

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
May 16, 1985

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

REPORTS BY STANDING, SELECT, AND SPECIAL COMMITTEES

Non-Controversial Bills

Bill No. 71 — An Act to amend The Industrial Incentive Program Act

MR. SHILLINGTON: — Mr. Speaker, as chairman of the Standing Committee on Non-Controversial Bills, I wish to report the ninth report of the said committee which is as follows:

As chairman of the committee of Non-Controversial Bills, I wish to report Bill No. 71, An Act to amend The Industrial Incentive Program Act as being non-controversial.

HON. MR. McLEOD: — Mr. Speaker, I move that second reading and consideration in committee of the whole be waived.

Motion agreed to.

HON. MR. McLEOD: — Mr. 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. 73 — An Act to amend The Education Act (No. 2)

MR. SHILLINGTON: — Mr. Speaker, as chairman of the Non-Controversial Bills, I wish to report Bill No. 73, An Act to amend The Education Act (No. 2) as being non-controversial.

HON. MR. McLEOD: — Mr. Speaker, I move that second reading and consideration in committee of the whole be waived.

Motion agreed to.

HON. MR. McLEOD: — Mr. Speaker, I move that Bill No. 73 be now read a third time and passed under its title.

Motion agreed to and Bill read a third time.

Bill No. 74 — An Act to amend The Non-profit Corporations Act

MR. SHILLINGTON: — Mr. Speaker, as chairman of the Non-Controversial Bills Committee, I wish to report Bill No. 74, An Act to amend The Non-profit Corporations 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. 74 be waived.

Motion agreed to.

HON. MR. McLEOD: — Mr. Speaker, I move that Bill No. 74 be now read a third time and passed under its title.

Motion agreed to and Bill read a third time.

Bill No. 75 — An Act to amend The Business Corporations Act

MR. SHILLINGTON: — Mr. Speaker, as chairman of the Non-Controversial Bills Committee, I wish to report Bill No. 75, An Act to amend The Business Corporation Act, as being non-controversial.

HON. MR. McLEOD: — I move that second reading and consideration in committee of the whole of Bill No. 75 be waived.

Motion agreed to.

HON. MR. McLEOD: — Mr. Speaker, I move that Bill No. 75 be now read a third time and passed under its title.

Motion agreed to and Bill read a third time.

Bill No. 80 — An Act to amend The Land Titles Act (No. 2)

MR. SHILLINGTON: — Mr. Speaker, as chairman of the Non-Controversial Bills Committee, I wish to report Bill No. 80, An Act to amend The Land Titles Act (No. 2), as being non-controversial.

HON. MR. McLEOD: — Mr. Speaker, I move that second reading and consideration in committee of the whole of Bill No. 80 be waived.

Motion agreed to.

HON. MR. McLEOD: — Mr. Speaker, I move that Bill No. 80 be now read a third time and passed under its title.

Motion agreed to and Bill read a third time.

INTRODUCTION OF GUESTS

MR. SHILLINGTON: — Thank you very much, Mr. Speaker. It's with particular pleasure that I introduce to you and through you to the Legislative Assembly some 30 students, although there doesn't appear to be quite that many, some 30 students from Connaught School in grade 8, accompanied by their teacher, Mr. Marchuk. I look forward to meeting with them afterwards for pictures, which we weren't able to manage before 2 o'clock, and for a short visit with them. It's with particular pleasure that I introduce this school. This is the school where our two children attend, although they are not in this class.

HON. MEMBERS: Hear, hear!

MR. LUSNEY: — Thank you, Mr. Speaker. I'd also like to introduce to you, Mr. Speaker, and through you to the Assembly 33 students from the Assiniboine School in Kamsack. They are accompanied by their teacher, Mr. Reilkoff, and their bus driver, Mr. Bowes.

I'd like to welcome the students here this afternoon and hope that their visit to Regina was an enjoyable one, and that their visit to the legislature will be both informative and interesting. I'll be meeting with you later on this afternoon at 2:30 for drinks.

I'd like everyone to welcome them.

HON. MEMBERS: Hear, hear!

HON. MR. DUTCHAK: — Mr. Speaker, it's my pleasure today to introduce to you and to the members of the Assembly a very special person. On the floor of the House, directly behind me is James Maher. Mr. Maher, as you likely have heard this week, was appointed to the board of directors of the Saskatchewan Housing Corporation.

Mr. Maher was a former member of this legislature from 1950 to 1952 and is presently the mayor of North Battleford. He will bring with him years of valuable experience and will assist us in our work with the important part of our society, namely the seniors of Saskatchewan.

Mr. Maher is educated with an engineering degree from Saskatchewan. He's built houses in his past, and he's had a good deal to do with governments of various levels. We look forward to working with him.

I'd like my colleagues and friends of the legislature to welcome this important person to the House today.

HON. MEMBERS: Hear, hear!

ORAL QUESTIONS

Bingo Palace Inquiry

MR. SHILLINGTON: — Thank you very much, Mr. Speaker. My question is to the Minister of Consumer Affairs. Yesterday, Madam Minister, all in the space of 10 minutes, you denied the need for a public inquiry into the collapse of Pioneer Trust, which is costing the taxpayers \$28 million, and then went on to announce a public inquiry into commercial bingo palaces. The irony of that, I think, was apparent to everyone but yourself.

Can the minister, who is supposed to be the minister responsible for consumer protection, explain how she can deny the need for a public inquiry into the Pioneer Trust fiasco, which is costing the taxpayer \$28 million, and at the same time justify an inquiry into bingo palaces?

HON. MRS. DUNCAN: — Mr. Speaker, in answer to the member's question, I would just reiterate that in the case of Pioneer Trust there is a court-appointed liquidator working under the Winding-up Act, and things will progress in that manner.

Yesterday I noticed that when I was making the ministerial statement, the members of the opposition were jesting. But I can tell you, Mr. Speaker, that I have had numerous calls this morning and a fair amount of support on an open line show.

When we're talking about bingo in the province, we are talking about a pastime, a pastime that has — gross expenditures have gone from 2 million in 1981 to over 30 million today. And I think there is a need for an inquiry. And governments, as far as the member should know, deal with issues, a multitude of issues, not one issue at a time.

SOME HON. MEMBERS: Hear, hear!

MR. SHILLINGTON: — Can the minister tell us how much this inquiry is going to cost the taxpayers of Saskatchewan?

HON. MRS. DUNCAN: — We estimate it would be around \$100,000 for the six-month inquiry.

MR. SHILLINGTON: — The minister's announcement . . . New question, Mr. Speaker. The minister's announcement of yesterday stated:

The terms of reference of the inquiry are broad and call for the review of all bingo operations to allow the government to assess the impact of commercial bingo operations.

Will the minister admit that one of the things that your government is going to be looking into is how you can tax bingo winnings? Isn't that one of the hidden items on your agenda — the taxation by this government of bingo earnings as, I might add, is now done in the province of Alberta?

Don't you find that . . . My question, Madam Minister, is: don't you find it ironic that you would let the oil companies off the hook and tax the winnings of ordinary bingo players?

HON. MRS. DUNCAN: — I wonder what an ordinary bingo player is . . . (inaudible interjection) . . . No, I do not agree with the paranoia of the member opposite, Mr. Speaker, but I can assure him that Saskatchewan will not go the way of NDP Manitoba. The NDP in Manitoba are into the whole area of gaming. Civil servants now are bingo numbers callers in Manitoba.

SOME HON. MEMBERS: Hear, hear!

MR. SHILLINGTON: — Madam Minister, this is not the first time that your government has seen fit to appropriate part of bingo winnings. Your colleague, the Minister of Social Services, did that last year when the welfare recipients had a proportion of their bingo earnings which they could keep reduced from 1,000 to \$200.

I ask you again, Madam Minister, will you not admit one of the things that your inquiry is going to look into is whether or not you can tax these earnings as is now done in the province of Alberta? Will you not come clean?

HON. MRS. DUNCAN: — I could just reiterate, Mr. Speaker, this is a broad inquiry, an inquiry that has been called for by people like the mayor of Moose Jaw and similar people like that. But I can say, Mr. Speaker, that presently any bingo in which prizes exceed \$1,000 are required to get a licence from the provincial government through my department, and they are assessed a 2 per cent fee. And that 2 per cent fee was in place in '81, '82, '83, '84, and so forth.

Vacant Seat — Regina North East

HON. MR. BLAKENEY: — Mr. Speaker, I'd like to direct a question to the Premier. Mr. Premier, six weeks ago the Progressive Conservative MLA representing Regina North East constituency in this legislature resigned. Six weeks ago now the 12,000 voters in Regina North East lost any representation in this Assembly.

Will the Premier now tell the voters of Regina North East and the members of this Assembly when he will call a by-election to fill that vacancy?

HON. MR. DEVINE: — Mr. Speaker, I'll announce it in due course.

HON. MR. BLAKENEY: — Mr. Speaker, the Premier is particularly reticent about giving the answer, but I will answer the question in another way.

Mr. Premier, why won't you give the citizens of Regina North East, the 12,000 voters of that constituency, an opportunity to be represented in this legislature? We're talking about a budget which is taking many tens of thousands of dollars out of that constituency. We're talking about a \$28 million pay-out as a result of the Pioneer Trust fiasco. We are talking about substantial

payments by the people of Regina North East. Do you propose that they not be represented at all? Do you advocate and support representations — of taxation without representation? Let's have it.

SOME HON. MEMBERS: Hear, hear!

HON. MR. DEVINE: — Mr. Speaker, I will be calling a by-election in Regina North East and when I decide when that is, I'll let my hon. friend know.

HON. MR. BLAKENEY: — Thank you, Mr. Speaker, and Mr. Premier. But my question, shortly put, is this: what problems prevent you from deciding this week, or indeed today, to call a by-election in Regina North East?

HON. MR. DEVINE: — Mr. Speaker, if I decide today, I'll announce it today. If I decide next week, I'll announce it next week. I'll let you know when I decide, and it will be in due course.

HON. MR. BLAKENEY: — Mr. Premier, will you not acknowledge that the only reason why you're not deciding to have the people of Regina North East represented is that there is so much backlash against your budget, so much backlash against your handling of the Pioneer Trust fiasco, that you don't dare allow the voters of Regina North East to have their say in this Assembly?

SOME HON. MEMBERS: Hear, hear!

HON. MR. DEVINE: — Mr. Speaker, if the hon. member wants me to describe the attitude of Saskatchewan people with respect to the policies and the programs we've brought forth, I'll be glad to do it. But it's going to take more than question period to get it all out.

I will say to my hon. friend that the things that we have done in this province, and the economic activity, being number one in job creation, being number one in economic activity, and Regina and Saskatoon being number one in the nation, Mr. Speaker, with respect to job creation in '82, in '83, in '84. Those kinds of things are very, very popular, Mr. Speaker. We now have the complete endorsement of the Premier of Manitoba, who happens to be NDP, who says the best tax review and reform he's seen is taking place in the province of Saskatchewan. He endorses it 100 per cent.

SOME HON. MEMBERS: Hear, hear!

HON. MR. DEVINE: — He now endorses, Mr. Speaker, a free market on a common market with the United States. So the NDP in Manitoba have supported the Saskatchewan position with respect to trade, with respect to tax reform. And, Mr. Speaker, I think it's common knowledge that the NDP are about 15 points behind in Manitoba. They're very worried about what they're going to be.

In Saskatchewan, I believe, the University of Manitoba says that we are something like 10 to 15 points ahead. Manitoba is 10 to 15 points behind, in terms of the NDP there, so we want to talk about cities versus elections versus satisfaction. That's about a 30 per cent spread, Mr. Speaker, in our favour.

So if you want to talk about the attitude of individuals about our 8 per cent, our thirteen and one-quarter, the removal of the gas tax, that now that the energy business in Saskatchewan is the number one tax contributor, I can talk about those things. I'll be only too happy to do so.

SOME HON. MEMBERS: Hear, hear!

HON. MR. BLAKENEY: — Mr. Speaker, a supplementary. Mr. Premier, if you believe those

figures, or even half of them, why don't you call a by-election in Regina North East?

HON. MR. DEVINE: — Mr. Speaker, I will.

MR. KOSKIE: — Will you do it today, Mr. Premier?

HON. MR. DEVINE: — I'll announce it in due course.

Travel Expenses — Premier's Staff

MR. KOSKIE: — Mr. Speaker, a question to the Premier. I'd like to ask the Premier if he can tell me if his principal secretary, a Dave Tkachuk, has recently made a trip to Washington, D.C., to meet with officials of the Republican Party of the United States, and whether or not he was travelling at taxpayers' expense?

HON. MR. DEVINE: — I'll take notice, Mr. Speaker.

MR. KOSKIE: — While you're taking notice, Mr. Premier, and I hope you come back with the answer because your past record is not very good. But while you're taking notice, can you inform the Assembly whether or not the principal secretary, Mr. Tkachuk, was accompanied on his Washington junket by two other individuals from your office, a Ron Larson and a Sean Quinlan, and can he tell us whether or not . . .

MR. SPEAKER: — Order, please. Order, please. Order.

MR. KOSKIE: — . . . (inaudible) . . . fellow by the name of Ron Larson and Sean or Sean Quinlan — anyway, two other individuals from the Premier's office. Can he tell us whether or not they were travelling also at taxpayers' expense, and if they were, can he undertake to inform the Assembly the total cost of this here representation made on behalf of the Premier to see the Republican Party officials?

HON. MR. DEVINE: — I'll take notice, Mr. Speaker.

MR. KOSKIE: — While taking notice, then, can you also look into the fact that one Ron Larson, employed in your office and is assigned to the cabinet counsel on productivity located on the tenth floor of the Toronto Dominion Bank in down-town Regina, and can you report back to the Assembly as to whose productivity Mr. Larson would have been investigating while he was down in the United States in Washington conferring with officials of the Republican Party at taxpayers' cost?

HON. MR. DEVINE: — Mr. Speaker, I said I'd take notice, I will take notice of the question.

We have, from what I can add to this, we have reviewed productivity studies in the public service at the national level, and in the United States, and in various states in the United States. I can recall one that was done in Washington, one in California. The whole question of productivity, and I'm sure my friend, the Hon. Minister of Social Services, could provide more details with respect to the productivity research that we've been doing — and I can only say that various jurisdictions have done productivity research with the complete co-operation of the public service in the U.S. and at the national level, and here.

Our productivity studies have been well received. We find that the morale in the public service has improved to a very large extent, and it's extremely positive, Mr. Speaker. And we are happy to think that productivity will allow us to . . . and productivity improvements will allow us to make those kinds of changes so that we can provide first-class service to the public.

Government Advertising

MR. LINGENFELTER: — Mr. Speaker . . . (inaudible) . . . question to the Premier. And it has to do with a question that, I might add, that you took notice of on April 23rd, and that's why members on this side have a little trouble when you take notice of questions. You don't seem to bring answers back.

But it had to do with a question on April 23rd, dealing with government advertising. And it had to do with advertising that was placed after this most intelligent budget that increased taxes to the largest amount of tax increases in the history of the province.

And I would ask you whether at this time you now have that information; namely, how much it is costing the taxpayers of the province, and which company was in the position to place those ads? Can you now give us that information?

HON. MR. DEVINE: — I don't have it today, but I'll get it as quickly as I can.

MR. LINGENFELTER: — Mr. Speaker, I would ask the Premier whether he feels it is appropriate for the Premier of the province to take notice of an important question on advertising for four weeks and not be in a position to bring the answer back.

Do you think that's an acceptable action by the Premier of the province to be that irresponsible, that irresponsible to the Assembly? Four weeks to get a simple answer that he could get with one phone call, that he wouldn't have the courtesy to bring that information back to the Assembly.

HON. MR. DEVINE: — Mr. Speaker, when we put together a promotional package for a budget, and then the members opposite want a specific part of that, we have to allocate the costs in terms of whether it's radio ads, and if I'm . . . Or I can be corrected on this. Seemed to me it was for radio ads talking about certain things in the budget. Well, we have to allocate the costs of the promotion with respect to that part of it. I mean, if you want a lump sum picture of the budget promotions, that's easier to get. When you start . . . because we have brochures that go out from the Minister of Finance, and then you have accompanying documents that go along, and then you have some advertisements.

So it's part this and part of that and part of something else. But we'll provide it, and the hon. member will have it.

MR. LINGENFELTER: — Mr. Speaker, just so we get the record straight, I think, if the minister checks the record, he will find that we are asking for all of the costs associated with the advertising program which is an attempt to bail out the Minister of Finance who is attempting to make the issue of the next election, tax increases.

I would like to know how much the taxpayers are paying to convince themselves that tax increases, are what you promised in the last election. And I would like the total cost of newspaper and radio advertising and that you would bring it back to the Assembly, hopefully tomorrow.

I wonder if you could give that commitment to the Assembly.

HON. MR. DEVINE: — Mr. Speaker, I'll bring it in as soon as possible.

Grants Payable to School Divisions

HON. MR. BLAKENEY: — Mr. Speaker, I have a question to the Minister of Education. During the consideration of the minister's estimates, we sought to get a list of the payments to various school divisions by way of school grants. As I understand it, the minister indicated that she

would have that information available as soon as mill rates were set.

Mill rates have now been set. Will the minister confirm that she will make available, in the next couple of days, to members of the Assembly, a list of the grants payable to school divisions under the school grants vote?

HON. MRS. SMITH: — Mr. Speaker, during estimates I had taken notice of several requests for information. I believe if the Leader of the Opposition would check the material that has come down from my office to his, he will find that most all information has been submitted to the critic for Education —the member from Quill Lakes.

I believe there are two or three outstanding pieces of information yet to come, one being the grants. That will be here, I suspect, within the next two weeks.

HON. MR. BLAKENEY: — Supplementary, Mr. Speaker. My question to the minister was fairly simple. As I understood it, she indicated that when the mill rates were set, she would be in a position to tell us the grants. I hope she won't deny that the mill rates have been set.

My question was: would she be in a position to provide us with a list of grants to school divisions from the school grants vote in the next couple of days.

HON. MRS. SMITH: — Mr. Speaker, and my answer is simple. From what I had stated, it will be forthcoming within the next two weeks, which will tell the Leader of the Opposition that it won't be within the next two days. And as I recall the commitment given in estimates: yes, the mill rates had to be set, which was the end of April; and yes, the Leader of the Opposition knew that there was still some changes to take place, and those have taken place and will continue to take place. But we will get the information to him.

All other information that he requested has been given, except for two or three outstanding items.

HON. MR. BLAKENEY: — Mr. Speaker, supplementary. Will the minister acknowledge that she proposes to make that available within two or three days of the likely date of adjournment of the House, and not before?

HON. MRS. SMITH: — No, Mr. Speaker.

Freeze on Minimum Wage

MR. SHILLINGTON: — Thank you very much, Mr. Speaker. I have a question to the Premier. It is a question which I have put repeatedly to the Minister of Labour, and given the nature of his answers, I think it only fair that the Premier respond.

While your government can find \$240 million a year in give-aways to the oil and potash companies, 122,000 for a part-time chairman of the Labour Relations Board, and 12 million a year last year for self-serving government advertising, you continue to freeze the incomes of the working poor. You're now in the fourth year of the minimum wage freeze.

My question to the Premier is: will you announce today that you are going to redress this injustice, and will you announce an increase in the minimum wage?

HON. MR. DEVINE: — Mr. Speaker, I'm not going to announce anything with respect to the minimum wage today. But I will tell my hon. friend, as well as — I'm sure that he knows, and his party, in looking at the debate — if I recall the last annual meeting of the NDP there was considerable discussion about whether they should raise the minimum wage much above what it is (being the highest in the country), or a nickel under whoever is higher, because of the major

question of creating economic activity and jobs.

Now the debate went on, the debate went on in the NDP Party, and the debate goes on across Saskatchewan. It goes on here saying if we're doing a commendable job in terms of being the number one province in terms of lowest unemployment and we still want to employ more people, would it help create more jobs if we raised the minimum wage? And then obviously other people raise it above the minimum across the line . . . (inaudible interjection) . . .

My hon. friends say that they don't understand the debate. It's in their party. And it was right in the newspaper. And I think it was the member from Quills and others . . . (inaudible interjection) . . . Well I'm just reminding the people of Saskatchewan the hypocritical nature of the questions that are often asked over there.

SOME HON. MEMBERS: Hear, hear!

HON. MR. DEVINE: — All right. You can stand up and you say why don't you raise it, and at the same time you'll even debate it in your party, whereas people in small-business are saying, please don't raise the minimum wage because it'll put people out of work.

You guys often try to play both sides against the middle, and that's why you're sitting over there and we're sitting over here. You have no credibility when it comes to talking about minimum wage and other things.

So I'll come back to the question. If the number one objective in this province and other places — and the concern is to create as many jobs as possible, and we have the best record in the country — if that's the case, we want to continue on that so that we have the lowest unemployment, not only in '82 and '83 and '84, but in '85 and '86 and '87 and '88 and '89. Those kinds of policies are associated with wage levels.

Now we are taking an honest, hard look at the minimum wage. There is a debate and open and honest discussion in caucus, as there is across the province, and when we think that it's the right time that it would help people, and not hinder the number of people working, then we'll announce it.

MR. SHILLINGTON: — New question, Mr. Premier. There has never been any hesitation in the New Democratic Party with respect to commitment to ordinary working people.

Mr. Minister, you and your Minister of Labour have peddled the baloney about the jobs for far too long. In November . . .

MR. SPEAKER: — Order please. There's so much shouting here today that it's impossible for the ministers to hear the questions that are being asked.

MR. SHILLINGTON: — In November of 1981, when Saskatchewan had the highest minimum wage in Canada and the wage rate was about to be increased further, there were 21,000 people unemployed, Mr. Premier. Last November, after the minimum wage had been frozen for three years, there were 40,000 people unemployed.

Mr. Premier, where are all those extra jobs that the freezing of the minimum wage was supposed to create?

HON. MR. DEVINE: — Mr. Speaker, that's honestly the kind of question that make people shake their head when they look at the opposition in this province. Okay . . . They're saying that if you raise the minimum wage in a recession, the only . . . They don't want to listen to this. But let me tell you: if you raise the minimum wage in a recession, it's going to employ more people. Is that true? If you raise the minimum wage during a drought, it's going to employ more people, is that

true, Mr. Speaker? Well of course it isn't.

The NDP will argue one way and then another way and then back and forth. They'll argue within their own province, and then they'll stand up and say, well, raising the minimum wage now will really help the employment in the province of Saskatchewan.

Well, Mr. Speaker, I know, and the people of Saskatchewan know, that the best employment record, and the lowest unemployment in this country, is in Saskatchewan for a very good reason. We have been working and designing programs to put people to work, not put people out of work. And the very point that we've raised is that we have the highest minimum wage in '82 and '83. Recently another province raised it a nickel above ours, and they've got their nose out of joint now because we're only number two.

Okay, with respect to job creation, nobody touches us, and we're doing the best job, and as long as we're number one, we're going to work to stay there.

SOME HON. MEMBERS: Hear, hear!

MR. SHILLINGTON: — It is interesting, Mr. Speaker, to see the Premier finally acknowledge something that everybody else has been painfully aware of, and that is that we did participate in the recession. We did indeed.

Mr. Premier, I wonder when you and your government are going to wake up and realize that freezing the minimum wage only strangles the purchasing power of ordinary working people. If they don't have the money to spend, small business has less money in the cash register, and if small business has less money in the cash register, there are fewer jobs. And so the vicious circle goes on.

Will you admit, Mr. Premier, that freezing the minimum wage has a negative effect on small business and, therefore, has a negative effect on the primary engine that creates jobs in Saskatchewan?

HON. MR. DEVINE: — Mr. Speaker. Let . . . You imagine now, I am going to go out in the city of Regina, and I'm going to say to all the small businesses the member from Regina Centre wants minimum wage at 6.50 an hour . . . (inaudible interjection) . . . The member from Regina Centre just said \$6.50 an hour minimum wage. All right — \$6.50 an hour — you take that through the streets of Regina, or Regina North East — I'll knock doors in Regina North East at 6.50 an hour — I mean these guys don't know what they're talking about . . . (inaudible interjection) . . .

SOME HON. MEMBERS: Hear, hear!

HON. MR. DEVINE: — All right, I'll take it any place. We'll take it out of *Hansard* so we'll know that the NDP now want 6.50 an hour minimum wage, and all the small businesses in this province are going to jump over joy voting for the NDP. Well do you know what? They're going to stay exactly where they are today — right where they are today.

In fact, Mr. Speaker, the minimum wage in this province is one of the things that have caused people to say, I can't support the NDP because they're not concerned about business, they aren't even concerned about employment — not even concerned about employment. They know that 6.50 an hour minimum wage would put thousands of people out of work. It's just like their screwball program of closing all the mines in northern Saskatchewan — 10,000 people out of work, and they're concerned about the little guy.

No wonder people are worried about, you know, about the alternative. The biggest . . . the biggest single constraint, Mr. Speaker, to the success of the province of Saskatchewan is just the threat that these individuals might get back into power some day.

SOME HON. MEMBERS: Hear, hear!

ORDERS OF THE DAY

GOVERNMENT ORDERS

COMMITTEE OF THE WHOLE

Bill No. 70 — An Act respecting the Provision of Financial Assistance to Depositors of Pioneer Trust Company

Clause 5 (continued)

HON. MR. BLAKENEY: — Mr. Speaker, we're dealing with Clause 5 as amended, and it was my understanding that there was going to be a further amendment to Clause 5. But perhaps I misunderstand that.

HON. MR. ANDREW: — Perhaps wait till the officials come. What we were going to do is just clean up that amendment from yesterday, adding one word that the draftsman . . .

Mr. Chairman, what I have is, these draftsmen in the Department of Justice, in the Clerk's office . . . On the amendment as presented yesterday by the Leader of the Opposition, there was one word missed out, which is a typographical error, I take it, in the way it was typed or presented.

But on line 2 of that, there was a word "but" missed out, and the drafting people would ask us to move an amendment to correct that.

And as a result, I would like to amend section 5 of the printed Bill by striking out subsection (1) and substituting the following:

The Minister of Finance shall pay out of the consolidated fund any sums required for the purpose of this Act, but nothing in this Act permits the Minister of Finance to make any payment to or on behalf of a depositor who, at the time Pioneer Trust was ordered into liquidation by Her Majesty's Court of Queen's Bench for Saskatchewan, was an officer or director of Pioneer Trust Company.

MR. CHAIRMAN: — I have to advise the members, and particularly the mover, that it's not possible to strike out. And I thin you'll have to change the wording to read:

. . . amend section 5 of the printed Bill by rescinding subsection (1) and substituting the following:

It's already been passed. It's a technical point. I think you'll have to change the words "strike out" to "rescind." It's already been passed.

Thank you. We'd already done that, but now that you've asked for it, we will proceed.

The amendment before the committee is section 5 of the printed Bill, amend section 5 of the printed Bill by rescinding subsection (1) and substituting the following, and will you take the proposed amendment as read?

AN HON. MEMBER: — Read it.

MR. CHAIRMAN: — It's already been read . . . (inaudible interjection) . . . All right.

(1) The Minister of Finance shall pay out of the consolidated fund any sums required for the purposes of this Act, but nothing in this Act permits the Minister of Finance to make any payment to or on behalf of a depositor who, at the time Pioneer Trust Company was ordered into liquidation by Her Majesty's Court of Queen's Bench for the province of Saskatchewan was an officer or director of Pioneer Trust Company.

Amendment agreed to.

MR. KOSKIE: — Thank you, Mr. Chairman. Mr. Minister, we have been discussing with you here, for the past number of days, aspects of the Bill. One of our concerns we have put in the amendment which you have agreed with, that no payments will in fact be made, you know, to the officers or directors of the Pioneer Trust as uninsured depositors, which this Bill purports to pay out to.

(1445)

I think that's a step forward because I don't think that those who in fact were responsible in total or in part for the financial failure of the Pioneer Trust should be in a position of getting a bail-out from the taxpayers of the province.

We have other concerns in respect — because it indicates that you still have a discretion to pay out any sums required under the Act. We have not received from you, really, any documentation. I submit that you have documentation in your possession which you could provide to us which would give us some basis other than just your word; any documentation as to what the likely pay-out will be.

You have said on a number of occasions it will be \$10 million. Then I saw you were interviewed in the press and it was \$13 million. And I do believe, Mr. Minister, that you have some documents; you have the affidavit you referred to yesterday by Mr. Bell. I would appreciate if you would make that available.

And can you make any other concrete information available to us in order to help to establish, sort of, the basis on which you're saying to us: give me the discretion; it's not going to be over \$28 million; it's more likely to be 10 or 12 or 13 million.

So what I'm asking: what type of nature of documentation, so that we can, in fact, assure ourselves that we are doing the reasonable thing here on behalf of the taxpayer in getting the maximum amount of documentation and proof that what we're dealing with is, in fact, based on facts rather than on hypothesis which may not be founded in fact. And so I was wondering whether you can provide us with the details of documentation that you may have in your possession, either the documentation that you accumulated by your department when you revoked the guarantee of the preferred shares, and there obviously had to be some information come forward.

Have you any further information from the liquidator? Have you any information from the federal counterparts who were investigating the Pioneer Trust and, in fact, imposed serious restrictions on their financial affairs prior to their liquidation? And I guess that's what we're asking is if you can provide us with more concrete information.

HON. MR. ANDREW: — Let me get it precisely so we can see how we can address the question. Your question is not in dispute with the \$28 million figure, I take it, in the sense that that's sort of the indication of the total of the uninsured depositors come to \$28 million. We have that identified for us as the figure by the liquidator.

Now what your question is, is: what kind of return is the liquidator going to get on the overall liquidation that we would share in equally with the other creditors? That is — just so I

understand that's what you're asking? Is that correct? Is that the question?

MR. KOSKIE: — Any documentation, though, for setting the level, too. You know, you read out to us that it's going to be \$244 million, I believe. And you went on with the CDIC, their share of it, and you went on into the provinces and the federal. And I have those.

Now I guess you've indicated . . . You have picked this up from the liquidator or something, this information as to the maximum of 28 million. I'm really wondering whether, you know, whether you can provide any concrete documentation which would support that the maximum was 28, and then subsequently what the likely pay-out will be.

HON. MR. ANDREW: — To the hon. member, if you can appreciate the situation as follows: that we have tried to obtain some information from the liquidator, and in some you can . . . Obviously he is regulated and governed by the Winding-Up Act. And he is, under that Act, required to file what he is . . . both his interim statement and his, maybe a second interim statement, and a final statement. And that's controlled by the court, and therefore his view is that he cannot release that information.

Now I can say with — I don't think, trying to put words in the mouth of the liquidator, which I don't think is fair, and I don't think you're asking me to do — is within the month, within a month from now, there would be an interim statement filed in the court, is our understanding, covering off the liquidation to date, which is going to be substantial.

I would take, would cover over . . . Well over half the assets of Pioneer will have been liquidated by the, and we will get a statement from the liquidator filed into the court. At that point in time we would anticipate a significant payment out to ourselves as assignees of the creditors. When I say a substantial pay-out, I think probably one would anticipate in the area of 50 per cent at that early stage. And then from there, as you start dealing with some of the . . . he would start to deal with some of the properties; then I guess that will take the time to see how long some of those properties would have to take to be disposed of, and what the values of them are.

What I handed to you was the appraiser's information as filed in Bell's affidavit on liquidation. And what it shows there, I think if you go part way through those numbers you will see some write-downs that the federal regulators had Pioneer do as part of that exercise. And that wrote it down from what they would see at that point in time as a positive \$16 million equity in Pioneer Trust, to a minus \$12 million equity in Pioneer Trust.

So I think what we're really debating there is (a) maybe the value of those various properties — the Denver property, the Coldwater property, etc. That's number one. Number two is: what would be the value of some of the mortgage assets that would be put on the market for sale? In other words, if it's Saskatchewan mortgages, they are probably going to sell pretty much to true value. If it's some Alberta mortgages that would be involved in a larger write-down of the houses involved in Alberta because of the drop of the market over there, then you maybe would have to discount those a bit on the sale of it.

So I would like to provide that information to the hon. member. I just can't. The liquidator is governed by that law and must file that into court. I understand that would be done within the month, within a month from now, if that's of any value.

MR. KOSKIE: — Just so then we're clear — the information which you have been giving to us is based totally on the appraisers, the appraisal of some of the property, and subsequently submitted in Mr. Bell's declaration, or are sufficient in his application, I guess, to court. Is that . . .

HON. MR. ANDREW: — I don't think that would be fair, because if we were to follow on that, what it would say on liquidation, you would be recovering — of the 240 million you would be recovering something about 12 million less than that, or 128 million, in which case we would be

responsible for what — a million dollars, or something like that. I don't think it would be fair to say. And our view, of course, is that those write-downs are probably going to be more than that when they have to be put on the market for sale.

My best guess is that we would get somewhere between — at the very lowest point would be 50 per cent, and I would think at the higher edge, optimistic would be maybe 75 per cent return. Somewhere in that range. I don't think it would be . . . I think it would be too optimistic to follow the view as advanced. If you want to take and prorate those numbers in that affidavit, it would mean 95 per cent return. I don't think that's really realistic. And I don't think it's also very realistic to suggest you'd get below 50 per cent.

MR. KOSKIE: — Well the only concrete information that we have then is Mr. Bell's declaration — is that correct? — the write-down of some of the property indicating something like 95 per cent return when the property is moved. Well I guess what I ask you is: on what evidence do you base your assumptions that it's going to be more likely to be 50 as low and 75 as a high if, in fact, you do not have other substantive information which you should be able to file with us?

HON. MR. ANDREW: — Much of that information has flowed from conversations between officials of our department and officials from CDIC who were in on the distribution and payment-out earlier, and much more involved than us in the liquidation process to this stage. And their best guess is that they would be, you know, bottom side would be 50 per cent. And I think that's probably realistic if you look at many of their assets in the forms of mortgages and that type of thing.

MR. KOSKIE: — Do you have any documentation that would be provided by CDIC, which you would be able to file, which would support the assumptions that you are making and presenting here?

HON. MR. ANDREW: — Well, again, CDIC has given this to us verbally, and it's something that they stand really in the same stead as us, although they've been into that in their liquidation process, involved in the paying out of the \$200 million, \$200-plus million to the insured depositors. And so they had to be involved in the arranging of that, in the mechanisms of paying that out, and therefore perhaps more involved than us as the most significant creditor at this time.

MR. KOSKIE: — Well can you clarify for me, and you may have done this in the past, why is the federal government . . . I know they're covering off the averaging annuities, but they have specifically indicated the total of their liability. It has been ascertained. Now is it because of the uniqueness of what they're covering off that that is readily available? Why can the federal government set up a limitation in respect to what they're going to cover — that is the 10 million — and the province is unable to do that?

HON. MR. ANDREW: — Well because, as I indicated to the Leader of the Opposition, their liability relates to income averaging annuity contracts which will not be paid out, but would be sold over to someone else, and therefore their obligation was not to pay it out, where we're dealing with depositors which would be paid out cash, and then we would recover back for their stead, because we'd want to pay them out at 100 per cent rather than have them, let's say in a month's time, if there was 50 cents on the dollar or close to 50 cents on the dollar realize, that would be paid out to us then if we take their stead. And then they would wait for the balance, whatever that balance would be, and then our 100 per cent would cover the overflow. So that's why they can do that and we can't. And for us to restrict it more than that, what we would do is restrict paying out the \$28 million up front, which we would wish to do.

(1500)

MR. KOSKIE: — I'm just wondering, in your negotiations in settling this you have clearly

indicated, or at least your Minister of Consumer and Commercial Affairs and I think perhaps you, that the essential control in regulation of Pioneer Trust was a federal responsibility, and it seems strange to me that the people of this province are going to be paying out, you know, put it as the maximum of 28, and the federal as 10 million.

How do you explain, when the responsibility for the regulations which you say the province doesn't have because it's a federally incorporated company, and that the checking and the auditing and the restrictions in respect to trust companies was under the jurisdiction of the federal government, why wouldn't you, in your negotiations, at least urge a greater responsibility by the federal government who essentially, in your own words, had the power to regulate?

HON. MR. ANDREW: — I mean obviously one starts on negotiations with the federal government as if hoping that they would pay it all out. That was not successful in trying to arrive at that particular remedy.

I think the concern of the federal regulators, the federal government, is as follows: that to set the precedent of paying out 100 cents on the dollar becomes a difficult precedent for them and, in effect, changes the total concept of CDIC, and the federal government did not wish to go into that game and say we should cover deposits to 100 per cent.

Now with the Green Paper, there becomes questions as to how, in our society, do we cover the unfortunate uninsured depositor, particularly what we might classify, and not being in a derogatory sense, the unsophisticated uninsured depositor.

And let's take Canadian Commercial Bank in Alberta as sort of one of the rationales for the reason. Here we're talking about, with the IAACs involved, maybe \$35 million. On the Canadian Commercial Bank, had that one failed, rather than the \$250 million bail-out proposal advanced by the banks and the two governments, one would find out that the federal government would be on the hook for a great deal of money. The view of the Minister of State for Finance is that that whole question has to be looked at and remedied as to how you cover uninsured deposits; or should you be covered up to a maximum of 100 per cent? And I think that during that process you have to look at institutions or other mechanisms by which you can do it. Now perhaps that means that the limit should be raised from 60,000 to perhaps 100, perhaps 200,000, and that point certainly could be argued.

Does then, or should then we have an option for people making deposits to be able to buy insurance, let's say, with the premium on their account, that would protect them all the way? And while that might sound relatively easy, what is the cost of that, and does that force interest rates up across the board, interest rates to you? So those questions are very complex questions, but has to be dealt with, I think.

My view is that the 60,000 is not sufficient. In an unstable market you see right now the problem in Maryland, the problem in Ohio, the problem with the bank in Illinois over the last year or so in the United States, where you're having that very same problem with regional financial institutions, quite frankly, starting to unravel.

And so there is great, great concern, I think, not only here, but across most of North America as to how you cover a situation when the bank fails. If you go across the border today into many of the farming states in the United States, there are several in the hundreds of banks that are collapsing and failing, and they have that similar severe problem of how you structure a financial institution, or the financial institutions of your nation, to provide that stability, and that's clearly a very important question and one that, while begging an answer, those answers are not easy to arrive at.

MR. KOSKIE: — In respect to the pay-out under section 5, we've heard various numbers put forward as to how many people we're talking about affecting. Can you give us the breakdown of

the number of the uninsured depositors?

HON. MR. ANDREW: — When you say the breakdown, what do you mean by that? . . . (inaudible interjection) . . . Okay, the total number of uninsured depositors is 1,831. That is made up of a total of \$38,000,408 — 408, and the income averaging annuity contracts are: it's 10.343 million.

Now when I say 1,831 uninsured depositors you also have this situation: you have, I understand — there's some, let's say, legal firms that would have a trust account in there, and those trust dollars are being held for other individuals. And those trust accounts maybe then — because it's seen as one trust account, and it might be higher than the 60,000 and yet each individual is not higher than 60,000, but it's only one account, and therefore they're all caught by it. So a lawyer's trust account might have a couple of million dollars in it that is maybe less than 60,000 for a lot of other people. So that would add to the list of the 1,831.

That's also true of the, let's say, a trust account that would have U.S. deposits in it. Even though they're small amounts, they're caught by CDIC not covering U.S. accounts. Okay. So that the figure as we were provided was 1,831 uninsured depositors, but that could be higher than that because of those reasons.

MR. KOSKIE: — Thank you for that information. Can you give me a breakdown in respect to the 1,831? All of those 1,831 depositors which were uninsured, are they Saskatchewan residents?

HON. MR. ANDREW: — The lion's share of the uninsured depositors are from Saskatchewan, but it's not restricted to Saskatchewan. There's also about equal amounts in both Alberta and Manitoba, and then a couple of deposits outside, I think, in Ontario. But the bulk of the 1,800 are Saskatchewan. There's approximately 100-and-some from each of Alberta and Manitoba.

MR. KOSKIE: — I wonder if you could give me the specific breakdown. I would have thought that certainly the majority would be from Saskatchewan, but you . . . In the 1,831 I'm sure that you have the breakdown — the number from Saskatchewan, the number from Manitoba, Alberta, Ontario, whatever.

HON. MR. ANDREW: — Hon. member, what I will undertake to do is have one of my officials go phone Touche Ross, the liquidators, and see: (a) if we can get the most up-to-date figures we can from them, one; and get from them what information they are prepared to release. And I just would feel an obligation not to try to step into their place and make a statement that they would: (a) disagree with; or (b) suggest that it should not be made. And I can't do that.

So if we could perhaps go on to some other questioning, and we'll come back to that question and give you as much information as the liquidator would be prepared to allow.

MR. KOSKIE: — Well thank you for taking those efforts to get that. It's a little crucial that I have that information in respect to Clause 5 because if I move on, I get taken or called to order by the Chairman.

I would like, not only the breakdown of the uninsured depositors, that is, there's 1,831 uninsured depositors, I'd like a breakdown of those uninsured depositors vis-à-vis the number for Saskatchewan, the number for Alberta, and so on, eh? That secondly, I would like to know, if you can, the potential liability that for the uninsured depositors here in Saskatchewan, Alberta, whatever. That's two types of information. I would like to be able to assess that before I go into my political proposition that I want to raise with you.

HON. MR. ANDREW: — I have indicated that there are some, let's say, give or take from 100 in each province of Alberta and Manitoba. And if I'm anticipating the question: is should we be covering uninsured deposits in both Manitoba and Alberta? If that's the question, I think we can

debate that question in a wide sense given the . . . if that's where you're going, I would readily admit that there are deposits in Alberta, there are deposits in Manitoba, and they are roughly in those terms of maybe 100 accounts in both provinces, and making up in excess of well, let's say, several million dollars, but not the lion's share of it. The lion's share is in Saskatchewan.

MR. KOSKIE: — Well, your observation is correct. That's precisely where I'm going. And what we're doing here is the Saskatchewan taxpayer is prepared, I think, and I think we have indicated that as the opposition, we took the position that we would cover the losses sustained by the uninsured depositors here in Saskatchewan. I'm not sure that the taxpayer of this province, Mr. Minister of Finance, is prepared to not only foot the bill for the uninsured depositors of Saskatchewan, but that they will, indeed, now be called upon to foot the bill for uninsured depositors in Alberta, in Manitoba, and Ontario, or wherever they may have been investing.

I think that's a fair question. I think it's a fair question as to what extent, what extent the taxpayer of this province should, in fact, be insured. I say for Saskatchewan people. I would even go beyond and say if there's charitable organizations who have invested, we would be prepared to . . . (inaudible interjection) . . . out-of-province — if they were out-of-province — to cover them off.

But I don't think that many Saskatchewan taxpayers are ready to bail out depositors in Alberta. A very substantial amount of the money that was invested or squandered, or whatever term you want to use, by the Pioneer board of directors and executive officers, a lot of it was invested over in Alberta. I think that investment over there, it seems to me, if it had been successful, was beneficial to the Alberta citizens. And it seems to me that if we have people from Alberta investing, that why shouldn't we have the Manitoba government or the Alberta government picking up the tab in respect to the uninsured deposits made by people from the other provinces?

I find it very difficult to see why we take on the role of having to pay for the uninsured depositors from other parts of Canada.

(1515)

HON. MR. ANDREW: — I can give you a couple of reasons for that. The western — what's it called? Western Deposit, Western Trust, out in Vancouver just recently? Western Capital Trust — here's an example. Western Capital Trust failed in B.C. — no assistance coming forward either from the federal government or from the B.C. government. And there's 18 depositors in Saskatchewan saying, you should cover us.

The problem with it is that we tentatively explored — because it was primarily in the three prairie provinces — to assist in the — to seek assistance from the other governments. The response from Alberta is that in the press it becomes very difficult because the number of financial institutions that have been on the rocks have tended to be dominant in Alberta — North West Trust, which was in some trouble; Canadian Commercial Bank, which was in some trouble — and many of those depositors were Saskatchewan depositors.

Now if we had Alberta and said to Alberta, you have to pick up your share of this one, conversely then, when it turns around and one other one failed and the numbers are far, far greater, we would then have to be — if you follow the logic — be on the hook for Alberta.

What happened is Alberta had a . . . I think there was an insurance company that had failed in Alberta with a number of Saskatchewan policy holders that were assisted by the government. Very, very seldom does an insurance company fail. And those were paid for by the Government of Alberta. They in turn said: well if you seek our assistance, are you in turn going to pay us back for the ones that failed there?

And Manitoba had a couple of failures, smaller trust companies. I think there's one or two depositors in Saskatchewan. Would we then have to take that up? In other words, to go that way — and while it might sound logical to go that way, what you end up doing is covering all depositors in Saskatchewan owning deposits in companies that are outside of Saskatchewan. And if you do that, then I think you've created yourself more problems than you've solved. And that's the reason and the rationale that we came to this position.

MR. KOSKIE: — Well, administratively it may be a reasonable application. But I think to the taxpayer of the province who is going to have to put up the money through his Consolidated Fund here in Saskatchewan, I think that they would be very, very reluctant to adopt the proposal that you're putting forward.

It is our belief that we are prepared to proceed with covering the uninsured depositors here in Saskatchewan. But I think that as long as we have a Liberal or a Tory government in Ottawa, and if we've got the philosophies that you people have of totally letting the financial institutions have their lead — you're against any regulations of them — then I think someone has to stand up on the side of the taxpayer. And that's what we're wanting to do here.

What we're prepared to do here, Mr. Minister, is to move an amendment to section 5. And I've provided a copy of it to the chairman. It reads that:

Amend section 5 of the printed Bill by renumbering subsection (2) as subsection (3), and adding the following as subsection (2):

“The Minister of Finance shall not make any payment pursuant to this Act to a depositor who is not a resident of Saskatchewan.”

And as I said, if you have the knowledge — we don't have it — of the uninsured depositors; if, in fact, there are charitable organizations that would be caught in that and are resident outside the province, in that respect I think we would offer you the opportunity to include them as under the coverage.

But I think that this is only reasonable to the taxpayers of this province. They're picking up a very, very substantial financial liability here. Many . . . Most of the people of this province had nothing to do with Pioneer Trust, and they are being called on, Mr. Minister, to ante up. And if you take it to the maximum, it's \$28 a head — every man, woman, and child.

It may not, in fact, be that high. But our amendment then would simply indicate that the Minister of Finance shall not make any payment pursuant to this Act to a depositor who is not a resident of Saskatchewan. And I would like to move that amendment, Mr. Chairman, for your consideration.

HON. MR. ANDREW: — I wonder, Mr. Chairman, if I could have . . . I haven't had an opportunity to read the amendment. Or if I could have a copy of it.

AN HON. MEMBER: — Do you want to have a copy of it?

HON. MR. ANDREW: — Yes.

AN HON. MEMBER: — Do you have a copy?

HON. MR. ANDREW: — No.

The observation of the officials — and perhaps we can wait for Mr. Higgs to get back, who has a list of all the companies that have failed in other provinces and other provinces have failed them out, including many people from Saskatchewan in each one of those.

The second part of what this amendment would do would be to breach the faith and the understanding that we arrived at with the federal government, that we would extend ours to cover all people, whether they were in Saskatchewan or otherwise. And to do that, the federal government would be telling us that we breached the agreement that we made with them.

And while maybe we would be able to have them hooked now, and say, you still have to pay your 10 million, it would be a breach of faith. And I think it would be a serious mistake to proceed on it this way.

It could end up costing us more than we're saying if the federal government backed away. I know they have legislation, but they passed that legislation in good faith that we would do the same thing here, and that as part of that agreement we would cover all depositors, as opposed to just depositors in Saskatchewan.

MR. KOSKIE: — Well, Mr. Minister, then would you provide us with a copy of the agreement that you made with the federal government in order that we, at least, can have an interpretation whether it would be a breach of faith, as you say, to the agreement?

You have refused consistently to provide us with the agreement that you signed with the federal government. And what we'd like to do is to look at it and see whether, in fact, you went and made another blunder on behalf of the taxpayers by committing them to make payments outside of Saskatchewan. That's what we want to know.

Can you in fact provide us then with a copy of the agreement, so that we can at least take a look at it to interpret whether what you're saying is factual?

HON. MR. ANDREW: — Well I've indicated on the question that you asked about that there was no formal agreement between the Government of Saskatchewan and the government of Ottawa.

We came to an understanding that they would cover the income averaging annuity contracts. They passed legislation accordingly in parliament. They passed that legislation accordingly in parliament. The agreement was as announced in the . . . The agreement was announced in.

MR. CHAIRMAN: — Order. I would ask members on both sides of the House to allow the Minister of Finance to make his comments.

HON. MR. ANDREW: — The agreement in principle between the federal government and the provincial government was that the federal government would handle the income averaging annuity contracts out of the federal treasury up to \$60,000. We would be responsible for anything over that, and that we would be responsible to pay out the uninsured depositors, the balance of the uninsured depositors to 100 per cent with the right to hold back on insiders. That was the agreement. The details now that are being worked out between the legal people is the details of how you handle the fine tuning, if you like, between the income averaging annuity contract that might run over the 60,000. That agreement will be forthcoming in a couple of days or a week. We hope to be able to have that part of it completed, but that's not going to assist you a great deal there.

What we did when we entered into the agreement where the federal government undertook to pay out the income averaging annuity contracts, we undertook to pay out the depositors, including the ones from the other provinces. In recent past there was two companies that failed in Alberta. One was paramount Life, and the other one was Rocky Mountain Life in Alberta. Both of those failed. Both of them had significant number of insurance holders in Saskatchewan. The Alberta government paid money in to that in the process through so that everybody was, the people were not losing their money, and that included payments into Saskatchewan. We talked to Alberta about this, and this would distort it very significantly.

(1530)

I think the second part that the hon. member has to, that the hon. member should bear in mind, is that it really becomes a balkanized way of looking at things, and it's a balkanized way of dealing with financial institutions. If you only apply to Saskatchewan or you only apply to Alberta, you only apply to Manitoba, and I think that's a very dangerous precedent to try to set. And I know that you can run out and in a political way say, well, why should we help the people in Alberta, or why should we help the people in Manitoba, except when the shoe is on the other foot; and that's exactly where we sit.

Now if that was the case, do we cover off the people that lost their deposits in the Western Trust Company in Vancouver. I don't think it would be a very good precedent to set for this nation and for the proper movement of financial institutions. I think it would be a wrong thing to do. Politically you might have a good point here, but if you go beyond just the politics of it and think about it, I don't think it's a proper thing to do.

MR. LINGENFELTER: — Thank you, Mr. Chairman. I would just like to make a few comments on the amendment that is before us — basically that the minister should look at the possibility of having the other governments, who would have taxpayers and residents involved in this, pay their fair share because I think that if you look at the other instances, whether it's Seaway or Greymac, what happened in those cases, and I refer back to CDIC, and at the time when there was only a \$10,000 limit, I believe . . .

AN HON. MEMBER: — Twenty.

MR. LINGENFELTER: — \$20,000 limit when they went down. And they made it retroactive to 60. And the federal government, though, injected a large amount of money into the operation . . . (inaudible interjection) . . . No but, Mr. Minister, what I'm talking about is that after the pay-out and the uninsured depositors were being taken care of, there was a large amount of federal money went into doing what we are doing here — bailing out the uninsured depositors over and above the 60,000 . . . (inaudible interjection) . . . Well are you saying that there was no federal money went into the uninsured depositors over the \$60,000 limit from CDIC?

HON. MR. ANDREW: — See, Crown, what they did in Crown, instead of putting it into liquidation, CDIC floated it so that they could wind it down while in operation. And CDIC went into hock a great deal. I agree with you there. Not the federal government, CDIC went into hock a great deal on that.

In response to that question, I think it was yesterday or the day before that they Leader of the Opposition, when we dealt with this question, that their view so stated — and that was the previous federal government — was that somehow they would save money by doing this process. And they ended up at the end, in fact, losing, and costing CDIC. There's rumours anywhere close to 350, \$400 million was pounded into that thing.

So I can acknowledge that CDIC bit a great big bullet there, but it was not for uninsured depositors, because of the way they wound Crown, Greymac, Seaway, down.

MR. LINGENFELTER: — Well the minister is in many ways talking in circles because what I'm talking about is the fact that in other collapses the federal government, in one way or another, was involved. And it's very difficult out of this committee to find out how the involvement works, and we are trying to check out in the case of the other trust companies when they went down what the involvement was of the federal government. And it's even more difficult because we're farther away from it.

But what I want to point out to you: that as the federal government became involved in those

other cases, the Saskatchewan taxpayer was very much involved in putting money into bailing those people out, and the majority of them were from Toronto, and the majority of them were from eastern Canada.

And what we're saying here with this amendment, that in this case many of the 1,800 . . . And you refer to 100 from Alberta and 100 from Manitoba, and I don't know whether we got anything tabled that would indicate that that number was accurate — but I believe that there would be a number of very wealthy people from Alberta who had a side bet, if you might want to put it that way, in Pioneer Trust, who put a good chunk of money in Pioneer Trust over the 60,000, who are still very wealthy people in Calgary, who invested money in this operation that Pioneer Trust then invested in Calgary.

Now if you get the logic of this, you have an oil executive or someone who is involved in an oil company. They have \$1 million in the bank, and they put \$200,000 into Pioneer Trust. They're a resident of Alberta. They pay their taxes in Alberta. They still have a good deal of money somewhere, but they put \$200,000 into Pioneer Trust. Pioneer Trust took the money and invested it in a bad deal in Alberta, or in Phoenix, or in Arizona, and they lost it.

Now the logic of what you're doing is saying to the farmers in Shaunavon: look, we got some fat cat in Alberta who invested some money — and there are; I would be willing to bet a good deal of money that there are. We're asking the people in this province, with the new flat tax, people at \$10,000, to pay taxes to bail out someone who could be still very wealthy living in Alberta, paying his tax in Alberta, and investments being made in Alberta.

Now to me, you say we're playing politics. I'm saying that is a logical, reasonable argument — that I can make the argument that it makes no sense taking tax dollars out of Shaunavon to pay to somebody in Alberta who invested in this company and lost it, and still has a great deal of money and isn't even a Saskatchewan resident. How does that not make sense in every way, in every sense of the word? How is it not proper that a taxpayer in my constituency would argue the point that they should not be called on, that they shouldn't be called on to pay money out to an Alberta resident who may still be 10 times wealthier than they are, and there will be some who are, that they don't want to pay the money out in their taxes? I think that's a perfectly logical argument.

HON. MR. ANDREW: — You've got a couple of points that you're saying. First of all, with a wealthier person . . . And when we looked at trying to put this Bill together, we looked and said, should we put a limit on who gets covered and who doesn't get covered? And that becomes a very difficult thing to determine. Let's say we tried to say, let's only cover hardship cases. Okay? And charities. Then really you get into a terrible jackpot of saying who should, and who shouldn't, be covered. And you know, that becomes a very subjective call that I don't think is a proper one to be made. I don't think you can say that.

The member in moving the Bill said, well, if there was a charity and if you take Manitoba, for example, there is a lot. As I understand, some of the Manitoba investments or deposits are, in fact, school boards, and some hospitals. I think one of them is St. Boniface in Winnipeg, for example. Now . . . (inaudible interjection) . . . well that was because that person sent me a letter.

As I indicated to you yesterday I did not go through and find out who the uninsured depositors are, and I don't wish to. I don't wish to go through and get that information because it becomes a personal . . . it becomes personal information as to who is or who're or who.

Now what you are asking is to exclude those type of people, number one. Number two, you make a . . . I think we make a serious, serious mistake if we do that because that forces us then, logically, to carry and cover those Saskatchewan deposits that are, because of a failure of an institution in another province — and I think that would be a serious mistake. And I believe it is very — it is not a proper thing to do.

MR. LINGENFELTER: — Well Mr. Minister, I don't accept that, you know, you don't want to become personal and check into the background of these people because of the rights they have, I know they have rights. But I'll tell you you have 64,000 people on welfare in this province at the present time. The Minister of Social Services thinks nothing of taking them into a back room or any kind of a room, interviewing them face-to-face saying how much assets do you have? How many dollars do you have in your bank? How much do you win at bingo? That's what they do to him when they're on welfare.

I say to you that when you're dealing with rich people you have kid gloves on, and I say to you that that's not fair. So what we're saying here, Mr. Minister, is that when you're dealing with your friends in Alberta, the fat cats of our society, you have a different rule for them. That's what I'm saying to you, because you have no problem when you turned down a family in my constituency who needs the family income plan. You have no problem turning down someone who is on a farm, who has too many assets under the family income plan, who can't afford to send their kids to university. The Minister of Social Services says you have \$150,000 in assets, and you're not eligible for taxpayers' money.

It makes me angry and I don't want to get angry, but what I'm saying to you is that why is there two levels? What would be wrong with calling them in and having an interview with them? And if they are wealthy from Alberta, you say, we just don't have the money; we're a billion dollars in the hole. Our people don't want to pay taxes to bail you out. What would be wrong with that? What I can't understand when it comes to rich people from Alberta you would treat them with more respect than you would a struggling farmer from Shaunavon.

Now tell me what is wrong with that logic? That's not a political statement — well it's a political statement — it's trying to protect people from Saskatchewan who are paying taxes and trying to . . . If you have to nail someone, why not nail a richer person from Alberta who doesn't pay taxes here?

HON. MR. ANDREW: — I suppose the response to the question has to be as following: you can have a fat cat in what you describe as a fat cat in Saskatchewan, you can have a fat cat in Alberta, you can have a fat cat in Manitoba.

What we are saying is that we are covering . . . we are proposing to cover . . . (inaudible interjection) . . . Well you can say they're all fat cats, the Oblate fathers, if not fat cats. The Globe Theatre in Regina are not fat cats.

AN HON. MEMBER: — Give us the list. You seem to know.

HON. MR. ANDREW: — These ones have been in the paper, my friend. These ones have been in the paper. They're not fat cats. And I don't think the members opposite want to say that you can only cover such and such a people but not other people. Now you're saying, well you can do that but let's not cover anybody in Alberta, and only the people in Saskatchewan, and nobody in Manitoba; only the people in Saskatchewan. Okay?

When we went into this . . . When we went into the negotiations with the federal government, the nature of the federal government agreement was as follows: that they would cover income averaging annuity contracts over \$60,000. They would cover them over \$60,000. And obviously they covered them for all the people in Canada. The condition that we had was that we had to cover over the 60,000. That was the agreement entered into in good faith with the federal government.

The second part of that was that we would cover the uninsured depositors. That was the basis of the deal. And I do not wish to go back on the deal with whether it's the Government of Canada or the Government of Manitoba.

MR. LINGENFELTER: — Well, Mr. Minister, if you signed agreement with the federal government, and they're asking the opposition to be a party to an agreement, whether verbal or written or whatever . . . We haven't seen the agreement, and we would very much like to see it.

But I get back to the point of where the tax dollars are going and who's paying and who's receiving. And when I look at what is being spent, for example, in the family income plan in this province — this is for the poor people in the province, the working poor, the working farmers who can't afford to make a living — I see that there's a cut of \$700,000 this year.

MR. CHAIRMAN: — Order. The question here is the amendment, which is simply two lines:

The Minister of Finance shall not make any payment pursuant to this Act to a depositor who is not a resident of Saskatchewan.

And we're not going to go into payments to other people and other Bills in other areas. So you're limited to discussing this Bill, please.

MR. LINGENFELTER: — The point that I'm making, and in talking to restricting the amount of money that is being paid out by restricting it to Saskatchewan residents, Mr. Chairman, if you're following along, is that this money could then be used in the family income plan. Now that may sound . . .

MR. CHAIRMAN: — Order. Order. It could also be paid to political parties. It could also be paid to lumberjacks, farmers, and a million other people. But that has really not much to do with this particular Bill.

So the ruling is you will get on with this particular amendment.

(1545)

MR. LINGENFELTER: — Well, Mr. Chairman, I will continue to speak on what I say is an unfair Bill, because it pays massive amounts of dollars out to non-residents of Saskatchewan, many of them who are wealthy people living in luxury even without the money they lost, while at the same time we have people in Saskatchewan at \$10,000 who are being called on to pay income tax for the first time. And I say that's unfair.

And I say it's unfair when the Minister of Social Services cuts the family income plan at the same time as this legislature is calling . . .

MR. CHAIRMAN: — Order. I don't believe the member from Shaunavon is either understanding the ruling or paying attention to it. However, the ruling is such that if the member does not stick to the Bill, I will go on to another member.

MR. LINGENFELTER: — What I will do, Mr. Chairman, is challenge you on this issue. Because I believe in paying out \$28 million to . . . many of them who are in Alberta and wealthy, at the same time as we're having cuts . . .

MR. CHAIRMAN: — Order. Order! I caution the member from Athabasca that when order is called we are to have order. I also caution the member from Shaunavon that order means order, and it means order for all. Also I caution the member from Shaunavon that if I do not get order from him I will have to take up the matter with Mr. Speaker who will rule on whether there should be order or not.

Now the next point is . . . Order.

Does the member from Quill Lakes have a point that he wishes to make?

MR. KOSKIE: — Yes. You gave a ruling in respect to the member from Shaunavon and the member from Shaunavon stood and challenged your ruling.

MR. CHAIRMAN: — That is correct. And if I could ever have order, I was going to point out that it's not clear. Is the member from Shaunavon asking that the Speaker be called and a vote be taken on the ruling?

MR. LINGENFELTER: — Mr. Chairman, I challenge your ruling because you say that we cannot discuss anything other than the very narrow point of this amendment, that we can't refer to what the money could be used on that's going out to Alberta residents and Manitoba, and I don't want to concentrate on Alberta, but I say . . .

MR. CHAIRMAN: — Order. The question is simply this: are you challenging the ruling or are you not?

MR. LINGENFELTER: — Well for the tenth time, I am challenging your ruling.

MR. CHAIRMAN: — Call in Mr. Speaker.

CHAIRMAN'S RULING

Challenge to Chair

MR. SCHMIDT: — Mr. Speaker, I must report as acting chairman of the committee that during a debate on section 5 of Bill 70 and the amendment thereto that I did, as chairman, rule that the member for Shaunavon must limit his debate to the amendment or, alternatively, I would proceed to hear other members.

The member for Shaunavon, after finally coming to order, failed to comply with the ruling, and has challenged the ruling.

MR. SPEAKER: — Why is the member on his feet?

AN HON. MEMBER: — Is there an opportunity to make comments on the chairman's summation of what happened. I don't happen to agree with what happened.

MR. SPEAKER: — I don't believe there's any opportunity for debate at this point.

The question before the Assembly is whether or not the ruling of the Chair shall be sustained. Those in favour of sustaining the ruling of the Chair say aye. Those opposed say no.

Motion agreed to on the following recorded division.

YEAS — 28

Muller	Sandberg	Caswell
Birkbeck	Dutchak	Hampton
McLeod	Martens	Gerich
Andrew	Young	Schmidt
Duncan	Bacon	Meagher
Katzman	Parker	Glauser
Pickering	Smith (Moose Jaw South)	Zazelenchuk
Smith (Swift Current)	Hopfner	Weiman

Baker
Dirks

Myers

Sveinson

NAYS — 6

Blakeney
Thompson

Lingenfelter
Koskie

Lusney
Shillington

COMMITTEE OF THE WHOLE

Bill No. 70 — An Act respecting the Provision of Financial Assistance to Depositors of Pioneer Trust Company

Clause 5 (continued)

HON. MR. BLAKENEY: — Mr. Chairman, I think that the government ought to take a pretty good look at the amendment. They have raised some reasons why it causes difficulty, but to fail to look at it will cause some difficulties too. Understand what has happened with respect to this company. A look at the material filed by the federal officials at the time that the company went into liquidation makes fairly clear where the losses were incurred. While, obviously, we cannot locate geographically all of the losses, we can locate geographically a fair number of the losses. And there were large losses, of course, in Colorado, estimated at \$8 million, and in Florida, estimated at \$1.1 million. But I want to refer to the affidavit of Keith Bell, who is the chief of the registration and analysis of the trust, loan, and investment companies division of the Department of Insurance with the Government of Canada, and paragraph seven of his affidavit, he says:

Review in July 1984 by the Public Works Canada of appraisals on ten shopping centres acquired by Pioneer's real estate subsidiary in the cities of Edmonton and Calgary indicated that such centres were overvalued by approximately \$6 million.

Now that's a large part of the deficiency. It is rather clear that a substantial amount of the loss was incurred with respect to investments in Alberta. We have seen in *The Fifth Estate* references to losses in the general Cold Lake area. We have this estimated \$6 million loss in Calgary and Edmonton shopping centres. We know that some of the residential losses were in Alberta municipalities. Some of us have heard on the CBC radio some references to a particular mortgagor in Calgary who has not been able to get his mortgage renewed and which is about to be sold and wherein it is expected that a fairly substantial loss in percentage terms will be incurred.

The point I make is this: observe the process. Money is raised in Alberta from investors in Alberta: It is invested in Alberta — in shopping centres in Calgary and Edmonton and the Cold Lake area, in residences in Calgary and, no doubt, in Edmonton and other locations. The money is lost there because of the economic downturn in Alberta. The proposal of the government is that this particular loss suffered by those Alberta citizens as a result of the garnering in of those deposits which were invested in Alberta and where losses were sustained in Alberta — that particular loss should be picked up by Saskatchewan taxpayers.

Now there are arguments for, and as the minister has advanced, but I am not aware of the Alberta government making out and making any payments to uninsured depositors in Saskatchewan. There are a couple of insurance companies he referred to. It perhaps is true. I think of the trust companies there, and I think in each case in Prudential and in North West and in the bank, the Canadian Commercial Bank. In each case the whole organization was propped up

in the sense that the companies did not go into liquidation.

While acknowledging some merit on the part of the minister's argument, I think that there's really more merit on the other side saying that if these particular uninsured depositors are to be protected, as we agree they should be, then this is really the obligation of the Government of Alberta. They, too, have an obligation to see that there are financial agencies indigenous to western Canada. Since they have not been called upon, at least with respect to trust companies, to make any payments to Saskatchewan uninsured depositors, it would seem to me to be at least reasonable that the Government of Saskatchewan would have approached them to see whether or not they would pick up the tab with respect to their uninsured depositors over \$60,000, who are residents of Alberta, particularly since so much of the investment money went into Alberta.

When one reviews the losses, and obviously we don't have the full facts on which to locate geographically all of the losses, a comparatively small amount of them arose in Saskatchewan. We have one major development in Regina of \$2 million, and then no doubt some of the other loans that are questionable are in Saskatchewan. But none others are identified. They're not in the class of the Denver subdivision development, or the shopping centres in Calgary, or Edmonton, or in the Cold Lake area, or in the substantial loss, I am sure, that has been sustained with respect to Calgary residential mortgages.

Everybody who was in the Calgary mortgage market has lost a good bit of money. Virtually nobody who has been in the Regina or Saskatoon residential mortgage market has lost a good deal of money. Some small sums have been lost, obviously, but there has been no massive drop in the value of at least residential property in Saskatchewan, and accordingly, I doubt whether there has been any substantial loss by mortgagees, Pioneer Trust or others.

Such is, indeed, not the case for Edmonton and particularly Calgary residences, where the market value has plummeted, and mortgagees have lost substantial sums of money, and I have no doubt that Pioneer is among them.

So that, for all of those reasons, it seems not unreasonable for the government to look at the proposition that, where money was raised in Alberta, where money was invested in Alberta, where money was lost in Alberta, where the people of Saskatchewan got no benefit except possibly some infinitesimal benefit of seeing the money run through the head office at Regina, and where the people to be reimbursed have no association with Saskatchewan in any way — not unreasonable that the Government of Alberta be asked to share this — not unreasonable. The Government of Alberta is not without funds. They have a heritage fund of \$13 billion, or thereabouts, and they are in a good deal better shape to pay their citizens than we are here. As we all know, they don't have things like sales taxes and the like.

And I don't mean to get into the financial stability of the Government of Alberta, save only to say what we all know, that it's the wealthiest province of Canada, and that their government is the wealthiest government in Canada. Both are true. The level of incomes per capita are the highest, and the government revenues per capita are highest. So there's nothing wrong with the province of Alberta when it comes to having ability to pay.

As I say, while there are arguments both ways, I am attracted by the argument that the Government of Saskatchewan might well have approached the Government of Alberta to meet the uninsured depositors' losses sustained by its citizens, rather than calling upon Saskatchewan taxpayers to pick up that loss. I think it's a reasonable argument which the government should well consider in all the circumstances we have here.

HON. MR. ANDREW: — Well, I think a couple of observations. Two observations that I would like to make to the Leader of the Opposition in his arguments is one . . . you can talk only about Alberta, the hon. member. But there's also an equal number of people in Manitoba. And the

amendment does not distinguish Alberta, and I don't think it's fair to say Alberta is richer and therefore they should cover it; and Manitoba is poorer and therefore they should cover it.

The second thing to follow the argument, I believe, and I believe that the Leader of the Opposition would agree with this, is that we must have a nation, we must have a concept of a nation that . . . and you spent a goodly part of your career as a premier talking about how we as a nation must build, and how we must build institutions, Mr. Chairman, how we must build institutions, and how we must divide powers, etc.

Now I don't believe that you are comfortable talking about balkanizing and talking about saying we should not pay money to Alberta and making no mention of Manitoba. And I think it's important that you do that.

The second argument, this amendment would hurt Saskatchewan in the long run. This amendment would hurt Saskatchewan in the long run. If we were to say to Alberta, you pick up the ones that are in Alberta, and if we're to follow the argument of the Leader of the Opposition, they have money to do it. If we were to say to Manitoba, you pick it up, and they don't, their people go without.

But here's where Alberta comes back to us and says, we put \$200 million into the credit union — so that's the rumour; I don't know whether it's true or not — but we've put \$200 million to bail out, to prop out Alberta credit unions. A lot of money. A lot of money. Now should we say that if part of those, if part of those deposits for Saskatchewan that we should be called upon to pony up part of that because that's Alberta tax dollars potentially, too.

And if Alberta put \$73 million into Canadian Commercial Bank, should they be able to come back to us and say, this percentage of those deposits in Canadian Commercial Bank were held by Saskatchewan people, were held by the teachers' pension fund, or were held by the city of Saskatoon pension fund — that you should pony up that money because they are potentially at risk? The Alberta taxpayer is potentially at risk for that. If they put up \$80 million to bail out North West Trust, and if part of those deposits of North West Trust were depositors from the province of Saskatchewan, that you should pony that money up too, because those are your people, not ours?

Now I don't think you believe that, to the Leader of the Opposition. I don't think you believe that, and I don't think that you have that approach. And I don't think you believe that precedent is a good and proper precedent for the way we approach this nation, whether it's in financial institutions or anything else. I don't believe that . . . (inaudible interjection) . . . The members that do the yelling do believe it. I don't believe the Leader of the Opposition does.

SOME HON. MEMBERS: Hear, hear!

MR. SHILLINGTON: — Mr. . . . (inaudible interjection) . . .

MR. CHAIRMAN: — Order.

AN HON. MEMBER: — Just throw them out. Don't ask any questions. Just throw them out.

MR. CHAIRMAN: — Would the member from Regina Centre stop interrupting me when I'm reprimanding the government members, please?

Would the government members please keep more order so that the member from Regina Centre can ask his question.

(1615)

MR. SHILLINGTON: — Mr. Minister, I listened to . . . I had to meet with some students at 2:30. I listened to what I could of the comments over the television, on cable television?

Did I understand you, Mr. Minister, to tell members of this Assembly that you have no agreement in writing with the federal government with respect to 28 million bucks? Where do you people do your business — in the bar at the Chateau Laurier?

I ask you, Mr. Minister, I want to ask you a series of questions. They'll be fairly short and to the point. Do you have a formal agreement that you and . . . that was signed on behalf of both governments?

HON. MR. ANDREW: — That question has been asked 16 times in this House during this debate — 16 times.

AN HON. MEMBER: — No, it was only 14. You miscounted.

HON. MR. ANDREW: — Well, 14 times, says the member from Regina Centre.

I gave you the answer. The answer was: an agreement arrived at between negotiations by officials from our government with officials from the federal government; and the federal government agreed to cover the income averaging annuity contracts not covered by CDIC, those over five years. And they agreed to cover that up to \$60,000. And those that were over \$60,000, which was a small amount that I gave you the figure on the last day or two, that we then would tie that together. And that's the subject of the negotiations that we're presently dealing with — to try to tie that into a formal agreement.

The other part of it was basically they cover this on the understanding that we would cover the rest. Now that understanding is not binding upon us. They, in good faith, went through their legislature, through parliament, and passed legislation endorsed by all political parties, in one day — in one day. And they did that on the understanding, and if you read the *Hansard*, on the understanding — the point raised by your colleague, Simon de Jong — on the understanding that Saskatchewan would cover the balance of the uninsured depositors. That was the agreement. That was the understanding.

Now to say that that has to be scribed down in a large formal contract, that doesn't have to be done, and you know that doesn't have to be done. Therefore, that is the nature of the agreement. That is the answer for the 14th time as the member from Regina Centre has asked that question.

MR. SHILLINGTON: — Well, Mr. Minister, what do you have in writing? Do you have letters between the ministers, letters between the officials? To what extent was this agreement, understanding — call it whatever you want — to what extent is there written evidence of the agreement?

HON. MR. ANDREW: — There's nothing that sets it out clearer than this federal statute that sets out what they're covering, and the provincial statute that sets out what we covered, and that was pursuant to the way we agreed between the two levels of government.

MR. SHILLINGTON: — Mr. Minister, I didn't ask you about the federal statute. I asked you to what extent is your agreement evidenced by some writing? Frankly, Mr. Minister, I don't think you did give your undertaking to the federal government that you'd pay for depositors whether they're in or out of the province. I think that excuse was concocted, when you saw this amendment, as an excuse for covering up and paying those who could well afford to pay for themselves.

I'm not going to transgress the ruling of the chairman, but I want to say that the way in which

you treat welfare recipients and the working poor stands in sharp contrast to the way you treat your friends. And I'm not going to get into it. Mr. Chairman, I will not get out of order by raising that matter again.

But I want to say, Mr. Minister, the contrast is very sharp. I think you're resisting this amendment because they're friends of yours; they're friends of the Conservative Party. And I suggest, Mr. Minister, that you concocted this yarn when you saw the amendment. And I suggest, Mr. Minister, you never thought of the problem before today. If you did, it should have been part of whatever written evidence there exists of this agreement, and that's why I continue to ask you about the written evidence. If there is some . . . If this is included in whatever . . . To whatever extent this is reduced to writing, that's one matter. But give it to us.

Mr. Minister, I can't believe the way you fly around by the seat of your pants. You got into this mess by giving a letter of guarantee without any investigation. Certainly you got nothing back in writing. You caused the collapse of the trust company by withdrawing the letter — again without apparently anything in writing, without any written report.

Mr. Minister, you now want us to believe that you entered into an agreement with the federal government with nothing in writing. You may do business that way; I frankly can't believe that Michael Wilson does business that way.

Mr. Minister, you haven't given us anything. You have given us nothing. You're asking for \$28 million and you haven't given us the time of day. All you've given us is a lot of soft soap. I'll tell you, Mr. Minister, that the public in Saskatchewan aren't satisfied with it. They want some hard information.

I begin again, Mr. Minister, by asking you to stop evading the question and answer the question: to what extent was this agreement evidenced by something in writing?

HON. MR. ANDREW: — The legal people tell me, and being a lawyer you would understand this, that the two levels of government cannot enter into an agreement until such time as the pieces of legislation have been passed . . . (inaudible interjection) . . .

That's the legal opinion; that's not mine. I'm just going, referring back to the legal opinion of people that you said earlier on in this debate that you had a degree of faith in their capacity. That's number one.

Number two, let's go back to look at your argument, for the member from Regina Centre. Two days ago you were standing in this Assembly, defending the rights of one Peter Braun from Medicine Hat . . . (inaudible interjection) . . . You didn't . . . Well he says he never met the man. But you were talking about how important it was on Peter Braun and how we had to listen to Peter Braun and what Peter Braun had said.

You didn't at that time . . . If you were to be consistent with what you're saying, why didn't you make some reference to Peter Braun then, when he shouldn't have been covered, and anybody else of the Peter Brauns in the world that happen to live in Alberta or Manitoba? You just conjured up this as you go along.

I mean, you talk about somebody being . . . You talk about somebody being inconsistent. You talk about somebody being inconsistent, and you look at the Leader of the Opposition, your leader, fine gentleman and reasoned mind, and reasoned mind, and you watched.

He had his name on this amendment, took it off, added the name of the member from Quill Lakes. Then he made his little sojourn into this debate and departed because he doesn't believe it. He doesn't believe it and he doesn't believe in it . . . (inaudible interjection) . . . Well he's given some concession to the rhetorical group who want to carry on this.

But that is the rationale; that is the legal opinion. If you want to go behind the bar and talk to the lawyers, have at it. But that's their advice to me, is that the feds had to enter into their . . . or had to have their legislation passed. We in turn, have to have our legislation passed. When it is done, that contract can be signed.

If you go to the federal BC-50, section 3:

The Minister of State for Finance may, on behalf of Her Majesty, enter into an agreement with the Government of Saskatchewan.

Our legislation, section 4:

The Minister of Finance may enter into any agreement on behalf of the Government of Saskatchewan to Government of Canada, any persons, to obtain . . . ta-da-ta-da-ta-da.

So that's what has to be done before that agreement can be done. I indicated to you that the nature of that agreement — what it was. Well to indicate that we haven't said what it was going to be — clearly we have.

There is going to be some fine tuning as to how we handle the IAACs. I've said that to you now on a number of occasions. And that's the reason and that is the rationale and that is the professional legal opinion I have on it. Thank you.

MR. SHILLINGTON: — You're not answering the question. To what extent . . . I asked and you haven't answered it. You've given me a great big long lecture on constitutional law and administrative law on how . . . I gather the thrust of that 10-minute dissertation is that neither the federal or provincial governments can spend money which has not been authorized by their respective parliaments. I agree with that. It was settled about 1,000 years ago. That's not new. It's not new to me, and not new to most members of this Assembly. We know what estimates are about. That's all you're saying.

None of that, however, prohibits the federal and provincial governments from entering into agreements which have to . . . in order to be executed, must be accompanied by legislation. None of that prevents you and the federal government from entering into an agreement. That may require legislation to be formalized.

You must have had something. You and the minister must have exchanged letters, or the officials must have exchanged letters. I didn't ask you for the agreement. Listen to what I'm asking you for.

AN HON. MEMBER: — Yes, you did.

MR. SHILLINGTON: — No I did not. I asked. Mr. Minister, to what extent was the informal agreement — interim agreement, call it whatever you want — to what extent was it evidenced in writing? I suspect there was some letters . . . At minimum, Mr. Minister, I suspect there are some letters that were exchanged between officials which said this is our understanding or the agreement, and here's a letter to confirm it, and here's a letter to confirm what we'll do thereafter.

You must have exchanged letters, as I say. Surely you didn't decide to kiss \$28 million goodbye in a bar somewhere; there must be some evidence in writing of the agreement. But my first question is: to what extent is it evidenced in writing? You haven't answered that yet?

The second question, which I'm sure you can anticipate, is: would you file whatever it is that was

exchanged between you and the federal government?

HON. MR. ANDREW: — Well I've answered the question, Mr. Chairman, as to what the agreement was. The agreement was announced in Regina by the Minister of State for Finance and the Deputy Premier in a formal news conference setting out what their respective positions would be, that they would both go to their respective legislative authorities to get the authority to enter into an agreement.

You cannot spend money . . . How can I enter into an agreement with the federal government to sign money away. You'd bet the first guy to carp all over me if I did that, from the member from Regina Centre. Now you would be the first guy to do that to me, and now when we follow the rules of law, you say, well why don't you have a contract? Come on.

MR. SHILLINGTON: — Are you going to answer the question to what extent this is in writing? I continue to believe there must at least be some letters exchanged between the officials. I ask you if your reason for not going with the amendment is you are bound by an agreement, when I ask you to table the evidence of that.

Mr. Minister, I ask you to answer the question: to what extent is the agreement evidenced in writing? . . . (inaudible interjection) . . . You haven't. All you've given me is these silly lectures about how you can't complete the agreement until you get the Acts passed in the parliament, the legislature. And I concede that it may or may not be true.

But I ask you, Mr. Minister: to what extent was the agreement evidenced in writing? I think you owe it to members to table whatever it was you had in writing so that we may judge for ourselves whether or not you are indeed bound to pay creditors outside the province, or whether this is an excuse concocted when you saw the amendment.

Mr. Minister, the way you have been . . . the cavalier fashion in which you've gone through this simply gives us no trust at all, that you had this all nearly thought out ahead of time. If you thought out the agreement ahead of time, by golly, it is all you have thought out. You certainly didn't think out the guarantee before you gave it. I don't believe, Mr. Minister, unless you did it on the basis of polls, which you might well have, that you thought out the withdrawal of the guarantee. Now you're asking us to believe that for the first time in the history of this thing you've gone about it in a careful and studious fashion and you've thought it all out.

I suggest, Mr. Minister, that you thought of this problem when you saw our amendment. If there is some memorandum in writing which supports your position that you are bound to pay all creditors whether in or out of the province, then produce it. Otherwise save us these silly lectures on the need for passing a Bill in a parliament. I know what appropriations are for.

(1630)

HON. MR. ANDREW: — Perhaps the member makes the allegation that you never thought of who was going to be covered." Go back to reading *Hansard*, page 4417, of the Parliament of Canada, statement of Barbara McDougall:

The Government of Saskatchewan will be making arrangements for a lump sum payment made to U.S. dollar deposits, and to depositors who have more than \$60,000 on deposit in the form of chequing accounts, savings accounts, GIS, and insured RRSPs. All depositors will be required to assign their claims in consideration for payment.

Now that was the statement by Barbara McDougall in parliament. Clearly that was the intention. I don't think you quibble with what the nature of the agreement was. Do you want the . . . (inaudible interjection) . . . Well people knew where the deposits, that there was some in Alberta

and there was some in Manitoba and there was some in Saskatchewan. I mean, you knew that. You knew that before this was announced. . . (inaudible interjection) . . . You what? Surely you did if you read the papers and I'm sure you read the papers.

I think that that is . . . I mean you were standing in this House two days ago speaking about Peter Braun from Medicine Hat . . . (inaudible interjection) . . . Yes you did . . . (inaudible interjection) . . . Well one of you over there did. May have done so. If, you know, to say that all of a sudden you didn't know that there was depositors outside of Saskatchewan is hardly credible to me. The reality is that's where it was.

If what you are asking for is the notes between lawyers or this type of thing, it was negotiated by officials. Officials are cognizant of the law. I don't think there is any denying what that particular responsibilities were. The contract cannot be signed until this legislation is passed. Once that contract is signed, is your question, will we make that public? We certainly will make that public.

MR. SHILLINGTON: — To what extent was the agreement — interim or informal, call it what you want — evidenced by something in writing? I suggest that there must have been an exchange of letters at a minimum between the officials. If that is the case, Mr. Minister, I suggest that you table them.

I'm not interested in what the federal minister thought or understood or believed. I am interested, in what you've committed this government to.

I recognize, Mr. Minister, that you and your back-benchers may want to freely flit away \$28 million or whatever lesser sum it happens to be. I recognize that. That may be the position of members opposite. But the position of members of this side of the House is that that is a large sum of money which we should not vote until all the questions are answered. And to put it mildly, you haven't answered all the questions. Offhand I can't think of any that you've answered that are of substance and importance.

What you've continually told us from the beginning: I'm sorry, there's no argument. I'm sorry, nothing here. I'm sorry, there's nothing there. You have not answered any of the pertinent questions with respect to this matter, Mr. Minister.

I ask you again, and I'll be more specific: was there not an exchange of letters between the officials or between ministers?

HON. MR. ANDREW: — I'll try to answer the question to the hon. member. The contracts are presently being negotiated by the lawyers. They're anticipating them from Ottawa on an any-day basis.

The reality . . . If you really get back to the question that the hon. member is asking: what did we agree to . . . (inaudible interjection) . . . Now, but you talk about the exchange of letters. There was not the exchange of letters that you ask for except if it was through the lawyers. Okay?

Now having said that, the question that you're really getting to is: did we agree with the federal government that we would pay \$28 million to uninsured depositors regardless of whether they lived in Saskatchewan or Manitoba or Alberta? We agreed, in our negotiations between counsel, at the instructions of the government, that we would cover not only the Saskatchewan depositors, but also those depositors outside of Saskatchewan who are primarily resident in Manitoba and Alberta. Now we agreed to that. And if that's your concern, that's the thrust of this amendment, is that we should not cover those people.

Now if your question is: did we agree to that? Clearly, we did agree to that, and we agreed to it on the basis and the reason as I advanced.

MR. SHILLINGTON: — All right. Let me just ask another question then. Who headed the negotiating team with the federal government? Was it your deputy minister? Was counsel sitting behind you? Who headed that negotiating team?

HON. MR. ANDREW: — Al Higgs was the leader of that particular negotiating team; Al McLean as outside counsel; Dennis Polowyk from Department of Finance; and Gerry Kraus, the comptroller. And those were the people that did that negotiating.

MR. SHILLINGTON: — All right. I ask you again: was there not, at a minimum, an exchange of letters which set out the understanding? What you just finished saying is that you don't have an agreement. It's still being negotiated. It's still being drawn up. If that's the case, point made. You haven't committed us to it, and the point's open for discussion.

And we'll go on with then ancillary arguments which suggest it's inappropriate to be using Saskatchewan tax dollars to compensate people out of the province. Is that what you're saying, is you're saying you don't have a formula agreement, it's still being negotiated? You've still got to dot the i's and cross the t's, and therefore the point is still open to negotiation? Because if it is, I'll go on. If it is, then I will go on, Mr. Minister.

MR. CHAIRMAN: — Order. I didn't interrupt you on the question, but I think the question has been asked several times. I'm going to ask the minister to answer one last time with a final and definitive answer, and then we could maybe go on to something else.

HON. MR. ANDREW: — The point I take that the hon. member is trying to make, just so I can get it clear, what you're saying is that we do not have to prevent your amendment from going through, then still then claim that the feds do not have to cover the IAACs. And I think that is a point in law that you could probably win on.

Okay. That's the advice I have. Because the federal government has already passed their legislation and it's into place, can they now repeal? And in order not to pay the IAACs they would have to step in and repeal it.

Okay. The problem I would have with that is the nature of a sense of good faith, and you negotiate with lots of people on good faith. And there's going to be a sense that somehow you didn't deliver your end of the bargain. And so we could probably stick the feds with having to pay for the IAACs, and we pay for nobody out of Alberta.

But I think what I'm saying is that that would be a breach, in my view, of good faith on our part, and I wouldn't want to do that.

MR. SHILLINGTON: — Okay. I take it . . . I guess I never am going to get an answer to the question as to whether or not there was any exchange of letters which confirmed what understanding you had. I take it the minister is not going to answer that. Is that correct? That raises the obvious question as to why.

HON. MR. ANDREW: — I indicated to you that the agreements that we struck with the federal government, the agreement we struck with the federal government . . . beginning, we would hope that they would have covered everything. They didn't. They come back to the point and said, we will cover the Income Averaging Annuity Contracts. Our formal agreement with them will be that we will cover over and above \$60,000 which is a small part of the Income Averaging Annuity Contracts. I gave you the figures the other day.

What we then told or indicated to the federal government is that we were going to move with legislation that covered uninsured depositors. Okay. Now, to say that there's a formal contract there, there isn't. But there is an agreement that this is what they undertake to do and we will share a very small part of the Income Averaging Annuity Contracts.

But we also indicated that this was what we were going to do. Now what I'm saying is that if we had taken the position — federal government, you cover these IAACs, and we're not going to do nothing for the depositors of Saskatchewan, nothing, or Manitoba or Alberta — then maybe they would have taken a different approach because they made a political decision to cover that through the treasury, not through CDIC. And CDIC wouldn't cover it.

So your point in law, I guess, is right. If you're saying that no we would not be in breach of contract, no those IAACs would still be covered by the federal government, from that point of view I concede your point to you. But I also would agree that you would recognize the two obligations. While they're not connected by contract, they are obligations.

MR. SHILLINGTON: — Well I just have a brief comment, and then my colleague has some questions which he wants to pursue. My comment is that it's another example, Mr. Minister, of far too much . . . far too little on paper. I am not, I don't think, a great paper-pusher, but you shouldn't, Mr. Minister, be dealing with \$28 million or \$10 million, and doing it all orally. That has been part of your problem in this whole affair — is you have been too informal and too cavalier in your approach. And that's why you've landed yourself and the government in the jackpot that you have, Mr. Minister.

Mr. Minister, I take it that there were letters which were exchanged, confirming the understanding, which you are not prepared to file. I can only assume that there's something in there you don't want the public knowing. I can only assume that that's part of the reason, perhaps, why you're resisting a judicial inquiry.

So I say, Mr. Minister, that if you had put more . . . If you had done this in a more formal, organized fashion, many of the problems which this legislature faces and which you face might have been avoided. You, Mr. Minister, have been cavalier, disorganized hasty. And we see yet today another example of that.

Some more questions . . . My colleague has some comments to make.

(1645)

HON. MR. ANDREW: — The only response that I have to you is that it's the responsibility of this legislature to deal with this particular Bill. This government has put forward a proposal that we would wish to cover off the uninsured depositors — something that the members opposite voted for on second reading, something the members opposite said we should be doing. And that we put this down, and now for them to somehow say they didn't expect this — hardly believable.

MR. LINGENFELTER: — Mr. Chairman, I would agree with the minister when he refers to the fact that we voted in principle on the first reading of the Bill and on second reading, and I think the *Hansard* of the committee will show where we stood, and also statements that were made that we expected amendments to be accepted. In giving our support on second reading we anticipated that the government would be reasonable, and would look at accepting . . . And I won't go through the three or four amendments that we have moved, but it was our anticipation, in voting for this Bill as it was written, that some of these amendments, including this amendment we now have before us which would limit the pay-out to Saskatchewan residents, that some of these would be included in the Bill in its final form.

Mr. Minister, I know that you have answered the question about who the 1,800 depositors are in a general sense, but what I would like to know is: can you give us an exact number of how many Saskatchewan depositors there are that we're looking at protecting here, and if you could give me the number, out of province. I know you said something like 100 in Alberta, 100 in Manitoba, but do you have an exact number of how that would break down across Canada?

And what I'm getting at here is . . . And we would be acceptable if you were to say on this amendment that, no, we think there are school-boards in Calgary and Winnipeg that have money here or there, or religious orders, whether it might be the Ursuline nuns whose head office or whose main residence is not in the province but outside, that we would look at redoing this amendment to include some of those people, or in fact even look at other Bills that would be called another name that would cover off certain depositors out of the province that we may think should be covered off.

And I think part of what you're worrying about is that some local government or some school board or some religious group may be being left out to dry, so to speak. And we may share your concern. But that's very difficult for us to know because we have never seen a list. We don't know who these people are.

And our main concern, I will reiterate again, is people who may be very wealthy out-of-province people who may be very wealthy, who invested in Pioneer Trust knowing full well their money was going to be invested in a real estate development out of province, in Calgary or in Phoenix or in Arizona, where not one job would be created in the province.

And I don't even know for sure, Mr. Minister, whether those depositors expect the Saskatchewan taxpayers to bail them out. I don't know that. If I were in their position, if they are very wealthy, maybe they don't expect to be bailed out. And that's the point that we're trying to get at here in this committee, is that if you would give us the number of individuals or companies or groups that are involved out of province, maybe then we can get down to debating and maybe even moving a different amendment that would say a religious order or some local government or some school board out of province, if they have a special case, that we could look at rewriting our amendment to include these groups.

HON. MR. ANDREW: — If you really look at what the hon. member is requesting, and let's look at it for what it really is, what he is saying is give us folks a list of all the uninsured depositors and we will thumb through them and we will selectively determine who should get paid and who should not get paid. That is what he is saying: we want to look selectively at the uninsured depositors; we will pay this guy his money, but no, we won't pay this guy his money. And that's what you want. And that is not right. That is not the way, when you agree to legislation, that it should be done.

If you want to say, no, anybody that connected with the company, they should not be paid, fine. Anybody that was a director, an employee, or a wife, or a sister, if you want to put it that way, fine. But don't do it in a way that says, I want to see who each one of these people are and then I will cast my vote. I don't like that guy, he's okay, I don't like this guy, he's okay. And that is the wrong way to go. That is the wrong way to cover.

MR. LINGENFELTER: — Mr. Minister, like I understand what you're saying, that universality in a pay-out of this type, and I understand your point, and it has merit.

But surely, Mr. Minister, you don't expect us to believe that in every day as a finance minister you don't have Bills on the order paper where you make personal decisions where 50 people apply for lease land, and you don't thumb through them and go into whether or not they're deserving and allocate the land. Of course, the Bill allows it. How else could you make the decision?

You're saying that that is not the proper way for a government to be acting, but of course you do. I don't know how many hundreds of decisions you would make like that every year, but the Minister of Social Services would make hundreds of them every month — who is eligible to get a payment of money or who isn't. You do it every day. And I know you do, because I have individuals writing me who say that: I wasn't eligible because the minister didn't see it within his purview to allow for the payment.

So for you to say that we have to pay it out in the universal program, that has basis. I agree with you. And I will give you credit for defending universality of paying out money to the out-of-province uninsured depositors. And I understand your point. That's what you're saying. And it's a fair comment.

But what we're saying is, as this amendment reads very clearly . . . And don't twist my words to say that we are going to thumb through the Saskatchewan uninsured depositors and pick out the ones that get paid and the ones that don't. The amendment is very clear. We are now talking about out-of-province uninsured depositors, non-residents. And I'll read it for the minister:

The Minister of Finance shall not make any payment pursuant to this Act to a depositor who is not a resident of Saskatchewan.

Now I want the minister to be clear on what group of people I am talking about. I wonder . . . If you have that point clearly in your mind, I will now go on to say that if there are some out-of-province groups — and I mention again school boards, a religious group, a special case — then we would look at.

If you say that this is a religious group — and I use the example of a group of nuns, let's say, or a religious group from Estevan or Prelate, who also have a office in Calgary that is called their head office, who would not be eligible to get a payment under your plan, under your scheme, if we were to accept this amendment — that we would look at that.

Now if you don't want to accept it, that's fine. But what I'm saying is that this would be a reasonable position if you're saying there are exceptions of people who you think out of province, who should get a payment, who aren't covered off in this amendment. But for you to say that every program you have that pays out money, that every person in the province is eligible, that simply isn't accurate. You have many Bills where you make decisions based on personal information to decide whether or not that person is eligible to get money, to get taxpayers' money.

And I could list them out for you, but I won't because you'll be well aware of the many different Bills that allow for a decision to be made by the department, and decides whether or not they are eligible for a program. And I wonder if the minister would find it, when he get up to give his speech, whether or not he says that this would be an unusual position where some would be excluded and some would be included in a Bill because there are literally hundreds of them.

HON. MR. ANDREW: — What the member is challenging, Mr. Chairman, is universality, and that's really . . . He pointed to it, and he's challenging universality. He's challenging universality to say everybody outside the province first of all should not get it, but give us a list of those who are outside the province and we'll thumb through it, and we'll say this one can have it, this one can have it, but this one can't. Okay? This one can, this one can, this one can't.

Now you've challenged the concept of universality. What then stops you from your next amendment being anybody in Saskatchewan that has more than this, except if we can see the list, then we will . . . (inaudible interjection) . . . No, no, that's exactly the next amendment that's coming. We will only give it to those people in Saskatchewan that we think that we should give it to.

Now he tries to draw an analogy, and it's an interesting analogy. He says, he says, Mr. Chairman — now this is an important thing — well you do this in welfare, you do this in welfare.

But what does welfare say? Welfare says every person on welfare should get paid according to a formula, and if you make X number of dollars you don't get paid.

MR. CHAIRMAN: — Order. You can allude to other matters. I just don't want you to go too far on the question of the welfare system of Saskatchewan. Estimates will be on in a day or two, and we can get into it then.

HON. MR. ANDREW: — I simply rest my case. What you're doing is challenging universality. And I think that is wrong to do that. I think that is wrong to do that, and the next amendment is going to be to challenge universality in Saskatchewan. Without question, that's where they're going. That is the intention of what the next amendment is going to be. That is clearly . . .

They break the principle here. Then you can see what their argument is going to be: well, you did it for Alberta, you made exceptions there. Let's now start making exceptions for Saskatchewan because what we want to do, give us a list of every uninsured depositor in Manitoba, give me the list of every uninsured depositor in Alberta, and I will go through them and I will say, that guy looks okay, that guy looks okay, that guy looks okay.

And that's the principle. Then once you would have that amendment passed, then you turn around and say, okay, you've broken that principle; it applies in Saskatchewan. Now let me have the list of all depositors in Saskatchewan. It's not hard to see where you're going. Now I will determine which of those in Saskatchewan we agree with and which we don't. Then you're going to come back with the same argument: well so and so lives in Saskatoon, I don't think he needs to get that money. He shouldn't have that money so let's exclude him. Or let's exclude the farmer in Swift Current, or the fat cats, as you call them, of Saskatchewan.

You will look and say, well so and so from Shaunavon is one of the uninsured depositors. We shouldn't cover him. Or how do we draw a rule? How do I draw an amendment now so I don't cover that person? That is exactly the principle they're going after. That is exactly what they're trying to do here. That is exactly what we have consistently tried to say, no, you cannot do.

Governments should not sit and thumb through the list of people that should be covered, exclude those they don't want to cover, cover those that they do. That is wrong, Mr. Chairman, that is fundamentally wrong. That is the direction they're going on this, and that is why the Leader of the Opposition does not, I submit, truly believe in this amendment.

MR. LINGENFELTER: — Mr. Minister, we will see whether the Leader of the Opposition puts his vote on this amendment. I can give you my guarantee as House Leader of the Opposition that he will vote for this amendment and against you because he doesn't believe that your Bill makes a lot of sense. He believes that a Bill that is brought in as a blank cheque, brought in without a judicial inquiry, and brought in without a limit on who is getting paid . . .

And yes, very clearly we are questioning universality. Obviously, you're not making a great intelligent legal argument. Did you just become aware, after an hour of debate, that this was questioning universality? Did you just become aware of that? Of course, it is. What it says very clearly is that people out of province shouldn't be covered off by the taxpayers of Saskatchewan, very clearly . . . (inaudible interjection) . . . No, it doesn't say that . . . (inaudible interjection) . . . No, we're talking about universality. You were questioning universality. Of course, it does. The minister says then the next logical step — this is the reasoned, legal mind of the Minister of Finance; this is the legal mind of the Minister of Finance — and then the next step is you're going to bring in another amendment.

Now, Bob, if you've practised law at all, you would know that that is not a good legal, reasoned argument. You would know that it's a crock of baloney. I'm disappointed in you as a lawyer, as well as the Minister of Finance, because obviously the logical step, if you've taken any logic at all — 100 Logic at university, anything — you would know that a logical step out of this argument isn't that we're going to bring in another amendment.

What we're saying here very clearly, Mr. Minister, is that we feel that the uninsured depositors

from out of the province should not be paid for by the taxpayers of Saskatchewan. The taxpayers who are at an income of \$10,000 should not cover off people from Alberta who invested in Pioneer Trust. And yes, we are questioning universality in this Bill.

For you to stand there and say that that is a horrendous disappointment to you, well, if you just realized that now, I don't know where you've been for the last hour and a half.

HON. MR. ANDREW: — Just to make a couple of comments. What in effect this amendment is asking for is that no financial institution should make . . . no Saskatchewan financial institution should ever do business outside of the province. That's what he's saying, number one.

Number two, he's covering the situation of what happens to the farmer that lived and farmed all his life in Maple Creek, sold his land, put the money into Pioneer Trust, retired in Medicine Hat six months before the collapse of Pioneer Trust. We say, no, can't cover him. Can't cover him. He has paid taxes. He has built this province, and he moved to Alberta or moved over to live with his daughter in Alberta, or from Yorkton, moved over across the line to live with daughter in Manitoba. Don't cover them folks; don't cover them folks.

That is challenging universality. And what is worse, that is challenging the nature of what this country stands for, and I believe it is shameful activity by the members opposite that have such a narrow parochial view of this country and such a narrow political view that they haven't got the wherewithal to stand and say what we are as a nation. And that's why the member opposite is wrong.

SOME HON. MEMBERS: Hear, hear!

The Assembly recessed until 7 p.m.