

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN

May 28, 1985

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

NOTICES OF MOTIONS AND QUESTIONS

HON. MR. DOMOTOR: — Mr. Speaker, I give notice that I shall, on Thursday, move first reading of a Bill, An Act to amend the Rural Municipalities Act.

HON. MR. TAYLOR: — Mr. Speaker, I give notice that I shall, on Thursday, move first reading of a Bill, An Act to amend the Saskatchewan Medical Care Insurance Act.

INTRODUCTION OF GUESTS

HON. MR. DEVINE: — Mr. Speaker, it's a pleasure for me to introduce to you and through you to the members of this legislature, His Excellency, Mr. Kiyoaki Kikuchi, Ambassador of Japan, and his wife who's with him, and also Mr. Masuda, Consul General of Japan in Winnipeg, who is accompanied by his wife.

It's the Ambassador's first visit to Saskatchewan, the Consul General's second official visit, and they will be meeting with me, and we will have the opportunity to discuss several things. His Excellency will also be meeting with the Minister of Energy and also with the Minister of Agriculture.

It is my pleasure to welcome His Excellency here and we wish him the very best here in the province of Saskatchewan.

HON. MEMBERS: Hear, hear!

MR. KATZMAN: — Mr. Speaker, it's my privilege today to introduce 36 students from Osler school in Osler, Saskatchewan. They're grade 8 students. They're here with their teacher today. It's a tradition for the school and that area to send a lot of students to our Legislative Assembly. I hope all the members will join me in welcoming them here and hope they have an enjoyable day.

HON. MEMBERS: Hear, hear!

HON. MR. ROUSSEAU: — Thank you, Mr. Speaker. Mr. Speaker, I'd like to introduce to you, and through you to the members of the Legislative Assembly, 45 grade 5 students from the Ethel Milliken school in Regina. I understand they're seated in the Speaker's gallery, if that's the right group — it is. And they're accompanied by their teachers, Barbara Graham and Joan Quinlan.

I want to wish them a very informative and enjoyable visit. I look forward to meeting with them after question period. I'd like to ask all members to join with me in extending a warm welcome to the group from Ethel Milliken school.

HON. MEMBERS: Hear, hear!

HON. MR. HARDY: — It is a pleasure today to introduce through you, and to this Legislative Assembly, 45 grade 7, 8, and 9 students from Archerwill. They're seated in the west gallery. They're accompanied today by their principal, Marvin Mackie, and by their teacher, Dorothy Murias. They're also chaperoned by Olga Puchala and Paula Jarvis. Their bus driver, who is on his second trip to the Legislative Assembly in the last two weeks, is Jim Haggard of Quill Lake.

It is a pleasure for me because this is the second group of students from Archerwill to attend our Legislative Building in the last two weeks, Mr. Speaker, and they are from the fine town of Archerwill, which is the gateway to one of our fine provincial parks, Greenwater.

I'd like to welcome them here today. I hope they find the proceedings both educational and enlightening. And I'll be meeting with them at 3 o'clock for pictures and refreshments. And I ask all members to join with me in welcoming them here today.

HON. MEMBERS: Hear, hear!

ORAL QUESTIONS

Public Sector Wage Freeze for 1985

HON. MR. BLAKENEY: — Mr. Speaker, I'd like to address a question to the Premier. In the April 10th provincial budget, Mr. Premier, you asked Saskatchewan teachers and hospital workers and other public sector employees to hold the line on salary increases this year.

I ask you: is that still the position of your government, that all public sector workers should receive no salary increases in 1985?

HON. MR. DEVINE: — Mr. Speaker, I believe that the hon. member knows that "holding the line" meant on increments only. We will allow increments only, and other increases beyond that we would ask to hold to zero. So the increments can take place, and increases beyond that we ask to hold to zero.

HON. MR. BLAKENEY: — Supplementary, Mr. Speaker. The particular provision in the budget address says:

. . . and we will be asking for the co-operation of teachers and professors to hold the line on salary increases so that students themselves may get the maximum benefit . . .

That's the one with respect to education.

Would you again repeat, Mr. Premier, the position of your government with respect to increases, either in the salary grid for teachers or with respect to increments.

HON. MR. DEVINE: — Well, Mr. Speaker, the hon. member knows that negotiations are currently under way, and we have asked them to hold their increases to zero. We have also said that we will allow the increments.

So it's a question with respect to negotiated increases beyond that. And we have asked that they participate with the rest of us to make sure that we can have a bold move in education with large funding, and a large increase in agriculture, and a large increase in jobs, and a large increase in health for five years.

And an awful lot of people have said that that's a very straightforward, good assessment of what the priorities of the province are. So the increments are there; the negotiations with respect to other increases are under way. We will wait and see what happens with respect to the negotiations.

HON. MR. BLAKENEY: — Mr. Speaker, and Mr. Premier, if that's your policy, can you explain why cabinet ministers in your government have approved salary increases of up to 9 per cent for their political staffs in recent weeks?

HON. MR. DEVINE: — Mr. Speaker, we have said for some time that we will reward increases in

productivity. And we have, and we have over the past, and we will continue. And we have said if merit increases are warranted, we will consider them. And in some cases they are, in some cases they have changed positions. And we discussed this before, I believe last year, in my estimates.

If you change your position, you go from one position to another with new responsibilities, you can look at an increase. If you are a teacher and then you become a principal, you get an increase. So I expect that there were increases in the previous administration if you look back and look at changing positions. In our case, we provide them where there's changes in positions, changes in responsibility, you could have changes in salary.

HON. MR. BLAKENEY: — Mr. Premier, supplementary. I have a document from the Minister of Co -ops showing that ministerial assistants — his ministerial assistants — received salary increases in the 4 per cent range retroactive to January 1st. We have a document from the Minister of Justice, which he tabled yesterday, which shows that four members of his political staff received salary hikes of between 4 and 8.6 per cent.

Shortly put, Mr. Premier, how can you justify increases of that order for the staffs of the Minister of Co -ops and the Minister of Justice and say that no teachers, no professors, no nurses, no people in the health field, should get increases based upon merit or otherwise?

HON. MR. DEVINE: — Mr. Speaker, I'm going to add one additional comment, and then I'm going to give it to the Public Service Commission minister because he's aware of many of the details.

We didn't say that there'd be no increases. They're being negotiated right now. And we said that you could have increments. So let's be public about this, so that we can have the increments and you negotiate those increases beyond that.

With respect to increases in other departments and other staff and other responsibilities, I'll ask the minister of the Public Service Commission to respond.

HON. MR. McLEOD: — Mr. Speaker, the Leader of the Opposition, and as have some of his other members in recent days in this House, has been attempting to put out some misleading information. I would like to clarify that right now.

Mr. Speaker, increments will be allowed within the ministers' offices, as increments are allowed throughout the civil service. People in the civil service, people within the public service who are on a salary scale with four or five or six or seven steps, will receive an increment, and they receive their increments . . . And what we're saying is that increments will be allowed.

People in the ministers' offices who are at the very top of the scale, where there are no steps to go on an incremental basis, did not receive salary increases — did not receive salary increases. There were cases, as well, in ministers' offices, as there are in the regular public service, where people that are reclassified, as the Premier has said, people who are reclassified will get increases in salary because of the new duties or increased duties that they do.

Now that goes on in the public service, and that goes on within the ministers' offices, as it has always been.

HON. MR. BLAKENEY: — Supplementary, and I'll address it to the minister in charge of the Public Service Commission, but perhaps the Premier would take it if I'm addressing it to the wrong person.

I have here the report, tabled by the Minister of Justice, indicating that three of his staff received what he called merit increases. Does he acknowledge that the government will provide money

for teachers, for schools, and for universities, and for hospital boards, to provide merit increases to their staffs as well?

HON. MR. McLEOD: — As it relates to . . . and the hon. member well knows this, and it's another attempt, as I suggested before, and some misleading information . . . As it relates to the teachers, as it relates to the nurses, as it relates to these other sectors that the Hon. Leader of the Opposition refers to, he well knows, but declines to tell us in the House, or to tell the public, that those subjects and those sectors are a subject of negotiations, and they are ongoing now, and the hon. member knows that. Those negotiations are ongoing now.

And as far as merit increases are concerned within the out-of-scope service across this government, that has been the policy and will continue to be the policy. Merit increases for people in the out-of-scope service, incremental increases for people in the in-scope service, across the classified service and across the ministers' offices — and the incremental system is in place in the education system as it relates to teachers, as the member well knows, as well.

HON. MR. BLAKENEY: — Supplementary, Mr. Speaker. I repeat again the words of the throne speech asking for the co-operation of teachers and professors to hold the line on salary increases, and my question is simple: does that exclude increases which may be attributable to increments, which you say it does? And does it also exclude increments which may be due to merit, which are enjoyed by the public service, evidently, and should surely be enjoyed by teachers and professors as well?

HON. MR. McLEOD: — Well, once again, Mr. Speaker, and if you make the comparison — and I'll use the same analogy that the Hon. Leader of the Opposition uses — teachers' salaries, which are subject to negotiations — I repeat again — do not . . . When the Minister of Finance says we will be asking teachers to hold the line on salaries, it did not include incremental increases, which are a part of the salary negotiation procedure in this province, with the 10 steps, for some good period of time.

That does not include incremental increases. And it certainly does not include reclassification and things, as the Premier has said, of a promotion of a vice principal or a principal, or a promotion from teacher to principal, whatever — those kinds of things, which are also parts of the teacher negotiations.

So I don't understand, Mr. Speaker. I think I do understand why the hon. member is conducting himself and asking the questions in the way that he is. I understand why. But it has more to do with politics than it has to do with fact, Mr. Speaker.

Rainbow Bay Resort Project

MR. KOSKIE: — Thank you, Mr. Speaker. My question is to the Premier, and it deals with the report that was prepared by your Minister of Parks into the Rainbow Bay resort affair.

On May the 7th in this Assembly the Minister of Tourism and Small Business said this report, which was tabled by your Minister of Parks, would answer the question of when you, the Premier, first became aware of the involvement of the member of Prince Albert in this resort project. However, in looking and reviewing the report, the report is silent on this point.

So I ask you, Mr. Premier, when did you first become aware of the involvement of the member from Prince Albert in the Rainbow Bay resort project?

HON. MR. DEVINE: — Mr. Speaker, I believe it was the latter part of January, the first part of February.

MR. KOSKIE: — And that, Mr. Premier, is the question that remains in the minds of the public.

Why did you not, in fact, act on that information prior to it being brought to your attention by the media? Why did you not conduct an investigation immediately?

HON. MR. DEVINE: — Mr. Speaker, that's precisely what I did. That's precisely what I did. I asked my officials to look at it. I asked other people to look at it and said, is there a conflict?

Well, we've gone through it all, and there wasn't even a contract. There was not a contract. There was no conflict. There was no options exercised. I did find out that the member filed two days late but, as I pointed out, somebody else in the legislature that actually has a contract with the government — and the member from Prince Albert has no contract, never did have a contract — but another member had a contract and filed two weeks late.

So I looked at it. I asked them to advise me, is there a conflict? And the advice was, there's no conflict.

Then it was brought to the media's attention, and to the public's attention, and they said, well, it might be. So I said, well, because I want to make sure that there not only is no conflict, but there's not perceived to be any conflict, I did what I suggested the other day.

MR. KOSKIE: — Supplemental, Mr. Speaker. I want to ask the minister again, the Premier: if, in fact, the facts came to your knowledge of the involvement of the member from Prince Albert in January, why did you, in fact, wait to suspend the member, to take the actions that you did; and only after we raised it in the House and it was raised in the media did you, in fact, then request a report from the Minister of Parks?

HON. MR. DEVINE: — Mr. Speaker, I believe that it's clear that there was no option exercised; there's no contract with the government. There's no contract. In January and February there was no contract negotiated. I have an MLA that's working as a Legislative Secretary promoting tourism and regional development, economic activity, and so forth. That's what MLAs are supposed to do.

And so I said, all right, I want to find out if there's a conflict. I looked at it. There's no contract, no conflict, and I made sure that there wouldn't be, because I said the member would not be involved in one in the future. And that's precisely what I think you would expect somebody to do, is examine it.

I did find out that he was two days late in filing an option to purchase some land. While I pointed out that he wasn't alone — the member from Shaunavon was two weeks late, and he had a contract with the government — the MLA for Prince Albert didn't even have one . . . (inaudible interjection) . . . And the member asks, well so what?

A contract with the government is an interest in the government, and they should be registered. And it was registered two weeks late. While I admit that the MLA for Prince Albert registered two weeks late, I will have to admit that other members in the legislature were over that period and, in fact, in excess of two weeks.

MR. KOSKIE: — A new question, Mr. Speaker. I want to ask the Premier: are you aware that in the report from the minister that he claims that the government fish advisory committee passed a motion last November approving the three-year experimental program to stock the Redberry Lake with rainbow trout. I want to indicate, Mr. Premier, however, the copy of that resolution is not attached to the report. Will you make sure that a full copy of the resolution passed by the fish advisory committee on November 15, '84 will be tabled with the minister's report?

HON. MR. DEVINE: — Mr. Speaker, I'm sure that there are files with respect to fish -stocking that would be six or eight feet high. This goes back to 1923 or 1944 or 1965 or whatever, in terms of putting . . . stocking fish in northern Saskatchewan at this particular lake. So there are all kinds of

efforts, and have been efforts for years, to stock fish in Redberry Lake.

Well we can . . . you can bring out the entire department and all the files that you might want to muster with respect to fish and stocking and so forth. I believe that it's a good idea generally to stock fish, as do the members in northern Saskatchewan, particularly the member from Prince Albert. And I believe that's a very, very good idea and sound for economic development and tourism and others, subject to environmental things.

So I'm not going to start tabling this piece of paper and this piece of paper and this piece of paper. I asked the minister for a report of what happened, in terms of the sequence of events. I received it. I tabled it. He said, there's no conflict; there's no contract. So . . .

HON. MR. BLAKENEY: — New question, Mr. Speaker, if I may, to the Premier. This deals with conflict of interest at Redberry Lake. Your answer, sir, suggests that in your mind there can't be a conflict unless there is a contract with the government.

I ask you straight out. I ask you straight out: if a minister of the Crown or a Legislative Secretary is in a position to use his ministerial influence to enhance the value of property he owns or may own, is not that a direct conflict of interest by being in that position to enhance the value of his private property and exercising his jurisdiction so to do?

HON. MR. DEVINE: — The point is that fish have been stocked and thought about being stocked in Redberry Lake for years, and that's public knowledge, and it has been public knowledge for a long, long time.

Now people in P.A. know that it's public knowledge that we're interested in stocking fish. The member from Prince Albert then says he can exercise an option to purchase land. He didn't exercise it — may — he didn't. Okay. He can't — it's done — he's not, and he won't. Okay.

Well news — I just announced it that he's not going to. I believe my hon. friend was in the House. And if you were in the House, well, I mean, I've gone through what I said will take place — there will be no stocking until there's environmental procedures that you go through. And the member is not going to be participating, and he's not going to be exercising any option. And I looked at it. And if there is no contract and no option and no private development by the member, then what's the conflict?

Now if you have a Legislative Secretary that's involved with tourism or northern Saskatchewan or finance, you'd expect them to be encouraging tourism and finance and economic development and so forth. That's what I would want him to do. That's what I want him to continue to do. So he has no contract; he never signed a contract. He hasn't got private land there through some option, and I made sure of that. And I asked, is there a conflict? And they looked — no, there's not, and there's not going to be.

HON. MR. BLAKENEY: — Short supplementary, Mr. Speaker. In having legislative secretaries who encourage tourist development, are you urging your legislative secretaries to encourage tourist development on lakes where they have property, either owned or optioned?

HON. MR. DEVINE: — Mr. Speaker, I believe that it's true — and this may be a little hypothetical — but I believe that it's true that the member from Prince Albert has a cottage and he's had it for 40 years at Emma Lake. Emma Lake. Now should that prevent us from stocking fish or promoting tourism in Emma Lake because the member has had a cottage there for 40 years and it's been in his family? Is that what you're saying? I don't think that you're saying that. I think it should be reasonable. All right?

So we're saying that if you have members of the legislature that are legislative secretaries working for cabinet ministers and so forth, they should do the best they can to promote

education, promotion, tourism, stocking, across the province.

We have members in this legislature that are farmers, on both sides of the House. We discuss 8 per cent money for farmers. Should every farmer that's in this legislature not be able to discuss 8 per cent money for farmers? No, I don't think so. They know it will benefit every farmer that they receive. The Legislative Secretary to the Minister of Agriculture is a farmer. The ag caucus is a farmer. So we're talking about farm programs and we want to talk about them . . .

MR. SPEAKER: — Order, please.

HON. MR. BLAKENEY: — Thank you. Mr. Premier, do you draw no distinction — and I ask this because a number of your cabinet ministers may be listening — do you draw no distinction between promoting tourism on a lake in which someone may have an individual cabin and promoting tourism on a lake where one of your cabinet ministers or legislative secretaries may be the proprietor of a major tourist resort? Do you draw no distinction between those two circumstances?

HON. MR. DEVINE: — Mr. Speaker, I draw a distinction and I drew the line fairly and squarely, and the Legislative Secretary is not having any development on that lake. He didn't exercise the option.

MR. SHILLINGTON: — New question. Mr. Premier, what you have admitted this morning is that you knew the facts in January. What you have admitted today is that you knew the facts in January and did nothing about it until forced to by the pressure of public opinion.

I ask you, Mr. Premier, if you think it is appropriate for the premier to know of a potential conflict of interest and do nothing about it until forced to. Do you not think you have an obligation to safeguard the public interest whether or not they're aware of the potential conflict of interest?

HON. MR. DEVINE: — Of course, Mr. Speaker, and I do that every day. And people bring information to me and they say, is that fair? Is this reasonable? Is that a conflict? And I said, get me the information and get me the facts. And I deal with them every day.

And in this case, I couldn't find a conflict but I could see a perceived conflict. So I said there will be no conflict, in reality or in perception. And so they ended it. And I'll deal with every other case and any case that comes along. I will look at it and say, will the public believe that it's fair? And is it in fact fair? And is it above reproach? And if it is, it's fine. If it isn't, then I'll fix it.

MR. SHILLINGTON: — Supplementary, Mr. Speaker. Mr. Premier, why didn't you act on it in January by suspending the member and asking for a report in January instead of waiting until the pressure of public opinion forced you to do it in May?

HON. MR. DEVINE: — Mr. Speaker, I believe it's fair. And if I'm not mistaken, the member from Shaunavon sought the same kind of advice, whether in fact it even was worthy of reporting in your conflict of interest form. And it's a legal question. And I said, well find out whether an option to purchase is really an interest. Now there's been some legal dispute on that. Maybe it is; maybe it isn't. So we have legal advice.

I had my advisers look at it. I had some of my colleagues look at it and some say, perceived wise, it's going to be a conflict, whether it's in law or not. So I said, legally it may not be, but you'd better register it so that everybody knows. And for the perception, there will be no development and no interest in terms of the MLA.

Now that's exactly what you would expect somebody to do. You examine it legally and publicly to see what the facts are, and then deal with it.

MR. SHILLINGTON: — New question. Mr. Premier, let me remind you that you suspended the member from Prince Albert not because he failed to report it. You didn't know that then. You suspended him because of a perceived conflict of interest. Surely you could have perceived that in January and dealt with it in January before it became a public issue. The difficulty with your behaviour, Mr. Premier, is we can have no confidence that you will deal with any conflict of interest in your caucus.

I ask you, Mr. Minister: why didn't you see the perceived conflict of interest in January, and act upon it then?

HON. MR. DEVINE: — Mr. Speaker, I know that my hon. friend has lots of confidence in my judgement. I will say to him simply this . . . (inaudible interjection) . . . Well he's part of it. I looked at the situations as they come forth to me, and I say, if it's not a legal conflict, then I'll have to deal with it with a perceived conflict. And I'll have to make the judgement whether it's perceived or not.

In this case, when it hit the media and people say, well, I wonder what the Premier's going to do with it, or other people will do with it, I'll say, all right, just to make sure that there is no doubt, I'll hold it all until I look at it. That's what I did. I held it all until I looked at it.

Now I knew there was no option exercised. So there'd be no conflict while I was looking at it in February and March. I knew that. Now the public didn't know that, but I know a lot of things that the public don't know, so I deal with it, one, two, three, four.

. . . (inaudible interjection) . . . My hon. friend says, why don't I stand up in the House every time somebody brings a decision for me to make? Well, if that was how the previous administration operated, it's not much wonder they lost. I mean, you have a lot of decisions to make, and I'm sure that the Leader of the Opposition, when he had this chair, knows that there are an awful lot of decision to make, and you make them and you go through them, and you make you decisions. If they reach the public, then you have to deal with them in a different fashion, because the public wants to know you deal with them quickly.

MR. SHILLINGTON: — Supplementary. Mr. Premier, why didn't you ask for the report in January instead of waiting until May, until you were forced to by the pressure of public opinion? I suggest the obvious, Mr. Premier, that you had no intention of acting on it until you got it. I ask you again, Mr. Premier: why didn't you ask for the report in January instead of waiting until you're forced to by public opinion?

HON. MR. DEVINE: — Mr. Speaker, I asked my officials to look at all the circumstances, and they brought me information. And then when I said I would deal with it full force, I said, I will bring, in fact, a report, and I'll ask the minister to give me the sequence of events and I can look at them. That's what he did.

MINISTERIAL STATEMENTS

Senior Citizens' Heritage Rebate Program

HON. MR. EMBURY: — Mr. Speaker, this year celebrates Saskatchewan's heritage, a heritage founded in the contributions of our pioneers and senior citizens. Through their spirit of giving and hard work, a strong and prosperous future was built for us and our children. It is only right, Mr. Speaker, that we, in turn, ensure that the future of our senior citizens be secure.

Therefore, it is with great pleasure that I announce today the introduction of a new Senior Citizens' Heritage Rebate Program. This program will ease the transition from the former school tax property rebate, to the new and enriched Senior Citizens' Property Tax Credit announced by the Minister of Finance in our recent provincial budget.

Mr. Speaker, \$25 million in additional benefits will be provided to ensure both continuity and security to senior home owners this year. The Senior Citizens' Heritage Rebate Program will reimburse a portion of 1985 property taxes that are paid by December 31st of this year. Benefit levels will reach \$510 for urban, farm, and business principal residences.

I will, Mr. Speaker, be writing and sending application forms to all senior home owners in the near future to more fully explain the new program and its benefits. Application forms will also be available at municipal offices throughout the province.

Through the Senior Citizens' Heritage Rebate Program, a bridge between old and new will be established, just as senior citizens in Saskatchewan bridge the distance between our heritage and our future.

SOME HON. MEMBERS: Hear, hear!

MR. SHILLINGTON: — Thank you very much, Mr. Speaker. What we have witnessed today is something I have not witnessed in 10 years in this Assembly, and that is a change to the budget being announced by someone other than the finance minister. That is not what was announced budget night. What we have, Mr. Speaker, is a government in full flight on its budget, and those changes aren't being made by the finance minister but by the minister of municipal affairs, and I think that speaks volumes about the credibility of the Minister of Finance.

With respect to this particular announcement, Mr. Minister, it is not possible for us to judge whether or not you have returned to senior citizens and others the full benefits that they lost underneath the budget. And we would only hope that you would do that. We would only hope ministers opposite would come to their common sense with respect to the other tax increases and the removal of the other benefits and return them all.

So I can only say I hope that some of the remorse shown by this minister and by this government with respect to this issue will permeate other ministers and other departments, Mr. Speaker.

INTRODUCTION OF BILLS

Bill No. 86 — An Act respecting Mental Health Services

HON. MR. TAYLOR: — Mr. Speaker, I move first reading of a Bill respecting Mental Health Services.

Motion agreed to and the Bill ordered to be read a second time at the next sitting.

ORDERS OF THE DAY

HON. MR. McLEOD: — Mr. Speaker, I would ask for leave of the Assembly to stand private members' business from private Bills to motions for returns debatable and move to government orders.

Leave granted.

GOVERNMENT ORDERS

INTRODUCTION OF GUESTS

MRS. CASWELL: — Thank you, Mr. Deputy Speaker . . . I would like to introduce 40 or 50 people who are here in the Speaker's gallery, and in the east side gallery, who are here to show the legislature their continued support for Bill 53.

I will be meeting with them at 3 o'clock in room 255 for drinks. I know that they are from all constituencies, especially in Regina, and so I ask all members of the legislature to show their welcome, as well, as especially the pretty lady in the . . . who is with us on the floor today.

HON. MEMBERS: Hear, hear!

COMMITTEE OF FINANCE

CONSOLIDATED FUND BUDGETARY EXPENDITURE

SASKATCHEWAN CROP INSURANCE CORPORATION

Ordinary Expenditure — Vote 46

MR. CHAIRMAN: — Before we get into Committee of Finance, I have a statement to make.

On Friday, during consideration of estimates for Saskatchewan Crop Insurance Corporation, I called the member from Assiniboia -Gravelbourg to order, and the member withdrew remarks charging the minister with being a bagman for the Tory party.

A review of the *Hansard* shows an even more serious breach by the member when he said, on page 2537 of Friday's *Hansard*, and I quote:

You got out there and you dug up these guys that were good for a thousand bucks each. You're maybe paying them off with (a little) extra coverage in crop insurance . . .

I refer all members to *Beauchesne's Parliamentary Rules and Forms*, fifth edition, paragraph 316, which states:

. . . it has been sanctioned by usage that a Member, while speaking, must not: . . . impute bad motives or motives different from those acknowledged to a Member; make a personal charge against a Member.

I also refer members to rule 26 of the *Rules and Procedures of the Legislative Assembly of Saskatchewan*, which states, in part:

No Member shall . . . use offensive words against the Assembly or (against) any Member thereof . . .

I find the remarks of the member quoted above to be out of order, and I therefore request the member for Assiniboia -Gravelbourg to withdraw the said remarks.

MR. ENGEL: — Mr. Chairman, I withdraw those remarks.

Item 1 (continued)

MR. ENGEL: — Mr. Chairman, I would like to thank the minister for providing me with a list of his staff. And he promised us this on Friday, and today is a little bit past Friday, but do you consider . . . do you consider that . . .

AN HON. MEMBER: — Just read through the salary. Read through all of it. Here is a minister with no portfolio — start out with that.

MR. ENGEL: — Maybe my colleague would like to help me. I'll give him a chance in a little bit of a time.

But you have three staff, you have three staff, and only one, only one didn't get a pay increase. MA, the position, H.W. Heinrich, who started work in 1985 at \$1,470 in February . . . I don't think it will take H.W. Heinrich very long to catch up at the rate some of these others are going if you level them off a little bit.

But do you consider, in light of what the question period was talking about today — and I think it was remiss on your part not to give me this information on Friday like you promised — but do you consider an 8 per cent pay increase that when somebody . . . McNabb is getting \$3,000 a month; do you consider that as a minister that has no portfolio — a one-line in the estimates that was dealt with by other ministers in the past ever since crop insurance was introduced — do you consider that merit increase within a reasonable range of what farmers are getting, what farmers are getting, what you're dealing with? Do you consider 8 per cent is wise when somebody's already getting \$3,000 a month?

I met with farmers this morning, Mr. Minister, that would love to get \$3,000 a year profit, let alone \$3,000 a month. And here you're using funds to get an 8 per cent increase when the salary is already pretty handsome. Do you consider that appropriate, in line with what the agricultural community was doing, and how much money you have for farmers, particularly those that are going to be suffering pretty severe crop losses in spite of grasshoppers and everything else that is prevalent in Saskatchewan at this time?

HON. MR. MUIRHEAD: — Mr. Chairman, he's referring to Debbie McNabb. And it's a merit increase, but also it's an increment; it's within the range. And yes, I do think she was worthy of it.

MR. ENGEL: — You call that an increment increase. On what basis or what changes made . . . she was a ministerial assistant, and she still is a ministerial assistant. What was McNabb doing that would warrant an 8 per cent increase, work-load wise? Does she answer the telephone, or what does she do?

HON. MR. MUIRHEAD: — She didn't have an increase in her salary. She had a change in her scale, and that's all it was.

MR. ENGEL: — She's taking home 8 per cent more money. What is she doing different that she wasn't doing last year?

HON. MR. MUIRHEAD: — Well we went through it today, Mr. Chairman, and it's . . . Everybody in this province works on a scale, an increment. They've all had the same. You people try to say that it's just the government people, just the cabinet ministers' staff. That is not right. You've tried to mislead the people in the province of Saskatchewan. Everyone's entitled to an increment. There was no changes in increment . . . actual increase in their salaries.

MR. ENGEL: — Mr. Chairman, the minister suggests I'm trying to mislead the province. I think that . . . I'm just wondering what motive he has. The question I asked that the minister didn't even address: how do you square, in relationship to what the farmer's position is with your government? No help for grasshopper control, no help for drought areas — same premium and increased premiums because they've collected in the past. You're socking more to them and giving them less in return for their insurance coverage.

(14:45)

And here you're giving an 8 per cent increase to someone that . . . and I ask you: what is she doing different this year than she did before? How many more hours is she putting in or whatever? But 8 per cent is a fair, hefty increase in light of inflation being around 3 — 5 per cent more than inflation rate. And 8 per cent sounds bad, Mr. Minister.

You go down to the next one that was getting \$3,740 a month and is getting this 16 per cent

increase — 16 per cent — reclassification from an MA to an SA. What did an MA do and what is an SA going to do? Would you please determine those job descriptions that would warrant a 16 per cent increase when you're already getting \$3,740. How many farmers I know that would love to live on that kind of a fat salary. I know an awful lot that would love \$3,740, let alone a 16 per cent increase, Mr. Minister.

When your office is bulging with 100 calls a day is what you told us the other day that you're getting, you're not answering and solving any problems. They're getting worse. And here you're paying \$4,340. I wonder what does this individual have to do extra for that hefty an increase, almost as much of an increase as the first person was getting.

HON. MR. MUIRHEAD: — Mr. Chairman, the members opposite know quite well what they've done in the last two times we've met in estimates here. They're trying to belittle the crop insurance corporation. They're trying to make light of the corporation.

Any time, Mr. Chairman, that you have \$1.5 billion of insurance covering the farmers of Saskatchewan, 48,000 farmers, I think it's very, very important. And especially last year when we paid out \$258 million to the farmers. We've included honey in our insurance; we've included winter wheat; we've included individual coverage; we've included several other small programs. If they think that that doesn't mean more work on my office, they can think again, because it does, Mr. Chairman. And I think they realize that.

And that is why, that, along with my other ministerial duties, is why I had to, in January or February of 1985, bring in another secretary. That is Nonie Heinrich. And she came in, and my other secretary, Louise, moved up to more . . . She's still doing secretarial work, but she took on other duties part -time. Part -time ministerial assistance because I had to move Gerry Williams. He's paid 100 per cent of his salary by the crop insurance corporation. He maintains an office in the crop insurance corporation downtown, and he works 50 to 75 per cent of his time down there in the office. And so there's been a change in the reclassification in my office.

That is the only statement I'm going to say about this, and it's . . . The people in the province of Saskatchewan will understand. It's just the members opposite are trying to make political hay on this, and it's not working, Mr. Chairman.

MR. ENGEL: — Mr. Minister, I think we require a few extra details here. If the farmers through their crop insurance levy are paying this, or is this part of the administration cost? What did you say the salary of Williams is coming from?

HON. MR. MUIRHEAD: — The salary of Gerry Williams comes 100 per cent from the crop insurance corporation.

MR. ENGEL: — That's coming out of the fund that's voted to administer the crop insurance fund is what you're saying.

HON. MR. MUIRHEAD: — Yes, it comes out of the administration fund.

MR. ENGEL: — And you have the audacity to increase that person's salary by 16 per cent. How much an increase did your general manager get?

HON. MR. MUIRHEAD: — We could have taken Mr. Williams, we could have let it go, let his job come to an end and then give him a new job. He would have come in at a new reclassification, so it's exactly the same thing. You don't have somebody that's doing a job on a minimum wage and then he quits that job, and then he comes in at a brand -new job, you don't freeze his wage back at the minimum wage. So if a man is taking on a new job, or any man or a lady taking on a new job in the province of Saskatchewan, they'll get paid as they are reclassified. And that's the way we've done it with Mr. Williams, and that's fair and simple as far as I can see.

MR. ENGEL: — I asked you a specific question. How much of an increase did your general manager get?

HON. MR. MUIRHEAD: — Zero.

MR. ENGEL: — The person that is responsible for administering the crop insurance program gets a zero increase, and the person that's directly related to the minister . . . and I withdrew a statement. I withdrew a statement here and apologized today for inferring, making an inference today. But you are giving the person that looks after the political aspect of your office a 16 per cent increase. How does his salary compare with the general manager's salary?

HON. MR. MUIRHEAD: — Mr. Chairman, the general manager gets approximately \$7,000 a year more.

MR. ENGEL: — More than Mr. Williams. That's less than his increase. Is that under the new, or was that before he got his increase?

HON. MR. MUIRHEAD: — That's after he got his increase.

MR. ENGEL: — He's getting awfully close. How much of an increase did the person in charge of field services and public relations get?

HON. MR. MUIRHEAD: — Mr. Chairman, zero.

MR. ENGEL: — Well, Ron Osika that looks after the public relations — the people that the farmers directly relate to — that's ill, how much was his salary? How does his salary compare with Gerry Williams'?

HON. MR. MUIRHEAD: — Mr. Chairman, that would be also a zero increase.

MR. ENGEL: — I asked if his salary was more or less than what . . . in dollars and cents per month.

HON. MR. MUIRHEAD: — It was less.

MR. ENGEL: — How much less, Mr. Minister?

HON. MR. MUIRHEAD: — Mr. Chairman, \$851 a month less.

MR. ENGEL: — So the person that's in charge of field services and public relations, that solves the problems for farmers, was getting less than Gerry Williams was before he got his increase. And yet you saw fit to give your political hack a 16 per cent increase. And the guy that's taking the responsibility, that's taking the flak, dealing with the mistakes you're making, and dealing with the promises you make to the farmers, and straightening things out and doing the public relations where you should — getting less money.

How much was your field services and control? There's four people. Your staff might as well look those up. The four across the top of the chart are the numbers I want to determine because they have a more important job than your political hack does. They have a more important job. They're doing a job and a service to the farmers. And I want to know how much money they're getting in relation to one Gerry Williams who's getting \$4,340 a month; who's enjoying the benefits of a 16 per cent increase; who has the use and has available to a car any time he requires; is driving a government car 90 per cent of the time.

And I think the perks and all that go with the office pretty clearly indicate what you're doing with your little shop over there, Mr. Minister. I think you'd better come clean and tell us just why this

man needs that much money, nearly \$5,000 a month?

HON. MR. MUIRHEAD: — Mr. Chairman, when he says that these people, other people in my staff have more duties and more responsibilities than Gerry Williams, he's absolutely wrong, and the crop insurance board and their chairman would not agree with you.

When the job advertisement went out for general manager, a one Gerry Williams was also an application for the job as general manager, but the board decided to use him in a different way. So he is completely . . . As I told you before, his salary is completely paid by the crop insurance corporation, and his duties take place in that office, in the crop insurance office. He has a full -time office down there, and that's where he spends 50 to 75 per cent of his time.

We would have very easily — Mr. Chairman, we could have brought in new people and cost the taxpayer a lot more money for administration. We could have assigned a new manager for the individual coverage for the winter wheat, but along with my crop insurance general manager, Wayne Funk, and his assistants, Merv Ross and Gerry Williams — they said . . . We would have them do this whole responsibility themselves. And they're doing a great job.

We have many, many people that come to visit that board on requests, problems with the crop insurance and what not. And the farmers of the province of Saskatchewan are very pleased with the situation. And as I had indicated here on Friday last when we were discussing Estimates, I think you should be . . . the member from Assiniboia -Gravelbourg should also be very pleased because we have had requests from him, and they get solved the same as in my office as they do if he takes them directly down to the crop insurance corporation. And you know that last year was the worst year for a crop failure since crop insurance has been in existence.

Now, Mr. Chairman, any time that you have as many crop losses as we had last year, 41,000 claims, and this year there's already been 2,700 claims in for winter wheat, which is a brand -new program, I think the members opposite know that this could have brought me to see that the board hired new people, brand -new people, bring them in at maybe a salary of 30 -\$40,000 a year. Was it not good business, Mr. Chairman, I say to the members opposite, was it not good business to use the talented people that we had? This is what the board's decision was, to do it this way — we have done it this way. They are satisfied. And so if they're satisfied, Mr. Chairman, I'm satisfied.

MR. ENGEL: — Mr. Chairman, what we are witnessing here is a minister doing a lot of babbling and not telling us any answers and information that I'm looking for. Mr. Minister, you're running a parallel little structure here to the agreement that we've made with Saskatchewan -Canada Crop Insurance. There's an agreement for administration, and I wouldn't be surprised the way you're running this if Mr. Wise is going to start jiggling the numbers there and start throwing a curve to you on this one. Because, Mr. Minister, when you set up a little bureaucracy out of your office to run parallel with what a general manager is doing with his administrative system that's in place with the field services and public relation, the field service in control, the administrative division and the research division . . . If you're running a parallel little structure out of your office, and you're taking some, and you're fielding some; you're telling them who to hire for field officers, and you're telling them who to hire for the training offices and regional officers, and so on down the line, Mr. Minister, you're looking for trouble. You're looking for trouble because crop insurance never worked like that before.

Crop insurance before was in the hands of the general manager, who didn't have to bother competing with the minister's EA that was getting just about as much money. He wasn't dealing with a duplicate structure that had a little office over there in crop insurance — trotting back and forth and spending half his time in the minister's office — in direct competition with an organization that's dealing with the farmers, trying to provide an independent insurance company. But no, you have to step in and you run a little bureaucracy on the side. You run a little operation and you even admit to this House that — I wanted my man as top man; I wanted him

as the general manager, but the board wouldn't agree to that so I put him in right beside, and I'm telling the board, "You pay his wages, and he's going to do my little political work for me. He's going to work out of my political office."

And that's why I made the statement the other day. Now I have no inference to what you're doing there, but I don't like a duplicate operation. I don't like a twin corporation run out of your office — one political, and over here's the one that does the job. We've got one that's doing the job. I called these people up here in the field services, especially the public relations man. I want to give him high points, so high that I think that he should be getting more money than Gerry Williams is. And yet the poor guy's got to go home with \$700 less because he doesn't spend half his time in the minister's office; because he hasn't got use of the minister's car, and the minister's telephone privileges. He's got to work it out of his own thing.

But no, you seek to run a little dual operation there. Well, Mr. Minister, the farmers are going to be taking an account of what's happening. They don't see no improvement over crop insurance. Crop insurance always had the reputation of being apolitical. We had field services people out there, and we had adjusters out there that were doing their job; but no, you had to come along, and you had to run a little, twin organization. You had to run a little, twin operation out of your office so you could run the control; so you could say who the field services people were; so you could tell what the kind of training programs they have to do; so you could fire guys prior to their retirement and make them take early retirement.

By the way, Mr. Minister, have you settled, have you settled the court cases that have been levied against you by the employees that have taken you to court? Have you finally made those settlements?

HON. MR. MUIRHEAD: — Mr. Chairman, we have not changed those people. They're the same people, Ron Osika, Al Black and those people — they're the same people who were there for quite a few years in the past. They're exactly the same people. There is only one person that has changed in crop insurance corporation, and that is the general manager. The rest of them are all the same. There's been a few more added; a lot of temporary workers came in last year.

(15:00)

But anyway, Mr. Chairman, the people on this side of the House, and the farmers in the province of Saskatchewan, are not buying what you're saying about this little political organization of mine. They're not buying it. And if they want to talk about, Mr. Chairman, about what politics has been about in the past in the crop insurance corporation, I don't think they want me to get into that. I don't think they want me to talk about the files that I've seen in the past, how political organization was. I don't think they wanted me to talk about Gordon MacMurchy, and Mr. Cowley, and how it was a real political organization.

And that is why the Premier, Mr. Chairman, that is why the Premier said to me, we want the crop insurance corporation run clean and out front, and not hide, Mr. Chairman. And that's exactly what I've attempted to do, to serve 48,000 farmers in this province regardless of political affiliation. But if they want it to proceed to . . . (inaudible interjection) . . . I can very easily talk about many files, about the most political organization, the most political department in government. We can talk about Mr. Cowley and Mr. MacMurchy, and I can get very, very specific.

MR. LINGENFELTER: — Mr. Chairman, I would like to ask the minister a couple of questions about some of the other staff in the department. In the annual report you have a structure where you have a general manager, and then beneath the general manager you have a field service and public relation. We have that individual's salary, and that is, I believe you said, \$800 a month below the salary of Mr. Williams in your office.

What about in the area of field service control, administration division, and research division?

Can you give me the salaries of those three individuals?

HON. MR. MUIRHEAD: — Mr. Chairman, those three salaries are as follows: assistant general manager, Merv Ross — he would be head of research — \$4,407 a month; administrator, Jim Walters, \$4,157; Al Black, director, field services and control, \$3,207 a month.

MR. LINGENFELTER: — Have any of those individuals received an increase this year?

HON. MR. MUIRHEAD: — Yes, Mr. Chairman. Assistant general manager, Merv Ross, went up 6 per cent.

MR. LINGENFELTER: — You said that was the assistant general manager. He is also the person in charge of the research division. I guess the question that comes to mind on behalf of the many employees who operate within your government, and including your general manager and other people who, I agree with you, had a job increase as a result of the large number of claims and did a great deal more work; but I guess what I'm wondering is how you believe that it's fair that the general manager, the field service control officer, the administration division, and the field service and public relations deserve no increase, and yet Mr. Williams needs a 16 per cent increase?

Now the clear message to those individuals is that they're not doing their job. There's no merit. They're not doing a good enough job. Clearly that's what you're saying to them. You're saying that Mr. Williams needs a 16 per cent increase above what anyone else in the province is getting — above the teachers, above the nurses, more than anyone — your political person, the person who helps to keep you elected needs that kind of an increase.

Now I wonder, in the name of fairness, can you explain how that individual, your political staff, needs a 16 per cent increase while the general manager, the person in charge of field services, field services and control and administration division need no increase? How do you justify that to them when they come into your office for a meeting? How do you look at the one guy, your political hack who goes out and sells your memberships or whatever you have him doing, needs a 16 per cent increase, and the people who run the corporation, with a record number of claims, you say to them — you look at them and say, you need no increase?

I would like you to stand here and tell me how you justify that to those individuals who are sitting beside you right now? What do you say to them?

HON. MR. MUIRHEAD: — Mr. Chairman, the individuals sitting beside me and others in crop insurance were in their positions; their salaries were set. Even some of them were asked if, according to their hard work and dedication, how do you feel about your salary. And one of them sitting beside me said that I am quite satisfied the way I am, and I'm getting a good salary.

And Gerry Williams is a reclassification. I don't know how many more times I have to say it, that when he was working in my office, strictly as a ministerial assistant when I first became minister, the first eight months he was getting a much less salary. There was no general manager in crop insurance. And he was the man completely in control of the corporation, and he is the man that's got the most responsibility down there as of now . . . (inaudible interjection) . . . The reason why that he has more responsibility is because we've thrown this on his shoulders to get this individual coverage going in this province of Saskatchewan. And for the winter wheat, he's the man that runs all around this province dealing with specifics.

And you talk about being my political hack — other than driving through my constituency to his home in Saskatoon, he never stops in my constituency. And if anyone says it again I'll be asking for somebody to say it outside about this business of selling memberships. There's not one person any place in my department that gets involved in my politics at all. And I don't appreciate it, Mr. Chairman.

MR. LINGENFELTER: — I wonder if the minister could tell me whether or not the chat he had with his employees, where he asked them about increases, did you have that same conversation with Mr. Williams — your political staff — did you ask him what kind of an increase he expected? Did you have that same conversation with him?

HON. MR. MUIRHEAD: — No, I did not ask him.

MR. LINGENFELTER: — Well then, how did you arrive at a 16 per cent increase? On what basis did you make that judgement? You said with the other staff you talked to them and asked what they expected to be increased. Now look. It seems like you've put your staff in a very difficult position. You take some into your office, having just fired the general manager and his secretary out in Saltcoats because of what you . . . for whatever reason. You've never given a reason. Then you take the rest of them into your office and say, now what kind of an increase do you expect? What would you, Mr. Minister, expect them to say?

But on the other hand, your political hack, you don't ask him what he expects. You just give him a 16 per cent increase. And I'll ask you whether or not you think that's fair because there are very few people in this province, whether they are nurses or teachers or people on minimum wage, would agree with your analysis that the general manager deserves no increase in crop insurance, and Mr. Williams deserves a 16 per cent increase. I want you to talk about how fair that is, and why you consider that to be fair.

HON. MR. MUIRHEAD: — Mr. Chairman, I think the staff of the crop insurance corporation are very satisfied because they don't mind 24 hours in a day, leaning on Gerry Williams and talking to him and asking for guidance from him, and he goes down there. He works at night, and he has not taken a holiday in two years that he has worked for me. He's completely dedicated to the crop insurance corporation, and I don't think I have to make any excuses on behalf of the department thinking otherwise, because they do not. They all like Gerry Williams very well, and they phone him day and night.

MR. LINGENFELTER: — Mr. Minister, I go back to the increase of 16 per cent for some people. Do you believe that in government at this time when you're talking to, oh, let's say women between the age of 55 and 65 on welfare, that they should take a 40 per cent cut. And you're talking to minimum wage people and saying, there's no increase. When you're talking to government employees in your area and saying they need no increase, do you think it's fair that somebody gets a 16 per cent increase?

HON. MR. MUIRHEAD: — Mr. Chairman, I think the members opposite have something against somebody that wants to work hard and do a good job. I think they have something against that. They might as well come out and say it. Mr. Chairman, I'm not going to talk about that because the other day, on Friday, I tried to get off the subject of crop insurance, and I was called to order, and I respect your Chair, and I respect them to discuss crop insurance the same as I am.

MR. LINGENFELTER: — Well I want to get back to the issue of fairness. I ask you very clearly — now I'm not arguing whether Williams works hard or not. But I agree with you when you say the general manager in your corporation works very hard. I agree with that. But what I'm saying: is it fair that you set a precedent where one person in your area gets a 16 per cent increase, whether he works hard or not? Are you saying that there's nobody else in government working hard? How do you justify with the other employees that there should be a 16 per cent increase? Isn't it now the norm that people will come to you and say, I want a 16 per cent increase? If you teach hard, if you work hard at teaching, if you're a good nurse, why shouldn't you be asking for a 16 per cent increase?

HON. MR. MUIRHEAD: — Mr. Chairman, let's not talk . . . We shouldn't be looking at it as 16 per cent increase. I guess I could have got . . . It would have been fine, and they would have been satisfied if I had in the last three years moved it up four, four and four. They would have thought

that was fine, or whatever, or five, five and five.

But we had a reclassification, Mr. Chairman, a new job requirement, and that is simply why . . . and I don't think that there's anyone . . . If the member opposite takes on more land and have more expenses, he wants more income. So if you take on more work and more job, you want more income. You must be paid for it, and that's just simple as that. If the member from Shaunavon buys some more land and he's going to have more expenses, he expects more income, the same as the member from Assiniboia -Gravelbourg.

He can't expect my ministerial assistant that was doing 75 to 90 per cent of office duties for me as my minister, and now he is working more in crop insurance corporation . . . That is completely his job. He's responsible for the crop insurance corporation.

And if he thinks that . . . if the member opposite, as I said before, thinks for one moment that it wasn't done that way in the prior government, it has, because the only difference is that my corporation is up -front. I'm up -front, and the board is up -front, and we treat all people equally, regardless of political affiliation. And as I said before, if they want to get into . . . I don't think they want to get too much into the past files. I don't think they want to, but if they push me too much longer, we'll open the files.

MR. YEW: — Thank you, Deputy Speaker. Could I have permission to introduce some students?

Leave granted.

INTRODUCTION OF GUESTS

MR. YEW: — Thank you very much, Mr. Deputy Speaker. It gives me a lot of pride to introduce to you, and through you to members of the Assembly, a group of 37 students representing grades 4, 5, and 6 from the community of Cumberland House.

They represent the Charlebois Elementary School. And they are accompanied by their teachers, Linda McAuley, and Bev Cheechoo; and also their chaperons, Mary Buck, Bobby Cheechoo, Renauld Carriere; and their bus driver, John Desjarlais.

They've come a long ways, fellow legislators. Cumberland happens to be the oldest community in the province of Saskatchewan. They are a fairly isolated community. They are proud of their heritage. They are also very interested to see the proceedings of the House.

I'm sure that all members of this Assembly will join me in welcoming them to the Assembly.

HON. MEMBERS: Hear, hear!

COMMITTEE OF FINANCE

CONSOLIDATED FUND BUDGETARY EXPENDITURE

SASKATCHEWAN CROP INSURANCE CORPORATION

Ordinary Expenditure — Vote 46

Item 1 (continued)

MR. LINGENFELTER: — Mr. Chairman, I want to get one point clear with the minister. I think that you somehow are assuming that Mr. Williams, who works personally for you in your office, is the only person that's working hard in the corporation. You keep insisting that he is working harder than other employees.

I want to say that in our area in the south -west you will know that the people who worked last summer in that area, whether they were secretaries in the office or field people, had a workload that was much higher than other years — I think you'll agree with that — and they got no increase.

What I'm asking you, Mr. Minister, if you think it's fair — and this is a simple question — if you think it's fair that one individual in the corporation gets a 16 per cent increase while the people at the ground level get no increase. Is that fair?

HON. MR. MUIRHEAD: — Mr. Chairman, he hit on exactly what I would like him to hit on. When we have good crops in the province of Saskatchewan, an adjuster may get five to 10 times to go out and adjust crops, and he gets paid approximately \$90 a day.

We had some of the adjusters from . . . which he calls his lower level — he calls them lower level; I don't — that got up to 15 to \$20,000, because when there's more to do, they get more money.

He hit on the very thought that I've been trying to say. The more you do, the more you get paid. Now, the adjusters in the Shaunavon, Assiniboia, Gravel area, I could give you the figures on them if . . . and there are tremendous, Mr. Chairman. Some of those adjusters worked full -time, starting out with the reseedling in May, end of April, right through till they were through adjusting at freeze -up, and some of them made a lot of money — 8, 15, 18, \$20,000.

They worked every day at 90 bucks a day plus their expenses, and when they were not anything to do, Mr. Chairman, when there was no crops to adjust, they were paid maybe four . . . some of them only got 4 or \$500 in a year.

MR. LINGENFELTER: — Mr. Minister, I referred to the office staff in Shaunavon — the secretaries and other people who work in the offices — who work there full -time year round, and I say worked much harder last year than other years and got no increase.

I ask you whether it's fair for them to take no increase at the same time as Williams and others in your office — Mr. Yates — are getting 16 per cent increase?

(15:15)

HON. MR. MUIRHEAD: — Mr. Chairman, area office clerks . . . He's talking about area office clerks; these people are within the scope of the union and were paid overtime for extra work and were also paid increments.

MR. LINGENFELTER: — Mr. Chairman, Mr. Minister, was there any increase in the general salary of that group of people?

HON. MR. MUIRHEAD: — No, Mr. Chairman, just the increment change, the same as all other government employees.

MR. LINGENFELTER: — Well, I guess I will leave it at that, that the people who work in the local communities, the people who work directly with the farmers, they got no increase. The people who work with the minister in his political area of his office get 16 per cent, and I think, Mr. Chairman, that speaks for itself, and if the minister is satisfied with that kind of action, then we'll see whether the public is.

MR. ENGEL: — Mr. Minister, I have a couple of areas of concern that I'd like to raise with you, and that is with staff that you fired. Has the case been settled with the former general manager?

HON. MR. MUIRHEAD: — Mr. Chairman, there's no developments, I'd say, for a year.

MR. ENGEL: — Why are you holding out? Are you not making a settlement with him?

HON. MR. MUIRHEAD: — We're not holding out at all. We're completely waiting on him. It's been over a year since some of my staff's been involved in the examination of discovery. It's in the courts, so I'm not going to talk about it. But I will say this: we're completely waiting on Mr. Campbell and not . . . no hold -up from my department.

MR. ENGEL: — I may let my colleagues get into that. They know more about what's happening in court.

I understand that a Gladys Myhr, a 64 -year -old former employee of yours, was re -instated. Why was she fired in the first place, Mr. Minister?

HON. MR. MUIRHEAD: — Mr. Minister, or Mr. Chairman, people in the area that they're talking about, about 65 people in that area laid complaints, and I felt that they were complaints. They went to the board, the board made decision to have her removed. And Mr. Campbell is the person that wrote the letter, and he said that she can be laid off because she did not belong to a union; there's no problem. He didn't inform me, or inform my staff. I was informed by my administrator several days afterwards by Mr. Jim Walters that she had worked 900 hours, and she belonged to a union, so he was improperly . . . by Mr. Jim Campbell, not by myself.

MR. ENGEL: — Well it's strange . . . Were you involved in a court case with her at all, or did somebody else think contrary to what you're saying here?

HON. MR. MUIRHEAD: — No I was not, Mr. Chairman. It went through normal union arbitration. Nothing to do with me whatsoever.

MR. ENGEL: — Well according to . . . I'd like to read into the record, according to a report in Regina *Leader -Post*, Wednesday, October 17, 1984:

An official in Muirhead's office said Tuesday the minister had not seen the arbitration board's decision and did not what to comment until he had. Wayne Funk, the corporation general manager, also declined comment.

Ian McKay, Campbell's lawyer, filed a wrongful dismissal claim in the Court of Queen's Bench on his client's behalf. Muirhead attempted to have the claim against him personally dismissed but failed in the Court of Queen's Bench.

Muirhead has appealed the decision to the Saskatchewan Court of Appeal, but no date has been set to date to hear this matter.

Has that been dealt with, is the question I asked you.

HON. MR. MUIRHEAD: — Mr. Chairman, I'm not sure what he's referring to. I think it's several different cases, but if it's the Campbell case, it's the only one that went to the court of appeal.

MR. ENGEL: — What happened to Gladys Myhr? Was she reinstated, or was she rehired?

HON. MR. MUIRHEAD: — Mr. Chairman, after arbitration they just said that she must be reinstated to her former position. That's what was done. That's all there is to it, Mr. Chairman.

MR. ENGEL: — Is she still there, Mr. Minister?

HON. MR. MUIRHEAD: — Yes, she is, Mr. Chairman.

MR. ENGEL: — So she must be doing a good job, because according to the arbitration board she was fired without good and sufficient cause, and called her “competent and conscientious,” and if she’s still there and earning her wage, and she’s one of the people that worked extra hard because of some crop insurance claims in that area . . .

And I think the point we were trying to make earlier, Mr. Minister, is that there was a structure in place to administer crop insurance. This structure, prior to political interference, was doing its job. You got in, and decided you were going to interfere, and you were going to dismiss people. You tried to build a story against that same worker again today, when arbitration board ruled that she was fired without good and sufficient cause and called her a competent and conscientious employee, and today again you tried to slur and draw aspersions against this person, saying that she had many, many, many complaints against her, and yet she’s working and doing a good job.

Mr. Minister, I think it’s time you take your pay, and you take and you go out and you count the hail -stones again like you did when you first got hired. Because that’s all you need to do, because the crop insurance corporation, administered jointly by Saskatchewan and Canada, could do a very nice job, thank you, without your interference.

If you’d keep your fingers out of it — your political fingers out of the corporation — if you wouldn’t hire a staff person and then pay them almost as much as the general manager gets, but gets more money than any of the departmental heads, any of the heads of the corporation. And you let this person in there, taking away the gravy jobs from the general manager. I’m sure that if the general manager would have come out to a regional meeting and explained your new program and your new individual coverage, it would have had much more impact than your political explanations had — than your political explanations had.

I think the interference you’re trying to run with this corporation — and you’re trying to prove and trying to justify your existence, trying to justify your \$60,000 a year annual pay.

It’s backfiring on you, Mr. Minister, because the farmers are taking their lumps. They’re taking their lumps and they’re being quiet. You say you’re getting a hundred phone calls a day. I don’t know where they’re coming from because the complaints that farmers have when they raise them through the administration, through the corporation’s normal channels, they’d get some satisfactory results.

When you get involved, you mess it up. You just have a way of messing it up, Mr. Minister. And I think that some of the decisions that have been reported, and some of the things that have happened, are scaring a lot of farmers off. In particular I would like to draw attention to a statement that was made by the former minister of agriculture, national you said. Ferguson said in an interview that grain farmers must rely on crop insurance to cover their losses.

We have very severe problems with this because farmers must face very unusual circumstances to get special aid.

That was Ferguson’s statement. Has that changed with the election, or with the defeat of Ferguson, or with the new Minister of Agriculture? Has that attitude changed, saying that we’re not going to look at any acts of God, we’re not going to look at any national disasters? A drought once every 30 years. That don’t matter. You rely on crop insurance. We’re not going to make any more special pay -outs or any money to farmers. They’re going to have to rely on crop insurance. Has that attitude from the federal government changed with the election of Mr. Wise into that high office.

HON. MR. MUIRHEAD: — Mr. Chairman, firstly, the member said my . . . the people and my staff in my office were going throughout this province working on this individual coverage which . . . He’s trying to mislead the public when they said that they were going out working, because

they weren't.

We had 40 meetings, Mr. Chairman, throughout the province, selling individual crop insurance and bringing it to the attention of the public, and it was my general manager and the people had a research, and we had a board member at every one of those meetings, and my staff was not at any one of those 40 meetings.

And going back to now what . . . the statement he's asking about the Hon. Mr. Wise. He heard as well as what I did, his statement out here, and if I go and get involved in those kinds of statements I'll be called to order like I was last Friday. Just stick completely to crop insurance.

All I know is, Mr. Chairman, and I've said this, and I've said it several times on Friday and today, that the federal government's contract with the crop insurance corporation is they pay 50 per cent of the premiums, and they have never even given one thought of changing that 50 per cent of the premiums, whether it be a \$60 million premium or a \$70 million premium.

We've included individual coverage. We've included bees, and that puts their . . . automatically they have to put in more money. And Mr. Wise has . . . The Hon. Mr. Wise has said in my office, like I told you on Friday for two hours, we have discussed this, and he is asking people to please turn to crop insurance if possible. Turn to crop insurance if you feel that you cannot finance yourself. And that's what he's saying, and I agree with his statement.

MR. ENGEL: — The point I was trying to make, Mr. Minister, is that there is absolutely no change if you have a Liberal government in Ottawa or a Conservative government because when it deals with crop insurance, "Crop insurance must replace emergency relief," says federal agriculture minister, John Wise. In fact, I want to quote directly from him as it relates to crop insurance:

In fact, from now on the federal government will not provide an ad hoc assistance when crop insurance is available.

I think, Mr. Minister, it's time we get out of the political arena that you have taken crop insurance to since your administration's in office. You've moved crop insurance into the forefront and centre of the political arena in Saskatchewan by making it a political appointment, giving him four staff members and increases of 16 per cent. I think not too many farmers are going to swallow that.

When you hacks, when your political hacks are getting more money than the administrators of a good program, that is crop insurance, and are running in direct competition to it, and trying to justify your existence; trying to justify that we need a minister in charge so these people are out there directly competing with the general manager and his staff, that have a . . . (inaudible) . . . program in place; that have a structure in place that was working, and built the corporation.

From the last time we had a right -wing government when that 3 per cent of Saskatchewan's farmers, and the attorney general was in the same position as your Gerry Williams is now, in those days 3 per cent of Saskatchewan's farmers are in crop insurance. From '71 on we gave crop insurance a free rein. We didn't put any political interference their place. We agreed with the federal government on the administration costs and said, here fellows, build an insurance company that's going to work for all farmers.

And I want to tell you, if you think it was political interference, you come up and you tell me that there were more NDP farmers insuring than there were Conservative, because I'll tell you, that's a bunch of baloney. Every farmer that liked the insurance got in and got involved and bought it.

They didn't need a political minister. They didn't need four staff members telling them what the politic . . . and running a little dual structure beside the board; running this little dual operation

saying, our minister is in charge now. Now we go through the minister's office, when they could go through the people that are there and that have been hired to do a good job.

(15:30)

So all I want to say in wrapping this up, Mr. Minister, I see the crop insurance program being eroded by you, personally. But they are not going to give up.

Do you know when farmers buy crop insurance, Mr. Minister? When there's a threat of grasshoppers; when the dust is blowing and it doesn't look like it's going to rain, then they are saying, we need some coverage. We need some coverage. And they buy it in spite of you — in spite of you and your staff of four that are running some political interference through this crop insurance board. They are buying the insurance anyhow.

And they are going to say, there's a day of reckoning coming pretty soon because the first thing the guy is asking, when's the election? When's the election? When can we get rid of this political interference in crop insurance? When can we get rid of guys like Gerry Williams that are hired by the crop insurance board? Instead of good administrative costs, instead of spending money on computers and updating the program, we're spending \$4,340 on a political hack for you, travelling around running competition to the general manager. Well I'll tell you, Mr. Minister, that's going to change pretty soon. That's going to change pretty soon.

We're going to get a corporation in place that's going to work for farmers, that's going to be an independent insurance company with no political interference, no political manipulation like we've had to date. And then we'll see a crop insurance that will grow and work and give good coverage. We won't need to change the names. You will like names of things that were in place before. You will like names like farmstart, or land bank, or any program that worked. You will want to change the name . . .

MR. CHAIRMAN: — Order. The item before the committee is crop insurance, and I'd ask the member to stay on it.

MR. ENGEL: — Mr. Chairman, crop insurance relates to the guaranteed income of a farmer — a guaranteed income. There were programs built into it to run parallel to crop insurance that were part of a program to guarantee a farmer's income and to stabilize it, and references are made to other programs.

I'm saying that Mr. Minister, you've changed too many of the other legs of the table and with only one leg under a table it isn't going to stand. A farmer needs more than just a one -leg crop insurance. He needs those other programs in place. There's been no broad programs to help farmers.

Your ministers, and the same as the federal ministers before, stand up and say, we're not going to cover them any more. In fact, from now on the federal government will not provide ad hoc assistance. We're not going to get in there and bail out the farmer any more. He's going to have to go it on his own.

Mr. Minister, it's time we get away from the political interference. It's time we get back to some common sense. And you'd better get some direction from the Minister of Agriculture because that's where crop insurance was run before.

HON. MR. MUIRHEAD: — Mr. Chairman, the member opposite . . . I just wish, Mr. Chairman, that the member could be heard by the farmers out there in the province of Saskatchewan on their tractor radios today. I've said it over and over again, Mr. Chairman, that they've been making light of the crop insurance corporation. They talk about making this a political organization.

Mr. Chairman, the members opposite know quite well that every program we have in this province it has to be made actually very sound, passed by the federal government, and it's the same in every province in the provinces of Canada. The only thing different in Saskatchewan — that we have been the lead, we have brought in many programs that they haven't done in other parts of the country. I'm going on the 16th or 17th of June to Ottawa to a meeting for a full week with all the crop insurance officials from every province in the province of Canada, and we're going to be putting all these things together. And they're looking at Saskatchewan because we have taken the lead, Mr. Chairman. The crop insurance corporation has taken the complete lead for the farmer.

Now I'm not going to respond any more about some other remarks he's made because it just goes over and over and over again.

MR. ENGEL: — Mr. Chairman, Mr. Minister, I believe in crop insurance. I've had crop insurance. I was on a special committee that studied crop insurance way back in 1971, that recommended places like Fox Valley that couldn't buy crop insurance ever — couldn't get anywheres near because of the high risk in a dry area. Our committee got in that was headed by a chairman who was John Kowalchuk at the time; came in and made some recommendations. And we argued and debated with the federal government and said, look, we're going to cover these farmers that are in the high risk area. And crop insurance was left independent of political interference.

Today we've got a list here from you that is well over \$200,000 a year in additional administrative costs. When crop insurance was run before as a one line under Minister of Agriculture, we are now spending \$200,000 a year extra. For what? For a little staff to run a little side operation — a little complementary group running on the side in competition rather than in promoting crop insurance.

You want to spread this right out to the farmers. Use your office to do it, Mr. Minister. I'd be tickled if you would send this *Hansard* out to the farmers of Saskatchewan and tell the farmers: look, mister, you pay up when you didn't have a crop last year; you pay your premium. And yet your EA, your executive assistant, your political hack, is getting more money every month than any farmer pays in a year's premium — the farmers that know that they've got to pay more premium to pay your political hacks to do something that we don't need to do.

It existed, it built, it grew without them. It was the best thing — the fastest -growing insurance corporation in the world was Saskatchewan Crop Insurance from '71 to '81. And what happened? It hasn't changed very much since that time; it hasn't changed very much since then. The only thing that's happened is here is that little operation.

Mr. Minister, in closing I would like to say, do the honourable thing. Don't wait for Devine to fire . . . the Premier to fire you. Don't wait for that. Resign, save the Saskatchewan farmers a quarter of a million dollars a year, and crop insurance will go ahead like it did in the past. It'll move forward with the good administration that you've got in place. Let your general manager do it. There's no room for two general managers. There's no room for a political hack in crop insurance, and there's no room at the cabinet table. You know you're too full already. I think, do the honourable thing — do the honourable thing and say, look, you've had a good time; you've enjoyed the luxuries of the office; you've enjoyed the luxuries of four vehicles for your staff; it's time we're going to quit and resign.

Mr. Chairman, I believe that we've given crop insurance as good an airing as it's had ever, and I think that the minister is using his office, using his office politically — politically. He's a political appointment to crop insurance that never needed it before. He's got political staff that cost us \$200 -and -some thousand a year. You add their vehicles and perks and car expenses and the executive aircraft; a half a million dollars a year is a small estimate of what it's costing the Devine government to have a political machine in place to run a little office that's not needed — the

Minister Without Portfolio. And I think it's a disgrace that the taxpayers of Saskatchewan, the farmers of Saskatchewan, have one good coverage and one good insurance, are going to take a day of reckoning and are going to decide what to do.

HON. MR. MUIRHEAD: — Mr. Chairman, the member gets mixed up in his figures. He's talking about \$200,000 more for administration. It happens to be close to \$2 million, and he didn't even take a look to see what it's about. But he often gets mixed up with figures. When he talks, back in *Hansard* quite a long time ago, about his expenses being \$1,000 a quarter, he gets mixed up in his figures quite often, Mr. Chairman.

The only thing I'm going to say as one more point here. He was saying . . . (inaudible interjection) . . . Mr. Chairman, the members opposite keep insinuating that we haven't done anything and let them get in power again, they'll do something. Well that's exactly what we've done, because we took over their program, and we have added, Mr. Chairman, we have added expanded forage program; the added winter wheat program; added individual coverage; introduced and established benefits for sweet clover; added honey insurance; introduced unseeded acreage program; added coverage for HY320 and soft white spring wheat. That's just some of the things that I could think of here that we've done that you never even looked at, that government, in 12 years or 11 years in power — never even looked at it.

So, Mr. Chairman, I make no excuses for the accusations that the opposition are coming up with. I am very proud that I am the minister responsible for the crop insurance corporation — very, very proud. And I am proud that when I go throughout this province of Saskatchewan that farmers are happy with what we're doing. And I am very happy that the minister from Assiniboia -Gravelbourg speaks with a forked tongue because he said in *Hansard* about a year ago that the minister of crop insurance does a good job.

SOME HON. MEMBERS: Hear, hear!

MR. ENGEL: — Mr. Chairman, the operation that's political, that's run as a dual nature to the real crop insurance, is so bad that the farmers are saying, does the minister get up in the morning and look out and see a dark cloud? If it looks like it's going to hail, then he'll be busy that day counting hail -stones.

Mr. Chairman, in lieu of the fact that crop insurance ran nicely without a minister, ran very nicely, thank you, without a minister, and will run even better and expand more when you let the professionals make the decisions rather than the political hacks, I move:

That the minister's salary be reduced to \$1.

(15:45)

Motion negatived on the following recorded division.

YEAS — 7

Blakeney
Koskie
Yew

Engel
Lusney

Lingenfelter
Shillington

May 28, 1985

NAYS — 30

Birkbeck
Lane
Katzman
Baker
Klein
Martens
Muirhead
Smith (Moose Jaw South)
Rybachuk
Weiman

McLeod
Taylor
Hardy
Hepworth
Dutchak
Young
Bacon
Hopfner
Tusa
Swenson

Andrew
Rousseau
Garner
Sandberg
Embury
Domotor
Hodgins
Myers
Meagher
Morin

Item 1 agreed to.

Item 2 agreed to.

Vote 46 agreed to.

CONSOLIDATED FUND LOANS, ADVANCES AND INVESTMENTS

SASKATCHEWAN CROP INSURANCE CORPORATION

Vote 161

Item 1 agreed to.

Vote 161 agreed to.

SUPPLEMENTARY ESTIMATES 1985

CONSOLIDATED FUND BUDGETARY EXPENDITURE

SASKATCHEWAN CROP INSURANCE CORPORATION

Ordinary Expenditure — Vote 46

Item 1 agreed to.

Vote 46 agreed to.

SUPPLEMENTARY ESTIMATES 1985

CONSOLIDATED FUND LOANS, ADVANCES AND INVESTMENTS

SASKATCHEWAN CROP INSURANCE CORPORATION

Vote 161

Item 1 agreed to.

Vote 161 agreed to.

MR. CHAIRMAN: — I would like to thank the minister and his officials.

HON. MR. MUIRHEAD: — Mr. Chairman, I'd like to thank my officials, Mr. Funk and Mr. Walters.

MR. ENGEL: — I'd like to thank the officials for their co-operation.

The committee reported progress.

COMMITTEE OF THE WHOLE

Bill No. 52 — An Act to amend The Highways and Transportation Act

MR. CHAIRMAN: — Would the minister like to introduce his officials.

HON. MR. GARNER: — Yes, Mr. Chairman. Mr. Jack Sutherland, the deputy minister; Merv Clark, associate deputy minister; Mr. Al Popoff, safety services director.

Clause 1

MR. LUSNEY: — Thank you, Mr. Chairman. I'd just like to make a few comments on this Bill, Mr. Chairman. It's not a Bill that I suppose we would want to hold this House up for any length of time on. I would like to, however, say that again, as we've witnessed before, the minister in this Bill is doing the same thing as he has in every other Bill that is introduced, and that is put more restrictions, more controls on the individuals, on the taxpayers of this province.

Mr. Minister, he introduced a Bill, or Mr. Chairman, he introduced a Bill that he's going to make it easier to collect fines from people. That's what this Bill is going to do. What they're interested in is getting more money, and I can understand that. When they go around spending so much money on personal staff, then I can see why they would need more — 16 per cent increase in personal staff for some ministers' offices. Then, Mr. Speaker, I can see why they would need more money. And who are they taking it from? They're taking it by introducing Bills that are going to increase fines, that are going to make it easier for departments to fine individuals and to collect a little more money. Mr. Speaker, that is what every one of these Bills are doing.

And not only that, Mr. Chairman. In this Bill we see not only a form of indirect taxation, a form of indirect taxation which the minister wants to cover off as some method of protecting the public rather than collecting money; on top of that form of indirect taxation, the minister is going to put in more stringent regulations. He is going to allow some signs to go up for people to advertise their businesses, and I don't necessarily disagree with that.

However, the minister does one thing with it. He says that the Lieutenant Governor in Council may make regulations fixing the size, shape, type, and colour — and colour of those signs. So, Mr. Chairman, I would wonder if the minister is going to say to all the business people, or anyone that wants to erect a sign out there, that they are going to have to have a nice blue and white sign up, or what it is. One would think that at least if the individual's going to put up a sign indicating he has a business somewhere along the road, that he would at least have the option of deciding what colour he would like to have that sign in. But here the minister says that he may make regulations that would indicate what colour that sign will be.

Well, Mr. Chairman, I suppose one can only say that the minister, as usual, is not out trying to pass legislation that is going to make it more convenient, that is going to make it a little easier, or that it's going to make it easier or cheaper for the taxpayers of Saskatchewan. But what he is going to do is introduce legislation that is somehow going to, in one way or another, control, dictate to the public, or increase taxes — increase the money that he is going to get out of the consumer or out of the public of Saskatchewan.

That, Mr. Minister, is what your Bills are doing.

I'll have a few other questions as we go along, clause for clause, Mr. Minister, but I suppose with what this Bill has in it, I've pretty well indicated what I think it has in it, and I know you're going to make some comments that I'll be able to respond to.

HON. MR. GARNER: — Well, Mr. Chairman, yes, I do have a few brief comments to make regarding this. And the member, once again, has not read the Bill because it will be taking regulations off of the people of Saskatchewan. It will be freeing up and allowing for more informational signing to take place in the province of Saskatchewan, which has been requested for many, many years. And I believe it just points out our government's concern and the way we work with people and listen to the people of Saskatchewan when they want additional requests.

(16:00)

The member opposite says that, you know, we're going to worry about colours of signs. Well, I'm not worried about the colours of the sign, Mr. Chairman. But I can tell you and all the members of this Assembly that with this new signing policy, individuals . . . And I will give you three or four examples — signs for wildlife management information; hunting restrictions; research promotional projects for agriculture; 4 -H test plots; university and Department of Agriculture plots; seed cleaning processing; livestock breeders; sod farms; market gardeners; greenhouses; rural businesses; tourist businesses; welding shops; chemical and fertilizer dealers; sales and machinery and equipment dealers; resorts and outfitters; camp grounds; museums; heritage sites; water slides; vacation farms.

Mr. Chairman, I don't think these people out there in Saskatchewan will be opposed to being allowed to put up signs to identify where their locations are at. The members opposite can call it "more regulation." I'm sorry, Mr. Chairman, I cannot agree. I believe it's less regulation and going to allow the individuals, people operating businesses in the province of Saskatchewan, more freedom to advertise their places of business.

MR. LUSNEY: — Mr. Minister, you say you're not concerned about the colour of the signs. I would hope that would be true. I'd hate to think that the people of Saskatchewan that want to have some signs put up are going to be dictated to by you as to what the colour of their signs has to be. I notice it's in the Bill, and I would wonder why you would want to put it in there. But if the minister feels that that's what he wants to do, I'm sure the public will judge him accordingly.

Mr. Minister, you also, in the explanatory notes on the Bill, indicate that the public — or whoever may want to put up the sign — will be charged for that sign, and you, supposedly, will be expecting to recover all of the costs of the signs. Are these signs that are going to be going up along the highway that the department will be putting up, or are these signs that may be put up by the individuals involved?

HON. MR. GARNER: — Two or three comments, Mr. Chairman, for information for my hon. colleague and friend opposite. Just first of all, signs being erected in the highway right of way will be put up by the department staff, off the right of way. The individuals themselves will put them up. And the colours of the sign may upset the members opposite a little bit, but they are going to be grey, yellow, and red.

MR. LUSNEY: — Mr. Minister, the colour of the signs are going to be grey, yellow, and red. Are these signs, Mr. Minister, that you're going to be putting up along the highway, these are the colours of the sign?

HON. MR. GARNER: — Mr. Chairman, we'll go through this very slow for the member opposite. Depending on . . . the signs that go up in the highway right of way will be one colour; signs off of the highway right of way will be another colour. The reason why we want the different colours,

we don't want them to conflict with the highway signs that are in the right of way right now, that are directional or numbered signs on the highway.

MR. LUSNEY: — Mr. Minister, then that clause in the Bill would be referring strictly to signs that the Department of Highways and Transportation will be erecting, and not signs that the individuals will be erecting themselves?

HON. MR. GARNER: — It will be affecting both, so that we can have some uniformities so that we don't have great, big, monstrous signs in one place and little signs like this; so that we can have a standard type of signing, because we do not want to destroy the looks of the scenery in the province of Saskatchewan. We also don't want to clutter up the roadways in the province of Saskatchewan.

MR. LUSNEY: — I didn't make myself clear there, Mr. Minister. When I talked about the signs that the department might be erecting or the individuals, I was referring to the colour. Are you going to say that the colours of the signs that the individual wants to put up on private property off the highway right of way will have to conform to your colour schemes, or can the individual pick the colours?

HON. MR. GARNER: — Well once again we'll go that we have the concern with the size. We'll deal with the size first, that standard size. When we go to the colour, we would like a neutral type of colour that will not conflict with the highway signing that is already in place, so that we also have some uniformity across and throughout the province of Saskatchewan, and also some quality on it as well. Regarding the cost, it's a cost -recovery program.

MR. LUSNEY: — So what you're saying then, Mr. Minister, is if someone wants to have a sign put up along the highway, that they will have to pay the total amount of the cost of getting that sign erected. This will include the labour, the vehicles that may come out there to put that sign up, the material required for the sign, and everything?

HON. MR. GARNER: — Yes, that's correct. But at least now they will be allowed to do that.

MR. LUSNEY: — Well, Mr. Minister, they may be allowed to do it. Are they going to have to apply for a permit and a quotation of the cost, or how are you going to arrive at the cost of that sign to the individual?

HON. MR. GARNER: — Mr. Chairman, that is to be set in regulation after we have more correspondence and more communication with the interested parties out there.

MR. LUSNEY: — Well, Mr. Minister, when you brought this in, stating in the Bill that you expect to recover all the costs, surely you had in mind what costs you are going to recover. And that would mean then, rather than putting it through . . . you're going to have to put it through regulations; that's quite evident because it's not in the Bill. But are you saying that at this point you don't know what you're going to be charging for when you get those signs approved, or when you approve the signs, whether you're going to be charging for the labour, whether you're going to be charging for the equipment that's going to be out there, and the material? What is it that you are going to be charging the individuals for?

HON. MR. GARNER: — Mr. Chairman, we are not trying to make money putting these signs up. Whatever they cost the Department of Highways and Transportation, that will be the same cost that will be passed on to the individual that requests that a sign be erected on the highway right -of -way.

MR. LUSNEY: — I guess I have to be more specific, Mr. Minister. It almost sounded to me like you are saying that the individual is going to have to pay all costs, or maybe I should make a very specific question. Are you saying the individual is just going to have to pay for the sign itself, or is

he going to have to pay all the costs associated with putting that sign up?

HON. MR. GARNER: — Mr. Chairman, I'll do this one more time. We'll say that there is a company out there called "Norm's Fertilizer." And Norm's Fertilizer wants to put up a sign. Well, Mr. Chairman, Norm's Fertilizer will get a permit from the department; the sign will be put together; whatever the costs are, we won't charge any more than that to Norm's Fertilizer. Just an example, Mr. Chairman.

MR. LUSNEY: — Well, Mr. Minister, Mr. Chairman, I can see where the minister is not necessarily going to put up a sign "Fertilizer." I think he's going to have to buy a spreader along with it.

Mr. Chairman, again the minister tries to evade just what it might cost the individual. And I am saying to the minister, I understand that it's going to cost that individual totally the amount of the sign, the labour, the people that might be out there; the equipment that might be going to erect that sign, whether it's something to drill the holes or whatever form it's going to take to get that sign in place; that's what it's going to cost the individual. And it may not be an excessive cost. I don't know what it will be. But you were saying, Mr. Minister, that the individual will have a quotation prior to accepting the cost of that sign, or will you be putting up the sign and just sending him the bill.

HON. MR. GARNER: — Mr. Chairman, once again I'll try and explain it to the member that whatever it costs the Department of Highways and Transportation to have the sign constructed, have the sign installed, that is the cost that will be passed onto the individual. The individual will find this out ahead of time. There will be no surprises. Mr. Chairman, I go back to the fact that it will be a cost -recovery program and we will be allowing, as I stated previously, all of these outfits and businesses that wish to have an informational sign, a directional type of sign as to their location — this will be allowed in the province of Saskatchewan if we ever pass this Bill.

Clause 1 agreed to.

Clauses 2 to 6 inclusive agreed to.

HON. MR. GARNER: — Mr. Chairman, before I do that, I would like to thank, not only the officials here, but many departmental personnel that worked with many organizations throughout the province and many other departments of government, be it Agriculture, and Tourism, and that that worked very hard to bring this forth that is going to benefit many industries in the province of Saskatchewan.

The committee agreed to report the Bill.

Bill No. 63 — An Act to amend The Municipal Revenue Sharing Act

MR. CHAIRMAN: — Would the minister like to introduce his officials.

HON. MR. EMBURY: — Mr. Speaker, to my right is Dave Innes, deputy minister; and to his right, Rick Kilarski from my department.

Clause 1

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, since the purpose of the Bill is essentially to remove the whole idea of revenue sharing, do you think it's entirely appropriate to call it an amendment Act? Shouldn't you call it a destruction Act, or whatever? Or is it intended that this be just for one year?

HON. MR. EMBURY: — Mr. Chairman, the purpose of the amendment is to keep the revenue sharing pool at the same level this year as last year.

Clause 1 agreed to.

Clause 2

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, what you are in effect doing is saying that there will not be an escalator index, as provided by the Act, and that regardless of any increases in the corporate tax base, in the education and health tax base, in the fuel petroleum products tax base, or the personal income tax base, none of that will flow in favour of the municipalities for revenue sharing.

Mr. Minister, there is undoubtedly an increase in those tax bases, I suspect. And can you give any sort of an estimate of how much the municipalities are losing by reason of the fact that you have removed the escalator index this year and are holding them at no escalator?

(16:15)

HON. MR. EMBURY: — Mr. Chairman, and Mr. Member, a couple of things. Of course, the calculations are not available because of the . . . we do not calculate the gas tax any more because it was removed, and therefore the calculations are not that accurate. But if we take a look at the actuals, increases in the revenue -sharing pool from '82 -83, '83 -84, '84 -85 and this year, the total actual increase was 23.5 per cent.

On the calculations on what the increase would have been if we had followed the formula, '82 -83 and '83 -84 and '84 -85 and this year, the actual increase over that period of time would have been 21.4 per cent. So in effect the municipalities have done a little better in the increase in that pool than by following the formula.

I would like to also point out, however, that we've been negotiating with SUMA for two years now on both the distribution formula and the escalator formula. We have agreed to a formula for distribution with SUMA, and that will be put into place next year. And hopefully we will also have in place for next year the escalator formula which we have yet to agree on to date.

HON. MR. BLAKENEY: — Thank you, Mr. Minister. I was not asking what had been done in '82 -83 when there was an overpayment over and above the tax base escalator of 4 or 5 per cent, as I recall it, from 7 to 11, or thereabouts. I'm now speaking only from memory.

What I am asking is, in your opinion, what would have been the escalator index . . . what would be the escalator index if we did not pass this Bill amending the revenue sharing Act and allowing the current law to operate? The current law pretty clearly says that the escalator index means the weight of the average as determined in accordance with the regulations of the increases or decreases in these four tax bases. The petroleum products . . . I would have thought the taxes we're calculating, but the gallons or litres sold. In that case, that may be a little difficult to calculate. But that's what the base is, and similarly the amount of goods sold which was subject to E&H tax and the like.

My question then is: do you have an estimate of how much this change will mean in the amount by which you are to pay the municipalities under The Municipal Revenue Sharing Act? There is a formula built into the legislation. You are changing the formula. The change will reduce the amount payable to municipalities. My simple question is: approximately how much?

HON. MR. EMBURY: — Well again, Mr. Chairman, as I pointed out in the last answer, it's difficult to calculate the formula, and that's why I, in my last answer, said these would be pretty rough estimates because when you are working from a supposed base of four tax bases, and you've only got three of them, you don't . . . you know, it's very difficult to calculate.

So I would say that this year, if we had the gas tax, I suppose, and other things fell into place, that the increase could have been 2 per cent this year. Again if I go back — and I'll leave out '82 -83, you know, in '83 -84 this is the . . . In '83 -84 the formula was not in place either, and the municipalities received 7 per cent, and the formula would have kicked in at 4 per cent. But again, that's hard to tell because I don't know how you calculate it when one of your bases for calculating is gone.

So as I say, we are presently and have been for some time, negotiating with SUMA on the escalator formula. We're half-way there. We have the distribution formula finalized, and I hope maybe for next year we'll also have the escalator formula finalized as well.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, I don't intend to belabour this. I simply want to say that I think the idea of having a formula set out in law is a good idea, and I would urge the minister to conclude negotiations and to allow us then to amend, at a future session, the escalator provisions of the Act and get municipalities back on a basis where they have a right, in law, to get a given amount of money and are not dependent solely upon the figure which appears in each budget.

Clause 2 agreed to.

Clause 3 agreed to.

HON. MR. EMBURY: — Yes, Mr. Chairman, I'd like to thank my officials and I move to report the Bill.

The committee agreed to report the Bill.

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

Clause 5 (continued)

HON. MR. BLAKENEY: — Mr. Minister, there are a number of other aspects of this which we would like to consider. This, Mr. Minister, is the portion of the Bill which provides that the amount under the Bill shall be paid out. This is the substance of the Bill.

It is the view on this side of the House that while there may be problems with the minister making agreements, the essential problem of the Bill is, the minister is going to pay out \$28 million of taxpayers' money. And there is the further aspect of it — I'll come back to that first aspect a little later — but the further aspect of this clause 5, which seeks to account for this whole transaction in a way different from normal accounting. And I am puzzled why the accounts should provide only for the net payment out.

I will refer the minister to the subsection (2), which says:

For the purposes of the accounts for the Government of Saskatchewan for the fiscal year ending March 31, 1986, any amounts received by the Minister of Finance pursuant to:

((a) and (b), the terms or conditions imposed by the Minister or any agreements),

shall be accounted for as a reduction of any payments made or expenditures incurred for the purposes of this Act.

And I find that a puzzler. I don't have in my mind how this is going to look in the *Public Accounts*. As I understand it, we're going to start by paying out cheques totalling \$28 million,

and the cheques will be payable to individuals: John Jones, and Mary Smith, and the rest. And I trust that those payments are going to be displayed in the *Public Accounts*, the payees of the cheques, and if they are not, it would be interesting to know why the payees of government cheques would not be displayed in the *Public Accounts*.

The next question deals with amounts which are received in reduction of the gross payment. When they get some money back, it's going to be accounted for as a reduction of any payments. I want someone to take me through this one slowly. We have cheques payable to James Brown and Mary Smith and William Achtemichuk, all adding up to \$28 million, and now they're going to be accounted for by some sort of reduction; a reduction by reason of the fact that the minister is presumably getting some money from the liquidator.

And if I'm right in saying that there's going to be a cheque payable to William Jones and Mary Smith and John Achtemichuk, or whatever names I used, and they are for 5, 10, and \$15,000 respectively, could the minister tell me how they're going to be . . . and he collects 50 cents on the dollar from the liquidator, how is he going to account for as a reduction of payments made, or expenditures incurred, but just take payments made under the Act? He's already paid five, 10, and \$15,000. Cheques have gone out in those names.

(16:30)

How do you account for that by having some sort of a reduction of the cheques payable to Jones, Smith, and Achtemichuk, when the cheques, you know, bear their face value on the face of it? I understand in the broad accounting you can say the net cost to the Crown was so and so, but I would want the minister to tell me how this is going to be displayed in *Public Accounts*. And again, on my assumptions of cheques of five, 10, and \$15,000 respectively, and of the fact of a recovery of 50 cents, how then is this going to be "accounted for as a reduction of the payments made for the purposes of the Act"?

HON. MR. ANDREW: — I'm advised that it would be shown in *Public Accounts*. If you would go to, as an example that was shown to me, '83 - '84 *Public Accounts*, you would show a gross amount less reimbursement recovered training expenses.

This is just an example. It's on page 324 of the *Public Accounts* '83 and '84, Volume 2. And so it would be grossed out total payment. That would be in this term, let's say \$28 million, roughly \$28 million. Let's assume a recovery back. With recovery back you would come down . . . let's say, from 2,818, let's say 18 was recovered back. It would show 10 there, followed by the public accounts. The practice of public accounts is payments out to individuals. Those individuals would be shown in *Public Accounts*.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, if you're referring me to volume 2 of the *Public Accounts* for '83 -84, page 324, I don't have them before me, but I could check them. The minister is saying that this is an example of how the accounts might be displayed. And I take it from the account which he has that the individual names are listed, that the total adds up to, in our example, rough example, \$28 million; that the amounts which might be recovered would be credited against that total and not attempted to be credited against the individual payments; and that a net amount would be displayed as the cost.

I note also that there are to be expenditures incurred in the . . . Perhaps I'm asking this: are the expenditures which are being incurred with respect to this transaction on behalf of the Crown being segregated in any way so that they are going to be netted out in the way provided for in section 5? Or is this basically expenses which are external to the ordinary staff costs and consulting costs, solicitors' costs, and the like, which the Crown incurs?

HON. MR. ANDREW: — I'm advised there'd be a separate subvote for it so that it would be accounted for in that way.

MR. SHILLINGTON: — Mr. Minister, I want to return to the question of how the damages for this were divided up between the federal and provincial government. I want to remind you, Mr. Minister, that these are federally regulated institutions. There is no sense at all, for my mind, in having the federal government regulate them and the provinces pick up the pieces after they collapse. Mr. Minister, there may be a role for the province to pave, but it strikes me as passing strange that the major cost is ours. They pick up \$5 million; we pick up 28. That seems to be the breakdown.

Mr. Minister, I wonder how you got taken to the cleaners in such a fashion? You have been running behind the problems all winter and spring. You were away behind the problem in November, and that was the cause of all this. You were away behind the matter in February. You were behind your own budget, as we see today with an announcement . . . with a government in full flight from its budget announced only five weeks earlier. Mr. Minister, it appears that you dealt with the federal government with the same shrewd competence that you put your budget together and you put that letter together.

I frankly just don't see how, Mr. Minister, Messrs. Wilson and Mulroney stuck you with a major share of the costs. Why isn't this their costs? Why is this ours?

Unless, Mr. Minister, you're prepared to admit that this happened because of your incompetence — that if you had approached the matter differently in November, and if you had approached them differently in February, that this wouldn't have happened. If that is your admission that that's your learning, and the next trust company you ruin isn't going to be so expensive — this is a learning process — and each trust company you ruin, you get a little better at it until it doesn't cost you quite as much, if that's the admission, Mr. Minister, then I suppose we haven't much option but to proceed to vote.

But if it's not your admission, Mr. Minister, that you were responsible or that the government is responsible for this, then why is the Saskatchewan taxpayer responsible for the major share of the burden? How, Mr. Minister, did you get so badly taken to the cleaners in the negotiations with the federal government? If there's a case to be made for paying the taxpayer, why isn't that the responsibility of the federal government who were supposed to be regulating them?

HON. MR. ANDREW: — Well the reality of the situation, and I've been through this ground several times, the reality of the situation is: the federal government's argument is that under the Canadian Deposit Insurance Corporation, which is federally structured, that they're going to cover up \$60,000 per deposit, that they do not wish to set the precedent of going beyond that. That's the position that they've taken. We were able to budge them off that position to cover the income averaging annuity contracts. That's as far as they would go. That's a decision of the federal government.

Now I suppose we could sit and argue all day whether they should have paid more or didn't pay more. With the people that we negotiated with, that's as far as we got. That is more than they've done in other situations. There's one in B.C., western savings and trust, or something like that — Western Capital Trust — that they've paid nothing to. So that question has been raised several times.

I indicated to you that the federal government did come up with \$10 million coverage for the income averaging annuity contracts. We went a long ways down the road not figuring that they were going to come with anything, quite frankly. We got them down that far and that's more than B.C. has got. I guess that's where we are.

MR. SHILLINGTON: — Well, Mr. Minister, it is a great deal of money, illustrated today by, I suppose, the new Minister of Finance. I suppose . . . (inaudible interjection) . . . Well, he may be

the next Minister of Finance. That may be what he is tuning up for.

I may say, Mr. Minister, I have never seen an amendment to a budget announced by a different minister. But, Mr. Minister, we have that announcement today. That's 25 million bucks, I gather, it's going to cost us. For what you're shovelling into this, Mr. Minister, you could have enriched the benefits to senior citizens by 40 per cent. That's what you're giving away. You could have enriched the benefits to senior citizens by 40 per cent, assuming, your figures, that there's only \$10 million net involved.

Mr. Minister, this is a great deal of money. The federal government were watching their pennies. Mr. Minister, I wonder when you're going to start to watch and pinch the pennies that the taxpayers of Saskatchewan are coughing up because you are squandering it in quite a liberal fashion, Mr. Minister.

I suggest, Mr. Minister, that to allow the federal government to stick you with the costs, with the clean -up costs of an area which is in their jurisdiction is, Mr. Minister, inappropriate. And if the taxpayers are angry about this . . . And they are angry about this, and they have every right to be. Mr. Minister, you are a very poor steward of this province's affairs.

MR. LINGENFELTER: — I'd like to follow up on the comments made by the member for Regina Centre, and previously by the member for Quill Lakes last evening, in talking about the amount of money the federal government is putting in. And the number of 10 million, I think, is an interesting number when we're looking at the total bill being 38 million, and the breakdown is 28 million by the province and 10 million by the federal government.

Now it may just be a coincidence, Mr. Minister, that the number mentioned in your letter, your original letter to Pioneer Trust, was 28 million. It could be just a coincidence that the amount the federal government is charging you is 28 million, and in your letter to Pioneer Trust you mentioned you were going to guarantee the issue for 28 million or 27.5 million. It could be a coincidence, but I don't think so.

I think what happened when you went to Ottawa to negotiate, when they read the letter that you had sent to Pioneer Trust, they said, you blundered for 28 million when you sent that letter. I think this is the conversation that went on between yourself and Barbara McDougall. I think she said, you hung yourself out for 28 million. I think you hung yourself out, and therefore you have to be responsible for 28 million. And when the total bill was 38 they subtracted your 28 million and that left them 10. And I think that's how it happened. And I would ask the minister whether or not that isn't an accurate description of the conversation that went on, or are you asking us to believe, and the public, that it's just a coincidence? Which one is it? And I would appreciate a reply to that.

HON. MR. ANDREW: — Well I indicated yesterday when I gave you the information, the breakdown of CDIC which is covered by the federal government through their policy, and that's over \$200 million, the income averaging annuity contracts of 10 million, we then indicated that we would cover the balance. And I've been through this on several occasions as to how we negotiated it. And there's no use repeating it, I don't think.

MR. LINGENFELTER: — The other point I'd like clarified is: this CDIC money which you keep talking about is the federal government's money. How do you get off saying that's federal government money? That is not federal government money. What are you referring to?

HON. MR. ANDREW: — I went through that again yesterday as well. What I indicated is that when I presented those sheets to you, that CDIC was picking up 201.7 million less what they get back. Now I indicated that CDIC is a federal Crown corporation. The premiums paid to that corporation are from the lending institutions, financial institutions across this country, and that that cost is passed on as all financial institutions do pass it on to their customers and their consumers.

I didn't indicate at any point in time that it's federal government's money. I indicated that that's a federal responsibility. The federal government, through their agency, is covering off the insured part of the deposits to a tune of \$201.7 million. That's what is coming out of CDIC. Out of the federal government is 10 million. Out of the province is 28 million.

Our anticipation is that the recovery rate will be over 50 per cent, and it's . . . I don't think we've debated in here, or certainly questions have been asked how much that recovery is going to be. We will know that when the liquidator has completed his job and made his recovery, whether it'll be 50 per cent or 60 per cent or 70 per cent. That would, then, simply pay off.

That question with regards to CDIC, that's how it is collected. It's collected from premiums of member agencies which are financial institutions.

MR. LINGENFELTER: — Well that's what I wanted to get on the record because I think the inference in the previous question was that the federal government, through CDIC, was putting money in to help out to the tune of \$201 million. And I want it very clear on the record that that money doesn't come from the federal government. The only money the federal government is putting in here is \$10 million.

(16:45)

To get back to the original question about the coincidence between the letter that you sent to Pioneer Trust guaranteeing them \$28 million and the fact that the federal government in the end, even though they were responsible for monitoring and caring for and looking after the banking institutions, are charging the province 28 million, you are then saying that it's merely a coincidence that the letter that you sent to Pioneer Trust mentioned the value of 28 million or 27.5 and the federal government is now charging you 28 million. That's merely a coincidence and there's nothing else to it.

HON. MR. ANDREW: — I indicated to you exactly what the negotiations were, and the negotiations were that the federal government were going to stand by the CDIC as the protection agency on a liquidation, or a winding down, or winding up, and that they were not prepared to go to a precedent of paying out.

I think if you read the *Hansard* of the Bill passed in parliament, Barbara McDougall indicated that because of the misrepresentations alleged and seen through evidence, that in fact Pioneer Trust were representing to people that income-averaging annuities passed five years were in fact covered by CDIC, that that representation . . . A certain argument would be made that they were holding out CDIC as an insurer, and that CDIC should therefore be responsible for that, and that in their sense was now breaching the precedence and not setting a precedent of paying out over and above what CDIC insurance covered.

MR. LINGENFELTER: — Well my final comment on this part of the issue, Mr. Minister, is that I simply don't accept that that's how the negotiations went. And I don't think the public of Saskatchewan do either.

I think we do understand what the federal government was doing and how they negotiated. I think they didn't want to set a precedence. I agree with you on that part of it. But I think it was something different than that, and it went, we don't want to set a precedent of bailing out provincial ministers of finance when they fuddle up a deal, when they send out a letter to a trust company saying they're guaranteeing 27 or \$28 million and then don't carry through on it. That's the provincial government's responsibility. I think that's what happened.

And they said, we can't set a precedence of covering up their tracks because if we do it in the case of Saskatchewan and the Minister of Finance there, then in every province where we have

mistakes made the federal government has to bail them out. And I think that's why the number in the letter and the number we are being asked to pay out here from the province, the taxpayers of Saskatchewan, are the same.

Now you may say that that's a coincidence, but I'll challenge you to go out and try to prove that to the taxpayers of the province because I think they agree with our caucus when we say the federal government would not step into an area where it was completely the responsibility of the mistakes made by the Minister of Finance.

I'm not going to spend a long time on this because obviously you have a different opinion you're trying to sell, but I think it was because of your mistakes and the letters sent that those numbers are basically identical.

HON. MR. ANDREW: — The reality is this, quite frankly, the reality of the federal government if you look at the Canadian Commercial Bank bail -out — bailed out by the federal government, the provincial government, CDIC, and the banks — the reality of what that says and what that says in various other institutions is the federal government's precedent is that they will bail something out providing the institution carries on, even though that bail -out money might not be enough to survive and they might have to come back again.

That seems to me to be an unrealistic process and precedent that the federal government has established: (a) you bail them out to keep them going, and you can put in \$60 million into Canadian Commercial Bank through the federal treasury, through guarantees. You can put up, I think it was another 60 million through CDIC — 75 through CDIC. As long as you put it in that way, it's fine. If you put it in by way of protecting depositors, it's not fine. I think it's a stupid precedent. I think it's a precedent that has to be changed.

MR. LINGENFELTER: — On another issue, Mr. Minister, I wonder in the area of the uninsured depositors — and I believe we've now arrived at the number on the last day we were questioning, of 1,800 uninsured depositors, or those people who had over \$60,000 on deposit at the time of the ultimate door closing — do you have any idea, Mr. Minister, have you checked back to see how many individuals or how many groups there would be at the time that you sent the letter, over \$60,000, on deposit with Pioneer Trust? Do you have any idea how many deposits changed from the time you sent the letter until the doors closed? Do you have any idea whether there was 2,000 or 2,400? Can you tell me how many people pulled their money during that time period?

HON. MR. ANDREW: — No, but that is clearly something that the liquidator will be investigating into.

MR. LINGENFELTER: — And you have made no attempt to check who or how many people pulled their money, some of them who would have pulled the money and taken a reduction in . . . And I'm not talking now about natural moneys coming out of deposit as terms matured; that's not what I'm referring to. I'm referring to groups and people who pulled their money and took a penalty, who may have used that lap in time as a mechanism to move money out of that trust company. You haven't checked that. You've made no attempt to look into that and see whether or not there were massive amounts of money moving out.

And I think, Mr. Minister, what the suspicion is out there is that you sent the letter merely to give people — certain people — time to move money out. And I think to clear the air you should look into that area and report to the Assembly on that particular issue.

HON. MR. ANDREW: — We, at this point in time, do not have the power to go in and find that information. The liquidator does in fact have that power. The liquidator will in fact file that type of information with his interim report.

MR. LINGENFELTER: — And, Mr. Minister, you're saying that on this Bill that you're asking us to vote in the affirmative on, you're asking us as elected members to sign a cheque for \$28 million and you have not even taken the time to see the kind of money that was flowing out of that trust company between the time period that you signed the letter and the day you withdrew the letter. You're saying you didn't even take the time to do that, and you're now asking this legislature to give out \$28 million. Is that what you're saying?

HON. MR. ANDREW: — If you are suggesting that there was fraud and that there was people cheating — and I think that's the gist of what you're saying — then that type of information will be found out by the liquidator. Now you're the one that is alleging that people are improperly withdrawing their deposits . . . (inaudible interjection) . . . Well, if that's what they're alleging, I suggest that that in fact will be found out.

MR. LINGENFELTER: — I ask you again, Mr. Minister, and I very carefully ask you whether or not you have checked the record, whether you have checked the record to see how many deposits over 60,000 left Pioneer Trust between the date that you signed the letter and the date that you withdrew it.

Now that's an obvious question. That's an obvious question that you, as minister, coming to this Assembly, I believe should have checked out because I think it's very relevant to the discussion. How many groups or individuals took a penalty on withdrawals of money on deposit? Now that's a very logical and I think a question that needs an answer to it because unless you tell us that then we are giving you a blank cheque.

HON. MR. ANDREW: — Well that is exactly, Mr. Chairman, that's exactly what the liquidator is in fact doing. Now if the hon. member, as he has advanced on previous occasions, is that this assistance to the depositors not be forthcoming until such time as the liquidator has completed his work, then so be it. But that's exactly what the liquidator is doing, is designed to do, and that's what he will do, and that will be reported in his report.

MR. LINGENFELTER: — Mr. Minister, I'll tell you very clearly that I don't accept the hypothesis or the idea that the Minister of Finance in this issue wipes his hands of it and says, the liquidator is going to solve your problem.

I understand why the federal government didn't bail you out. And I'll also understand why the public of Saskatchewan will not accept that a liquidator is going to bail you out on this one because that's not how this one will work because you have a responsibility, as the federal government has told you, for \$28 million. And they told you very clearly to solve that problem.

And what I'm saying to you, and what our caucus has been saying all along, is: what have you done as Minister of Finance who bungled the issue? What have you done? Not what is the liquidator going to do who walked in when the doors were . . . walked in after the doors were locked and dealt with what happens after the doors were locked of getting money in that may be there and then giving it out to people they owe it to. It's got nothing to do with what happened prior to the closing of the doors. That's not what a liquidator does, and you know it.

And what we're asking is what you as Minister of Finance have done to cover off for the taxpayers of this province. That's your responsibility, and I say you haven't done it.

HON. MR. ANDREW: — Mr. Chairman, I've answered that question. It's been asked several times, and I would just simply repeat the same answer.

MR. SHILLINGTON: — Mr. Minister, with . . . Just let me make a couple of comments, if I might, one of which is with respect to the role of the federal government. It is apparent that the federal government want to put as much distance between you people and them as they can. It is noteworthy, Mr. Minister, that during the federal election the one Conservative premier who

never appeared in an advertisement with the federal leader was our Premier. They didn't want that association. It's a fact. The one Conservative premier who was never in an advertisement with Mulroney was ours because they didn't want to be associated.

It is apparent once again, Mr. Minister, that the Hon. Barbara McDougall does not want the federal government associated with your incompetency and bumbling. And I think . . . and I suggest that is why they refuse to pick up the pieces — because some people might assume if they're prepared to pick up the pieces that they are as incompetent as you people are. They'd like to salvage a few of their members in the next federal election, and they don't think you people have any such ambition, the way you're proceeding.

Mr. Minister, with respect as well to the issue of what the liquidator will do, I wonder how, Mr. Minister, you can continue to maintain what is an absurd position with respect to what the liquidator is going to do.

The federal superintendent of bankruptcy said in an interview shortly after you made this nonsensical claim that the liquidator would answer all these questions. The federal superintendent pooh-poohed the notion, said it's not so, said we might go back a few days but we're not going to go back to the beginning of time to answer all these questions.

There's nothing illegal or fraudulent about money being taken out in advance, Mr. Minister, unless certain conditions are present which were never alleged. It is your responsibility, Mr. Minister, to look out for the taxpayer of Saskatchewan. That is not the responsibility of the liquidator. The liquidator has no responsibility to the Saskatchewan taxpayer — none at all. Their responsibility is to the creditors. Your responsibility is to the taxpayer.

I don't know when, Mr. Minister, you're going to admit the obvious: that everyone, including the federal superintendent of bankruptcy, is saying that your role is different than the liquidator's, and he's not going to do your job for you.

If, Mr. Minister, you're in the process of standing aside, then bring on the Minister of Urban Affairs, if he's to be the finance minister. If amendments to the budget are to be announced . . .

MR. CHAIRMAN: — Order. The item before the committee is clause 5 as amended, and I'd ask the member from Regina Centre to stay . . . to keep his remarks on that part of the Bill.

MR. SHILLINGTON: — Mr. Chairman, I'll certainly return to the topic, but we're having some difficulty figuring out who the Minister of Finance is. We're in the process of . . . It is without precedent to have an amendment to a budget announced by a different minister. Now if the member from Regina Lakeview is to be the next finance minister, then perhaps we ought to be asking these questions to him because we're getting nothing out of the member for Kindersley — not a thing.

Mr. Minister, in addition to those comments, I have some questions. I am still astonished at the fact that you would pull that guarantee on the strength of a verbal report over a coffee table by a former president of another trust company. I really am just as astonished that you would base such a momentous decision on such an (a) informal act, and (b) on the recommendation of someone who does not have all of the background and qualifications that I would want to see for this role.

Mr. Minister, my question is: when did you first commission Mr. Wagar to do this study for you?

(17:00)

HON. MR. ANDREW: — Mr. Chairman, those questions were asked a couple of weeks ago, and we went into it in a fairly great detail, those same questions. I responded to those questions, Mr. Chairman, and I see no use in going through and simply going and repeating the questions and

answers again.

MR. SHILLINGTON: — You did not tell us, Mr. Minister, when you commissioned Mr. Wagar to do the report. That information was not given out, Mr. Minister. And it is information we're entitled to have.

Mr. Minister, if you're dropping this vase and letting it shatter on the strength of something that somebody said to you, I think this House and the public of Saskatchewan have a right to know how that decision was arrived at because you're asking us to pick up the pieces to the tune of \$28 million.

I suggest, Mr. Minister, we have a right to know how long . . . when Mr. Wagar was asked to do the report, how long he spent at it, and how thorough it was. Because if you're following precedent, Mr. Minister, and flying by the seat of your pants, you might well have asked him to do it a couple of days before you made the decision.

It is information, Mr. Minister, we are entitled to have. And I'd ask you to stand up, do your responsibility as the applicable minister in the House, and give us this information.

The committee recessed until 7 p.m.