credit programs, are delivered through the technical institutes . . . I'm sorry . . . are produced by the technical institutes and are delivered, brokered through the community colleges.

These programs have become extremely popular all throughout Saskatchewan, and so the decision was made to bring about a considerable expansion of these programs, making them available in local areas. And just to give you a few of the statistics — whereas there were 500 students enrolled in the 1981-82 year, in 1984-85 there were over three times as many students enrolled, 1,575 to be exact. And these programs, credit programs, were delivered in industrial, technical, service, and business areas.

Another innovation, as far as extension programs is concerned, was in regard to distance education. And in that regard I would like to report that for the first time in this province a nurses'

refresher program was offered to 70 nurses — extremely popular once again, and we are hoping to extend and to expand that particular program.

Now I would like to spend just a moment in northern Saskatchewan. The northern division of Advanced Education and Manpower has made substantial advances in recent years. For one thing, the community colleges have matured and are delivering programs in an outstanding manner. We have with us today one of the officials who is the executive director of the northern division of Advanced Education and Manpower. I would like at this point to compliment him, and his people, for a tremendous job for the accomplishments that they have made in northern Saskatchewan.

I would just like to at least point out some of these accomplishments that I'm speaking about. In three years, the Saskatchewan Skills Extension Program has expanded from seven to 22 programs. This is in northern Saskatchewan. In '84-85, 110 students were involved. The Native Careers Development Program in northern Saskatchewan in '84-85 had 243 trainees. These, by the way, are employer-centred programs, and this year, because of the success of that particular program, the funding was doubled to \$250,000.

Another program, the Saskatchewan Skills Development Program in northern Saskatchewan had 136 clients. There are programs of apprenticeship training such as programs for 12 Athabasca residents in the heavy diesel mechanics, industrial mechanics.

There are programs to assist northern business and industry to become more productive. An example of that is in the rice industry. There have been programs that have assisted over 150 people in northern Saskatchewan to accept permanent positions in the mining industry. The particularly good part of this co-operation with the mining industry is that the retention rate for people who have gone into jobs has been 85 per cent in that area.

Between 1982 and 1985, the number of programs in northern Saskatchewan have increased from 40 to 125. The number of learning places, the number of learning places in northern Saskatchewan have increased from 206 to 631. The number of participants, from 521 to 1,575. The number of communities, from 18 to 29.

I mentioned, Mr. Chairman, that in 1983 we had developed a long-range plan for technical training. This budget of 1985 approaches the university and the colleges in the same way — a five-year plan with the possibility for extension. A renewal and development fund has been set up, providing \$125 million above and beyond base budgets. This, Mr. Chairman, affords at the university level the opportunity for future planning. It provides environment of certainty and stability for students, for professors, and for administration. It provides, it certainly makes it possible to realize on a fiscal basis better value for the dollar. It helps to create an atmosphere for quality education, for good research, for good teaching, for good learning.

Mr. Chairman, the innovativeness of this budget will be a blueprint for other universities and for other colleges — a futuristic approach to financing institutions of learning. The total university and related colleges sector will receive \$164 million in 1985-86. This represents a 10 per cent increase over last year. This is a budget that is built on long-term commitment, on financial realities, on co-operation. It's a budget that has been well received for being visionary, practical, and innovative.

I want at this time, Mr. Chairman, to sincerely compliment the Minister of for his forward thinking presenting this budget relative to Advanced Education and Manpower.

I've dealt with specifics, and I would be pleased now to answer any of the questions.

Some Hon. Members: Hear, hear!

Item 1

Mr. Koskie: — I would like to give the minister an opportunity just to expand on his opening remarks, because I'm sure that the omissions . . . I'm sure that the people of Saskatchewan would want to not have you omit anything. And what I would like to ask you to do, if you would, is to stand up here and just sort of outline what has been happening in the last three years, vis-à-vis the university community. I want you to sort of extend yourself and to include your record up until today of how this government has addressed the needs of the university, the university students, the development of capital projects during the past three years. I would just like to give you that opportunity, Mr. Minister, because I want to be fair and let you complete . . . I want you to complete your report, Mr. Minister. So I'll give you that opportunity.

Hon. Mr. Currie: — Mr. Chairman, in reply to the question that has been asked by the hon. member from Quill Lakes, I think what has really bothered the hon. member is the fact that I said that in 1982 we took a look at the global picture of education, assessed what our needs were, and decided that our most critical needs were in two areas: technical vocational, and in the area of adult basic education. In other words, in that area where people were in arrears educationally, we, at that time — I want to make this very clear — we were extremely concerned about the need for assistance, a critical need for assistance at the university level. But at that time, in taking a look and comparing where the greatest need was, we, because of the financial constraints that we were under at that time, decided that in the responsible way of spending money that we should zero in with a long-range plan in those two areas, and address ourselves to those two areas.

As far as the university sector was concerned, I can remember very vividly listening to Mr. Bill Sibley, who was the chairman of the university's commission at that time. When he first came to see me, he presented a list of deficiencies for the universities, and a list of things that the universities needed — perhaps you could call it a wish list — and this list, I kid you not, this list was just as long as my arm. As a matter of fact, you know . . . I don't mean this in a derogatory sense because Mr. Sibley was an extremely conscientious and dedicated person, and he had worked extremely hard for the universities as the buffer between the universities and the government.

And his job was to compile a list of, you know, all of the needs of the universities, and he had done that, except that there wasn't enough ink available in order to compile this list, it seemed, because I remember saying to him, well, Bill, where should I start, at the bottom, the top, or in the middle? And I meant that seriously, because there was no way on earth that there was, that any government would have had, would have had enough money to have removed the deficiencies that were there at that time.

(16:30)

The list of deficiencies: you go into equipment — man, the equipment that was in a state of disrepair, and the equipment that was obsolete at both our universities and the affiliated colleges and the federated colleges. But then when you got into, when you got into capital construction that was needed in both universities, well, it just went on and on and on. I don't think there was a big enough mint to print enough money in order to look after the deficiencies that existed.

So you know, quite frankly, I want to say to the hon. member that I was extremely concerned — extremely concerned — because all throughout Canada I think we were facing that problem, and what was happening all throughout Canada and carried on for the next two or three years throughout Canada, was a major crisis in the area of higher education, and this major crisis was causing university to go against government, and government against university. It was not a good situation, and it did not bode very well for the future for our nation.

We were extremely concerned, and for that very reason what we did do was to apply as much

financial aid as we possibly could to the universities.

I would have dearly loved to have been the minister of education for any of the 10 years prior to that time, and been able to line up to go to the trough and say I want my share of money for higher education and for the universities. I would dearly have loved to have had that opportunity, but I didn't.

And so, keeping that in mind, with the fiscal constraints that we were faced with, what we really did was to commit ourselves to financing the universities to the best of our ability, considering all of the other needs at that time.

So if you're asking about operating grants, we're not going to apologize for the operating grants. The operating grants over the three years amounted to something like 30 per cent. Throughout the rest of Canada what was happening was that they were cutting back and quarrelling with the universities.

What we did to the universities, because of the escalation of enrolment, was to meet with the chairman of the board of governors for both universities. And we worked out a compromise arrangement whereby we said we recognize your problem because of increased enrolment, so the best thing we can do for you is to build in a supplementary grant to take care of that enrolment.

As far as capital construction is concerned, you know, we have nothing to apologize. It would compare very favourably with the years prior to this. And it seems to me that the first thing that we had to resolve was whether there should or there shouldn't be a geology building built at the University of Saskatchewan.

Evidently this has been on and off for the past number of years. And so it was as a result of a decision that was made by our cabinet that we decided to build the geology building at the University of Saskatchewan. So I really can't see that I have to stand up here and make any apologies for what we did in university spending over those years.

Having said that, I still realized that the universities were faced with critical needs, both short term and long term. And that is why, because of our commitment to education and because of the importance of education, we decided to address ourselves to that problem and to make it possible for the universities to really be fiscally responsible in that they could plan over a period of a number of years rather than a one-year shot at a time.

Mr. Koskie: — When did . . . Madam . . . Mr. Minister, not madam. I just got finished with the madam.

Mr. Minister, I was wondering when this great revelation came to the Minister of Advanced Education and manpower — this great revelation about future planning in respect to universities, because obviously it wasn't present during the first three years which you were alluding to.

So I'd like to ask you, when did this here particular deception, that you're putting forward now to the people of Saskatchewan, first come to mind? And in view of the fact that you have been going around the province, alluding to the fact that there was going to be very little increase in any of the funding, can you sort of outline the nature of the consultation that you had with the universities?

Hon. Mr. Currie: — Well, Mr. Chairman, as far . . . The first question, I think, was: when did this perception come to mind? I would have to say that . . . (inaudible interjection) . . . Revelation?

I would say that it was always there. It was there right from the first time that we became a new

government. But the financial resources were not there to do that much about it, considering the fact that we were applying our resources to those areas of greatest need.

As far as the fact that we were saying that there was going to be very little increase, I don't think at any time I said that. But I suppose what you're referring to is what the Minister of Finance was saying.

And if that is so, yes, I think all of us did a great deal of soul-searching about how much money there was and how much money should be spent. And there were some very, very hard decisions that had to be made.

So it was a matter of establishing truly what our priorities were. And I certainly don't make any apologies for saying that I personally feel that education is the most important priority. If we're thinking in terms of becoming a productive and competitive people, and remaining so, it's got to be that.

And so, really it was in keeping with the commitment that we have towards our priority, number one priority being education. And on that basis, we made the decision to set into place a long-range plan so that the universities could function and have a degree of certainty.

Mr. Koskie: — I wonder if the minister could indicate: to your knowledge, what is the current deficit at the University of Regina?

At this time I want to indicate to you that you have said that the universities, in your own admission, have been neglected. And certainly that has been the experience when I visited the campus and I talked to students, and I talked to the faculty associations; when I talk to the presidents; when I talk to others on the campus.

Mr. Minister, for three years the universities, in my view, were held at ransom. There was interference with their local autonomy. There was an attack on the method and the efficiency of the operation on the campus — if not by yourself, by your predecessor.

Certainly in many of the areas there was immediate need, and this government failed to meet those needs. At a time when more and more students were going to university, attending university because of lack of employment opportunity, and of jobs during the off-season when they're finished their course, we found that your government allowed the tuition fees to jump some 20 per cent at the University of Regina. And according to the president of the university at Saskatoon, there are going to be a 10 per cent hike in the increase in tuition fees in Saskatoon.

Visiting the campus in Regina, you stood by this government and did nothing. Literally, in walking around the administration building last spring they literally had plastic pails around the room collecting the drippings through the roof. Not even would you attend to those needs.

There were courses in engineering which were not qualified because of lack of qualified, of sufficiency of equipment and/or staff. These were the crises and the deterioration that you allowed the university education to deteriorate.

I think it's a sad commentary for your government to have not taken seriously the needs that were required, at least to meet the growing enrolment. And what you did is: you wouldn't sit down with the universities and discuss with them.

Now like a repentant sinner on the even of an election, you are attempting to camouflage your commitment to education to university education. And so, Mr. Minister, I don't think you have convinced many people of this government's sincerity. I think the young people and the students that I have talked to have been most disappointed in the performance of this government.

I want to get into that in detail because that's really the nuts and bolts of this discussion, and since you took about three-quarters of an hour in your long dissertation of your great innovations, and great strides, and new programs, and the thrusts in education, I'm going to take the same opportunity. But I want to ask you a few preliminary questions.

The area that I want to clarify which I was attempting to clarify last day, it seems that your predecessor found no problem in travelling the world, and I wonder whether you could, in fact, in respect to the former minister's as I refer to it as the "holiday to China." I believe it was a six person expedition, junket, to China. I wonder if the minister at this time can provide to the House here the total cost of the former minister of advanced education and manpower's trip to China. We'd like here a global figure, but we also would like to have it broken down into the travel costs, the hotels, the airfares, the meals, the miscellaneous aspects of that holiday.

Hon. Mr. Currie: — Mr. Chairman, I'm not sure that I heard the last part of the hon. member's question. Is it that you want the information relative to the total amount that was spent and the breakdown? Would you like that information passed over or do you want me to . . . (inaudible interjection) . . . pardon? I'd be pleased to make that information available to him.

I would, while I'm on my feet, Mr. Chairman, I would like to make a few comments about a few of the statements that were made by the hon. member. First of all the inference that we were holding the universities for ransom, I find just a little bit difficult to understand in that the first year we gave an increase in the operating grant of 17 per cent; the second year of 8 per cent; the third year of 5 per cent. And as I said before at a time when throughout Canada other provinces were not matching this at all. As a matter of fact, some of them were cutting back during this period of time, reducing increases, reducing the operating grants.

(16:45)

As far as tuition fees are concerned, granted, the University of Regina did increase its tuition fees, but that is in accordance with the principle of university autonomy. That is a decision that is entirely up to the university administration, along with their board of governors. So it in no way reflects a decision that is made by this government.

As far as the University of Saskatchewan increase is concerned, yes, they did announce an increase. It was not 10 per cent; it was 8 per cent that they announced. And from the information that I have read concerning it, the reason that they did was that their tuition fees were one of the lowest in Canada at the present time, so that it would bring them closer to being in line with the rest of the universities throughout this country.

As far as the problem at the engineering school at the University of Regina is concerned — quite frankly, I was concerned — even though I didn't hold this portfolio at that time — about that problem. And as a matter of fact, in my capacity as Minister of Science and Technology, I did meet with some of the people from that department, and we did work as a facilitator.

Through science and technology we worked as a facilitator in working with the federal NSERC (National Science and Engineering Research Council) program and bringing together somebody from industry — in this case it was Sask Tel — to put up something like \$300,000 in order to establish a chair at the University of Regina which would give them the needed instructional staff so that they could qualify as far as their credibility was concerned, and also the necessary amount of money to provide for the equipment that they were short of. So that, from what I

understand, they have resolved that problem, and I think thanks to some of the people in our department who did a very good job of facilitating that arrangement.

Mr. Koskie: — Mr. Minister, I want to thank you for providing me with this information. I'm just wondering — the return from the former minister in respect to the number of people that accompanied him to China on his holiday, he had indicated in his press release when he left Regina that there were eight people in the group. And when he gave us a return, when we asked how many people went to China, he indicated that there were six.

Now I get a return, and, if I'm looking at it correctly, it is reduced down to five. I was wondering whether . . . what happened to the other fellow. Was he in a suitcase? Or did he pay his own way — which would have been the honourable thing? Was there one honourable person who accompanied the minister that paid his own way?

Hon. Mr. Currie: — Mr. Chairman, no, I don't think so. But the other person was from intergovernmental affairs — at least was paid for through intergovernmental affairs.

Mr. Koskie: — There's a couple of rather interesting members of this little group that went on this holiday to China. There's one, the MLA from Redberry, Mr. John Gerich also journeyed to China — Gerich. I was wondering, Mr. Minister, if you . . .

Mr. Chairman: — Order, order. I have to caution the member not to use personal names, but to stick with the name of the constituencies . . . (inaudible interjection) . . . I recall hearing mispronounced the name of a member, and I caution you not to do that.

Mr. Koskie: — The hon. member from the Redberry constituency, and I'm reading from the sheet here, Mr. Gerich . . .

Mr. Chairman: — Order. Does the member from Quill Lakes understand that I instructed him not to use the personal name of members? I think the member intentionally has, as they say in court, flown in the face of the Chair. I caution the member not to do that again.

Mr. Koskie: — Mr. Chairman, never, never would I do, never would I name, put forward that name again. I think twice is enough.

But anyway, the hon. member from Redberry went along on the holiday, Mr. Minister. I guess it's you and I who are talking now, not the Chair trying to protect you.

I was wondering, Mr. Minister, if you could explain in what capacity this back-bencher from Redberry went along. In what capacity did he — on taxpayers' money, I may say, some \$4,021.96 — what was his role? And can you justify to me why the taxpayers of this province were asked to pay for this particular holiday?

Hon. Mr. Currie: — Well, Mr. Chairman, the member from Redberry had met with the Chinese delegations that came to this country in November of '82, prior to this trip, in any event. And he had met and had discussions with the Minister of Agriculture from China, for one thing.

In any event, the Chinese had indicated . . . the purpose for the Chinese visits and delegations was a very, very broad purpose going far beyond just university students and the university sector. And so it was that they were very extremely interested in agriculture and what was happening in Saskatchewan, and they had also indicated an interest in the area of Crown corporations.

It so happens that the member from Redberry is the chairman of the Crown Corporations Committee, and he is a member of the agricultural caucus committee, and has a great deal of background in those areas, and he would be a logical kind of a person to accompany the minister

on this. And, you know, to me it makes just as much sense that an MLA, a back-bencher, or whatever you wish to call him, should go to China, as to take another official, let's say, another bureaucrat. So that, really, he went there representing this government having considerable background in knowledge in those areas that they indicated interest in.

And knowing the Chinese people, I think that you have to recognize that they like to meet people who are the MLAs, or the cabinet ministers, or the premiers of a province. And they put a lot of stock in that particular thing in itself. And so it just made a great deal of sense for the member from Redberry to accompany the minister at that particular time.

And from what I understand about the trip, he was extremely well received, and they were very, very high about the contribution that he had made in the interchange.

Mr. Koskie: — I wonder, Mr. Minister, whether you could tell us under what provisions of the Legislative Assembly rules that MLAs can, in fact, travel the world and have their expenses paid by the taxpayer. Is this a new rule or have you a specific policy in your government that any back-bencher, as long as he is a Tory back-bencher, can in fact travel at the taxpayers' expense? Or does this rule that you're elucidating of how valuable it was to take along Mr. Gerich . . . It might have even been better to take along the member from Assiniboia-Gravelbourg who obviously . . . (inaudible interjection) . . . Not in a capacity as a private member. I'd like to know whether the member of Redberry was indeed a Legislative Secretary, at the time, to the Minister of Advanced Education.

An Hon. Member: — Or anybody.

Mr. Koskie: — Or anybody.

Hon. Mr. Currie: — Mr. Chairman, no, he wasn't a Legislative Secretary at the time. And I'm not aware of any rule that permits it. I'm not aware of any rule that precludes it either, quite frankly.

Mr. Koskie: — The total cost here to the taxpayers for the five people here, which included the MLA, the back-bencher, the total cost of the five, not including the additional one or three that went along — I don't know which, because the minister said once eight, and then he gave a return and he said six, so two disappeared — the total cost to the taxpayers, and I want this to be made clear, was \$24,923.27. Now that is a fair little holiday for five Tories on a pretence of a cultural exchange.

I'd like to ask the minister: in view of the tightness of the funding in universities, how can you justify, as Minister of Advanced Education and manpower, of spending approximately \$25,000 for the former minister, and a back-bencher, a ministerial assistant, and a couple others, to take a trip to China? How can you justify taxpayers' expenditures when, at the same time, around the universities they were setting up plastic pails to catch the water, and you wouldn't even give them any funds to repair the roof? How do you justify the priorities?

And what you're saying, Mr. Minister, there are no rules against it. Well I want to tell you, under this administration there are no rules, of course. We have seen all of the, what I want term improprieties that have taken place of how all of these Tory friends have gone to the trough and the students of the universities were long being neglected. This is just another example.

We have looked at the cost of ministers travelling around the province — 62, \$63,000. And here we got another example — \$25,000 from the taxpayers' pocket. And the worst part of it is, after you have wasted millions of dollars — millions of dollars — what this government has turned around to do is to indeed impose one of the greatest tax increases that this province has ever known.

I just want to ask the minister, since he says it's all right for the back-bencher to travel around because he thought it was good, I want to ask him whether that applies, and will members of the opposition be given the same opportunities? Can we . . .

Mr. Chairman: — Order. Order. It being 5 o'clock, this committee will adjourn till 7.

The Assembly recessed until 7 p.m.