

AFTERNOON SITTING

INTRODUCTION OF GUESTS

**Mr. Shillington:** — Thank you very much, Mr. Speaker. It's my pleasure to introduce to the Assembly 13 students who are visiting from the Regina Plains Community College, I believe seated in your gallery, Mr. Speaker. They're accompanied by their teacher, Sally Heeren.

These are English as a Second Language students. There are, in the gallery, immigrants from Poland, China, Vietnam, Czechoslovakia, India, Ethiopia, and some people with us from Quebec. The person who wrote the note, and this is kind of humorous, the person who wrote the note — this note literally says: immigrants from Poland, China, Vietnam, Czechoslovakia, and Quebec. I was careful to change that, but my colleague from Elphinstone, I think, divined the way it was originally stated.

I want all members to join me, I'm sure you'd enjoy joining me, in welcoming these students here to this Assembly today.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Canadian National's Deliveries to Thunder Bay

**Mr. Upshall:** — Thank you, Mr. Speaker. My question is to the Acting Minister of Agriculture. It deals with the failure of the Mulroney government and his Crown corporation, CN (Canadian national), to meet the Canadian Wheat Board targeting for deliveries . . . of deliveries for Thunder Bay.

I'm surprised that some of the PC back-benchers, when they were so anxious about deliveries a few weeks ago, have been silent on this issue. You will know, Mr. Minister, that during one recent week CN has missed its target of unloads at Thunder Bay by some 42 per cent. Is the Government of Saskatchewan aware of this problem, and what action have you taken to convince the Mulroney government to get CN back on track?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Berntson:** — Well as you might know, Mr. Speaker, I have had some discussions with CN, but not about this particular problem. And yes, Mr. Speaker, we are aware of the difficulties that the hon. member sets out as it relates to deliveries to Thunder Bay. Naturally we are not happy with, I think you said, a 42 per cent missed target in unloads.

While I personally haven't had responsibility for lobbying the federal government or CN to improve that record, I'm very sure that the Minister of Agriculture and the Premier, in his many, many discussions with the federal government relative to agricultural issues and transportation issues, has on many occasions raised that particular concern.

**Some Hon. Members:** Hear, hear!

**Mr. Upshall:** — Supplementary, Mr. Speaker. Mr. Minister, you will know that a few short months ago we have variable rates introduced to this province, all in the name of efficiency, to get the product to market. And now we have a little bit of a change with CN failing to meet its commitments set out by the Canadian Wheat Board.

I ask you: what does your government plan to do to get the message to Ottawa? What specifically do you plan to do to get your message to Ottawa, right now, to ensure that these unloads get back up to where they're supposed to be, so that farmers can get rid of their grain at this much needed time?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Berntson:** — I think all members know all members' positions on the question of variable rates. It's been debated in this House on more than one occasion, and it seems that everybody always comes up on the same side of that debate. Having said that, I don't know what variable rates has to do with the decline in the deliveries by CN.

He says what specifically are we going to do to enhance the CN record. I might offer them a couple of suggestions. But I think to be serious for a moment, our Premier and Minister of Agriculture has on more than one occasion, as members know, raised these kinds of concerns with the federal government, and will continue to, and whether it's writing or phoning or visiting or travelling or meeting or lobbying or whatever, all of those things are done, and they will be continued by the Minister of Agriculture, the Premier, and this government.

**Some Hon. Members:** Hear, hear!

United States Trade Subsidies

**Mr. Koskie:** — Thank you, Mr. Speaker. I want to, in the absence of the Premier and the Acting Minister of Agriculture, address my question to the member from Cannington — Souris-Cannington. Mr. Minister, in spite of the fact that a so-called Reagan-Mulroney trade deal has been signed, I want to . . . the United States continues to try to steal grain markets from Canada.

And I ask you, are you aware of yet larger subsidized sales into our markets? Are you aware that this week the Americans announced a sale of 100,000 tonnes of winter wheat, 54,000 tonnes of durum to Algeria, and further, more than \$56,000 a tonne subsidy on each tonne? They also announced 100,000 tonnes of spring wheat to the Philippines, announced that they have offered 1 million tonnes of wheat to Iraq, both with heavy, heavy subsidies.

What are the farmers of Saskatchewan to interpret in this so-called Mulroney-Reagan trade deal?

**Hon. Mr. Berntson:** — Mr. Speaker, he calls it the so-called Mulroney-Reagan trade deal. One of the components to that deal, if you like, was a commitment to work at elimination of all subsidies over some period. He

says it ain't working. Well, Mr. Speaker, the agreement has yet to be ratified in the United States or Canada, so obviously, obviously . . .

And the other thing that members opposite don't understand, Mr. Speaker, is that in the international market, no one has exclusivity to markets. There is competition in the international market. The competition is somewhat lopsided by the ability of people like United States and European Economic Community to put subsidy on top of subsidy on top of subsidy. But the particular program that he's talking about is called the export enhancement program, and it was around long before this bilateral accord was arrived at. And you know, we in Canada, for instance . . . members opposite are hollering: — get that deficiency payment out — and I think they should get that deficiency payment out. And if we told our farmers that that deficiency payment wasn't coming, how do you think they'd feel? Probably about the same as the American farmer would feel if the United States says, you will get no more assistance under the export enhancement program.

So there's a lot of difficulty. It's not as simplistic as the member opposite says. Likewise, Mr. Speaker, in our major markets we have increased our sales to both China and the Soviet Union in 1987 over 1986 by — in the case of China, a whole bunch — in the case of China, almost 100 per cent; in the case of the Soviet Union, over a million tonnes, Mr. Speaker. And I know that you don't want to hear this, but I thought the members opposite did.

**Some Hon. Members:** Hear, hear!

**Mr. Koskie:** — A new question, Mr. Speaker. Obviously the minister has not indeed read the so-called agreement of the Mulroney-Reagan administrations. I just want to indicate one section of the agreement which is being breached: "Each party has agreed to take into account the export interests of the other party in the use of any export subsidy on the agricultural goods exported to third countries." And that's what the trade deal says.

What we have now, in spite of that, and in spite of the final details of agreeing to a trade package, you have the United States with the greatest amount of subsidy going into the other foreign markets.

I ask you: how is that standing up in protecting the markets for western Canada farmers?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Berntson:** — Mr. Speaker, he's talking about taking into consideration the level of subsidization in respect for traditional markets and all of that kind of thing. Take them into consideration. And I'm not happy that U.S. is moving in some way into some of our smaller traditional markets, if those are smaller traditional markets. The Iraq deal of a million tonnes over some period is a traditional market of ours, and in fact we have a long-term agreement with Iraq. I'm not familiar with the terms of the agreement. But it may well be that this million tonnes, for all I know, is over and above our ongoing agreement with Iraq — it may well be.

Now if you're suggesting that we should blow away deficiency payments in consideration of subsidies, if you're suggesting that we should blow away the Crow benefits in consideration of subsidies, I think you're wrong, and I think the people of western Canada will say that you're wrong. And I think that the people in western Canada simply want a fair shot to compete in those international markets, traditional or not.

**Some Hon. Members:** Hear, hear!

**Mr. Koskie:** — A further supplement, Mr. Speaker. Mr. Minister, are you aware that the president of the Saskatchewan Wheat Pool, Garf Stevenson, in effect says that it's a breach of faith for the . . . to talk about solutions to a trade problem and then to go on acting the way the U.S. is. That's the spokesman for the wheat pool. And you stand up in this House and defend Americans. When are you going to stand up for the Saskatchewan farmers, that's the question?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Berntson:** — Mr. Speaker, I take a great deal of delight and with some degree of conviction stand up for Canadian farmers at all times. What Garf Stevenson has said is not dissimilar to what the Hon. Joe Clark has said, and I've told him, if you were listening, I've told him that we were not happy that the Americans were getting into some of our traditional markets.

I went on, Mr. Speaker, to try to explain to him that we have a great deal of difficulty as has been agreed to in the bilateral arrangement in just waxing all of the distortions in the market like that. It isn't going to happen like that. It can't, and it won't.

We have, through discussions that our Premier has had with people like the Prime Minister of Australia, and the President of France, and people in United States and people here in Ottawa — we have a broad consensus that what has to happen in agriculture is that we have to step out of these subsidies. And when we do that, Mr. Speaker, and when we can compete in that undistorted international market, Canada will do very, very well.

**Some Hon. Members:** Hear, hear!

#### **Government Investment in Pioneer Trust**

**Mr. Tchorzewski:** — Mr. Speaker, I was going to direct a question to the Minister of Finance, but I think it's better directed to the former minister of Finance, the Minister of Economic Development and Trade. Mr. Minister, my question deals with a very shocking admission that the officials of the Department of Finance made during testimony before the Public Accounts Committee yesterday.

Mr. Minister, the Finance officials confirmed that in January of 1985, long after it was common knowledge that Pioneer Trust was in serious financial difficulty, that \$4 million worth of provincial government investment certificates on deposit at Pioneer Trust had matured. The investment managers, the professional investment managers, Mr. Minister, further said and recommended

to you that the \$4 million be removed from Pioneer Trust and invested elsewhere. But your office overruled them and directed them to leave the \$4 million in Pioneer Trust.

How, Mr. Minister, do you justify this kind of political interference in the investment of public funds, interference which caused the taxpayers of Saskatchewan to lose millions of dollars?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — Mr. Speaker, during the time of the Pioneer Trust incident when Pioneer Trust was in a significant amount of trouble, I can advise the hon. member that at that point in time myself and Morley Meiklejohn were working very, very closely on this particular deal, and I do not recall that particular incident that you refer to, quite frankly. I will undertake to further investigate that and report it back to the House.

**Mr. Tchorzewski:** — Mr. Minister, a supplementary, Mr. Speaker. Mr. Minister, I quote from comments made by the officials of the Department of Finance yesterday.

**Mr. Speaker** — Order, please. Order, please. The hon. member, I'm sure, can paraphrase the quote.

**Mr. Tchorzewski:** — Mr. Speaker, I agree, that's correct. Mr. Minister, the officials of the Department of Finance clearly said that they were directed to make the investment contrary to their recommendation.

I ask you this: why could you find \$4 million for Mr. Will Klein, an important fund raiser and supporter of the Conservative Party, but you can't find \$4 million to maintain a decent children's dental plan in Saskatchewan which you are destroying with the budget that we're considering in this session?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — I indicated to the hon. member that at that point in time I was taking advice and discussing those issues with Mr. Morley Meiklejohn. Mr. Morley Meiklejohn is well recognized, or was well recognized, in Saskatchewan and across the country, and I don't recall that particular type of incident.

Mr. Speaker, I think the hon. member also tries to make somehow the view that the government lost \$4 million on a particular investment, and I don't buy that either.

And that's the type of information he's trying to lead, and that is not proper information. As a former Finance minister, he knows that there has been significant recovery on that particular . . . on any particular deposits at Pioneer Trust — significant recovery.

And I think that the nature of his paraphrasing and the nature of his question is designed simply to mislead the public. And I think that is an unfortunate way for a former Finance minister to act.

**Some Hon. Members:** Hear, hear!

**Mr. Tchorzewski:** — A new question to the minister, Mr. Speaker, and I ask the minister only to check the latest report of the Provincial Auditor to confirm that in fact there was money lost under this investment that you directed be made.

My new question, Mr. Minister, is as follows. During this period of the Pioneer . . . (inaudible interjection) . . . Thank you, Mr. Speaker.

Mr. Minister, during this period of the Pioneer Trust fiasco, you had a special report on Pioneer Trust that was prepared by one Mr. Allan Wagar in January of 1985. And it was a report that your government used to decide whether or not to continue with your \$30 million bail out of this trust company. The officials of the Department of Finance confirmed that this was a verbal report only and was provided the cabinet ministers only and not to officials of the Department of Finance.

Didn't you think, Mr. Minister, that a \$30 million decision required at least a written report that officials in the Department of Finance could consider and study for its accuracy? How can you justify this kind of shoddy performance when \$30 million of Saskatchewan taxpayers' money is at question?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — Mr. Speaker, during this particular time that the hon. member is talking about — I'm taking it from memory — at that point in time, we dealt with this particular issue throughout the month of January.

I can advise the hon. member that one Mr. Morley Meiklejohn was working with me on a . . . virtually on a daily basis. Morley Meiklejohn, again, is well recognized at that time. He has since retired from government. Morley Meiklejohn was intensely involved on the deciding and the recommendation of what we do with regard to Pioneer Trust.

For the member opposite to somehow suggest that is not the case, or for the Provincial Auditor to somehow suggest that is not the case, is clearly misinformation and is clearly misleading.

**Mr. Tchorzewski:** — New question, Mr. Speaker. Mr. Minister, were it only the officials had made these decisions, I think the problem may not have been what it was. But the problem is that you made the decisions and the executive council made the decisions, and thus we are faced with the problem today.

**Some Hon. Members:** Hear, hear!

**Mr. Tchorzewski:** — Now, Mr. Minister, my new question to you is about something that's happened more recently. All of these admissions that we have seen in the last two days with regard to Pioneer Trust show that during that period of time it is clear it was nothing short of amateur night on the prairies when it applied to your government.

There was another admission made during these discussions yesterday in the committee, Mr. Minister,

which made it clear that you still haven't learned from your mistakes, because it was revealed in the Public Accounts Committee that although the Consumer Affairs department knew in July of 1983 the serious difficulties of Pioneer Trust, it failed to tell the officials of the Department of Finance until November of 1984. Now that, Mr. Minister, is the same kind of negligence and the same kind of incompetence which we saw in the collapse of the Principal Group of companies this year.

And I ask you, Mr. Minister, why did you allow all of the shortcomings of your administration to continue so that now thousands more of Saskatchewan people have lost millions of dollars because of your inaction?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — I'm advised that the Consumer and Corporate Affairs were advised as to some concern about Pioneer Trust back in 1980, at such time as the member from Quill Lakes was the minister of Consumers Affairs and you were the minister of Finance. So I wonder if you're really being forward here, really being quite frankly straightforward with this particular issue. If you're criticizing me, you're also criticizing yourself and your best friend, the member from Quill Lakes.

**Some Hon. Members:** Hear, hear!

#### Investigation into Collapse of Alberta Trust Companies

**Ms. Smart:** — Thank you, Mr. Speaker. My question is to the Minister of Justice. Yesterday in this House during the review of the Consumer Affairs estimates for that department, the minister had something to say about the RCMP investigation into the collapse of First Investors and Associated Investors, and I want to quote her comments to you and ask you a question. She said:

... I believe the police had contacted approximately 350 investors who had made allegations of misleading information and that type of thing.

... I think the investigation has been completed, but you'd have to ask the Minister of Justice.

So, Mr. Minister, have the RCMP completed the investigation? And if so, have decisions been made to lay possible charges?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — Mr. Speaker, in response to the questions of the hon. member, I am advised that the RCMP have not concluded their investigation, and it would not be proper for the department or the Minister of Justice to comment on ongoing investigations.

Now if the RCMP and the RCMP fraud squad is continuing their investigation, that means that they must be of the view that there's further information that they need before they could make a determination as to whether charges should be laid or should not be laid. And that is always, and should and must remain, in the purview of the RCMP, and they are the people that will

make that decision.

I think it would be very improper of me or of you to somehow ask them to speed it up or do it at a different course or report intermily as to what the evidence they have now is. And I think it's probably best to leave that to the RCMP.

**Ms. Smart:** — Supplementary question, Mr. Minister, there are now 4,400 Saskatchewan depositors in this province who are very concerned about getting some information regarding the collapse of those companies.

The investigation has been under way for a long time, and in British Columbia the government has already launched a civil action against the officials of the Principal Group, including the former president, Donald Cormie. And I want to know how it is that the British Columbia government can move so swiftly and the Saskatchewan government is going at a snail's pace if it's doing anything at all. How is that?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — Well the hon. member said that there were 4,000 depositors. As the hon. member would know, that a depositor can be covered by CDIC (Canada Deposit Insurance Corporation) as opposed to an investor — now I don't know whether she's talking about investors or about depositors.

Now there's clearly an investigation going on in Alberta which is the focal centre-piece of any investigation. Anything done in B.C. is going to be peripheral to that; any investigation going on by the RCMP is going to be peripheral to that. I think it's true to say, it's been said many times in this House by the Minister of Finance, by the Minister of Consumer Affairs, that the — you're going to get to the bottom of the issue through the investigation going on in Alberta, and that's where you're going to be able to call the information. That's where the corporate decisions were taken by the various companies, and I think you would agree to that. And that's where you're going to find the information.

Now are we interested — you and I and everyone else — for the best interests of the investor or of the depositor to get to the bottom of the issue. And I think if we're interested in getting to the bottom of the issue, then we let that investigation in Alberta take its course. We will do what we can do here, and B.C., I suppose, will do what they can do.

But the end of the day it's going to be the Alberta inquiry that determines what the issue is and where the mistakes were made, and I think we should let that run its course.

**Some Hon. Members:** Hear, hear!

#### GOVERNMENT ORDERS

#### SECOND READINGS

#### Bill No. 26 — An Act to amend The Notaries Public Act

**Hon. Mr. Andrew:** — Thank you, Mr. Speaker. I rise to

move second reading of this Bill, The Notaries Public Amendment Act, 1987.

This legislation, while not earth-shattering to the member from Moose Jaw, this legislation will eliminate the necessity for practising lawyers to make an initial application to become notaries public and will ensure that lawyers appointed as notaries public continue as long as the lawyer holds an annual certificate of practice issued by the Law Society of Saskatchewan.

Almost every lawyer requires a notary public appointment in the course of his or her practice. This Act removes the requirement to apply for this necessary tool of practice. The appointment of lawyers as notary public will continue as long as they remain practising lawyers. Since this legislation is of a regulatory nature, and since lawyers are never denied any appointment as a notary public, it makes little sense to continue with that form of an application. As well, it has traditionally been the case in this province that lawyers maintain their notary public appointment unless suspended from practice or struck from the roll, as barrister and solicitor, kept by the law society. This will continue to be the case in the legislation.

The amendment of the existing Act makes the appointment of a lawyer as notary public consistent with similar provisions in The Commissioners for Oaths Act, pursuant to which lawyers are automatically commissioners for oath and remain so as long as they are lawyers.

In terms of eliminating the requirement to make an application to become a notary public, this change will result in our legislation being consistent with the statutes of Alberta, British Columbia and New Brunswick. As well it should be noted that in every province, appointment of lawyers as notary public continues as long as they are entitled to practise law in that province, unlike the appointments of other persons for a specific term.

I might say to the hon. members, Mr. Speaker, this is a piece of legislation that has been recommended to the government by the Law Society of Saskatchewan. We felt that the recommendation of the Law Society had some merit, and then therefore are moving this legislation. With that I move second reading of An Act to amend The Notaries Public Act.

**Some Hon. Members:** Hear, hear!

**Mr. Mitchell:** — I have very strong feelings about this subject, and it had been my plan to speak at some length in support of the motion. But in the interests of economy of the time of the House, Mr. Speaker, I would simply say that I and my colleagues are going to support the Bill.

**Some Hon. Members:** Hear, hear!

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

## ADJOURNED DEBATES

### SECOND READINGS

The Assembly resumed the adjourned debate on the proposed motion by the **Hon. Mr. Berntson** that Bill No. 55 — **An Act to provide for the Division of Saskatchewan into Constituencies for the Election of Members of the Legislative Assembly** be now read a second time.

**Hon. Mr. Blakeney:** — Mr. Speaker, I'm pleased to enter this debate on The Electoral Boundaries Commission Act, an Act which will scrap our existing Constituency Boundaries Commission Act, which has been on the books since 1972, and substitute for it an Act which is clearly inferior from the point of view of achieving the appropriate objectives which this legislature should have in enacting any Act which deals with the electoral boundaries.

I want in this regard to go into a little bit of the background of this House and the electoral boundaries. And before 1972, Mr. Speaker, we didn't have any independent boundaries commission, no process for drawing constituency boundaries in a way which was fair and would be seen to be fair.

The need for a fair and impartial way to draw boundaries was recognized in Canada during the 1960s. The federal government adopted an independent boundary commission approach, I would think about 1966, followed by Alberta and Manitoba. The then government of Saskatchewan, the Liberal government of Mr. Thatcher, did not follow that route. Instead they resorted to what can only be called an outrageous gerrymander to try to shore up their sagging political fortunes. And the gerrymander was outrageous.

I speak, Mr. Speaker, of the gerrymander which preceded the 1971 election. And I'll give you just a few examples. The member for Qu'Appelle-Lumsden was one of the architects of that particular gerrymander, and he then was a public servant, a political appointee; he worked in the office of one of the ministers in the Thatcher government. And here are some of the things which were dealt with, and I will indicate to this House how they were dealt with, and the House and the people of Saskatchewan can decide whether or not they felt that this was fair.

In Moose Jaw there were, all during the '60s and the '70s, and still basically true, about 20,000 electors. And in 1964, for the 1967 election, the Liberal government of the day undertook to draw the boundaries of Moose Jaw into two seats. And they said there is no way that we can draw a boundary which gives about 10,000 electors for each seat and have either one of them won by the Liberal Party. So they said well, fair enough, we'll draw the boundaries — 12,000 in one riding and 8,000 in another, and we may just win the 8,000 riding. But they miscalculated, Mr. Speaker, and both ridings were won in the 1967 election by the NDP, as it now is.

So when they came to 1971, they said, there's nothing wrong with our idea, we just didn't have the courage of our convictions, so they drew the boundaries so that the two seats had — one 14,000 and the other 6,000. And they achieved their result. They won the 6,000 voter riding in 1971, and it was a considerable credit to the member for Qu'Appelle-Lumsden and the architects of

that particular gerrymander. A credit to their skill at drawing boundaries, but no credit to their sense of political morality.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Blakeney:** — In 1971 in Regina I was elected for the constituency of Regina Centre. A Liberal was elected in another constituency in Regina of Albert Park. Regina Centre had four and one-half times as many voters as Albert Park, in the same city. The Liberal who ran against me lost his deposit — lost it badly, but he had more votes than the Liberal winner in Albert Park or the Liberal winner in Whitmore Park. Albert Park and Whitmore Park were the two which were won by the Liberals with fewer votes than the Liberal who ran against me and lost his deposit, and lost it badly.

Rural seats, side by side, were dealt with the same way. Whatever . . .

**Mr. Speaker** — Order. Order, please. Order, please. Please allow the Leader of the Opposition to make his remarks without interruptions.

**Hon. Mr. Blakeney:** — Mr. Speaker, rural seats were dealt with the same way — two side by side, the seat of Wadena and Last Mountain, and they are contiguous then and contiguous now. One had over 10,000 voters, and the other had just over 5,000 voters. This was some of the craftsmanship brought to bear on this particular gerrymander.

And I tell you, Mr. Speaker, that act offended the conscience of Saskatchewan people, and it attacked the fundamentals of democratic government. The fundamental principle of democratic government is: — one person, one vote, and as far as possible having everybody's vote count for the same amount. We're not talking about arithmetic exactitude, but we are talking about generally one person's vote equalling one other person's vote and no legal structures which make that impossible.

We don't want super-citizens and sub-citizens. We don't want citizens plus and citizens minus. We want everyone to be treated alike when we come to casting our ballot and having it counted in choosing the government which is to govern us.

Now, Mr. Speaker, because of the enormities of the gerrymander, and because of, I think probably a growing general morality for which I take no more credit than anyone else, we introduced a Constituency Boundaries Commission Act in 1972 which I think did the job, and I don't know anyone who quarrels. And that is the current law.

It does provide for two northern seats. I admit that, when strictly speaking they would only be entitled, perhaps, to one and one-half — and one might quarrel with that. There are some special circumstances in the North, four main ones: — the enormous distances and difficulties of travel and communication; the enormous area, encompassing half of the province; the rapid growth in population; and the large population compared with the

number of votes, and that's not often appreciated in the North. They have not so many voters, but a lot of people. And when over half the population is under 16, you get many more people per 100 voters than you get in a constituency like Regina Elphinstone.

We're not suggesting that this legislature represents people; we represent voters. But in a sense, a northern member has to represent the youth of that constituency as well. But in any case, for two seats — moving it from one and a half, with those special circumstances, did not seem a violation of the general principle.

Now the current law says this, the one we are going to repeal if this Bill is passed. It says:

We will appoint an independent boundaries commission. We will ask them to draw boundaries on the basis of one person, one vote. They may take into account natural boundaries, but the principle is firm, of one person, one vote, and the variation shall not be greater than 15 per cent up or 15 per cent down.

Mr. Speaker, those are the basic principles of the Bill which we are now seeking to repeal.

Now let's take a look at the Bill which has been put before us by the government opposite. The key to any such Bill, Mr. Speaker, is the commission, the boundaries commission. Now the Bill changes the law with respect to the boundaries commission. And the simple questions to be asked are why, for what purpose, and for whose benefit?

Who is going to benefit by changing the way we get our independent boundaries commission? Certainly we now have an independent boundaries commission. It has operated, it has operated under two governments — our government and the government opposite. And, Mr. Speaker, you may know that it has as its chairperson, the existing commission has as its chairperson, Mr. Justice Hall; it has as one member, the Clerk, Mr. Barnhart; and it has as a third person, chief justice Culliton.

The earlier commissions under this same law have had as their chairman other judges, Mr. Justice MacGuire, and others. They've had Mr. Barnhart, and they've had the president emeritus of the University of Saskatchewan, Mr. John Archer.

And, Mr. Speaker, the commissions over more than 15 years now have been scrupulously fair, and nobody has suggested otherwise, certainly not the member for Souris-Cannington when he introduced this Bill. He would not have the temerity to suggest that these commissions under this Bill have been anything other than scrupulously fair. And I am sure he would say that the present commission which is now acting, Mr. Justice Hall and Mr. Barnhart and chief justice Culliton, would be equally and scrupulously fair.

Now why then are we changing it? We've got a 15-year track record of scrupulous fairness, which everybody acknowledges. We've got a commission acting now which is scrupulously fair, and I haven't heard a word

suggesting otherwise — not a word suggesting otherwise. And yet there's a Bill to change it. Why? We keep asking that same question. Who is going to benefit? Why are they proposing a change? Why are they proposing a change?

Well, Mr. Speaker, every change made in this Bill with respect to an independent boundaries commission is a move backward. It makes the commission less independent and less impartial, and therefore strikes a blow at the underpinnings of democracy in this province.

Let me check the changes proposed by this Bill one by one. This Bill proposes a commission where one member will be a judge — very much as it is now — and with that I have no quarrel. But where now the judge is the chairman under the Bill before us, the judge, that is the judge appointed by the Chief Justice of Saskatchewan, will not necessarily be the chairman. And I've heard no reason for that, no justification for it.

I think it's important that the chairperson of the independent boundaries commission be seen to be scrupulously fair. I think we can agree that a judge appointed by the Chief Justice of Saskatchewan has the best chance of impressing upon the public mind his fairness and total impartiality, and yet the government opposite has decided to change that. And I ask why? And I certainly didn't hear why when the member for Souris-Cannington was introducing the Bill.

(1445)

There can be no reason for changing it unless there's some opportunity for partisan advantage. If anyone can suggest another credible reason, I hope he enters this debate and does so.

We have as another member of this commission for 15 years, the Clerk, who is a member ex officio. Now this particular Clerk — and he's sitting before us, and I'm not saying anything about him that he doesn't know himself — was appointed by a legislature with a Liberal majority. He was appointed in the days of the Liberal legislature. He served with distinction for 11 years under our administration and now five years under a PC administration. I've no doubt that he has tugs and pulls with all three administrations, and on that I don't speculate. But he has been a member of every one of the independent boundaries commissions — every one that this province has had at the provincial level — and no one has suggested over this track record that this particular Clerk has been anything but impartial both in this House and when he was acting on the independent boundaries commission.

Now that being the case, why should we change? This Clerk, as a matter of fact, has additional experience because, as I recall it, he served as a member of some of the federal boundaries commissions which were drawing federal boundaries in this province.

And again, I have never heard anyone question his impartiality, his effort to get the fairest boundaries possible. And if members opposite have heard it, I wish they'd share it with me because I haven't. Now why change that? Why change it unless there is some seeking a

political advantage?

Now who are we going to get in its place? We are going to get the Chief Electoral Officer. And I noted the member for Souris-Cannington was suggesting that the Chief Electoral Officer is on some other boundaries commissions.

Mr. Speaker, there is a grave difference between the Chief Electoral Officer in Saskatchewan and, let us say, the Chief Electoral Officer in Alberta. In the latter province, he's an appointee of the legislature, such as our Clerk or such as our Provincial Auditor. In this province — perhaps it should be otherwise, but it isn't — the Chief Electoral Officer is a direct nominee of the cabinet, and no one suggests that he is impartial.

As a matter of fact, I think the current Chief Electoral Officer would consider that I was insulting him if I suggested that he was impartial, that he wasn't fully committed to the Progressive Conservative Party, the Progressive Conservative leader, and the interests of that party. I think he'd be upset.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Blakeney:** — And I think he'd be right to be upset because he's never pretended to be anything else but a nominee of the Progressive Conservative Party, dealing on their behalf. He's an order in council appointment. He doesn't pretend to be independent and ask for any protection from the Public Service Commission. He doesn't pretend to be anything but a nominee of the Progressive Conservative Party, serving their interests. And now he is made a member of the independent boundaries commission, and unquestionably that appointment makes the commission less independent than it previously was.

Now, Mr. Speaker, who was the third member? Mr. Speaker, under the current law the third member is appointed by Mr. Speaker in consultation with the Premier and the Leader of the Opposition.

And such have been the character and capacity of the people who have served as Speaker that, in the past right up to the current time, we have had people nominated whose impartiality and qualifications could not be vote-safed, could not be attacked. We've had, as I say, the president, John Archer of the University of Regina. We now have retired chief justice Culliton, and I have never heard anyone attack either the competence or the impartiality of either of those people.

That's how the current system works. Now why would we want to change that? No reason has been advanced, and no reason can be speculated upon except someone seeking partisan political advantage.

Now, Mr. Speaker, I am somehow asked to believe that a provincial court judge who is an appointee of the government opposite, selected by the chief judge of the provincial court, who is equally an appointee of the government opposite, will be able to attain the same stature of impartiality in the public mind as chief justice Culliton, who is the present person chosen by the current

method.

Now I ask you, Mr. Speaker, simply to state that proposition is to refute it. We've got good people on the provincial court, although I suspect that nobody opposite could name a quarter of them. We've got good people, and I'm not denying that. But I think I do not malign them when I say that not one of them has the stature in the public mind of chief justice Culliton when it comes to being a person who knows what politics is all about and can act fairly and impartially.

And yet this change is being made. It is proposed that we appoint a provincial court judge, selected by the chief judge of the provincial court, Chief Judge Carey, the man who, as I recall it, a few months ago, not many months ago, was the executive assistant of the current Minister of Finance — special adviser — who, I remind members opposite, was one of the architects of the 1971 gerrymander.

Now that person who . . . and he would not deny it; he occupied a political appointment. Nothing wrong with being a political appointee — only something wrong with it when you then claim that you're totally impartial and unbiased.

And we now have that person as chief judge, and I have no doubt that over time he will do a good job as chief judge. I just say that right now, fresh from leaving the office of the current Minister of Finance, he should not undertake obligations which are clearly political in nature, and that is what selecting someone for an independent boundaries commission amounts to. And I say that the government opposite is acting unfairly so far as Chief Judge Carey is concerned when they put him that position. And that is not good enough.

So, Mr. Speaker, we review this by saying that we will have an independent boundaries commission which will clearly be less independent. The judge will be the same, but trading — if I may put it that way — the Clerk of this legislature, who has a track record of impartiality and who has served governments of three political persuasions, for an acknowledged political appointee, the chief Electoral Officer, and trading people who are appointed by Mr. Speaker of the character of President Archer and chief justice Culliton for someone appointed by Chief Judge Carey, fresh out of the Minister of Finance's office, does not enhance, but in fact reduces the impartiality of the commission and the perceived impartiality in the public mind, and that's bad for democracy in Saskatchewan.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Blakeney:** — Mr. Speaker, I think no one could look at this without feeling that the new commission must be a far cry from the ones we've had in the past. It may well produce something fair, but what we're talking about is, when we're talking about constituency boundaries commissions and the reputation which gerrymanders bear in the minds of people, generally, but certainly in the minds of people of Saskatchewan. It's desperately important that that commission not only be fair but be seen to be fair.

Under the current Bill that has happened — and no one will dare deny that. Under the new Bill every step is backward. Every step has either no purpose or the purpose of giving partisan political advantage and, therefore, that particular provision of the Bill ought to be rejected by every member of this House.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Blakeney:** — Mr. Speaker, I want to turn to another major aspect of the Bill, and that is the redistribution rules, Mr. Speaker, the redistribution rules in the old Act were fairly simple. They said: — of the north-half of the province make two seats; of the south-half of the province divide up all the seats as closely as you can in accordance with the population — period. There were some certain limitations to the number of seats, somewhere between 55 and 65.

Now this new Bill changes things in two material ways. By and large it leaves the North untouched, and for the reasons that I've earlier indicated, we have no quarrel with that. But, Mr. Speaker, having regard to the figures which are about, and based upon the last election when the average rural seat had approximately 9,700 electors and the average urban seat had approximately 10,950, so 9,700 to 11,000. And based on the provisions of the Act which say that rural seats shall be selected on a different basis than urban seats, it provides as a matter of law that voters in urban seats shall have a vote . . . their votes count for less than voters in rural seats.

Super-citizens and sub-citizens are built into this Act by law, and however that may seem . . . however unfair that may seem to the independent boundaries commission, they are not able to do anything about it because the law provides that that unfairness shall be built in.

The second major change has to do with the extent to which one seat can vary in size from another. We used to have a . . . the current law is that one seat could vary plus 15 or minus 15 from the average or the norm or the quotient, to use the words which are frequently used.

Let me just restate that by saying that if one took all of the . . . if you want to divide the southern half of the province into 62 seats, you added up all the voters, divided it into 62, got an average figure which, let's say, was 10,000, and the number of voters could not vary at the time of the redistribution by more than minus 15 per cent of 10,000, or plus 15 of 10,000 — which makes a 30 per cent spread, Mr. Speaker.

Mr. Speaker, this Bill changes that figure from 15 per cent to 25 per cent. It will allow, therefore, one seat in Regina to be 50 per cent larger than another seat in Regina. It will allow a rural seat to be 50 per cent larger than another rural seat. And having regard to the skew built in by law, it will allow a Regina seat to be probably 75 to 80 per cent larger than the smallest rural seat — very nearly two to one to start, very nearly two to one to start with, making the rural seats smaller than the urban seats.

And all of us know, and particularly does the member for, let us say, Eastview or Mayfair know, the rural seats tend



to go down in population; the urban seats tend to grow. And over a period of eight or 10 years, the length of a redistribution, you get a very substantial skew, a very substantial distortion.

The member for Mayfair would represent close to three times as many voters as, let us say, the member for Assiniboia-Gravelbourg. And that's not fair — that's not fair. His voters are just as good as my voters, and he represents about twice as many voters as I, and I don't think that's fair. I know that we can't cure all those things because they happen over time, but we should not start out — we should not start out — with an unfairness built in when we know that over time it's going to get more and more unfair. And that's what this Bill does, and for that reason it is grossly unfair.

(1500)

What particularly disturbs me is the fact that it would permit one rural seat to be 50 per cent bigger than another rural seat. And let's hear the argument for that. Let's hear the argument for saying that a Melfort seat should be 50 per cent larger than a Kinistino seat. I just don't feel that that has any justification — not any — and I don't know why it's built into the Bill.

There was nothing wrong with the earlier . . . It was bad enough, in a sense, at 30 per cent, but you can't have arithmetic precision here. But to make it 50 per cent for openers, at the start, is bad; it is unfair to those voters, and as I say again, Mr. Speaker, opens up the door for partisan political advantage.

Now, Mr. Speaker, I further believe that rural people are not asking for any special status. The people in Maple Creek and Shellbrook don't think they're any better than the people of Swift Current and Prince Albert. They're asking for an equal shake, that's all, and that's what they should have — no less, but no more.

Certainly the present rules have not discriminated against rural people. Nobody can say that the existing Boundaries Commission Act has discriminated against rural people — certainly nobody in the House opposite who, by and large, represent rural constituents and, by and large, were elected with many fewer votes per member opposite than the members on this side of the House.

But we didn't complain. That's how the system worked. And it did over-represent rural areas and under-represent urban areas, and we recognized that that's what came about when you started on an even keel and over time people moved into the cities.

And we didn't complain, because even on election night when our party had more votes but fewer seats, I indicated, well, that's how the rules are and we'll not quarrel. All we can hope for is that the next redistribution will be fair and that we will have an opportunity to redress the balance, if in fact we get more votes than the other party.

That should be as it . . . that should be the opportunity available to any member of this House or any political

party. But members opposite are not satisfied with the will of the people. Members opposite are not satisfied to give the public an opportunity to choose on the basis of majority rule. They want to skew the rules, they want to put in rules which will start out with having one seat being able to be 75 or 80 per cent fewer electors than another seat, and in a situation where that number will grow and grow so that we might well have seats which . . . many seats which have half the number of voters as many other seats.

That, Mr. Speaker, is not tolerable. That is inconsistent with anybody's view of what a legislature should be or what representative democracy should be.

I just want to use one short quote from the Canadian Parliamentary Review, and it's not significant except it's a simple statement of what we're trying to do when we're talking about the principles of redistribution. And I'll paraphrase it: The fundamental principle of representative government was equal representation for an equal number of people since legislators represented people — not farms, not cities, not economic interests but people.

Now I wonder if members opposite accept that. Do they accept that? And if they do, if they do, can they defend this Bill? If they do, can they defend this Bill? And if they do, I hope they'll get up and defend it, because my bet is they won't. My bet is they will sit in their seats, vote for this Bill, which they know is unfair, but will not have the courage to stand up and say why they believe that this Bill ought to be passed.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Blakeney:** — Mr. Speaker, I will not prolong my remarks . . .

An Hon. Member: — Fred Dewhurst remembers you, Al.

**Mr. Speaker** — Order, please. Order.

**Hon. Mr. Blakeney:** — I will ignore the references to the former Speaker, at whose funeral I gave the eulogy. I know him well and knew him well, had respect for him. And under that Speaker, we had people appointed to a Constituency Boundaries Commission, which was unquestionably fair and which no member opposite will dare stand up and say was not fair.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Blakeney:** — Mr. Speaker, I close my remarks by repeating that we have an independent boundaries commission. Nobody has attacked any . . . We have the Bill now, the independent boundaries commission Act. No one has attacked any commission appointed under that Bill, and nobody can with any credibility. Nobody has attacked any boundary map that that commission produced, and nobody can with any credibility. If anyone quarrels with the result of the last election on the basis of constituencies which were too large or too small, all I can say is that the Act permitted the government opposite to have a redistribution before the last election and they didn't do so.

Nobody can attack any of the boundary maps drawn by that commission as being unfair, and nobody has. Nobody has attacked the composition of the existing boundaries commission — that's Mr. Justice Hall, the Clerk, and chief justice Culliton — and nobody will. They just want to abolish them even without suggesting that they can find anything nearly as fair. Nobody can say that any political party has fared badly under the existing Bill except the New Democratic Party. Yet we did not quarrel, and as I indicated, we did not.

No — every single change by this Bill will make the commission less independent and less impartial. And every single change will make the boundaries less fair, less in accordance with the basic principle of one elector, one vote; less in accordance with the principle of equal citizenship — no citizen plus, no citizen minus. All changes are made to open the door to partisan political advantage, and I'd like to know what other justification can be offered for them.

I say to this House, Saskatchewan people have an innate sense of fairness. When they detect that you are trying to rig the next election by tampering with their rights of citizenship, they will deal with you in the same way that they dealt with the last government that attempted to tamper with the people's rights to citizenship.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Blakeney:** — That government was swept from office and very nearly off the political map of Saskatchewan, as the member for Assiniboia-Gravelbourg can attest.

This Bill is unjustified, unnecessary and unfair. And I will vote against it, Mr. Speaker, and what's more important, the public will vote against the government which tries to set itself above the rights of citizens to elect their government based upon one citizen, one vote. Thank you, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Blakeney:** — I have one or two other comments to make, so I will beg leave to adjourn the debate.

**Some Hon. Members:** Hear, hear!

Debate adjourned.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Berntson that Bill No. 33 — **An Act respecting Veterinarians** be now read a second time.

**Mr. Upshall:** — Thank you, Mr. Speaker. I have a few concerns about this Bill, many questions.

First of all, one concern is the scope of the practice as it relates to The Veterinarians Act. As you will know, in many professions the scope of the Act is not as defined as it is in this one. The scope of the practice of veterinarians is significantly broader than many other professional groups. The scope of this Act includes diagnostic

treatment of disease, injury or disorder of any animals, includes administration of drugs and appliances for the prevention and treatment of injury or disease.

Now something that concerns me is: will this override the rights of farmers to administer drugs to their own animals, or to other people's animals, as has been the practice in the past? Are we going to see further control by the veterinarians association in that aspect?

Also, Mr. Speaker, something else that concerns me is reproductive management. Under this Bill, I believe it gives new powers to the area of animal reproduction in such areas as management of estrosynchronization, super-ovulation, the collection and the evaluation and processing of embryos.

Now in this area, Mr. Speaker, in the area of reproductive management, I ask, you know, questions like: who will eventually control the embryo reproduction, the selection, and the placement? Other concerns along that line are, what about genetic diversity? Will we maintain our genetic diversity, or will it be simply at the discretion of the association?

Mr. Speaker, there are other questions like, what are the implications in giving veterinarians exclusive control in this uncertain area? We have a situation where we must maintain the highest level of genetics and availability to all farmers, and so we must ensure that this Act will not allow the total control and manipulation by one group.

We have seen the proposed Act come down and these questions are coming to my mind. We also have to look at the animal husbandry as it relates to farmers and the veterinarians.

As I say, in the practice there are many questions that are coming up. And another one of those questions, Mr. Speaker, is whether or not the government, in its bringing forward of this Bill, have contacted the farm community. You know, has there been contact with the Wheat Pool, livestock association, the SARMS (Saskatchewan Association of Rural Municipalities), farmers' union, all those being controlled or being affected by this, or was it simply at the wish of one group.

So, Mr. Speaker, through the process of this Bill, I will have these and many more questions to ask as the Bill moves forward. Thank you.

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

(1515)

## COMMITTEE OF FINANCE

### Consolidated Fund Budgetary Expenditure Saskatchewan Crop Insurance Corporation Ordinary Expenditure - Vote 46

**Hon. Mr. Hardy:** — Thank you, Mr. Chairman. On my left here I have Henry Zilm, president of Sask Crop Insurance; behind Henry is Jim Walters, vice-president of Saskatchewan Crop Insurance in charge of

administration; and behind him is Merv Ross, manager of research division, Sask Crop.

# Item 1

**Mr. Upshall:** — Thank you, Mr. Chairman. I'm pleased to be able to rise today and question the minister in the area of crop insurance. Mr. Chairman, you will know that crop insurance is a very vital part of the agricultural economy today because it gives some stability to the farmer who otherwise would not have the security of some cash inflow at times of lost crops.

I think the whole point of crop insurance program should be geared at providing a program that is the best possible for the farmers at this point in time. That means that we have to provide a program that has built into it such things as security of income as it relates to grain, and not simply security of production. We have to have a program that provides for the farmer efficient procedures in the calculation deficiencies as far as farmers . . . as it relates to their families, if they're a family group, fairness in adjustments, fairness in . . . We have to give the farmer some leeway as to his credibility.

We have situations where we have fathers and sons and daughters farming close together, where they all have crop insurance, and where they must have the credibility to be honest with the corporation so that their reports that they send in are basically taken by the corporation at face value. I know there are a number of situations where farmers have been questioned as to the reasons, questioned as to why they should have the insurance. I get questions from constituents and other people who say, why is my crop insurance being questioned? My availability to the program — why is it being questioned? And I think that's a very good question because I think that all people should have access to this program equally.

And also, I know there was many problems with the move to Melville. I know the problems created when you lose approximately 48 people out of a department of about 56 and try to replace them with a new computer system. All these problems came to the fore last year when farmers' payments were very, very far behind.

Many of them were throwing their arms up in the air and saying, look, I need the cash, I have to get my payments made, and I have payments to make at the bank for farm machinery and other things, and I have to have that cash, and it wasn't there. So I think the corporation has to provide that type of service quickly and efficiently.

And I'll give one example, Mr. Chairman. The stored grain reports came out about the date when they were supposed to be submitted. Now this put a lot of confusion out in the country. And yes, I know that that the stored grain report was allowed to go on for one more week, but the point was that the corporation, I think, could have done it much quicker and much more efficiently and not put that doubt in the minds of the farmer as to whether or not he was going to be penalized or what the situation was for a stored grain report.

So, Mr. Minister, I ask you if you would give me some

indication as to why the stored grain reports this time round were so late, what confusion was caused by that, and if the practice will continue in the future.

**Hon. Mr. Hardy:** — Thank you, Mr. Chairman. In answer to the member from Humboldt's question in regard — I'll start at his last question first — in regards to stored grain reports coming out later than would fit the needs of the farmer, we recognize that, as he mentioned, and we did do some things to allow the farmers to have some extra time.

One of the reasons that they were late is that in some cases there were some reseeded benefits . . . or reseeded done in the province. There was quite a bit of late crop seeded, and a lot of our reports did not come in until after June 25 which you've required to submit it in. And there's a very short period of time in there, and we needed the seeded acreage reports in before we would report out the stored grain reports.

Now we looked at it and said, we can make some changes. That's the way it's been done for the last 25 years, but we said we can make some changes, we believe, for next year to correct that situation. And we're looking at sending out our stored grain reports when we send out the seeded acreage reports. So they'll come out together. And then when you send it in — we're going to ask you to send it in about the end of June. I know you may sell some grain after that, but if it's necessary to check, we can certainly get your permit book from the elevator and ask you to send in a copy of it. So if there's a need to check . . .

You mentioned the move to Melville. Well certainly, when you have a move, it does take up some time to get relocated. I'm not sure that that would be any excuse from our part to say whether the stored grain reports would be late or not. There's a whole series of things.

I think the way we've been doing it over a number of years needs to be changed and can be improved upon, as any program can. And the other thing that really had an effect on the . . . it was that we had a very early fall this year, as you know. Some of the harvesting started late July and early August. That's unusually early, and that really put some extra strain on the system.

You mentioned one other thing about guaranteed income for farmers through crop insurance, and as you know, the western grains stabilization program was brought in quite a few years ago to do exactly that. When you had a low income year, that sort of fell into place and picked up to make up for the difference.

You mentioned about contracts where fathers and sons and daughters and that had . . . called multiple contracts, and you said that maybe they should be available to all farmers and they shouldn't be questioned. Well, as you know, and you're a farmer out there, you know that there is, in cases, abuses of the system. And if you don't have some kind of a check system where you think there may or may not be, or you think there may be some problems . . . It is abused at times. There is a spot check system in there.

So some farmers were asked about it and if it was up front and right . . . in 99 per cent of the cases it was approved and let go through. There was a few cases we found where we believe the system was being abused, where they were going to quarter section type of coverage, not the overall coverage as the program was originally brought in to do.

So those are the reasons we did the spot checks on them and why we asked so many questions. And when you have a \$1.5 billion insurance company, you don't have any inspectors — in fact we have one part-time inspector — that's about the only way you can handle a situation like that. And as you know, some years we pay out as high as \$385 million in insurance benefits, and I believe when you have that kind of pay-outs, that kind of insurance responsibility, you have to at least check where you believe there may be some cause of concern in regards to the abuse of the system.

**Mr. Upshall:** — Yes, Mr. Chairman, we have to, I think, be sure. And I have had many complaints from my office saying that I can't get a contract because my son has a contract and they want to put it on his; or, I can't get a contract because somebody in my family has a contract or someone else in my family has a contract.

Now I think when it comes to abuse of the system, I know if any farmer wants to abuse that crop insurance system, he can. It's basically a system that's run on the honesty of the farmer involved in the contract. And when I get people calling me saying, I don't have a payment; I need a payment; when I get people saying, I can't get my contract through, and of course we have to go to work on that, I don't think the farmers are . . . that's building a trust between the corporation and the farmer.

I think in order for a corporation to build itself, and my fear is that many people, and I know many people are questioning whether they're going to keep on carrying crop insurance because they say, look, it's just not worth it for me — and I say, well wait a minute, you know, it's a good insurance program as long as it's run properly. And they say, well yes, but if I'm being stymied in my attempts to get my contract and to get paid on losses, they say, you know, what's the point.

Also the coverage, I believe, is too low because I know in my area and in other areas I could go basically all year on summer fallow without rain and still not be covered. And they're saying that's not right, and I know that the formula provides for that figure. However the point here is that unless we have a corporation that is willing to bend and grow with the times as far as production goes, we're not going to build on that. And that's what scares me.

The farmers are saying, look, why should I keep this? And I'm in agreement with their reasoning of why they should keep it, but I'm not in agreement that they should drop it.

So what I ask you is: what will the Crop Insurance Corporation be doing to ensure that the production value . . . or the production formula fits different areas of the province, as it doesn't fit many areas right now?

(1530)

**Hon. Mr. Hardy:** — Just so you . . . Just to clarify in regards to the eligibility for those who wish to take out multiple contracts where there was a farmer and son or daughter involved.

Some of the requirements that we asked for was that they have a current Canadian Wheat Board permit book; that they store their production at least in separate granaries on the farm — if it's more than one farmer in a yard, the grain be stored separately; that they make all management decisions in regards to the farming operation — in other words, they are running the farm; and the other part that they must be the actual operator of the farm to be eligible for crop insurance. That's some of the criteria that we asked for.

What we had our folks out in the areas do — like the district officer, area officers — we asked the clerk or the manager there, when they come through for either new contracts, in some cases current existing contracts, in their view, was there abuse of the system in regards to were . . . they were just putting the poor land on one contract and the good land on another contract and covering for hail, or vice versa.

We asked them to make the decision out in the field, not at the head office. If they felt there was some reasonable amount of concern, then it was forwarded to head office and we had somebody go out and check it out. There was, I believe, about 700 last year that come to our attention. Some we got, some we did check out. Because of the time of the year, we just allowed the rest of them to go through. We didn't even check the last group of them except the real ones that we thought there was really a concern about.

But I want to make absolutely clear that no one that applied for Sask Crop Insurance coverage was denied. They may have been asked to put it with the father or the son or the daughter's insurance, because if they were all farming together and they were sort of trying to split it off, in some cases they were leasing land back from banks or from the Farm Credit Corporation or from other farmers, and were just wanting to set that off by itself — some of it had been cropped on a continuous basis. It was sort of poor quality land. They didn't want to put it in with their overall coverage, and this crop insurance, as you know, is all-risk overall coverage, and that's the way it's set up. That's the legislation, and that's how it's provided.

So the other thing that I want to mention, that we do have about 49,000 contracts out there. I believe that's about the most that we've ever had and . . . the other question you asked me was in regards to how you figure the average quota out there and the price, or the average coverage per acre — it's a 15-year average. It's taken over a 15-year average in that area, and whatever that average is — if it's 22 bushels or 20 bushels, whatever it is — and the price is based on this year; for 1988 it'll be based on 1987's current price. And that's set all across Canada, it's not just set here in the province of Saskatchewan.

**Mr. Upshall:** — Mr. Minister, do you believe that the production formula now used causes the coverage in any areas to be less than the average coverage of that area?

Now I'm asking that because you will know that we have, through production and management techniques and fertilizing, we are now producing crops on stubble that are producing just as much as crops on summer fallow, and yet the coverage on stubble is much less. This is one thing that I'm saying, that people are saying out there, look, why should I carry this when I know it's not going to cover me?

So do you agree that the actual production number is down compared to the actual average production, and that, in certain areas of this province? I know it's that way in my area. But do you agree with that?

**Hon. Mr. Hardy:** — We recognized that a couple or three years ago, or about four years ago I believe, and we brought in what they called individual coverage. And if you want to . . . Because you are that type of farmer and you want to cover it for your actual yields over, I believe, it's a ten-year average, was it . . . (inaudible interjection). . . over a ten-year average, and that's for your farm — your farming operation, you can do that, up to 80 per cent of the coverage . . . or 80 per cent of your production. But it does cost you more. It's cost-shared, the premium, federal government, and yourself, and it does cost more because you have a higher coverage, a higher dollar value coverage.

We have about 1,000 of those in the province that have decided to do it that way because they felt they produced more than what the average yield of that area was, and that's because they do use fertilizer, they do use maybe more sprays and have different farming techniques. But there is available to those farmers who want to cover for a greater coverage than is being covered under the average yield coverage, to go individual coverage.

**Mr. Upshall:** — Yes but, Mr. Minister, the individual coverage, as you said, is very costly, and 1,000 farmers out of the numbers of contracts that crop insurance has is very small. And the point made here is that there are a substantial number of farmers out there who do not carry individual coverage because it simply just isn't worth it. The last bit of coverage of that extra value of your crop is very, very expensive, so they just throw up their hands and say, sure but we have individual coverage. But very few will take it.

And the point remains — the point remains that the corporation, I do not believe, has addressed the problem of low coverage. As I said, with all the techniques that we have now and a decent amount of rainfall . . . you know, the average is up here, and the crop insurance formula keeps the bushels down here.

And so I repeat my point: the point is, people are saying, look, it's not worth it. And until it is worth it for people to have the coverage, then they're going to question whether or not they should keep it. And I say to you now, the majority of people out there are carrying their crop insurance simply for the hail benefit.

So again, I ask: what will you be doing — cast away individual coverage, because I don't think it's doing the job — what will you be doing to ensure that the production formula relates to the actual average

production in the areas over the last five years?

**Hon. Mr. Hardy:** — Well as the member knows, it's a federal government farmer insurance plan that was put in some 26-odd years, ago. It's put in place as an overall type of protection, and I'm sure that many farmers would like to . . . there's ways of improving it. But to improve it, the cost goes up. And when you change an overall policy, then you also have to go back and probably change an agreement with the federal government in regards to how it would have to be done.

Just to clarify, if you were on average coverage in an area and you had no claims for eight years, you would actually be up to 87 and one-half per cent of the average coverage of that area without going on individual coverage. So there is some extra coverage for those who don't happen to have a lot of claims. And if you're a good farmer and getting the high yields, you may well fit into that category.

So we have some farmers that have . . . that are at that level. In fact there's a great number of farmers at that level where they haven't had any claim for the last eight years, and therefore they have now moved up into the 87 and a half per cent of their average yield coverage. So they in fact would be covered better.

To go back a little bit, if you go to individual coverage — just to touch on that a bit again — you cover yourself for about 14 per cent more. That's what the average is around that we've found out. And it costs you about 10 to 20 per cent cost shared with the federal government, so that's a 5 to 10 per cent it costs you extra to go to individual coverage. And the farmer has looked at it and said, for the extra 10 per cent or 14 per cent it is at total, I don't know if I'm going to, maybe I'll just stay where I am. So that's one of the reasons there hasn't been a lot go into it.

And in a lot of cases the farmer has found out that over a period of 10 years on his farm that average is not too far out in his area, even if he is a really good farmer. That average yield is not too far out, for one reason or another. So that's the other reason that they haven't went to individual coverage because, in fact, that average is pretty fair. And that average is done each year. So I mean, it's based each year. So the 15-year average is 4 per cent each year into that.

**Mr. Upshall:** — I would suggest that the 15-year average is a bit long, but we'll leave that as it may be. Mr. Minister, have you given any consideration to the spot loss coverage being extended to insects or wildlife; and would you just outline your present program on that, and what you plan to be doing in the future with regard to spot loss?

**Hon. Mr. Hardy:** — Well, Mr. Chairman, we do have some spot loss now within crop insurance. We have reseeded benefits which is certainly on a spot-loss basis. We have fire and we have hail that's been brought in over the last few years.

We've been looking at two other areas that is sort of a controllable type of a situation. One is water-fowl for spot-loss damage as an insurable portion of crop insurance, and wildlife is another one. We haven't

pursued it further than to talk to both provinces on each side of us, Manitoba and Saskatchewan.

We've got some meetings scheduled, I believe next month, meeting with Alberta and Manitoba, and we've asked the federal government to come to the meetings. We don't know what's going to come, or where that's going to go. We'd like to have a concurrence from both provinces on each side of us to go ahead with it.

I would think if the three western provinces agree, then we'll take it to the federal government and urge them to include it as two more spot losses that farmers do incur out there that they really have no control over. Wildlife is one of them, and the other one is water-fowl that certainly lands all over this province.

**Mr. Upshall:** — Well I think that's a very important area because I know in the past there's been great concern over the wildlife damage, water-fowl and others.

Mr. Minister, another area of great concern to me is the fact that crop insurance is based on production, and I've made this point before, but I would like to make it again. We have a situation where the productive value often does not reach the actual dollar value of the crop — what the crop should reach, because of the grade. And that happened last year with mustard and some rapeseed whereby the production was maybe 40 bushels to the acre but, because it was graded as sample, the value of that product was lower than what that person would have got if he would have collected crop insurance on it.

And I think it's very important, as in any insurance program, that when I insure something, that I have to know what the value of that is — not what the production is. So I think we have to have a situation where the value, a dollar value will also be placed on the insured person as well as the production.

So we have a situation where, if the production was a certain level at a certain grade, that dollar value should also be insured, so that we won't see a situation where next time we come around to farmers with sample mustard they're going to turn the wind up in the combine and blow it all out the back end because they'll get more money collecting crop insurance. And that's an abuse of the system, and that's what we want to get away from.

We want to have an insurance program that farmers can say, yes, it's okay. I don't have to think of ways to get around the program. All I have to do is, if the dollar value of my production doesn't meet what crop insurance will pay me, then I don't have to worry because it's there. But right now that's not the case.

Are you making representation to Ottawa and other provinces with regard to this matter? And will you be pushing them to add a dollar value on the crop?

**Hon. Mr. Hardy:** — Well, Mr. Chairman, that would certainly take a different view of what crop insurance . . . It would go from a production value to an income-based value or an income value insurance policy, which I really don't know how you would monitor to . . . It's sort of a guaranteed income is what he's asking for for farmers that

produce whatever number of bushels per acre. I don't know, but it seems to me that I could invite a terrible pile of problems out there, where marginal land is being farmed, and whatever else.

But without going into that, just to clarify the difference. What we do have in place now, that is the federal legislation in regards to how a grade — if it's graded . . . all our prices or all our insurance is based on a number of bushels on, say, use the idea of mustard — and which grows in your area — or canola. It's based on no. 1 mustard or no. 1 canola, and it's prorated on a factor to the same price, or prorated by a price to the grade.

In other words, if you had a no. 1 canola, it was a sample. The sample's worth . . . The present price of sample is worth \$2 and canola at no. 1 is worth 5, it's prorated on that \$3, so your bushels of sample rate, and it may only rate out at 10 bushels or five bushels or whatever, because the dollar value would bring the number of bushels down prorating it.

(1545)

The same applies to all the other crops that are insured. Wheat is based on the price of no. 2 spring red wheat. That's what your insurance is based on, that's what the price is based on; and it's prorated the same way. If you go to Canada feed from no. 2, there's a factor in there that allows for the . . . to pick up the difference in number of bushels. So it allows the farmer that same dollar coverage as he originally started out with in the production line.

But to go to, say, to go to a different kind of an income guarantee, like I said earlier, western grains stabilization is the only fund that I am aware of that does that, where we have a low grain price over a period of years and this kicks in. I believe it's paid out substantially in the last couple of years and then probably this year again, and maybe continuing on until that level starts to change.

**Mr. Upshall:** — Well I don't see that it would be a great problem, Mr. Minister, and it would also shore up the image of the crop insurance corporation in the eyes of the farmer, because the way it is right now, he's not guaranteed that price for his produce. And I know the stabilization plan is geared towards that, but the point is, this insurance program is not filling his need right now with respect to the case I just put forward.

And it also runs over into wheat. When wheat freezes and the grade goes way down to feed, we have a situation where the dollar value is less than the coverage that crop insurance would have given that person.

So I don't see all these problems that you're talking about, and I don't think that the corporation should be sitting back saying, well we can't do this because it may cause us some problems. I think what the corporation should be doing is handling these situations so that the farmer gets the best possible coverage. And if he's not getting the best possible coverage, you know what's going to happen; he's going to think twice about carrying the insurance.

And really what they're saying to me is it's not insurance

in the normal sense of the word.

So I disagree with all the problems that you say are going to be created. And I would like you to outline your view of some of those problems, because I think this is a pretty important question for many farmers in the light of the financial hardships that they're seeing.

**Hon. Mr. Hardy:** — Well, you know, I realize what the member is saying, and maybe there should be another program out there in regards to guaranteed income for farmers. But there's no way that the crop insurance was ever set up to look after a drop in world grain or commodity prices. It was set up to guarantee that the bushels produced by the farmer would be there, that the number of bushels guaranteed would be there.

So in other words, if you're guaranteed for 30 bushels an acre, or 26, or whatever the case is, that's what we're saying we're guaranteeing — so the production guaranteed. And it's based on the yield; that yield coverage is based on today's prices. So you take those two and put them together is what crop insurance is all about.

I know that farmers are facing a real tough time out there, and certainly the price of our product that we receive and we haul to the elevator . . . And I am a farmer. I can honestly tell you . . . In fact, I hauled out 4,000 bushels on the weekend. I can tell you the price we get is certainly not very relevant to our costs.

But crop insurance was based . . . and the program is to guarantee a production, not to guarantee an income. And if there is some way that we can work that program in by bringing in individual coverage or bringing in forage coverage or bringing in some other avenues — a spot loss that has been brought in for reseeding, for fire, for hail, for water-fowl, if that's possible, or wildlife damage — those all would help because those are spot losses that they would incur, that they had no control over.

So those kinds of things we can do, and we should be doing it. And if we can make two things — if we can make more coverage out there for the farmer to cover him for any other losses that he may incur that aren't really normal, and if we can give good service out there and get our payments out promptly, which we're working towards, and hopefully next year will be a really . . . out there right on time — those are the kinds of things that we can do that will save him dollars over the long term.

Because if he has to wait . . . I know it's always been the policy that it takes a long time to get it out. I don't really agree with that, and you'll see some real changes over the next year in regards to getting our payments out, getting them out very promptly. And we've got a really fine system up now in Melville. It's changed; we've really put it into place, ready for 1988. And those are the kind of things we can do, that will be very, very important to the farmer out there.

**Mr. Upshall:** — Mr. Minister, I wasn't asking for crop insurance to be a solution to the world grain price problem. All I was asking is that why isn't there a minimum price set on that 160 acres, or whatever the

case may be in question, in to ensure that the farmer will get X number of dollars even if his production is above what the crop insurance covers? But we have to put a minimum price on that product so that he can ensure that he's going to get a return for that portion of land.

And I don't know one farmer, Mr. Minister, who farms for crop insurance. And if they're farming for crop insurance, they don't farm very long. but the point is, we have to have in place, and crop insurance has to mould itself to the times, and I know that it's a long process to do but I think the corporation and the government now has to begin by making some of these changes. Because if we don't make some of these changes, the farmers out there . . . and believe me, I know they're questioning the role of crop insurance in their whole farming management decision making. Because they say, I have to pay this amount of money for crop insurance, and if it's not doing the job that I have to have it do, then I may as well not have it.

So I say to you: crop insurance has to mould itself to the times and grow with the times, and one of those growing procedures would be to have a minimum dollar value so that the farmer can be assured . . . And you can call it a guaranteed income if you want. all I'm saying is that the way the system is working right now, it doesn't give him that optimum protection for that piece of land.

**Hon. Mr. Hardy:** — Well, Mr. Chairman, I don't want to get too far away from what the crop insurance role is, but the member says that we need a guaranteed income and, you know, that's true. The farmer does have to have a value for his product. I guess that's the idea. You can't guarantee a farmer X number of dollars income, if he's a good farmer or a poor farmer or whatever the case may be. But I believe he needs a reasonable income for his product.

As you know, they've been trying to subsidize our price of grains in many different ways, and I'm not going to go into them because any farmer is aware of all the different ways we've tried to do that to keep the price of grains up, or the returns from what we're producing up to a reasonable level.

But in regards to guaranteed income, like I said earlier, the western grains stabilization is the only plan that's in place. And if you bring in a new guaranteed income plan, that isn't crop insurance . . . wasn't crop insurance role when it was brought in 25- or 26-odd years ago, and it hasn't been the role over the time. If the price of our wheat was \$5 a bushel, not only would our crop insurance be greater, because you'd have . . . but also the farmers would have a lot better income and certainly we wouldn't have the farm debt we have out there today. But, you know, I don't know what else to say except to say that the crop insurance is there to guarantee production yield, and is not there to guarantee income yield.

**Mr. Upshall:** — Okay, Mr. Minister, we'll leave that as it may. I just wish that I could convince you and the government that there is a problem in the minds of the farmers with crop insurance covering and meeting their needs. I mean I could go on, too, about the coverage on individual quarters of land, farmers farming 10 miles

away from their home farm and having to group all the production — average all their production. And I think that's a real problem. Many farmers think that too.

I know there's lots of problems with having individual quarter coverage or individual section coverage, but at the same time I think we have to be addressing these problems, because if we don't address the problems we're going to see crop insurance going downhill. And I think now that times are tough, I know that many farmers are really having second thoughts about whether they're going to continue their contracts.

So I would just ask you, the government, to look forward in the direction — don't just keep going on and on and on — but look forward and see what the needs of the farmers are and respond to those needs. And by responding to them giving farmers a better sense of security on their farm and knowing that this insurance program is going to meet their needs.

I'd like to turn now, Mr. Chairman, to the crop insurance headquarters in Melville. I understand there were two new positions created at Melville. And I would ask you for the job descriptions of those positions and what functions those positions are fulfilling now that weren't fulfilled before?

**Hon. Mr. Hardy:** — I was just making sure there, the member from Humboldt, to be sure I give you correct information here.

There is actually one new position. A lot of positions change names and change titles when you move and the reorganization was there, but the number of management positions — there only really has been one new one added, that's the manager of human resources.

And we felt with the 32 offices around the province, 300-and-some-odd crop insurance adjusters, almost a total of over almost 500 people that work for crop insurance, that they should have somebody they can go to if they have a problem that they can talk to, that they can . . . Many positions have to be advertised and filled, and we were trying to do it internally from one department to the other. It doesn't really fit well. We like to be able to work through a regular channel, and we felt that it was about time we had somebody there that sort of looked after the overall human resources of the department, or of the Crown.

We have, just to be sure you understand what we got, we got two vice-presidents, one is in charge of the finance and administration — that's all our money and all the administration around the province. The other one is in charge of the entire field operations, the offices, the adjusters, and those type. We also have . . . Oh, we have Merv Ross who's manager of research and looks into the different — such as the programs we're bringing into place, and all new programming and that, and anything to do with the operation in regards to anything bettering, or changes in the programs that exist. And then we have Mr. Zilm here, who's president of the corporation, which we've always had — a position there.

**Mr. Upshall:** — Has there been any change to your chief

adjuster position? And I'll just ask another question: I would like to know the numbers of adjusters that you had in 1986, and the number of adjusters that you plan to field next year.

**Hon. Mr. Hardy:** — While we're looking up the other information for you, could you tell me what you mean by chief adjuster, or that? I'm just not sure what the question . . . what you . . . who you're referring to.

**Mr. Upshall:** — Okay, who is in charge then of readjustments, and who has the final say on adjustments?

**Hon. Mr. Hardy:** — I'm not quite sure that you're asking, the officials don't either. But if you're asking, who would make the final adjustment out there — whoever is sent out as the adjuster from that area, who is selected by the clerk or the district manager, whichever the case may be, if there is a dispute usually then two adjusters are sent out to talk to that farmer and to come to resolve of the issue.

And we always have . . . when you have 49,000 contracts out there you're bound to have a few problems. But that's how it's resolved. When it gets back to head office it's more the overall administration. I don't believe . . . the only way that you would get to head office is — or that . . . You'd go before the board if you felt that you were unfairly adjusted; you could appear before the board and the board would hear your case and they would make a ruling on it. They're all farmers and they make their own independent ruling, and the corporation goes by their ruling.

(1600)

**Mr. Chairman:** — Item 1 agreed.

**Mr. Upshall:** — I believe we're waiting for more information on that, Mr. Chairman.

**Hon. Mr. Hardy:** — We don't have the exact number but in 1987 from '86, the fall of '86 or '87, we had during the winter about 50 to 60 retirements that were over the age of 65, and during the summer about that many number has now been rehired. So we would have approximately the same number and that would be in the neighbourhood of 300. Now I can get you the exact figures if you want and send it to you later. I have no problem with that . . . (inaudible interjection). . . Most of them.

**Mr. Upshall:** — So in other words you don't see any reduction in the number of adjusters for next year.

**Hon. Mr. Hardy:** — No, Mr. Chairman. In fact we are looking at another thing where we may even be bringing a few more on. We're looking at some other alternatives. So, no, I don't see any number of reductions for next year at all.

**Mr. Goodale:** — Thank you, Mr. Chairman. I have just three or four questions that I'd like to direct to the minister. And if I could begin, I'd like to go back to a point that he was discussing with the member for Humboldt having to do with the adjustment factor that's involved in the formula when the quality of the crop yield drops



below that number 1 level. The minister indicated that there is of course that adjustment factor built into the formula that is supposed to compensate for those conditions that unfortunately occur when the actual quality of the crop harvested suddenly drops. And the minister will know that we had a particular problem with that situation last year with the protracted wet harvest conditions. The yields in many areas were particularly good, maybe even above the average, but the quality of that crop was particularly bad because of the very wet protracted harvest weather.

And I wonder if the minister feels that the adjustment factor presently written into the formula is sufficient to realistically deal with the kind of situation that we had last fall.

I know many farmers raised the point with me that they knew the adjustment factor was there. They acknowledged that it was in the formula to try to compensate for this kind of a situation. But in their judgement, it did not realistically compensate for the situation when, for example, a crop that at the beginning of harvest looked like number one, because of the weather by the end harvest, ended up being a three or worse. And the drop in value was obviously very dramatic and the adjustment factor in the formula did not nearly compensate for that drop in quality. Again it's something that was camouflaged by the yield because the yield in many cases was up, but the quality was down.

I wonder if the minister could address that point and indicate whether or not, number one, he thinks the existing adjustment factor in the formula is realistic and accurate; and number two, is he giving any consideration to trying to achieve a change in that factor to make it more generous and to more adequately take into account the kind of circumstance that occurred last fall.

**Hon. Mr. Hardy:** — Well first, in answer to the member's question, we realized last year . . . I'll have to go back just a wee bit. Previously the price that was set per bushel for crop insurance on the insurance plan was set one year previous, and that was pretty constant to the price of grain. In fact it was even going up a little bit. So it was set to the previous year at \$4.08. Last year the price fell to almost \$3 a bushel, 3.13. So what happened was there was almost \$1 a bushel there that sort of got lost.

And when we came in and based it on the market price difference — and that's how the formula's set up, based on the market price difference — we found that . . . No, we based it on a three-year average, is how the program was set up last year. So we went back and said the last three years, and the difference between them is how the factor was based in. So we said, well, that the dollar and then this three-year averaging didn't make the factor very fair at all. It really threw it all out.

So what we said, all right, we're going to do two things. One, we'll set the price as close to being realistic as we can because the insurance premiums are paid on that price; and second, we'll base it on this year actual market price. So that's what we've done, and it will make that factor a little better.

What it doesn't cover is where it's damp and tough and that, and some of those considerations which run into some of your area down there, and some all across the eastern part of the province. And that's something that we'll take a look at. I think we've sort of corrected some of that other problem.

And the other things is, as the price of grain falls, it's really . . . it's worse, because it becomes of a less value because the market price of grain. If grain ever starts to go up, it will be a benefit to the farmer. It turns around under the existing formula. I guess it was set to sort of . . . as an overall formula that was set quite a few years ago. And it's a good one; I think it's worked quite well. But there may be some adjustments need to be made to it.

I think you raised a valid point — two: one in how the difference seems not . . . the factor doesn't really relate directly to the difference in the price because of the way it was set, and I think we're trying to adjust that; and the other, the damp and tough grain. And that's something we could take a look at.

**Mr. Goodale:** — Mr. Minister, I thank you very much for that answer, and I know there'll be many farmers in Assiniboia-Gravelbourg, and I presume elsewhere in the province, that will be looking forward to your review of this situation, and hopefully some improvements will be forthcoming down the way. Most hopefully, we won't run into another fall like last one that was a physical disaster in many areas. But inevitably it will occur again sometime, somewhere, and I hope by then that the program is fully geared to cope with it.

Mr. Minister, you were previously discussing the situation of multiple contracts within crop insurance and the difficulties that that presents, both from the point of view of the corporation and from the point of view of the farmer clients of the corporations. Just so that I have the arithmetic straight . . . I believe you mentioned a figure earlier. Could you indicate, roughly speaking, how many contracts of the corporation would be in a "dispute" category because you suspect they might fall into that multiple coverage or multiple contract situation. How many are out there right now that your officials would be watching, and do you regard that as a serious problem from the point of view of the corporation?

**Hon. Mr. Hardy:** — I don't have the exact numbers, but there was about 700 and, I believe, 81 was the number that we questioned one way or another. It was questioned by the clerk out there in the district office.

The officials tell me they believe all are resolved basically to the satisfaction of the corporation ad/or the farmer, one way or another, except about 50. There's still 50 that we have some problems with, and I believe you have a couple in your area down there. We still have about 50 or so out there that we haven't resolved. We plan to sit down with them during the winter months. We've been sending somebody directly out to sit down with the farmer and say, all right, you show us that this is right, and we'll deal with it.

You asked if it's a serious problem. It is a serious problem if somebody's trying to beat the system or trying to, in fact,

farm for crop insurance or set . . . like I was mentioning earlier, take the really poor land and put it on one contract, and then you always collect on crop insurance, or swinging it around, they rotate it around. And there's many ways they can use the system.

We know that we don't have — nobody out there really —one person that sort of monitors the whole province and 49,000 contracts. So we rely on our adjusters. If they see, or they think maybe a serious abuse of the system, or in fact if the clerk of that or the district manager identifies one that's been coming in year over year and they sort of keep . . . We had one farmer and two sons that had 13 contracts, and it became very obvious what they were doing. So there is some abuses out there.

And we had one other farmer where they were . . . one . . . they were both growing canola, a father and a son. One had 40 bushels to the acre, and the other had well below crop insurance, and they were collecting crop insurance. And you're aware we caught them taking truck loads out, and so forth.

Yes, there is some abuse. And when that happens, that is serious. That is fraud, and we don't want that to happen. Every other farmer in the province pays for that if that happens because again, we as taxpayers pay for it. So we don't want that to happen.

We're monitoring the best we can using what facilities we have out there. And I think most farmers are basically honest, but you do have to monitor to make sure because it is \$1.5 billion worth of insurance that we do issue.

**Mr. Goodale:** — Mr. Minister, I'm happy to hear that arithmetic. Out of some 49,000 contracts, only about 781 — I believe that was the number — in any kind of a dispute, and out of those all but 50. I take it, have been resolved or brought to some reasonably amicable conclusion by negotiation. So I think that indicates that the problem seems to be getting under control, and I welcome that trend.

Mr. Minister, I'd just like to ask you two or three questions about the statistics of the program for 1987. You've indicated on several occasions that in 1987 — I believe you meant for 1987 — there were a total of some 49,000 contracts written. I wonder if you could tell me what percentage that represents of all Saskatchewan farmers, and whether or not that percentage is basically stable over the long term — whether it's going up or whether it's going down.

**Hon. Mr. Hardy:** — They tell me over the last four or five years, or even further back, it stayed rather stable between 47,000 to 49,000 contracts. It varies. We were just a touch under the 49,000 this year, graded in 48. I forget the exact . . . I don't know if I go the exact number. And some of that was down due to forage contracts.

We had some . . . had a quite a number of forage people who didn't renew their contracts this year, feeling that the \$60 per acre coverage wasn't sufficient and they'd sooner go on their own and you know . you're aware of some of the problems we had. We going back out there this fall, taking out . . . We've done a lot more data research now.

We think we can at least take back out and present to those ranchers out there some more information. And I guess they will judge . . . We'll let them judge how they'd like to see if this is sufficient for them to want to have coverage.

And some of the areas of concern was irrigation; some of the areas where they have never reseeded or done anything to it or looked after it for almost 25 years, sort of the same crop; some with pasture . . . You have to have some formula there to protect . . . to be sure that there's a fair and equitable way of doing it. And we'll be coming back out this fall to them, and we got some more stuff we'll present to them, and we'll have some meetings, and we'll listen and see what they have to say and try to come back and put together . . . continue with the forage program or maybe hopefully that more will come into it.

(1615)

But it is down, there's no doubt about it. It's down from last year about 400-odd contractors from last year, and it wasn't very large to start with — about 1,200 to start with. So we do cover about 133 RMs with that, but you know, one here and one there, and so it makes it very difficult to get a real accurate production yield out of it.

**Mr. Goodale:** — Mr. Minister, do you have a quick calculation of what percentage the 49,000 contracts represents of the total number of Saskatchewan farmers? I'm just trying to identify here exactly how many farmers in Saskatchewan are participating in at least one crop insurance contract.

**Hon. Mr. Hardy:** — I think it's around 75 per cent. There's about . . . under the federal government stats it says there are 63,000 farmers in Saskatchewan, and we have just under the 49,000 number of policy holders, so it would be about the 75 per cent, and that's about where it would be at.

**Mr. Goodale:** — I thank you, Mr. Minister. Could you indicate for me in 1987 the total number of claims that were filed by farmers, the total dollar amount involved in those claims, the number of those claims that have been fully settled and paid to date, and the number that may still be outstanding?

**Hon. Mr. Hardy:** — For 1987, as you know we're still in the — part of adjusting there. We have about, there is approximately there . . . I can send the exact numbers a little later when we have more. I have no problem sending them to you with the dollar values.

We don't have a . . . nothing's finalized, but there was about 14,000 hail claims. Over 13,000 have been paid, and it costs approximately 25 . . . we paid out approximately \$25 million. There has been approximately 20,000 pre-harvest and post-harvest — that's yield-loss claims; none are paid. We estimate it will be between 40 and \$50 million, and that's an estimate on what we see. About 5,000 of these are still in the process of having their bins measured because some just finished harvesting and whatever else. There was about 1,600 reseeding benefits and they're all paid, and that was about \$2 million. There was four million paid out in

forage claims; everybody that had forage insurance got some type of payments except one — only one didn't, so of the 800 forage holders, 799 got a pay-out, and it come to a little over \$4 million.

**Mr. Goodale:** — Mr. Minister, I appreciate that summary. And if you could provide that in written form with the other detail, that would be very helpful in the next day or two or however long it takes to put it together.

And I take it from the tenor of your answer that you don't anticipate any significant delay in cleaning up all of the processing, and that all farmers with outstanding claims could anticipate having their files totally settled within the next short while. I wonder if you could offer some comment on that in terms of when you expect the whole set of files for 1987 to be fully closed and farmers to have their cheques.

And just to save time while I'm on my feet, I would ask my last question, what I anticipate would be my last question, and that has to do with the forage coverage that you have referred to in previous answers. I know that you and your officials have been engaged in an exercise of meeting publicly with farmers and ranchers, explaining the program up to this stage, seeking advice about how it might be changed in the future to make it a more effective or a more attractive program.

In terms of the farmers and ranchers that I have spoken with about the program, there's a general perception, I think, that the effort with respect to forage coverage is well worth making. It's a good start and a good try, but there are obvious problems in putting together a new kind of coverage like this, not the least of which is the lack of long-term data upon which to base a new program.

You made some reference in your earlier answers to an effort to strengthen the data base, to make the program perhaps more effective and more attractive for the future. I wonder if you would mind just elaborating a little bit more on your efforts in regard to forage coverage, and particularly when would you expect to be in a position to communicate broadly with farmers and ranchers who might be interested in this kind of coverage for the future so that, number one, they could have some input into your deliberations, in addition to the input that they might already have had in the consultations of last spring. And when would you be in a position to explain in greater detail the type of changes in this program that you might have in mind for the future?

**Hon. Mr. Hardy:** — In regards to your first question in regard to when could the farmers expect to have their cheques, my staff have a sort of a deadline for themselves, and they're looking at before Christmas all the cheques out. They're starting to roll . . . they'll be starting to roll out really shortly; they'll be coming out off the line.

We'll have some hold-back on some because the deadline for late for filing isn't till November 15. And then we've got to get an adjuster out there, and if it's windy or stormy and if there is some problems and we have to measure bins, and in some cases it may even be held till spring if they have some left in the field and they haven't filed, that the guys been doing something, we have those

series of things, but 95 or 98 or 99 per cent of all the payments will be out prior to Christmas.

In regards to your forage program, or the forage program, we have been meeting, as you mentioned, with the stock growers and groups of those interested in forage coverage. The department has put together some information in regards to our data bank that we have now made it much broader. We had gathered information both from Alberta and Manitoba in regards to how they run theirs. We have a SIMFOY (simulated forage yields) system that we want to . . . it just isn't working very well. We want to improve on that.

Then we'll be going out after the new year — or the board will be reviewing all this at the next meeting coming up right away in the next couple . . . next Monday in fact. Then we'll be going out in the early part of the year to the producers and putting together what we think is a better program than we've got now, and it will give them better coverage — although everyone qualified. It's the way they qualify, I think, concerned them. And we'll go out there. They'll have the opportunity for input into what . we'll say what we got in mind. We'll take their input and take it back, and hopefully we can come out with a better program and one that suits the producer out there better than this one.

Because this one, like you said, it seems to be . . . we have our problems with it, and we've really tried to make it fit, but they've really run into some problems with it. And we will be going back out with all the information we've been able to gather in and take it back out there, and then we'll let them review it, and we'll be able to make our decision based on their thoughts. I think that's the two questions you asked me.

**Mr. Goodale:** — Mr. Minister, I thank you for that information, and I would like to thank you and your officials for the helpful way in which you've responded to questions this afternoon.

Items 1 and 2 agreed to.

Item 3 — Statutory.

Vote 46 agreed to.

**Supplementary Estimates 1987  
Consolidated Fund Budgetary Expenditure  
Saskatchewan Crop Insurance Corporation  
Ordinary Expenditure - Vote 46**

Items 1 and 2 agreed to.

Vote 46 agreed to.

**Supplementary Estimates 1988  
Consolidated Fund Budgetary Expenditure  
Saskatchewan Crop Insurance Corporation  
Ordinary Expenditure - Vote 46**

**Mr. Chairman:** — Any questions?

**Consolidated Fund Loans, Advances and Investments  
Saskatchewan Crop Insurance Corporation**

**Vote 161**

Item 1 agreed to.

Vote 161 agreed to.

(1630)

**Mr. Chairman:** — I'd like to thank the minister and his staff.

**Hon. Mr. Hardy:** — Thank you, Mr. Chairman. I'd like to thank my staff for the information they've provided me and for the work they've done, not only in providing information, but in the move to Melville and the whole reorganization of crop insurance. They've done an excellent job, and I'd like to compliment them on that, and I know in the next year or two it'll be just a really fine organization in a really fine city.

**Some Hon. Members:** Hear, hear!

**Mr. Upshall:** — Thank you. I was remiss in not thanking the minister and his officials for their co-operation during estimates and taking the time to come to Regina from Melville. And thank you.

**Consolidated Fund Budgetary Expenditure  
Saskatchewan Housing Corporation  
Ordinary Expenditure - Vote 51**

**Mr. Chairman:** — I would ask the minister please to introduce his staff.

**Hon. Mr. Klein:** — Thank you, Mr. Chairman. To my right, the president of Sask Housing Corporation, Larry Little. Behind Mr. Little is Ron Styles, the executive director of policy, planning and information systems. he looks a little bit like the member from Moose Jaw, but he's a little darker. Behind me is Larry Boys, the executive vice-president of Sask Housing. And to your right, Peter Kallos, director, project development.

I would like to lead off with some remarks and speak about the good of this corporation, but I will spare you my eloquent remarks because I know that as we get into the estimates, I can explain in great detail the good that this corporation does for all of the taxpayers of this province.

**Item 1**

**Mr. Solomon:** — Thank you, Mr. Chairman. Mr. Chairman, Mr. Minister, a few months ago in the summer-time, the president of the Saskatchewan Housing Corporation attended a conference at the Fraser Institute on privatization, or it was reported that he attended.

Could you confirm that the president of Saskatchewan Housing Corporation attended, and if so, what commitments were made on behalf of the Saskatchewan Housing Corporation through Mr. Little to the participants of the conference?

**Hon. Mr. Klein:** — Mr. Little attended the conference, under instructions from his minister, as an observer. And

he learned an awful lot about the good that was said about privatization that is going on in Britain and throughout the world, for that matter. And as a result he just came back with a wealth of information and experience. He did not address the conference, and as a result made no commitments to anybody.

**Mr. Solomon:** — It's reported, Mr. Minister, that the president of the Saskatchewan Housing Corporation made an inference, or indeed a direct statement, that the Saskatchewan Housing corporation would be well on its road to privatizing many units by the end of this fiscal year. Could you confirm or deny that?

**Hon. Mr. Klein:** — Well I know of no such statement. If you could elaborate on where the statement was made and to whom he made it, then perhaps we can get on with it.

**Mr. Solomon:** — Can you confirm or deny that he has said that?

**Hon. Mr. Klein:** — I'd have to deny it, under the circumstances.

**Mr. Solomon:** — You're saying that there was no statement by the president with regard to privatizing units. Can the minister tell us this afternoon what his intentions are with regard to the Saskatchewan Housing corporation and selling off some of the assets, land, and housing units and so on?

**Hon. Mr. Klein:** — I suppose that, Mr. Chairman, what I can tell you is that there are certain areas of the housing corporation that we are looking at to sell off; whether you want to call it privatization or add some other word to it, you can do that.

The prime interest that we have at this point in time is the staff housing units that Sask Housing has. Originally the staff housing units were built by the prior administration, and presently 57 per cent only are housing staff people. As a result it places the corporation into the Market-place in an area that it shouldn't be, and that is providing housing to the average person against the private market-place. We don't believe in that, and so we think that the staff housing units as such would provide a very good opportunity for the government to relieve themselves in that area.

**Mr. Solomon:** — How many units are there that you're referring to with respect to staff housing units? Mr. Chairman, how many units are there that are occupied — in total numbers; how many are vacant, and how many would you be selling off; in what time frame?

**Hon. Mr. Klein:** — Mr. Chairman, we assumed about 477 total units. Some have already been sold off. We are offering them first to the tenants. Obviously pride of home ownership comes into play. People enjoy owning their own homes, and so if they have the opportunity to buy one that they previously were able to rent, they are doing that.

To put a time frame on it, I don't suppose that we're in any great panic to sell these. I think that in fairness we would

like to contact those. There are some apartment building units in particular that we will be trying to deal off is we can to get out of the private sector market-place. It's difficult. We don't have a plan in mind to just fully go out and put everything on the market today and get rid of it, no.

**Mr. Solomon:** — The units that you have sold, Mr. Minister, have they been sold at market value? That is, have they been appraised through the usual process and listed through agents, or have they been sold privately to the tenants?

**Hon. Mr. Klein:** — Mr. Chairman, the member is right. Appraisals are done on all the units, and so far all of the sales have been made directly with the tenants who, as I mentioned, want to buy the houses.

**Mr. Solomon:** — The minister was quoted in the newspaper a short few weeks ago something to the effect that the minister would not be pursuing the privatization of units of Saskatchewan Housing corporation, other than perhaps the selected few, the staff housing and others.

Can you just confirm that statement and give us a little background on what you meant by that statement?

**Hon. Mr. Klein:** — Well our housing portfolio is always under constant review. You have to remember that we have a partner in the housing business, and they're called Canada Mortgage and Housing Corporation, so that certainly, if we were to do anything with regard to privatization, we would have to be in discussion with our partner. We have not had any discussions with our partner concerning the privatization of the housing portfolio.

**Mr. Solomon:** — Do you plan on meeting with CMHC to discuss the disposal of the mutually owned assets?

**Hon. Mr. Klein:** — Well I don't have any such plans in mind, but I suppose if the opportunity came along and if the major player who was the major partner came along and said that they would like to do something along that line, why wouldn't we have a look at it if it's going to be to the benefit of, number one, the taxpayers, both provincially and federally; and number two, if it would be a benefit to the people that are already in those homes.

**Mr. Solomon:** — When do you plan on meeting with CMHC to discuss the privatization of these units?

**Hon. Mr. Klein:** — Mr. Chairman, I just told the member that I didn't have any proposed date to meet with the minister of Canada Mortgage and Housing Corporation, and I don't believe that he has any proposal to meet with me.

**Mr. Solomon:** — Are you saying that that's your position in the next month, or is that your position for this current fiscal year, or is it longer term, or is it shorter term?

**Hon. Mr. Klein:** — Well I don't know how I can be any more clear than I am, Mr. Chairman. You know, the existing portfolio sits there, and it's under review all the

time. Certainly at the officials' level, for varying reasons and another, it's highly unlikely that the officials are going to make any kind of decision, and I'm referring to privatization. That would have to be done at the ministerial level.

As far as making a commitment of this week, next week, next month, next year, I'm not in a position to make any kind of a commitment, because those discussions have never occurred.

**Mr. Solomon:** — Does the corporation have any kind of a plan, whether it be short-term, medium-term, or long-term, with regard to selling off the assets of the Saskatchewan Housing Corporation, either by itself or in co-operation with CMHC?

**Hon. Mr. Klein:** — No. No such corporate plan is in existence.

**Mr. Solomon:** — Mr. Minister, what do you consider the mission and the role of the Saskatchewan Housing Corporation in this fiscal year and next year with regards to public housing and supplying public housing, whether it be low income or senior citizen housing in Saskatchewan?

**Hon. Mr. Klein:** — Well I think that you said it yourself, Mr. Chairman, the role of Sask Housing is to try to assist the people of Saskatchewan as best a government can and should provide assistance to people that require help in housing.

I can tell you that the biggest role right now that I see for the Saskatchewan Housing corporation is not so much perhaps in providing the housing as it is in the next biggest thing, which is maintaining the houses once the people own them.

And I'm pleased to tell you that we are presently smack in the middle of perhaps the largest, most successful home renovation program in all of the world. And pride of ownership becomes awful important to people as they own their homes and have to maintain them. I'm just simply delighted that the Saskatchewan Housing Corporation is in a position to help those people maintain their biggest investment.

**Mr. Solomon:** — Well, Mr. Chairman, I guess one of the problems we have here is that the minister believes that the Saskatchewan Housing corporation's mandate should be to sell off the assets that it controls or owns. And the people of this province believe that the mandate of the Saskatchewan Housing Corporation is completely different. The corporation was set up with a different intention in mind. That's why we have these major cost-sharing arrangements with the Canada Mortgage and Housing Corporation.

And I want to ask the minister whether he feels the corporation is fulfilling its objective of supplying affordable housing to the Saskatchewan people that cannot afford housing because they are either the low income nature or they're unemployed or they have a very difficult time in maintaining any kind of accommodation.

(1645)

**Hon. Mr. Klein:** — Mr. Chairman, our record on doing just that is very clear.

And I can tell you that our government, since 1982, has not placed a moratorium, for instance, on nursing homes, but rather we have expanded that particular part of the portfolio. I can tell you that the seniors' enriched housing program has by far increased since our government took administration in 1982. And the same goes on with the low-family income.

I hardly think that we have abdicated our position. Clearly, we can stand on our record that since 1982, since our government has been here, our public housing role has dramatically increased over what was in existence before. We're very proud of our record, and we will continue to be that way.

**Mr. Solomon:** — Well I think the minister is proud of a record that he's perceiving to be there, but I have here, Mr. Minister . . . and you've seen these figures before, because I raised them in Crown corporations. The minister knows, and the people of this province know, that the level of housing starts in a province is frequently used as an indicator of economic growth.

In the last two years in this province, there's been a very small increase in the number of new housing starts in Saskatchewan. From '84 to '85 the number of housing starts in Saskatchewan increased only by 2.5 per cent, which was the lowest in the entire country. Out of all of the 10 provinces, that was the lowest increase in the entire country — from 1985 to '86 the numbers increased a little bit more — but 2.9 per cent, which was either the second or third lowest out of the 10 provinces. And these are increases which are significantly lower than the national level, which was at 23 per cent in '84 to '85, and a 20.5 per cent increase from '85 to 1986.

It's been the practice of the Saskatchewan Housing Corporation to implement programs to stimulate housing. You've mentioned a couple of three of the programs already. And I'm wondering if the minister is a little deluded in terms of what he's reading into the statistics, into the record, because the statistics from Statistics Canada show very clearly that your housing programs have been a complete failure in comparison to other provinces.

This government of yours has allocated large amounts of funds to the Saskatchewan Housing Corporation in order to stimulate this economic activity. And I want to just raise a comment from the estimates of June 6, 1986. Gordon Dirks, who was the minister in charge of the Saskatchewan Housing Corporation at that time stated, and I quote:

. . . we expect that the housing starts this year will be in excess of what they were in 1981, the last year in which you (the NDP) were in government; that they will be in excess of the housing starts in 1980, the second last year that the NDP government was in power (as well).

And that's from Hansard, page 1755.

Now not only has Mr. Dirks failed and your government and you as minister have failed to deliver on these commitments, but you've spent tens of millions of dollars, and you will be spending more in the next year, on housing programs which are failures in terms of housing starts and comparative figures to comparative provinces.

So I'm asking you, Mr. Minister: why did the government fail to achieve its goals of surpassing the NDP levels in 1980 and '81 when Mr. Dirks was so confident it could be achieved just 14, 15 short months ago?

**Hon. Mr. Klein:** — Well, Mr. Chairman, I guess it's called consultation. We have finally achieved something in Saskatchewan that we've been trying to achieve for a long time, and that is a stable market. According to the home builders of Saskatchewan, we have achieved just that.

And I suppose that — I don't know where the member gets his figures, but just to set the record clear, the official stats, according to CMHC and StatsCanada represent this: in 1985, total Saskatchewan starts were 5,354 starts; 1986, 5,510 — absolutely an increase and an indicator of a good, stable market condition; 1987 is not finished yet, but it seems to be on a par. I can tell you this, that the value of building permits for construction, also 1986 to 1987, have increased from about 14,000 in '86 to 19,000 in 1987.

So I think that the housing start area is in a good, healthy, stable condition. The home builders of this province — and I meet with them regularly; I just met with them again last week — are very pleased with these results.

We put in programs, for instance, the very successful first time home buyers program, when we feel the market condition can absorb that kind of an incentive, and we do it in consultation with them, Mr. Chairman. It seems to work very, very well.

And presently, as I mentioned, we're in the middle of a home renovation program that is creating and maintaining jobs, that is the spark-plug of our economy. And there is no question that that is reflected in the unemployment figures that are released monthly, when Saskatchewan has consistently been the lowest since 1982.

**Mr. Solomon:** — Well the minister read part of the statistics but he didn't continue on. I have the same chart as you do, and it says the percentage change from 1980 to 1986 is minus 11.8 in comparable terms.

Now I wonder what the minister is going to tell us with regard to Mr. Dirks' comments that we will have more construction starts in the 1986-87 and '87-88 fiscal years, when in effect it's been almost 12 per cent less than the figures in 1980 or 1981.

And I'd like to also point out, Mr. Minister, that the housing starts for this province have been steadily low, but the programs of the Saskatchewan Housing Corporation have not excited the economy to the point where there's a lot of new starts. And as a matter of fact,

your claims of creating thousands of new jobs is really not that clear.

We don't seem to see where those jobs are. From August of '86 to August of '87, when the brunt of that program was in effect, we had a net loss of 2,000 jobs in this province, while Manitoba and Alberta had net increases. Can you explain those figures to us?

**Hon. Mr. Klein:** — Mr. Chairman, there they go living in the past again. I really don't care much about 1980. I care about 1987, 1990, and the years that my children will be raising their children, and on and on.

They continually bury their head in the past and say, look at the great things that we're having. We can talk about our economy in 1980-81, and what did they do with it? They blew all the dollars that they should have been saving. They didn't even create jobs. All they could do was buy stuff. And as a result, now we find ourselves in an untenable position of having large, huge debts as a result of what they were buying, rather than building, the way it should be.

And since July of 1986 there has been an increase, Mr. Chairman, an increase of over 7,000 jobs in the service sector, with another 2,000 in construction. Manufacturing was up 1,000 jobs over the same period a year ago. So, you know, you can scare people all you want; you can live in the past all you want. I believe that building for the future is where it's at.

**Mr. Solomon:** — Well building for the future is exactly where it's at. What your government seems to be doing is building a deficit that is growing faster than any other deficit in the history of North America. That's the kind of legacy of building your government is leaving to the people of this province.

I wish those generations were here today, and were here this last four months when we talked about how this government of yours has been building the deficit and how they're cutting back programs and passing on this legacy of debt of \$3,400 for every man, woman, and child in this province. I wish those generations were here to see the mismanagement and the incompetence of your government. Because I think when you're planning for the 1990s and beyond, your planning will have nothing to do with the voters of that age because they certainly won't be supporting you come the next election.

But this is another example, Mr. Minister, in my view, of the Conservative Party overestimating their ill-thought-out strategies. Mr. Dirks said we were going to do terrific after the next election, and of course that was another commitment that he made and a statement that he made that was not worth the paper it was written on. But I won't belabour that point. I think we've made the point with respect to those housing starts.

Mr. Minister, Statistics Canada information for 1986 indicates that there are about 358,000 households in this province. About 28 per cent are renters, and a fairly large percentage in comparative terms to other provinces. What I would like to know is why Saskatchewan Housing Corporation: (a) has eliminated the renters' rebates; and

(b) does not have any program in place to assist people to get reasonable rental accommodation?

**Hon. Mr. Klein:** — Well, Mr. Chairman, I suppose that I could begin by telling you what the member from Saskatoon Riversdale is on record in saying over the past years too, particularly when it comes to the moratorium that was placed on nursing homes. I mean, that's a dandy.

So you talk about rhetoric. There's no use going into rhetoric because he will never again be in the position to control that side of it and to ever put a moratorium in place again.

But, Mr. Chairman, I'm pleased to tell you that Saskatchewan probably has the highest percentage of home owners of any province in Canada — almost 60 per cent. If the members opposite would ever go out into the market-place, if the members opposite would ever liaise or discuss with the private sector that own apartment buildings right now, they will find that we are having an extremely high vacancy rate in apartment buildings.

As a result, we don't need a rental stimulant program in place right now because we would probably close them up, and that's not our intention. We work with small business, not against it, and certainly the apartment owners fall into that category.

We have a variety of programs that do have rental supplements involved through the corporation under the existing circumstances today, Mr. Chairman, because this is where we live today and tomorrow. We have very good programs in place that meet the need of what we have right now.

**Mr. Solomon:** — Well the minister didn't seem to answer my question, so maybe I'll ask another question.

One group whose housing needs have not been met, according to many reports, is the needs of low income families. It's been reported that — and I've confirmed this with discussions with the urban municipality of Regina — that there's around or over 2,000 low income families on a waiting list for low income housing and there's no housing units available.

Has Saskatchewan Housing Corporation been in contact with the city officials with respect to this problem, and if so, what has been concluded in terms of a strategy to address this problem?

**Hon. Mr. Klein:** — Mr. Chairman, I'm very pleased to tell you that as a result of the innovative '87 housing program initiated by Sask Housing corporation this year, we are doing low income family units throughout the province. That's our obligation.

I'm pleased to say that there will be 50 units going in in Regina, 30 units in Saskatoon, and a various other number of units going in throughout the province. So I believe that we are trying adequately to address this situation, and in fact, as a result of the array that we have announced recently, we are.

**Mr. Solomon:** — Has the corporation or the minister been

in communication with the city of Regina with regard to the waiting list of the 2,000 low income families that require low rental accommodation?

**Hon. Mr. Klein:** — Mr. Chairman, we have continuing discussions with the city of Regina that are ongoing. And I believe that it's fair to say that if the city of Regina had a real, pressing, urgent, dire, dramatic situation, that they would inform us of that. They haven't.

How they gather their numbers and what they conclude that to be, and as you investigate different people that feel that they should qualify for that type of housing, often cases simply doesn't work out. So I don't know that it's worth arguing about whether there are 2,000 or whether there are 1,000 or whatever the number is.

(1700)

But certainly between the programs that we are delivering in conjunction with our federal partners and in conjunction with the programs that are asked for, indeed by the municipalities throughout the province, we are delivering an adequate number of units.

**Mr. Solomon:** — So you have not been in communication with the city about the provision of low income rental units or the waiting list that they feel is at a dangerous level. Is that correct, Mr. Minister?

**Hon. Mr. Klein:** — No, that's not correct, Mr. Chairman. I pointed out that we're in continual consultation with the city of Regina.

**Mr. Solomon:** — Has there been any strategies worked out to address the problem that has been reported by city council, that there's a waiting list of 2,000 families seeking low rental accommodation?

**Hon. Mr. Klein:** — Mr. Chairman, there he goes talking again. I don't know where he gets the figure 2,000.

The official figures that we have from the Sask Housing authority, which indicates the total waiting list and does not necessarily mean that there is a demand for it at all, but people that have simply indicated that they would like to get into those units if they could, within the area of 550 or thereabout.

**Mr. Solomon:** — Okay, I don't want to belabour this point because it doesn't seem to be getting anywhere. But according to a newspaper report, title saying: "Council to ask Saskatchewan Housing Corporation to provide additional low income housing." And they say here:

A study done by the city's community planning department over the summer and fall showed that approximately 2,000 families are on waiting lists for subsidized housing, compared to 147 seniors' families.

But obviously you're not aware of that, so we'll go on to something else.

What I'd like to raise with you now — you mention that there was some 50 units opening up or under

construction under the innovative housing program. Could you explain how the innovative housing program works, how it's funded, and how one . . . whether Sask Housing undertakes the initiative to construct or whether there's non-profit organization, and how this is initiated?

**Hon. Mr. Klein:** — The innovative housing program is actually a partnership program, Mr. Chairman, where the communities or non-profit groups or the private sector put in what they felt would be good ideas for housing throughout the province, and we assessed these programs as they came along.

It was open competition to everybody in the province. Certainly the idea was to work in partnership with the small-business community, with the non-profits, and take the cream off the crop and see where we could get to. It was a very, very successful initiation to that program, and we had some 50 various types of housing accommodation that were submitted under innovative housing.

**Mr. Solomon:** — So the innovative housing project is an attempt by Saskatchewan Housing Corporation and your government to put more of the burden of social housing on non-profit organizations and private developers. And I think that that is a bad initiative to undertake, Mr. Minister.

I know that the provincial government contributes 25 per cent toward the program and the federal government 75 per cent. But how many, and what kind of non-profit organizations have the financial and personnel resources and the structure to engage in the development of housing projects under this program?

**Hon. Mr. Klein:** — Mr. Chairman, there they go again using the wrong word. It's hardly a burden. It was a direct opportunity that was most welcomed by the players involved in public housing throughout the province. So there they go again using the wrong choice of words, and I only wish that the media would pick this up and really chastise the opposition for calling it a burden when it's an opportunity.

The major players were just absolutely delighted with it. There is absolutely no shift of responsibility at all. On the contrary, Mr. Chairman, what happened was we were able to trigger a whole lot more units, not because we wanted to as government but simply because the private sector wanted to, and here was a major opportunity for the private sector to work in partnership with the government and create that opportunity.

The committee reported progress.

The Assembly adjourned at 5:06 p.m.