

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

Mr. Petersen: — Thank you, Mr. Speaker. It's my pleasure today to introduce to you, and through you to this Assembly, a group of grade 5 students from Wadena Elementary School, 36 of them in number, seated in the west gallery.

Their teacher Mrs. MacDonald, chaperons Mrs. Peace, Mrs. Olson, Mr. Arndt, and Mr. Ekstrom are with them, and last but not least, their bus driver Mr. Peckham. I ask all hon. Members to help me welcome my guests today.

Hon. Members: Hear, hear!

Mr. Van Mulligen: — Thank you, Mr. Speaker. I should like to introduce to you, and through you to the members of the Assembly, a group of 28 grade 6 students from Arcola School in my constituency. They're seated in the east gallery. They're accompanied by their teacher Mr. Eric Ingham, and by Mrs. Schilling and Mr. Deeth.

I look forward to meeting with them after 2:30, the question period, and to get into my own lively question and answer session with them, and I would ask all members to join with me in welcoming them here today. Thank you.

Hon. Members: Hear, hear!

Mr. Martin: — Mr. Speaker, it gives me a great deal of pleasure to introduce to you three members from the Chinese republic, the Republic of China, People's Republic of China, sitting in the west gallery, and I would like them to stand, please, as I introduce them.

Mr. Huang Xinbai, the senior commissioner for State Education Commission of the People's Republic of China and president of Chinese Education Association for International Exchanges; Mr. Yang Quinghua, councillor for education in the embassy of People's Republic of China in Ottawa; Mr. Cui Jianguo, who is the interpreter for Mr. Huang; and Professor Peichi Hsieh, professor of History at the University of Regina.

I know that you had an opportunity to meet with our Education officials at noon today. I'm looking forward to having dinner with you this evening.

Mr. Speaker, will all members please join me in welcoming our guests from the People's Republic of China.

Hon. Members: Hear, hear!

Mr. Gardner: — Thank you, Mr. Speaker. I would like to introduce to you, and through you to the members of the Assembly today, some 75 grades 4 and 5 students from Victoria School in Kamsack, which is in my constituency of Pelly. They are here with their teachers Joyce MacLean,

Brenda Kondratoff, Gwen Reilkoff, and Lorie Neher.

I hope they have an entertaining session this afternoon with us in the legislature. I look forward to meeting with them later, after question period, for pictures and drinks and hopefully answer any other questions they might have at that time. I hope that everybody will help me welcome them in the usual manner.

Hon. Members: Hear, hear!

Mr. Pickering: — Thank you, Mr. Speaker. It is indeed a pleasure today for me to introduce to you, and through you to all members of this Assembly, 14 grades 7 and 8 students from the Ceylon School which is in Ceylon, which is approximately 70 miles south of Regina.

They are accompanied here today by their teacher Mr. Henry Tekatch, chaperons Edith Ayotte, Gayle Hillrud, and Marilyn La Rocque. They are seated in the west gallery, Mr. Speaker. And I had the opportunity to meet with these students and their chaperons prior to lunch. We had a very good discussion on what is going on in the world today and in our province. I hope they enjoy the proceedings here in the legislature during question period and find it informational and perhaps educational.

I would like all members to join with me in welcoming the students from Ceylon.

Hon. Members: Hear, hear!

Mr. Shillington: — Thank you very much, Mr. Speaker. It's my pleasure to introduce to you, and through you to the Assembly, a number of directors and executive members from the Saskatchewan Surface Rights Association. They were to be seated in the Speaker's gallery, and I think there may have been no seats left, so they are now in the east gallery, Mr. Speaker.

I think they have met with members of all three caucuses. This group of people, for those who are not familiar with their work, represent farmers in their dealings with oil companies, and they perform yeoman service in that regard.

I know all members will want to join with me in welcoming to the Assembly the directors and executive members from the Saskatchewan Surface Rights Association.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Farm Credit Re Home Quarter

Mr. Lingenfelter: — Mr. Speaker, my question is to the Minister of Agriculture and it deals with the report on STV this afternoon which concerns farm credit. And the report this afternoon is that Dave Fraser of the Farm Credit Corporation has announced that FCC (Farm Credit Corporation) will be limiting to 25 per cent of the value of farm land of the home quarter to farmers in their borrowing policy.

I wonder, Mr. Premier, if you're aware of that? And if so, have you made any overtures to the federal government to allow for farmers to continue to borrow against the home quarter the way they have in the past — 100 per cent of the value of the land?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Yes, Mr. Speaker, I am aware of Farm Credit's attitude with respect to the home quarter. And in fact I talked with the president and with the federal Minister of Agriculture about the potential reaction to the legislation that we introduced here in defence of the home quarter and the farmer, and said that we had the support of financial institutions, including not only the banks but the credit unions and generally the large percentage and proportion of the farm population. I encouraged them to look at it very carefully.

I will also be talking to them again with respect to their lending policy as a result of the statement that came out today that said that they are going to cut back on the capacity to lend on the home quarter. Now the farmer has some capacity as well to say, look, despite the legislation, obviously I have the right to put my whatever collateral up for security that he wants. But the Farm Credit Corporation is obviously extremely sensitive to the security they have now in terms of the home quarter, and have made an announcement that says that they are going to be lending less on it than they have in the past.

But I will be talking with them, as well as the federal Minister of Agriculture, because the support that we are receiving as a result of the legislation introduced by the minister is widespread and broad, and I expect we will receive support from the members opposite.

Mr. Lingenfelter: — New question to the Premier and the Minister of Agriculture. Mr. Premier, as a past farmer you'll be well aware that many farm operations in the province, literally thousands of them, use the home quarter as security for operating capital during the year. In fact many intensive operations — hog operations, poultry, cattle, ranchers, for example — lease the majority of their land and only own the home quarter, and for years and years they've been using this as collateral for operating loans.

What your legislation is doing in that particular case for that group of farmers is putting literally thousands of farmers on the line and possibly pushing them over the brink when it comes to operating capital for this year. In fact farmers are telling us, in the drought tour when we were down in the south-west and the west side of the province, that they in fact are very concerned about the impact of Bill 37 when it comes to the lending power on the home quarter.

And I'm just asking now whether or not you are going to be talking to the federal government, your counterpart, to see whether we can get this cleared up.

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Mr. Speaker, in response to the

hon. member's question, I would propose to the hon. member to read the Act, because what the Act says, Mr. Speaker, is as follows: that if an individual farmer wishes (a) to build on his home quarter after this Act is passed, or to buy the home quarter, or to deal otherwise in financing that home quarter, the financial institution and the farmer can apply to the Farm Land Security Board for a waiver of that. That waiver will in fact take place; that will exempt those individuals from the home quarter protection. That clearly is stated in the legislation, Mr. Speaker.

The purpose of the home quarter, quite frankly, is this. There is a large number of farmers in Saskatchewan facing financial difficulty, and is it too much for the government and for the politicians and for the people to provide rules that allow that individual the decency to have a home to live in, Mr. Speaker, and not be afraid of being run off of his home, let alone his farm?

That seems to me to be a decent thing, recognized throughout North America, and it should be recognized in the province of Saskatchewan as well.

Some Hon. Members: Hear, hear!

Mr. Lingenfelter: — A new question to the minister. Obviously you don't have to lecture the opposition about reading Bill 37. The people I'm asking you to lecture are the federal government, the FCC (Farm Credit Corporation), who are changing their policy in response to Bill 37.

Some Hon. Members: Hear, hear!

Mr. Lingenfelter: — The question simply put, Mr. Minister, is the fact that the Farm Credit Corporation, with a vast amount of money loaned out to farmers, is sending a signal, not only to the farming community but to other lending institutions in the province, and what they're saying clearly is that the home quarter is no longer to be used as security the same way as it was before.

And what will happen is there'll be a drying up of operating money that will impact farmers, but as importantly, will affect Main Street, Saskatchewan, where small-business people are struggling to stay alive.

All I'm asking for you to do is to call your counterpart in Ottawa, Prime Minister Mulroney, ask him to get the policy straight with FCC to send the signal to the farmers and the lending institutions and the business people in Saskatchewan, that we do have confidence in the farmers of this province.

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Two observation, Mr. Speaker. First one being is this: that until this legislation the Farm Credit was exempt from all regulations that had to be handled by the banks or by credit unions, etc. This legislation says to Farm Credit, you're going to be dealt with the same way as any other lending institution is dealt with, and I think that's the way it should be.

Now with regard to Farm Credit, they have had a waiver automatically, Mr. Speaker, a waiver automatically that

they could step in and take the home quarter, that they didn't have to go through even the existing laws that's there today.

Our conversations with Farm Credit is as follows: until this legislation is passed, where they would have a mechanism by which they could apply to get this waiver, they are going to cut back. And I would simply encourage the members of all sides of the House to pass this legislation so we can get back to normal, and you will, in fact, see Farm Credit lending money to Saskatchewan farmers as they have in the past.

Mr. Lingenfelter: — Supplementary to the minister. On the same newscast on CTV the vice president of . . .

An Hon. Member: — STV.

Mr. Lingenfelter: — STV. The vice-president of the wheat pool was talking about the problems that will be created, not by Bill 37 directly but by the implication of what your federal counterparts in Ottawa are doing with the FCC, literally drying up operating capital to farmers and sending a very, very negative signal to the Saskatchewan lending institutions, the farmers, and the business people, that this is not a good place to invest money.

I'm saying to you and asking you, on behalf of the farmers: will you today talk to your federal counterparts and get them to change their policy on lending on the home quarter?

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Well, Mr. Speaker, I indicated when this legislation was introduced that what we were trying to do with this legislation is draw a proper balance, a balance on the one hand to provide protection to the farmers who are being, or are fearful of being, challenged to have their farms taken away from them. And that's real. On the other hand, Mr. Speaker, to provide a mechanism whereby the lending institutions feel comfortable enough to provide that . . . continue to provide that operating and credit to the farmers.

I find it somewhat strange that when faced with that balance and those alternatives, the members opposite of the NDP come down on the side of the lending institution and not on the side of the farmer. I find that somewhat strange, Mr. Speaker. I suppose I should not.

What I say, Mr. Speaker, is once this legislation is passed — and I would hope the members opposite would expeditiously help us pass this legislation — you will see lending return to its original form, Mr. Speaker. The balance is there, credit will be made available, and at the same time — something the members opposite never, ever speak of — is that we can protect, as well, those individuals who fear, Mr. Speaker, not only the loss of their farm but fear, Mr. Speaker, that they will be kicked out of their house. Them and their children and I think we should have some passion for that type of situation.

Some Hon. Members: Hear, hear!

Mr. Lingenfelter: — New question, Mr. Speaker, and I

want to go back to the Premier, the Minister of Agriculture, because this is very much a farm issue. And I want to be very brief in my question. I just want to ask you, which I've asked four times now: will you contact your counterpart in Ottawa to see whether or not we can get straightened out the problem that FCC is creating for lending institutions, farmers, and business people in this province? Will you do that today?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, I already responded to the member, and I said that I'd been in touch with them before, and I will be in touch with them again.

Gas Tax Rebate

Mr. Koskie: — Thank you, Mr. Speaker. Mr. Speaker, I'd like to direct a question to the Minister of Finance, and I have here, before me, a completed gas tax refund under your infamous fuel gas tax rebate, whatever you call it, and I'm interested in the process for returning the money to the people of Saskatchewan, which you have held for a year of 11 months, interest free.

There are some 275,000 people that have applied for a rebate. And if you consider the cost of the staff time, the stationary, the printing, the envelopes, the stamps, it would cost over a dollar per letter to communicate with these 275,000 people. Can you tell us here today why you feel it was necessary to spend over \$275,000 to send out a letter to every applicant telling them that their rebate has been processed and that they will be receiving it in a couple weeks time? Why couldn't you have, in fact, enclosed a cheque without the previous letter?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — Mr. Speaker, I'm finding the hypocrisy from the opposition, which has dominated this session, a little surprising. On the one hand, they don't like the rebate. Last year the whole question on the gas rebate is: you're trying just to avoid paying it back. So we advertised to tell people how they would get their rebates.

They're critical that it's going to take too much bureaucracy, so we hired summer students, young people, Mr. Speaker, so we don't build up a permanent bureaucracy. The reason that people were notified, Mr. Speaker, that their rebate is being processed is the very simple fact that by using summer students, Mr. Speaker, this will be paid out over the course of the summer, and I think it's a fair way to notify the public that submitted applications, Mr. Speaker, that in fact their application, one, was received, that it's being properly processed, and that their cheque would be sent some time over the summer as we've acknowledged right from day one, Mr. Speaker.

Mr. Koskie: — A supplement, Mr. Speaker. I can only say, Mr. Minister, in my view, that your arrogance is only superseded by your incompetence.

I want to ask you further, Mr. Minister, when you do send out this rebate cheque — that's not good enough — but can you tell us why that you have to enclose yet another

piece of propaganda with the smiling picture of the Minister of Finance telling us of all the virtues of the fuel tax? I want to ask you — or is it really what you're doing again is using the taxpayers' money to put your mug and face in every household in Saskatchewan at the cost of the people of Saskatchewan?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — It should come as no surprise to the hon. member and to the opposition, Mr. Speaker, that recent surveys indicate that they would just as soon have my picture as his.

Having said that, Mr. Speaker, I think that we should put in perspective the fact that the New Democratic Party has opposed the gas tax rebate, Mr. Speaker. The New Democratic Party . . .

Mr. Speaker: — Order, order. Order.

Hon. Mr. Lane: — Thank you. That the New Democratic Party has opposed the gas tax rebate, that the New Democratic party has opposed the government using students to process the forms over the course of this summer, Mr. Speaker.

Let me just advise every New Democratic member in the province of Saskatchewan — this is voluntary, Mr. Speaker. No New Democrat is required to fill out their forms. And if the hon. member doesn't want the letters from the Minister of Finance, then he doesn't have to fill out his form, Mr. Speaker. We're not making him.

Some Hon. Members: Hear, hear!

Mr. Koskie: — New question, Mr. Speaker. Mr. Minister, everyone in Saskatchewan keeps the . . . looks at the administration of this program as a disgrace, and it's magnified by the waste and the self-serving propaganda of the Tory machine.

I ask you, Mr. Speaker . . . Mr. Minister, you have advertised this program; you have spent money in mailings to every householder who is an applicant; you have sent out unnecessary letters telling them that their cheque is going to be coming, it's processed; you have included a useless piece of propaganda with every cheque. Indeed, Mr. Minister, it will have cost well over \$2 million sending out, processing this to the taxpayers who . . . it's their money.

I ask you, Mr. Minister, what right do you have of wasting the taxpayers' money on your self-serving propaganda campaign, while at the same time refusing legitimate rebate to over 3,000 applicants in the province?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — Mr. Speaker, first of all, let me say that no legitimate rebate is in fact being refused.

Secondly, I, Mr. Speaker, want the people of this province to recall that last summer, after the announcement of the fuel rebate to the ordinary people of this province, the New Democratic Party said, you are not going to

advertise this because you're just going to encourage people not to apply for the rebate, Mr. Speaker. Now when we encourage people to apply, let them know that their application forms are in fact received and being processed, the NDP have now done a flip-flop, saying, now you're advertising too much, Mr. Speaker.

Make up your mind. The only thing that you have been consistent about this, Mr. Speaker, is that the New Democratic party do not like the fuel rebate, and the New Democratic Party, Mr. Speaker, will take away the fuel rebate from the people of this province.

Some Hon. Members: Hear, hear!

Mr. Brockelbank: — Mr. Speaker, my question is also to the Minister of Finance about the gas tax rebate. Mr. Minister, I and my colleagues have had a number of complaints from people who have had their rebate forms returned because you have been unable to read the postmarks and then have jumped to the conclusion that they were mailed after the deadline. This article in the *Leader-Post* of June 9 refers to that, and in this article it says that there are 2,500 to 3,000 people who have their forms returned.

Is it fair, Mr. Minister? Does a reasonable and fair government deny benefit of a doubt to thousands of Saskatchewan taxpayers? That's the answer I want, Mr. Minister.

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — Well I appreciate the rather succinct question from the back-up minister of Finance . . . deputy . . . or critic of Finance, Mr. Speaker. Having said that to the hon. member, I think you should take a look at the rest of the article. There was a period of time given to the forms to be received by the Department of Finance.

Secondly, we have written back to those people and asking them to give some form of assurance that in fact it was mailed in time. I do believe the official indicates in there, Mr. Speaker, that that effort will satisfy, I believe, most people that legitimately got their applications in in time; and secondly, that there was either an obliterated or an inadequate postal mark, so that they will get the rebates.

Mr. Brockelbank: — Supplementary, Mr. Speaker. Mr. Minister, earlier you told the press and the people of Saskatchewan that your government expected additional revenues from the gasoline tax because you calculated that 30 per cent of the people would not apply for the rebates. Could you tell this House how many people who sent in their gas rebate forms have had them rejected and returned?

Hon. Mr. Lane: — Well, Mr. Speaker, I'm prepared to supply that information to the Assembly and the hon. member, keeping in mind that not all of the forms have been processed. I can only give you the information of the forms processed up to date.

Secondly, Mr. Speaker, I do ask hon. members and the public to recognize that it was the NDP that encouraged

us to advertise this program, to make sure that everybody who was eligible got their forms in. Now they're being critical that we didn't advertise enough, and 70 per cent or whatever, Mr. Speaker, so I urge the hon. member to be consistent.

And we are trying to give and ensure that all those who got their applications in in time — and there was ample notice of the deadline, Mr. Speaker — that they will, in fact, get the rebates.

Mr. Brockelbank: — A new question to the Minister of Finance, Mr. Speaker. The taxpayers of Saskatchewan had to place their trust in your government and Canada Post. Either one by itself is a shaky proposition.

Some Hon. Members: Hear, hear!

Mr. Brockelbank: — Mr. Minister, you've had about a year to look at your gas tax. In fact, the people have been paying for it for a year and are just now seeing the full extent of the bureaucratic nightmare you have brought to this province.

Now, compared to the government budget snafu which you have engineered yourself, Mr. Minister, this is a minor blip in events in Saskatchewan, similar to the used car tax fiasco where you nicked hundreds of Saskatchewan taxpayers for untold sums.

However, even though this is small relative to the budgetary deficit snafu which I mentioned earlier, Mr. Minister, will you assure this House today that this program will either be extensively revamped or cancelled completely?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — I'm sure Craig Dotson is turning over in his office over the way that that question was fumbled by the hon. member.

Mr. Speaker, I want the press and I want the public to notice that we have just today had the formal request from the New Democratic Party to cancel the fuel tax rebate program, Mr. Speaker. That is exactly what the member has just asked, that the fuel tax rebate program be cancelled, Mr. Speaker.

I hope, Mr. Speaker, that no New Democratic member over there has filed a rebate form, Mr. Speaker, taking advantage of the system that they criticize, taking advantage of the delay that they're very critical of, taking advantage of the use of summer students, Mr. Speaker, to process the forms and avoid a permanent bureaucracy.

I just hope, Mr. Speaker, that all New Democratic members over there can stand up in this House and say, I want to do away with this program, and I'm so true to my belief that I didn't send in a rebate. Mr. Speaker, I don't think they have the courage to do it.

Some Hon. Members: Hear, hear!

Hold-back of Fee by SGI

Mr. Koenker: — Thank you, Mr. Speaker. My question is to the minister responsible for SGI (Saskatchewan Government Insurance), and it concerns his victimization of Saskatchewan families. Can the minister confirm that SGI has had for the past few months a policy whereby it holds back \$35 when a person turns in their licence plates as a so-called administration fee?

Hon. Mr. Taylor: — Mr. Speaker, I can't confirm that today. I will take notice of it and look into it for the member.

Mr. Koenker: — Supplementary, Mr. Minister. Mr. Minister, I can confirm that I phoned the licensing . . .

Mr. Speaker: — Order, order. Some time ago we did make a ruling in the House that if there's a supplementary directed to a question that had been taken notice of it should be simply given without a preamble. And I'm just drawing that to your attention.

Mr. Koenker: — Thank you, Mr. Speaker, new question. Mr. Minister, I can confirm for you that this morning I phoned your licensing office at SGI and was told that effective December 1 this \$35 licensing fee was in place. This victimizing is becoming second nature with your government: you hold back on the gas tax, you hold back on the drug rebates, and now you hold back \$35 in licensing fees. Why are you penalizing and victimizing Saskatchewan families, and when are you going to get your hands out of the pockets of Saskatchewan families and put them onto the proper business of government?

Some Hon. Members: Hear, hear!

Hon. Mr. Taylor: — Mr. Speaker, I have long since learned not to take anything on face value that comes from that side of the House from certain members. So, as I said, I'll take notice and look into this.

MINISTERIAL STATEMENTS

Inaccurate Statements by EEC on Canadian Farm Subsidization

Hon. Mr. Devine: — Thank you, Mr. Speaker. I rise today to make a statement with respect to international farm subsidies and in defence of the situation faced by Canadian agricultural producers.

As Minister of Agriculture, I want to address a very serious matter and to express my government's concern regarding the recent comments made by officials of the European Economic Community relating to Canadian farm subsidies.

I want to point out, Mr. Speaker, that the subsidies received by Europeans — and I will be supplying examples to the media and to the general public — are manifold higher than they are here in Canada, and as a result we have received very unfair treatment.

Officials of the European Economic Community stated that Canada has no business blaming the Europeans for the high farm subsidies that have triggered the current trade war in agriculture. An Organization for the

Economic Co-operation and Development study was put forward by the Europeans to show that Canadian farmers derive nearly as high a proportion of their income from subsidies as European farmers do.

Mr. Speaker, these comments are wrong, and the figures are erroneous. At a time when over-subsidization by the European Economic Community is causing severe financial hardship for our farmers, we cannot allow, Mr. Speaker, such unfair and inaccurate comments to go unheeded.

Mr. Speaker, this is a very serious matter that costs our economy a great deal of money, and it can result in \$2 wheat instead of \$7 wheat that farmers here in this country can receive. The extreme result could mean public apathy towards the plight of our farmers here in Saskatchewan, and indeed across the country, if they believe the erroneous information coming out of Europe.

During this very difficult time, our farmers need to know that the people of this province and of this government and indeed this Assembly and the nation will continue to support our agriculture industry and not fall prey to the political game being played by the European Economic Community.

The real issue is that the over-subsidization by the Europeans has caused excessive production, surplus production by European farmers, and has resulted in an oversupply of grain on the entire world market.

By the very nature of the European subsidization program, the more the farmers produce in Europe, the more they are subsidized by the government. And it's a treadmill, Mr. Speaker — the more they produce, the more they're subsidized, and just one thing leads to another.

As a result, what used to be major customers of ours, the European community has become a major producer and exporter of grain competing with us world-wide. This situation has driven down the price of grain to record low levels and has caused extreme financial pressure on Canadian farmers.

Mr. Speaker, I want to make the point that farmers of Saskatchewan, and indeed Canada, can ill afford to be caught in a numbers game which some members of the European Economic Community seem intent on playing. To compare subsidy levels between countries, they knowingly used figures, Mr. Speaker, knowingly used figures normally applied only in calculating subsidy levels within a given country. Therefore, the compared apples with oranges and were not fair in the comparisons when they talked about Canadians.

Let me give you the bottom line, Mr. Speaker. Saskatchewan farmers receive approximately \$4.70 a bushel, including subsidies, for their wheat. A producer in the European Economic Community receives approximately \$7.13 a bushel. Any measure that states the level of subsidies within these two prices is equal, obviously is incorrect.

And I will refer, Mr. Speaker, to an example that I'm going

to be providing to the House, and I have given to the Leader of the Opposition and the Leader of the Liberal Party, that points out that the subsidy going to Canadian producers, at the maximum, is in the neighbourhood of \$2.10, compared to a price of \$3.77 a bushel, or 55 per cent of the price. The Europeans receive 103 per cent of the price of a commodity as a subsidy alone, Mr. Speaker, and I've documented it in some detail for the public and indeed for this legislature.

I want to point out, Mr. Speaker, that the Prime Minister has received endorsement by this administration and from farmers across the country. And I would just add my congratulations with two very notable farm leaders, one, the president of the Canadian Federation of Agriculture, and another one, Wayne Easter, president of the National Farmers Union, for supporting the Prime Minister in defending our farmers against unfair international subsidies.

I'm tabling this information, Mr. Speaker, to put it on record. Our farmers receive nowhere near the subsidies that Europeans do. We are not going to stop supporting our farmers, and we're going to continue to encourage our Prime Minister, Mr. Speaker, to fight for unfair subsidies and to reduce them world-wide and to defend farmers here against the kind of unfairness we've seen internationally.

Some Hon. Members: Hear, hear!

Mr. Lingenfelter: — Mr. Speaker, I think all of us in the Assembly and the farmers of Saskatchewan will be amazed that the Premier, the Minister of Agriculture, would rise today and deal, not with the debt crisis of farmers; not with the drought that is taking farmers off the land in record numbers across the south and western part of the province; wouldn't deal with the Bill 37 and the FCC problems which are in the news today, but would come here with a, what he calls, a ministerial statement — questionable whether or not it should have been allowed — and wasted the time of the House trying to defend the Prime Minister who goes to Europe two weeks ago and makes a fool of himself, and uses this Assembly.

Some Hon. Members: Hear, hear!

Mr. Lingenfelter: — Mr. Speaker, it's obvious what we should be talking about if we're going to talk about agriculture today in the Saskatchewan Assembly. We have been demanding — the official opposition — of the Premier to come forward with a proposal and recommendation and policy on the situation facing the drought area of the province.

Mr. Speaker: — Order. Order. The statement dealt with the international subsidies and how they're affecting the Saskatchewan farmers, and I know the hon. member will want to make his remarks relevant to that.

Mr. Lingenfelter: — Mr. Speaker, it seems obvious, and it will seem obvious to the farmers of Saskatchewan, how this relates to the dilemma of wheat prices in Saskatchewan. And possibly if I could complete my remarks, it would become apparent to the members of the government and the Speaker how this fits together.

But I want to say to the Premier . . .

Mr. Speaker: — Well I would like to ask you to do that; I would like to ask you to do that and to make certain your remarks are relevant.

Mr. Lingenfelter: — Mr. Speaker, I'm sure when I complete my remarks that it will become very obvious that the Premier is Saskatchewan's Don Quixote, going out tilting windmills when the province of Saskatchewan and the farmers of Saskatchewan are going broke in record numbers. That's what's happening.

Some Hon. Members: Hear, hear!

Mr. Lingenfelter: — And I say, I say he's using the Assembly in this ministerial statement to try to get away from the real issues facing farmers, created, at least in part by the price of grain, but the real issue being the debt situation, in large part caused by that federal government he attempts to defend; Farm Credit Corporation today announcing that they are going to reduce the lending power of the home quarter to 25 per cent, in reaction to the policy of this government.

That's the issue today, and yes, it does relate to the price of grain, because that is the reason the farmers are in the debt situation they are. And I want to say that in response to the debt situation and the problem they're facing the government should be coming forward with active policy and proposal that would defend the farming community and the business people of Saskatchewan.

More than that, Mr. Speaker, I think it's clear that overriding all of these hard economic problems in rural Saskatchewan are the cut-backs to social programs that this government is hell-bent on implementing in this province. We see the devastation of the drug plan that directly affects farmers who have seen the subsidy war cause them problems in Saskatchewan; the removal of the dental program in rural Saskatchewan which impacts as well on the overall situation of farmers.

And I say to the Premier, if you are serious about farmers, come to this Assembly with a ministerial statement dealing with the relevancy of the problem, and not with a political agenda and a federal election in attempting to try to protect an unpopular Prime Minister in Ottawa.

Some Hon. Members: Hear, hear!

INTRODUCTION OF BILLS

Bill No. 85 — An Act respecting Certified Nursing Assistants

Hon. Mr. McLeod: — Yes, Mr. Speaker, I move first reading of a Bill respecting Certified Nursing Assistants.

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

Bill No. 86 — An Act respecting Registered Nurses

Hon. Mr. McLeod: — Yes, Mr. Speaker, I move first

reading of a bill respecting Registered Nurses.

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

Bill No. 87 — An Act to amend The Municipal Employees' Superannuation Act

Hon. Mr. Berntson: — Mr. Speaker, I move first reading of a Bill to amend The Municipal Employees' Superannuation Act.

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

(1445)

Bill No. 88 — An Act to make Certain Changes in the Statute Law with respect to the Investment of Moneys Held pursuant to Certain Acts

Hon. Mr. Berntson: — Mr. Speaker, I move first reading of a Bill to make Certain Changes in the Statute Law with respect to the Investment of Moneys Held pursuant to Certain Acts.

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

Bill No. 89 — An Act respecting the Consequential Amendments to Certain Acts resulting from the enactment of The Saskatchewan Municipal Board Act

Hon. Mr. Berntson: — Mr. Speaker, I move first reading of a Bill respecting Consequential Amendments to Certain Acts resulting from the enactment of The Saskatchewan Municipal Board Act.

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

Bill No. 90 — An Act respecting the Consequential Amendments to Certain Acts resulting from the enactment of The Dependent Adults Act

Hon. Mr. Berntson: — Mr. Speaker, I move first reading of a Bill respecting the Consequential Amendments of Certain Acts resulting from the enactment of The Dependent Adults Act.

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

Bill No. 91 — An Act respecting the Consequential Amendments to Certain Acts resulting from the enactment of The Saskatchewan Farm Security Act

Hon. Mr. Berntson: — Mr. Speaker, I move first reading of a Bill respecting the Consequential Amendments to Certain Acts resulting from the enactment of The Saskatchewan Farm Security Act.

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

Bill No. 92 — An Act respecting Provincial Emblems and

Honours

Hon. Mr. Berntson: — Mr. Speaker, I move first reading of a Bill respecting Provincial Emblems and Honours.

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

Bill No. 93 — An Act to amend The Ambulance Act

Hon. Mr. Berntson: — Mr. Speaker, I move first reading of a Bill to amend The Ambulance Act.

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

POINT OF ORDER

Mr. Koskie: — Mr. Speaker, before the orders of the day, I'd like to raise a point of order in respect to the purported ministerial statement by the Premier.

It has been set out, Mr. Speaker, as a tradition of the House and is supported by ... and I'll quote a reference here in *Beauchesne's* that any ministerial statement should be current, it should be topical, it should be relevant. And as I indicated, Mr. Speaker, in *Beauchesne's Parliamentary Rules and Forms*, Fifth Edition, on page 87 under "Statement by Minister," it indicates:

The Speaker has emphasized that both the Government and Opposition contribution should be brief and factual. The purpose of the ministerial statement is to convey information, not to encourage debate.

I would ask Mr. Speaker to consider the purported ministerial statement made today and make a ruling in respect to it.

Mr. Speaker: — I've heard the point of order raised by the hon. member from Quill Lakes, and I will review the record and bring a response.

MOTION UNDER RULE 39

Mr. Lingenfelter: — Mr. Speaker, before orders of the day, I wish to rise under Rule 39 and seek leave to move a motion along the following lines. The motion will be moved by myself and seconded by the member from Quill Lakes and follow the following format:

That this Assembly regrets that the federal government's Farm Credit Corporation has decided to restrict credit to Saskatchewan farmers, and further, that this Assembly urge the Government of Canada to order the Farm Credit Corporation to rescind its recent decision to restrict credit to Saskatchewan farmers.

Leave is not granted.

Mr. Speaker: — Order, order. Order, order. Order.

ORDERS OF THE DAY

GOVERNMENT ORDERS

SECOND READINGS

Bill No. 47 — An Act to amend The Critical Wildlife Habitat Protection Act

Hon. Mr. Berntson: — Mr. Speaker, I stand today to move second reading of The Critical Wildlife Habitat Protection Amendment Act, 1988.

Mr. Speaker, habitat is the key to stable wildlife populations. The Critical Wildlife Habitat Protection Act was enacted to protect critically important wildlife habitat on Crown land. This important initiative was taken to counter the rapid loss of wildlife habitat on private land, and to ensure that a baseline of wildlife habitat was protected.

The Critical Wildlife Habitat Protection Act was drafted in such a way as to provide for this protection and yet not adversely affect present agricultural uses of the land. The government recognizes that this is critical. Crown wildlife habitat must be afforded long-term security. This Act is essential to the maintenance of game stocks, rare and endangered species, and other forms of wildlife, Mr. Speaker.

Mr. Speaker, to date 1.2 of the 3.4 million acres of Crown land originally identified as warranting designation under this legislation have been included in the Act. The lands we now propose to add to the schedule of the Act are of strategic importance to provincial big game populations, notably mule deer and antelope.

We propose to add 714,000 acres of critical wildlife habitat, mostly from the south-eastern grasslands, to the 1.2 million acres currently in the Act. All lessees affected by the proposed designation have been fully consulted with. If concerns were expressed by a lessee, their land was withdrawn. We also wish to remove from the Act 47,000 acres of land that no longer warrants designation. The net result of the proposed amendment, Mr. Speaker, would bring the total lands protected to approximately 1.9 million acres in the schedule to The Critical Wildlife Habitat Protection Amendment Act, 1988.

Mr. Speaker, I would like to take this opportunity to thank the Saskatchewan Wildlife Federation for their past, present, and anticipated future support of this legislative initiative. I also want to thank the 669 lessees whose leased land is coming under the protection of this Act. Those many Saskatchewan people are making a direct contribution to the protection of wildlife habitat in our province.

This government has worked closely with the Saskatchewan Wildlife Federation, other government agencies and affected lessees, on the development of this important initiative. The designation of these additional lands will ensure the protection of native wildlife populations and will represent a continuation of one of the most significant wildlife conservation initiatives undertaken in this province.

I therefore move, Mr. Speaker, second reading of An Act

to amend The Critical Wildlife Habitat Protection Act.

Mr. Speaker: — I'd like to once more ask the hon. members to please refrain from debating across the floor of the House while these Bills are being introduced.

Mr. Thompson: — Thank you, Mr. Speaker. We on this side of the House will be supporting this Bill but we will have a few questions that we want to ask in committees. I see that the minister has got the wildlife federation on his side, but it wasn't too long ago that in order to get them on side, you had to return the funds that you had taken away. I see that you have given their money back and now they're on side.

We will have a number of . . . a few questions that we want to ask regarding the 47,000 acres — is that going into the Grasslands National Park? — and just a few figures that we want to get and how many acres that are now protected.

So with that, Mr. Speaker, I will leave it till it comes into committee. Thank you very much.

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

Bill No. 56 — An Act respecting the Reorganization of the Saskatchewan Mining Development Corporation

Hon. Mr. Berntson: — Mr. Speaker, I'm exceptionally pleased today to have this opportunity to begin debate on the second reading of Bill No. 56 — The Saskatchewan Mining Development (Corporation) Reorganization and divestiture Act.

This Bill will be one step on the way to the creation of one of the world's largest uranium companies, Mr. Speaker. I am proud to tell the House that the headquarters of this new company will be here in Saskatchewan.

This legislation we are debating here today will provide the provincial government with the authority necessary to proceed with implementation of this proposed transaction, Mr. Speaker.

There are three primary purposes of this Bill. First, we want to provide for the merger of Eldorado Nuclear Limited and the Saskatchewan Mining Development Corporation into a single company which is far stronger than either corporation could have ever imagined before.

Second, we want to ensure that the head office of this world-scale resource company is here in Saskatchewan.

And third, we want to allow for the orderly divestiture of the company's . . . I mean of the government's ownership in this new company.

Merging of the operations of these two world class mining and processing companies, Mr. Speaker, will be a benefit for the people of Saskatchewan and of Canada. Through the transaction, both companies will be able to draw on the other's strengths in areas such as low cost reserves, marketing, and technologically advanced processing units.

The creation of this new corporation means that we are building on the strengths and the successes of two already formidable companies in the international scene. The reputation of Saskatchewan and, indeed, Canada as an internationally recognized uranium producer will be enhanced.

Of course, Mr. Speaker, the transaction does not end with the merger of these two Crown corporations. Plans are already in place to proceed with the privatization of the company as soon as possible. This will occur through employee purchase plans and public or private share offerings.

Again, this is another example of this government's commitment to allow the people of Saskatchewan direct participation in the ownership of a major Canadian company, one which combines the natural resources of Saskatchewan with made-in-Canada expertise, Mr. Speaker.

I would like to assure all hon. members that this transaction has not been entered into without considerable forethought and careful analysis. Working independently and through separate financial advisers, the shareholders of SMDC (Saskatchewan Mining Development Corporation) and Eldorado have analysed possible scenarios for government divestiture of these two Crown corporations going back as far as 1983.

(1500)

In the spring of 1986, discussions regarding the possible merger and subsequent divestiture of SMDC and Eldorado began. In February of 1988 a letter of intent was signed. This provided the broad framework around which final negotiations would be structured. This letter indicated that the primary purpose of the merger would be to create a world scale, private sector, Canadian controlled company which would be a major source of uranium for the western world.

With the legislation before us today, Mr. Speaker, we will be able to help in achieving that goal.

The letter of intent also provided a summary of the proposed privatization schedule for this new company. It is the intent of both governments to have 30 per cent of the company privatized within two years, and to have the company fully privatized within seven years, Mr. Speaker.

As I have stated earlier, the result of this letter of intent was to provide the base on which the final deal will be structured. This legislation before us today will allow this to take place. Also at this time, there is federal legislation, Bill C-121, the Eldorado Nuclear Limited, Reorganization and Divestiture Act before the House of Commons, which will allow similar action, Mr. Speaker.

Once the merger is complete, or more precisely, Mr. Speaker, the acquisition of assets by a new company, the new company will have a unique combination of assets that will give it a solid, secure place in the uranium industry. At the present time, Eldorado Nuclear Limited is

the owner of mining properties near Rabbit Lake, Saskatchewan, technologically advanced refining and conversion plants, research and development facilities, and a share of Key Lake which has the lowest ore production costs of any operating mine in the western world, Mr. Speaker.

These assets will be merged with SMDC's uranium ore bodies at Key Lake, Cluff Lake, and Cigar Lake. Mr. Speaker, this combination will provide the new company with one of the strongest raw material positions in the industry, and will also allow security of supply for the conversion facilities. In other words, Saskatchewan will be the home of a uranium company capable of competing with anyone anywhere in the world.

The potential for success is further intensified when you add SMDC's recent success in gold mining. Currently, the Star Lake mine is operating very successfully, and more good things are expected in the gold mining area.

The new company will have an asset base valued at approximately \$1.5 billion, and has anticipated sales of \$500 million per year. Over 1,000 employees will be working for the corporation.

Given the tremendous size and potential impact of this new organization, it is apparent that determination of the ownership split was possible only after long and detailed negotiations and analysis. The final result is that initially the Government of Saskatchewan will hold 61.5 per cent of the equity and the federal government will hold the remaining 38.5 per cent. This split in ownership was based on independent financial advisers' analyses with which we agree, Mr. Speaker.

We are confident that the combination of the assets of SMDC and Eldorado will lead to advantages that were not available to either of the original companies when operating alone. More specifically, we expect synergies to develop in the areas of ore reserves, marketing, and security of supply for the refining division.

This new company will control the operation of Key Lake which, as I have stated earlier, has the lowest cost reserves of any uranium mine operating today, Mr. Speaker. This is strengthened by the fact that the new company also controls Cigar Lake, one of the richest uranium ore bodies in the world.

In other words, the new company will likely have a strong competitive position in the future because of its flexibility in developing and using low-cost ore.

Marketing of the product through the proven channels of both companies will contribute to overall profitability of the company. Given that Canada supplies approximately one-third of the western world's uranium, it is clear that the new company will have an important part to play in the market-place.

The new company will also provide security of supply for the conversion facilities currently operated by Eldorado. Production of fuel for power plants, including that required for the Candu reactor, will be based on a low-cost accessible supply of raw material.

Saskatchewan mines will be assured access to these advanced conversion facilities, Mr. Speaker.

In summary, with the merger of these two companies we will be seeing the benefits which result from the creation of a vertically integrated mining company. Producing, refining, converting, and supplying of nuclear fuel related products will all be managed by a company headquartered here in Saskatchewan, Mr. Speaker.

I know that safety for the environment and for workers is a major concern for all people familiar with uranium. Let me assure you that safety is a primary consideration, and that steps are being taken to guarantee that the new company operates under the same strict standards that the rest of the industry must meet. No exceptions to the regulatory environment will be required. The new company will fall within the regulatory framework of the Atomic energy board, the nuclear non-proliferation policy, and the Canada Labour Code. All other applicable federal and provincial regulations will also apply.

Mr. Speaker, I am certain that this Bill will be a major benefit to the people of Saskatchewan, and I would like once more to restate its three objectives to allow for the sale, number one, of the assets of SMDC; number two, to form the new merged corporation to guarantee that the head office of this new corporation will be in Saskatchewan; and to allow for the future privatization of the new company. Each component contributes to the possibilities for future growth and diversification of the Saskatchewan economy.

With this Bill we are establishing a new company which will have its executive, administrative, marketing and operating functions centred in Saskatchewan. Undoubtedly, Mr. Speaker, this is going to add considerably to the level of mining expertise located in the province. We are confident that this company will contribute significantly to the industrial and commercial base. It allows participation and a highly competitive technologically advanced industry.

This Bill also paves the way for future divestiture of the new company. The new company will be an entity which is available as an investment vehicle for pension, insurance, and trust funds. Furthermore, we are confident that there will be a high level of interest in private investment in the new company from both private and corporate investors. Also there will be establishment of an employee share purchase plan as soon as is possible, Mr. Speaker.

In this merger, and in all subsequent transactions, there has and will continue to be careful consideration given to the interest of the employees. Their union has been protected, and the new company will provide all of its employees with benefits and terms and conditions comparable to those that they currently enjoy. And of course they will have the opportunity to participate directly in the ownership of this exciting and dynamic new company.

Mr. Speaker, this enabling legislation that we have put forward is a clear demonstration of the commitment that this government has to encouraging the development of a

strongly diversified economy which encourages growth. I am sure that all members of the House will recognize the benefits of this Bill and will join with me, Mr. Speaker, to expedite the passage of this Bill through this Assembly.

Mr. Speaker, I therefore move second reading of An Act respecting the Reorganization of the Saskatchewan Mining Development Corporation.

Mr. Goulet: — Mr. Speaker, following some comments, I will move to adjourn the debate.

Mr. Speaker, I was listening to the minister's comments, and I have never heard more utter . . . empty piece of nonsense for a long time in this legislature.

Number one, every one of those statements that he made in regards to the character of SMDC, and he says what it ought to be, already exists. Number one, we are already here in Saskatchewan. SMDC is already in Saskatchewan, so why is he introducing a Bill that puts something in Saskatchewan? He makes a big deal about that.

He makes a big deal about the fact that it will be a world-class outfit. Well SMDC is already a world-class outfit. That in fact, when you look at SMDC's record, it's got \$900 million worth of assets; that SMDC made \$60 million; that its long-term debt will be done away with in a couple of years; that it had a 20 per cent return on investment; that it put \$30 million worth of dividends. I think the facts prove, Mr. Speaker, that it is indeed a world-class outfit.

When I listen to the minister, Mr. Speaker, he appears to be saying that it would be a world-class outfit. But we now look at this Bill. Mr. Speaker, when I look at this Bill, I see this as probably one of the biggest pieces of PC patronage, give-away, and hypocrisy that we have seen in a long time. And that's precisely what this Bill is about.

It is going to make in history . . . when we look back at it in history, it will make the patronage of Hill, of Schoenhals, of Weyerhaeuser, of Pocklington, look very small in comparison to the give-away of this Saskatchewan peoples' resource and Saskatchewan peoples' assets.

The minister never mentioned once in his speech, in his small presentation — and I'll talk more about these things — there's absolutely nothing, no mention about jobs. No mention about jobs for Saskatchewan people, no mention for jobs for people in northern Saskatchewan, no mention for jobs in regards to Indian-Metis people.

When we look at the aspect of contracts to Saskatchewan businesses, absolutely no mention. Absolutely no mention except empty promises in regards to the environment. And workers' health and safety — no mention except an empty promise.

We are used, Mr. Speaker, to promises by this PC government, but all we get in return is that we get more patronage and greater and greater hypocrisy.

When we look at the Saskatchewan Mining Development Corporation, Mr. Speaker, we see it as a world-class outfit

at the same time. It had made strides, and the reason why it had introduced the concept of a joint venture approach to work hand in hand with private industry, the mixed economy approach, was that in many cases in the past we had not dealt with these important issues of jobs at a reasonable level. We had never dealt with the questions of environment, the questions of workers' health and safety, to the same degree that we learned through the experience with SMDC.

(1515)

And now we are going to be turning back the clock, and all we get is a promise for shares, and they call it a special share. And I must say that it's analogous, Mr. Speaker, to the government taking over your house and taking over your yard, and turning it over to one of their friends or to the big corporations. It's analogous to that.

And they turn around and say, well you're going to benefit from this; what we're going to do is sell you shares of this house that we took away from you; we will sell you common shares — first of all we'll sell you a share on that garbage can that's in the backyard, that's in the alley-way; we will not sell you full shares because only the large-scale corporations are going to be able to handle the 25 per cent of this and 25 per cent of that; what we will do is give you maybe a little bit of share on the brass doorknob. And that's because basically that's what ordinary people can afford in regards to the immensity of this billion dollar asset, \$2 billion asset that we are talking about.

So I would say that when we look at the question of farms, it's the same way as taking over your farm, and they turn around and sell you shares on a fence post and say you are a public participant of this — you are a public participant of this. But you have to give us more money because we'll make it look like a gold fence post in much the same way that we'll buy you some more paint to make this into a golden garbage can.

Because what it is, is one of the worst pieces of swindle that we will see in the history of Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Goulet: — We have given away many of our jobs. We have given away many of our health equipment, our highways equipment. We have given away our forests to American multinational. Now we are giving away our mines and our last great resource, one of the last major great resources in the province of Saskatchewan's history.

With that, Mr. Speaker, I will adjourn debate for a moment and come back to it later on.

Debate adjourned.

Bill No. 81 — An Act to amend The Automobile Accident Insurance Act

Hon. Mr. Taylor: — Mr. Speaker, I rise to give second reading to an Act to amend The Automobile (Accident) Insurance Act.

Mr. Speaker, the purpose of this legislation is threefold. First, an amendment is required to The Automobile Accident Insurance Act to permit the creation of regulations retroactively.

Second, an amendment is required to permit costs to be awarded against SGI in actions for insurance coverage.

And third, a proposed amendment adds a definition of the word "province" to The Automobile Accident Insurance Act.

The most important amendment will permit the auto fund to improve service to customers and ensure that equitable rates are charged to drives and vehicle owners.

As an example, the person will occasionally request registration for a vehicle model that is not defined in our classification system. While this only involves a small number of motorists, we want to ensure the highest level of service for all drives and vehicle owners. Most commonly we are talking about some types of motor homes, some commercial semi-trailers, and things of that nature.

When these people now apply for licence plates, the auto fund has two alternatives: if the vehicle doesn't fit the classification system, a delay may occur while a new regulation is prepared to cover that particular type or model of vehicle. Members will, I'm sure, see the inconvenience that could cause, an inconvenience that certainly is not necessary. Or registration can be made without proper authority and subsequently authorized, and any adjustments made later. This causes further inconvenience to the public as well as creating an inefficiency for the auto fund. If, however, we have the power to make new classifications retroactive, we will eliminate these inefficiencies and improve service to the motoring public.

Section 5 of the AAIA (Automobile Accident Insurance Act) deals with the classification of vehicles and drivers, and therefore the amendment pertains to that section.

The second provision I mentioned has to do with section 63 of the AAIA, a provision that has been in the AAIA since 1946. It is a provision that the Law Reform Commission has urged should be repealed. We agree, Mr. Speaker, and that is why we're doing so with this amendment.

In simple terms, the provision is an archaic one which exempts SGI from paying court costs to people who successfully sue it on matters of AAI coverage. It comes into play rarely, about 25 times per year. The provision conflicts with the usual principle that requires the losing litigant to pay the other side's costs. Section 63 was probably originally written into the Act to reduce costs when the Act was created in 1946, but now it is out of date.

My last comment on this provision is to remind members that this section does not apply to the common types of insurance suits, where one insured person sues another and SGI happens to be the insurer of the defendant. It pertains to matters of coverage only.

The third change I'm referring to, Mr. Speaker, defines the term "province" in the AAIA Act. As the legislation now stands, the definition does not include the territories, and the problems with this should be obvious to all members. Briefly, AAIA insurance ceases to be valid when people move and re-register their cars in another province. But because the definition of "province" is unclear, we have a situation where a person moves to another province, and properly his Saskatchewan insurance becomes invalid. But if he moves to a territory, the insurance does not become invalid. This legislation merely plugs this long-standing loophole.

Mr. Speaker, as you and all members can see, these amendments before us are rare, really a housekeeping nature, and I expect that full support will be forthcoming from all members. Thank you.

Ms. Atkinson: — Thank you very much, Mr. Speaker. I've just had a brief opportunity to review the proposed changes to The Automobile Accident Insurance Act, but I think three points can be made. I'm sure that the Northwest Territories and the Yukon Territories will be pleased to be finally recognized as provinces in our country, and that at least one jurisdiction recognizes that they do have provincial status. It would have been nice had the province of Saskatchewan, along with provinces across this country, recognized that the Yukon and the Northwest Territories should be made provinces when they arrived at the Meech Lake Agreement.

The second point that I'd like to make is that it's surprising that the minister is changing the legislation to make regulations retroactive one year. And I suspect that there have been some fees or registration fees imposed or premiums imposed that the government did not make regulations for, and they are now asking us to retroactively change the legislation.

And finally on this legislation, I'd like to congratulate the government for recognizing that when claimants go to court against SGI, and they are successful, that they should . . . the courts should be able to assess legal damages through court costs to a Crown corporation, and I think that this is a major breakthrough for the public. And so I support this aspect of the legislation.

I have some other things that I'd like to say about the amendments to The Automobile Accident Insurance Act, but I want to take more time to review the legislation, and therefore I'd ask to adjourn the debate.

Debate adjourned.

Bill No. 69 — An Act to amend The Workers' Compensation Act, 1979

Hon. Mr. Berntson: — Mr. Speaker, legislation requires that a committee of review be established once every four years to review workers' compensation. This committee is equally represented of employers and organized employees. This review committee was chaired by Judge Alastair Muir of Moose Jaw, and the committee brought down a unanimous report.

The government takes the recommendations of the committee of review with the utmost respect. I may point out that this government has had an excellent record in implementing previous recommendations. This record is greater than that of other jurisdictions in Canada. The committee made 17 recommendations, 54 dealing with workers' compensation matters. Recommendations requiring legislation are addressed in the above-captioned amendment.

The amendments meet most of the recommendations of the committee and provide increased benefits in the following areas: substantially increased dependent spousal benefits; increased funeral benefits; greater focus on foster parents by allowing a greater foster parent allowance; 50 per cent of Canada disability pension benefits retained by the workers or the dependent spouse. This change in legislation will put more cash into the hands of all workers and dependants who are under the plan.

To provide a better life-style, more workers will receive independence allowance. This previously was only available to those who were unemployable.

The board will share workers' legal fees on third party actions.

The amendments also extend the reporting period for employers, clarify the medical review process, and remove the requirement for annual review of wage loss benefits.

The balance of the amendments are housekeeping in nature.

The amendments will continue to place Saskatchewan workers' compensation on the leading edge in North America. Saskatchewan continues to have one of the lowest average assessment rates for industry, and the highest level of benefits in North America. Our Workers' Compensation Board remains one of the only long-term, fully funded boards on the continent. I am pleased to say that there has been a continual reduction in fatal and total injuries in Saskatchewan.

This government remains committed to workers' safety in Saskatchewan and providing comprehensive benefits. I may point out, Mr. Speaker, that the Wascana Rehabilitation Centre, which is currently undergoing a \$50 million expansion, will be service workers in the late fall. This new facility will be able to triple the capacity to treat injured workers in Saskatchewan.

By imposing these reasonable and affordable recommendations, it again places Saskatchewan on the leading edge of treatment for employers and Saskatchewan workers. While other jurisdictions have been encountering difficulties with their compensation boards, Saskatchewan has maintained its credibility and has received praise from workers and unions alike.

Mr. Speaker, I move second reading of Bill No. 69, An Act to amend The Workers' Compensation Act, 1979.

Mr. Shillington: — It'll come as no surprise when I say to

members opposite that I'm going to ask . . . that I'm going to move a motion to adjourn this at the end.

There is, Mr. Speaker, a great deal that needs to be done in the area of workers' compensation. Few areas of government cause urban members as many problems as this particular area. It isn't so much the law as the administration. Indeed, I don't think the law has changed drastically since this government took office. It's the administration; well over half the complaints I get, as a member, are about the workers' compensation.

(1530)

There are, Mr. Speaker, some things that badly need to be done. As a for instance, we need to bring to a halt the whole process of deeming people fit for jobs and then reducing their compensation by the amount that they're deemed to be fit to earn.

Earlier in the day, during question period — I don't think Mr. Ernie Jelinski and Gordon Scrimbit will mind me saying that I saw them in the gallery earlier during the question period. Mr. Scrimbit, in particular, put a series of rather amusing ads in *The Regina Shopper*, purely for the purpose of making the point. He described a man, slightly under 60, described all his physical disabilities, then went on to advertise himself for a job. Having read the ad, there is no way he'd be hired for anything — he's disabled. He did it to make the point that he had been deemed to be capable of earning \$8 an hour. He did it to make the point that he was not capable of earning \$8 an hour, but that's how much was reduced from his worker's compensation.

I can well imagine that the fund is healthy. It's healthy because it isn't paying out anywhere near what is owed to the workers of Saskatchewan. Mr. Speaker, I and my colleagues have some very serious concerns about this legislation.

An Hon. Member: — Inadequate administration.

Mr. Shillington: — And the . . . in particular, that's right. The member from North East points out our concern is in particular about the administration of this. I suspect that we will want to raise some questions in the Committee of the Whole. I know my colleague who is our Labour critic, from Moose Jaw North, will want to make some comments about the Bill.

I did not hear the member who, I know, had such an intimate knowledge of workers' compensation — and it's a subject of such fascination to him; I know that had it been in the Bill, the member from Souris-Cannington would have told us. He didn't mention it, so I assume that these problems which are of such concern to us, I suspect they're not dealt with in the legislation. That doesn't mean the legislation is all bad, or that we'll vote against it, but I think we're as much concerned about what it doesn't do as what it does do.

I'm going to . . .

An Hon. Member: — Very good.

Mr. Shillington: — Thank you. Since I'm now getting applause from all sides of the House, in particular one of my very special fans, the member from Souris-Cannington, I'm going to stop there and ask for leave to adjourn debate.

Debate adjourned.

Bill No. 70 — An Act to amend The Corporation Capital Tax Act

Hon. Mr. Lane: — Thank you, Mr. Chairman. I rise today to move second reading of An Act to amend The Corporation Capital Tax Act.

This Bill introduces a corporation capital tax surcharge that addresses some of the inequities of the corporate tax system. It will ensure that large resource corporations with significant activities in Saskatchewan pay their fair share of taxes.

The corporate tax system must become a more significant source of financing government priorities. In 1987-88 the corporation capital tax generated about \$55 million in revenue. In 1989 we estimate that . . . '88-89 we estimate that revenue from this source will increase to over \$90 million as a result of changes proposed in the budget.

Let me briefly explain how the corporation capital tax is determined. The tax is basically a tax on the wealth of a corporation. A corporation computes its corporation capital tax based on its taxable paid-up capital. The amount of paid-up capital of the corporation is essentially equal to the sum of long-term liabilities and owner's equity. From this, a corporation is permitted a deduction of \$10 million. The tax only applies, therefore, Mr. Speaker, to large corporations operating in the province. As a result, fewer than 1,000 companies pay the tax, and most of them have their head offices located outside of the province.

The current corporate capital tax rate levied on resource corporations is equal to 0.5 per cent of taxable paid-up capital allocated to Saskatchewan. Effective July 1, 1988, resource corporations will pay additional corporate capital tax based on 2 per cent of their value of Saskatchewan resource sales.

In computing the surcharge, resource corporations will be allowed to deduct their existing corporation capital tax liability. Large interprovincial resource corporations that minimize their tax burden by allocating a greater share of taxable paid-up capital to other jurisdictions will now pay a minimum corporate capital tax based on their Saskatchewan resource tax activity . . . resource activity.

Mr. Speaker, the corporation capital surcharge will generate an additional \$34.8 million in '88-89 and an additional \$50.4 million in '89-90. The increase in corporation capital tax will be used to help finance our increased health and education program costs.

In addition to the corporate capital tax surcharge effective July 1, the corporation capital tax will be expanded to apply to federal commercial Crown corporations. This will permit greater neutrality to exist between public and

private commercial entities competing against each other in industries such as transportation and resources. Application of capital tax to federal commercial Crown corporations will also result in estimated additional revenue of \$2.3 million in this fiscal year and \$3 million in '89-90.

An amendment will be made, Mr. Speaker, to the regulations pursuant to clause 3(2)(b) of The Corporation Capital Tax Act to incorporate this change.

Mr. Speaker, I move second reading of An Act to amend The Corporation Capital Tax Act.

Mr. Tchorzewski: — Mr. Speaker, this is another one of those Bills which I intend to adjourn so that there can be substantial time to consider the remarks of the minister, as brief as they were, but also substantial time to debate the issues involved not only in this particular Bill but all Bills in this legislature this year related to taxation.

It is well known that this government's record on taxation is far greater than dismal. What is even more criminal about it is the shift of the taxation from the corporate sector and the corporation sector to the ordinary taxpayer, in the form of the flat tax; from the government sector to the property tax, making Saskatchewan's taxation regime probably the most unfair in all of Canada.

That, Mr. Speaker, has happened in the short span of some six years since 1982. It has had a devastating effect on the economy of Saskatchewan because this government has taken out hundreds of millions of dollars out of the spending power of the family, the consumer, and put it into the hands of the oil corporations who have been making massive profits all during that time.

That has, Mr. Speaker, in turn had a very cruel effect on the small-business man throughout all of Saskatchewan who is no longer receiving that dollar which the consumer used to have to spend, because the government has changed the tax system in such a way that the government is now taking that consumer dollar in the form of various forms of taxation.

And I think there's no doubt in anyone's mind in Saskatchewan that that has had a very dampening effect on the economy, a very major contributor to the kind of depressed economy that we have here in Saskatchewan today. And that's not taking away from the difficult times that agriculture is in; that's recognizing that. But that certainly was just especially a time when the government should not have been increasing taxes on ordinary people and on families to the extent that they have.

I can assure you, Mr. Speaker, that members of this House, on this Bill and other tax Bills, will have a great deal to say, and for now I adjourn debate.

Debate adjourned.

Bill No. 82 — An Act to amend The Litter Control Act

Hon. Mr. Swan: — Mr. Speaker, I rise this afternoon to move second reading of The Litter Control (amendment) Act. The amendments to The Litter Control Act will

enable implementation of a new beverage container policy in the province and a collection and recycling system for these containers.

This new policy will respond to the public demand for greater flexibility by allowing non-refillable containers on the market. At the same time it will reduce litter and waste by ensuring that these containers are recycled to the greatest extent possible. It will also create employment for handicapped people in the province through the Saskatchewan Association of Rehabilitation Centres who have been contracted to establish and operate the collection and recycling system.

Aluminum cans have been identified as the first non-refillable containers to be approved because they have high scrap value and, as such, form the basis for a recycling system. The system will be expanded to allow other non-refillable containers such as plastic or PET bottles in the near future.

The principal objectives of the proposed amendments are to set the initial 5 cent per can refundable deposit and the 2 cent per can environmental handling charge, and provide authority to vary them by regulation.

They provide authority to require collection and remittance of this refundable deposit and environmental handling charge from distributors; license collectors to collect and remit these refundable deposits and environmental handling charges; provide authority to enter into agreements to collect and remit refundable deposits and environmental handling charges; pay refunds on behalf of the government; establish and maintain a collection and recycling system; provide for the financial requirements of these agreements; identify that funds collected are to be deposited to an environmental protection fund which will be used to provide deposit refunds and operate the collection and recycling system; make the amendments and respective regulations effective from May 12, 1988 to coincide with the legal sale of carbonated soft drinks and beer in aluminum cans in Saskatchewan.

Carbonated soft drink and beer containers are regulated under The Litter Control Act and regulations. Each container must be approved before it is used in the province. Until now, only refillable glass bottles have been approved.

In closing, let me emphasize that the new beverage container policy will respond to a strong public demand for non-refillable containers — principally the aluminum can — reduce litter by controlling the use of non-refillable containers, and reduce waste by encouraging recycling of non-refillable containers, and create jobs for handicapped people in Saskatchewan.

The amendments proposed to The Litter Control Act are necessary to implement this policy and develop appropriate regulations. I invite the support of all members for these amendments.

I now move second reading of The Litter Control amendment Act.

Mr. Speaker: — Why is the member on his feet?

Mr. Gardner: — Mr. Speaker, with leave of the Assembly, I'd like the opportunity to introduce some students that have just arrived in the gallery.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Gardner: — Thank you, Mr. Speaker. I'd like to introduce to you, and through you to the members of the Assembly, some two dozen students that have come in from the Calder School today. I think they're grade 4, 5 and 6 students. They're with their teacher Valerie Evancio and their chaperon Janice Artemenko and their bus driver Calvin Morash.

I'd like to welcome the students to the Assembly today. What we're in the process of doing is going through second reading of some Bills. It's a little bit different from question period that most students have the opportunity to come and see, but I hope you'll find it entertaining, and I will meet with you shortly after for questions and drinks and pictures and answer any questions you might have.

And I would ask the members to welcome these guests in the usual manner.

Hon. Members: Hear, hear!

SECOND READINGS

Bill No. 82 (continued)

Mr. Calvert: — Mr. Speaker, I join with the member in welcoming the students who are visiting with us this afternoon.

Mr. Speaker, I'm happy to have this opportunity to address a few remarks to Bill 82 which will amend The Litter Control Act, and as the minister has indicated, essentially what we're doing here is putting into place this government's plan for the reintroduction of, first of all, the aluminum cans into Saskatchewan, and then perhaps some plastic containers later on.

(1545)

Mr. Speaker, I will want to adjourn the debate just after a few very short remarks because the issue does bear, in my view, a wide public discussion, and I personally, and other members of our caucus, will want to be consulting with the public and giving study.

Mr. Speaker, you will recall that it was last November, I believe, that we debated a Bill in this House to, at that time, amend The Litter Control Act, essentially at that time opening the way for the reintroduction of non-refillable containers, primarily the aluminum cans. And you will recall at that time, Mr. Speaker, we on this side of the House raised two very significant concerns: one, the concern about protection of Saskatchewan jobs, particularly those individuals employed in the bottling industries and the brewing industry; and a concern about protection for our environment with the reintroduction of

the cans.

Mr. Speaker, you will recall at that time we raised those concerns, we had hoped that those concerns were heard by the minister and the government, and we then lent our support to the Bill.

Mr. Speaker, yesterday I think was day 55 of this session, and so we are some many months now from those amendments that were made last year, and if I may say, at last we have the legislation which we have been waiting for. The people of Saskatchewan are aware that in fact the cans now have been on the market for some time, since at least the middle of May, and we've seen the system that this government has designed. Now we have the legislation.

Mr. Speaker, there are many of us in this province who have looked at this system which the government has designed. And we're looking at what is already happening in the brewing and bottling industry. And, Mr. Speaker, in some ways this government has inflicted a failing system on both counts on the people of Saskatchewan. We are already seeing significant job losses in the brewing and bottling industry, Mr. Speaker, and we are seeing a system of recycling that's only now just getting on its feet. And those of us who spend time on the roads are already seeing the cans and so on in the ditches.

And so, Mr. Speaker, some of our concerns are heightened, not lessened, by what we see happening in the province. Mr. Speaker, we will want time to consider this legislation. We'll want time to consult with people whose lives are very directly affected. We'll want time to consult with the general public of Saskatchewan, and time to give consideration to the minister's remarks this afternoon. So I would move to adjourn this debate.

Debate adjourned.

Mr. Speaker: — Why is the member on his feet?

Mr. Sauder: — Mr. Speaker, with leave of the Assembly, I'd like to introduce some guests.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Sauder: — Thank you, Mr. Speaker. I'd like to introduce to you, and through you to the other members and my colleagues here in the Assembly, a group of students from the Ridgedale School in the community of Ridgedale. There's 43 students, I understand, in the group today. They're accompanied by their principal and one of the teachers, Mr. Allan Brown; their chaperons Mrs. Judy Reimer, Mrs. Carol Sturby, Mrs. Marlene Miazga; and their bus driver Allan Breadner.

I would hope that they'll find their time in here informational and educational. I'm sorry that they were unable to be with us for question period, certainly the more interesting time of the day many times. But they'll learn here, and I'm sure they'll have questions. I look forward to meeting with them a little later and discussing what they've seen here. And that I would ask everybody

here with me to join with me in welcoming them here this afternoon.

Hon. Members: Hear, hear!

ADJOURNED DEBATES

SECOND READINGS

The Assembly resumed the adjourned debate on the proposed motion of Hon. Mr. Andrew that Bill No. 37 — **An Act to provide for Security for Saskatchewan Family Farms** be now read a second time.

Mr. Shillington: — Thank you very much. Mr. Speaker, I think it's fair to say there are few Bills that'll come before the session which are as important as this one. If I had to pick the most important Bill before the Legislative Assembly, I think it would undoubtedly be this one here . . . (inaudible interjection) . . . Well next to certain members of the Assembly who are going to make it possible for the Saskatchewan public to drink beer in cans, apart from that, I think this is the second most important.

Mr. Speaker, I don't want to . . . I'm not going to deny that the Bill does some good. It will be the thrust of my remarks, however, that the Bill doesn't begin to meet the problem. I will add, for the benefit of members opposite, that I know that other members on both sides of the House will want to be involved in what is really a crucial debate about the future of agriculture in Saskatchewan. I'll therefore be adjourning debate at the end to allow members of both sides of the House to get into this debate.

Mr. Speaker, as I said, there are some positive things in the legislation that I shall refer to in due course. However, in the end result I think it's fair to say that it does not provide for the security of the family farm. It falls well short of that.

The difficulty, Mr. Speaker . . . The immediate problem is that the government opposite will not face the problem but continues to try to avoid the problem. We saw that in a major way today. The Premier got up and gave a frankly silly statement. My colleague, the member from Regina Elphinstone, described him as Saskatchewan's version of Don Quixote, and he did appear to be tilting windmills. The Premier got up and gave a silly statement on an incident that took place two weeks ago when the Prime Minister was apparently not properly informed. It occurred 8,000 miles away; involved a different level of government. The Prime Minister did not distinguish himself with his statements, and it appears that he needs the Premier of Saskatchewan to come to his aid. All I can say is if he needs the Premier of Saskatchewan to come to his aid, he is very short of friends and supporters, and badly in need of assistance when he's got to reach down that far into the barrel for some help.

The member from Milestone-Bengough wants me to get back to the Bill. I know he is waiting with bated breath for my comments so that he can frame his own, and I shall do that right now.

Mr. Speaker, the primary problem . . . Mr. Deputy Speaker, I did not see the changing of the guard. Mr.

Deputy Speaker, the problem in agriculture is that the industry is overcapitalized. By that I mean the industry is carrying far more debt than it can service given current depression prices. One could state the problem in various ways.

Certainly the problems were brought about by abnormally low grain prices. That happens, however, from time to time. While no one welcomes it, and everyone wishes it would go away — we all wish the Europeans and the North Americans would find a way to stop subsidizing the farmer and agriculture and let the industry carry itself — there's no way to do that. Nor is there any way to avoid, in a free market economy, depressed prices from time to time. That's one of the prices you pay.

What, however, has caused the crisis, it seems to me, is the very high level of debt that the agriculture industry is carrying. That debt was accumulated in the '70s and early '80s when agriculture seemed to be very buoyant. Land was bought at prices well beyond what could be justified in an economic sense by the product it could produce. Machinery was bought at very high prices. A very high level of debt was accumulated, and that debt can no longer be serviced.

And I want to say, in passing, that the government was a major part of the problem. If you agree with me that it's a fair statement of the problem to say that the industry has . . . (inaudible interjection) . . . more debt than it can carry, when you did as this government did, add a billion dollars to the debt that the industry's carrying, you're adding very significantly to the problem.

That was not part of the problem; that was part of the . . . That was not part of any solution; that was part of a problem.

An Hon. Member: — You know what 22 per cent a day adds up to?

Mr. Shillington: — The member from Thunder Creek mentions the fact that interest rates got to be very high. They did, indeed.

There was very little, I think, that any government could have done about that. The federal government, I think, could only have dealt with the high interest rates by instituting foreign exchange controls. Nobody, least of all the Conservative Party of Canada or the Conservative Party of Saskatchewan, asked for foreign exchange controls. Without the foreign exchange controls, interest rates are a factor of the market.

What was not a factor of the market, and what was an entirely voluntary program, was the farm production loans which, as I said, added a million dollars to the debt and, therefore, added very significantly to the problem of an industry carrying more debt than it can afford.

It's going to be a while before this one goes, I can say to the member from Milestone-Bengough.

Mr. Deputy Speaker, the government is now a major creditor. I gather, although I haven't seen official

statistics, I gather that a third of the farm debt is now owed to the government. This government is therefore the major creditor. It is conceivable the credit union system of Saskatchewan holds as much debt, but nobody else would hold as much debt as the Government of Saskatchewan. They are therefore a significantly . . . perhaps the member from Thunder Creek's right, and perhaps the Farm Credit Corporation is in that league as well, but those would be the only players that would. So this government's a major player.

As we said earlier in this session, I won't repeat it, this government has been harsher with the farmers in many ways than the private lending institutions have. They want not just the interest, but they want their principal back in addition. They have raised the interest rates, demanded principal and interest, and as I said, behaved in a fashion which is harsher than most private lending institutions would.

Mr. Speaker, there's not much the government can do, in spite of the Premier's forceful and well-received statement on the Prime Minister's bumble of two weeks ago. Notwithstanding this efforts, there's not much the Premier can do about agricultural subsidies. There isn't an enormous amount we can do about grain prices, but there is something this government can do about the farm debt. It might take a more common sense approach with respect to that one-third of the debt which it now holds.

Mr. Deputy Speaker, this government, as we've said on previous occasions, should not be demanding back principal, should not be increasing interest, and should behave in a fashion which is no more greedy than a private lending institution. Private lending institutions these days, in dealing with farmers who have debt problems, are happy enough to get the interest. They certainly don't increase the interest rate, they don't demand principal, and they know that if they carry the farmer for a while, they'll get it. Not this government; you've got to have your principal, and you had to increase the interest rate by 50 per cent, from six and something to nine and something.

Mr. Speaker, this government is a major part of the problem and not part of the solution. That was indicated in a fairly minor way today, Mr. Deputy Speaker, when the Premier chose to deal, in a way which I think can only be described as asinine, with the Prime Minister's bumble in Europe. He chose not to deal with the decision of the Farm Credit Corporation to discontinue lending money on the home quarter.

It is really, Mr. Speaker, unfortunate that other lending institutions, some of whom who do not have the federal government, who do not have the pockets of the federal government to back them up, some other lending institutions — the Royal Bank, the credit union — major portions of the farm debt . . . they have behaved, so far, in a fashion which is reasonably cautious, have made no alarmist statements; they have not run around the province weeping, gnashing their teeth, rending their clothing, suggesting that the end of the world was coming. The only institution to do that was the one institution over which the Conservative Party has direct control — the Farm Credit Corporation of Saskatchewan.

(1600)

And it ill behooves the Premier of Saskatchewan to refuse leave to a motion by the member from Regina Elphinstone, which suggested that he ought to take the matter up with the federal government and ought to suggest to the federal government that they ask the Farm Credit Corporation to be a little more moderate and reasonable — it ill behooves the Premier of Saskatchewan to refuse leave to debate that motion — it didn't have to be passed; they wouldn't even give leave to debate it — at the same time as he stands up and makes this silly rebuttal to the European ministers who took exception to something Brian Mulroney said.

Mr. Deputy Speaker, I want to get on and deal for a moment with the question of the Bill itself. I want to say in a general way that the . . . (inaudible interjection) . . . well the member from Regina Wascana has strolled in, in his distinguished fashion, and said, point of order. He doesn't seem to have a point of order but he's . . . I'll yield the floor if the member has a point of order. He hasn't. As so often happens with the member from Wascana, he cannot resist listening to himself talk, even if it makes no sense.

Well, Mr. Speaker, I want to inform the member from Regina Wascana that the rest of us can resist the temptation to hear you talk. If you have something to say, say it; it not, be quiet.

Mr. Speaker, the member from Regina Wascana no doubt will want to get into the Bill, and no doubt he has many pearls of wisdom which must be placed before this Assembly. I know the member from Thunder Creek cannot possibly make up his mind about the Bill until he hears the analysis of the member from Regina Wascana; I know that. And in due course I'll be adjourning debate and will be allowing the member from Regina Wascana his turn to get in.

Mr. Speaker, I make this as a personal comment — I'm not speaking on behalf of the caucus, but I say as a personal comment that I don't think any legislation which fails to deal with the level of debt will ever deal with the problem. There has to be, Mr. Speaker, as has been suggested by the co-operatives, the credit union, and the wheat pool which do not, to put it mildly, agree upon what the solution ought to be — but both have agreed that part of any solution has to be debt set aside or debt write-down.

Mr. Deputy Speaker, no legislation and no program which doesn't include that will ever deal with the problem. The basic fact is that the level of debt is much higher than can be carried, much higher than can be serviced, and if we don't deal with the absolute level of debt, we aren't going to deal with the problem.

The agricultural industry will be here, Mr. Speaker, but we will lose an alarming percentage of young farmers. It may be the image of Conservative members opposite that we should have 10 or 20 or 30,000 farmers farming 10,000 acres each — that may be your image of how the agricultural industry should operate. I tell you, Mr. Speaker, it isn't ours.

Our image of agriculture is that we should be taking every possible step to ensure that every farmer who's now farming stays on the land. That should be our goal. Our goal should not be to rationalize the industry, as I think members opposite are doing.

I said, with respect to an earlier piece of legislation, an amendment — may have been the estimates of the Farm Land Security Board — the Farm Land Security Board is an opiate. It eases some of the pain of leaving the farm. But, like an opiate, it does not cure the disease; it just eases the pain. And that's all I think the Farm Land Security Bill was doing, was acting as an opiate. It eased the pain of leaving, but they all left at just about the same speed as they would have left anyway.

Mr. Speaker, this Bill doesn't change that fact. This Bill is going to be an opiate. It is going to ease the pain of leaving the farm, but it isn't going to prevent it, except in the rarest of cases. We say on this side of the House that that's not enough. They don't need . . . Farmers of Saskatchewan don't need opiates. They need a cure. They need a solution. They do not need something to kill the pain. They need to deal with the problem itself, and that's all the members opposite are doing.

Mr. Speaker, I said there are some positive things in the legislation, and I'm going to acknowledge that at this point in time. I think the provision with respect to guarantees of debts, I suspect on the balance is positive. It is very, very minor. It is a very minor improvement.

Mr. Speaker, much has been said about the relationship of some of my colleagues who act for banks. I will confess, Mr. Chairman, that I once acted for the Royal Bank. I think at this point in time they're probably as bothered by that as I am. We may have both misjudged the relationship. But at one point in time I used to act for a couple of branches, actually.

I know that the provision which is now set out in section 31 was precisely what they did. All guarantees had to be in writing; they were all sent to a lawyer, which was myself at the time; all sent to a lawyer, and I had to explain to them what they were doing, how much it was, and what the deal was. Then they signed it. If that didn't happen, as far as the Royal was concerned, the guarantee didn't exist. So the Royal at least has done this for some time. I suspect that most of the chartered banks have. I don't think it's been the practice of all the credit unions.

So that while this is an improvement over the existing law, which is 300 years old — the existing law on guarantees goes back to the Statute of Frauds in the 1600s — while it's an improvement, it's a very, very minor improvement.

Mr. Speaker, there is much about this Bill which I think is going to operate in a fashion which will make the farmers' lot harder. I want to mention some shortcomings in this legislation; some of them, I understand why they happened, and some of them, quite frankly, I just do not know why the government's doing what they're doing.

I think it's unfortunate that the . . . I may say with respect to the mediators, it appears to me — and I will be asking the

minister this in Committee of the Whole — but it appears to me, Mr. Minister, that mediators will no longer be offices or employees of the board. It appears to me they will now be private . . . come from the private sector. I say that because the appointment of the mediators is separate from the appointment of employees — it's done by the minister directly.

On a quick glance through the Bill, I saw nothing in the Bill which made the mediators subject to the provisions of The Superannuation Act or the public service of Saskatchewan. I therefore suspect, Mr. Speaker, that the mediators are going to come from the private sector. I think that's unfortunate.

Quite apart from the cost of it and the fact that I would assume the cost is going to be charged back to the farmer and the bank, although I don't know that for sure, I think it's unfortunate that the mediators do not remain employees of the board. I say that because I think that gave the mediator additional clout. While I might decry the limited role the board played in acting as an opiate and not as a cure for the problem, the board did establish a good deal of credibility with the courts. And in my experience, the report that went forth from the board was generally acted on by the court, although not always.

Now that gave the mediator a very real authority when he started to bang heads. And I can tell you, from having done arbitrations and mediations, it's basically a process of banging heads until you can get both sides to be a bit more reasonable. The fact that the mediator was going to write a report which the court was in all likelihood was going to act on, gave the mediator real authority and real power. And when he banged heads, they knew their heads had been banged because he had a role to play later on.

The mediators have now lost that entirely. The mediators are now simply functionaries. Try to get two people together and try to suggest to them what's reasonable. In my experience, by the time the bank and the farmer have argued and fought about it to the point where the banks decided to foreclose, neither one is in the mood to be reasonable.

So I think the mediators and the whole mediation system is going to suffer when you separate the mediators from the board.

The certificates . . . the Act also sets out a scheme for filing a certificate of non-participation. This is basically a certificate of the mediator that the farmer or the bank has not participated in good faith. What's interesting about this — and this particular section is indeed I think a good part of this legislation, and it was drafted by the banks — what is interesting about this section is that when a certificate of not participating in good faith is filed against a farmer, the order for the leave to foreclose proceeds.

When a certificate of not participating in good faith is filed against the bank, one would think that the application would be dismissed. That's the opposite of allowing it to proceed.

That's not what happened. What happened is they

mediate again. Mr. Speaker, there clearly appears to be a double standard with respect to these certificates of not participating in good faith. The farmer in effect loses his land; the bank just is asked to do it again. This is one section that I would think the banks would find a significant improvement, and I suspect the farmers would not.

Mr. Speaker, the homestead provisions. This is probably a modest improvement, but it's very, very modest. The provision provides, as I think the minister may have outlined, that foreclosure cannot proceed so long as the farmer is living on the land, and so long as the court finds that he's making a sincere effort — I don't think it has to be reasonable — a sincere effort to meet his payments.

That's not a very high standard and I suspect in most cases the courts will refuse leave to foreclose against the homestead. But that's only for three years. After the passage of three years, the bank, credit union, FCC, or trust company, can proceed anyway against the homestead. It doesn't give the farmer the homestead for the rest of his life; it gives the farmer the homestead for three years, and then he's going to lose it anyway unless he's got the problem resolved.

There is one section that I think is most unfortunate. I'm not sure if . . . I was going to be so generous as to say this might have been unintentional. Perhaps I shouldn't be that generous and let the minister make his own defence.

Section 71(d) of the old legislation prohibited an action on collateral security. It's very important, Mr. Speaker, because collateral security can include personal property; can include livestock and machinery. The old Act prohibited an action on collateral security. I have not seen that in this legislation.

I saw a section which at first I thought covered it because it said that an action on the mortgage . . . in any action on the mortgage, the seller or mortgagee's only right to recover the purchase price was to take title to the land. That I thought at first blush might have covered it, but I don't think it will, in retrospect. I think an action recovered and an action commenced to take the cattle or the machinery before dealing with the mortgage, I think would be successful.

So I think the government has opened the door for banks, trust companies, and credit unions to proceed against the cattle, against farm machinery. And that's lost in the old Bill, and I frankly do not understand why that's been done.

I'm not going to be so critical as to suggest that this was done at the request of the banks. I'm going to be very generous and say that I think the members opposite may have made a mistake in drafting this legislation. If that is the case, I hope the amendments are introduced in Committee of the Whole. If it isn't the case, I can tell you that I and my colleagues are going to be most critical of this Bill.

Mr. Deputy Speaker, this has been a lengthy Bill. I, in fact, was working my way through it when the Bill was called, and I have not finished my review of the Bill. I want to do

that in light of the comments from the minister opposite. I therefore beg leave to adjourn debate.

Debate adjourned.

(1615)

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure Health Ordinary Expenditure — Vote 32

Mr. Chairman: — Order, please. I would ask the minister to please introduce his officials.

Hon. Mr. McLeod: — Thank you very much, Mr. Chairman. I'd like to introduce George Loewen who's an associate deputy minister; John Heath, on my left, who's an associate deputy minister; Lawrence Krahn, who's behind Mr. Loewen, who's in charge of finance and administration within the department; and Darrell Thomson, who's an associate deputy minister, behind me as well. And there'll be various and sundry other officials as the need requires, as we go into various aspects of this very large department, Mr. Chairman.

Item 1

Ms. Simard: — Thank you, Mr. Chairman. I think it's appropriate to note that there have been tabled in this legislature today — like 30 seconds ago, I received one of them — several health care reports, which I haven't had a chance to look at. I'm sure that's a deliberate strategy on the part of the government, to withhold information from us so we don't have a chance to look at it and properly inform the public. I noticed one of these reports was reviewed by the Provincial Auditor last year — June 26, 1987. And I'm wondering why the minister didn't make that report public last year in July or August.

Mr. Chairman, there's no question that this government constantly banters about numbers which are supposed to prove Saskatchewan is facing rapidly escalating costs for health care and medical services. The throne speech maintains that health care expenditures are consuming more and more of our tax dollars and that our health care system is extremely costly to maintain. The Tory rhetoric, Mr. Chairman, is that the demands of Saskatchewan people are driving this province into bankruptcy — not the demands of the Tory friends, not the demands their incompetence and mismanagement causes, but the demands of the people are driving this province into bankruptcy.

So what do they do? They establish a task force on health care. Yet another task force, yet another report, Mr. Chairman, after the hundreds that we've had over the years across this country. Mr. Chairman, if it wasn't for this government's attacks on health care, for their attacks on medicare, and their incompetence in managing the health care system in Saskatchewan, we wouldn't need a task force today.

They're hoping, however, that this task force will take the political heat off the government for the next 18 months. The government hopes to use the task force as a cover up

and an excuse for not solving pressing problems that require immediate solution today, not 18 months from now, which is when the task force is supposed to report.

The government also hopes that this task force will give it some credibility in health care by the very virtue of its existence. Well, Mr. Speaker . . . Mr. Chairman, rather, this government has no credibility in health care, absolutely none.

Nowhere has the PC betrayal of Saskatchewan people been more evident than in their attacks on health care. It was a tragic irony that they picked 1987, the 25th anniversary of medicare in Saskatchewan, to betray the basic principles, the basic principles of medicare and to attack our health care system. Those basic principles being comprehensiveness, accessibility, public administration, and universality.

Comprehensiveness, Mr. Chairman, means all health services, preventive, diagnostic, curative, rehabilitative that modern medical and other services can provide. Comprehensiveness means that all these health services will be available to the people of Saskatchewan and Canada.

But what did they do? They reduced services. They reduced services, Mr. Chairman. They reduced access to the prescription drug plan by requiring 80 per cent up-front costs and a 20 per cent, plus \$125 deductible to be borne by the taxpayers. They reduced the service being provided by the prescription drug plan. They reduced the service being provided by the dental plan in Saskatchewan, and they reduced services by allowing unacceptable and intolerable hospital waiting lists to rise and rise in Saskatchewan. They attacked the basic principle of medicare, that of comprehensiveness.

They attacked another principle of medicare, Mr. Chairman, the principle of accessibility. And the Hall commission report states that deterrent fees or premiums reduce accessibility to medical care and people are, in fact, deprived because of their economic status and condition.

But what have the Tories done with respect to accessibility? They've reduced it, Mr. Chairman. They reduced accessibility to the prescription drug plan because people could not afford to pay the up-front costs. Many cannot afford to pay the 20 per cent that will still be remaining if indeed the minister's plastic promise materializes in this province.

There is a PC Party resolution that deterrent fees should be implemented in Saskatchewan; the PC Party wants to further reduce accessibility of medicare in Saskatchewan. The hospitals don't have enough money to keep their beds open during the summer. They reduce accessibility to hospitals in needed and urgent surgery. Another attack on medicare, Mr. Chairman, another attack on another principle on one of the corner-stones of medicare in Canada.

With respect to public administration, Mr. Justice Hall, in the Hall commission report of 1980, says:

That during my public hearings a number of briefs urged that there be a return of the system to a "free market."

The implications of such a return are great, and he goes on to point out that the Canadian system, Mr. Chairman, is less expensive than the American privatized system, the free market system.

Canadians spend (and now I'm quoting from the 1980 Hall commission report) 97.5 cents out of every health dollar on health services, and only 2.5 cents for the advantages of prepayment.

He goes on to say only 93 cents . . . or 82 cents of each health dollar is actually available for health services, indicating a much higher overhead cost for the advantages inherent in prepayment.

He talks about the saving. In other words, he's saying that the overhead costs with respect to health care in the United States is higher than it is in Canada. And that, Mr. Chairman, is because the system in the United States is a free market system. And under that system, I might point out, as I will be making that point repeatedly throughout this presentation, 37 million Americans do not use or have access to health care in the United States. Yet, on a per capita basis, the spending in the United States is substantially higher than it is in Canada and in Saskatchewan where we have a publicly funded system.

But what does this government do with respect to the principle of public administration? It orders a report on rural hospitals, and whether or not . . . the role of rural hospitals in Saskatchewan. And what do we see in this report, Mr. Chairman? We see reference to the free market system in the United States. We see statements about the free market dictating our requirements in Saskatchewan. Well, Mr. Chairman, that's not the Saskatchewan way, and that's not the way medicare was evolved.

What do we see this government doing? We see this government supporting private multinational corporations by supporting Brian Mulroney and their PC cronies in Ottawa with respect to drug patent legislation. They support the drug patent legislation which has already caused a substantial increase in drug prices in Canada. That's the private system, Mr. Chairman, and that's what they want to move towards, and that's what they're working to move towards.

They privatized the dental plan, they privatized the dental plan inasmuch as they put it in the hands of the private sector. And it's clear that the evidence is that the publicly funded plan is, on a per capita basis, cheaper or not any more expensive — about the same or cheaper — the publicly funded plan, Mr. Chairman. But in Saskatchewan we see with respect to the dental plan a drastic drop in the utilization, a drastic drop in utilization — another principle of medicare being threatened, and that is accessibility and universality.

With respect to the principle of public administration, we see the de-institutionalization of people in Saskatchewan, a principle which basically we agree

with. But if the government is not going to provide services, out-patient services that are commensurate to the help that they would receive in the institutions and in the hospital, then de-institutionalization, Mr. Chairman, leads to private services being developed and people having to pay out of their own pockets for further services in Saskatchewan. It's a move to further move to the privatization of medical care in Saskatchewan. They've reduced funding to health care professionals so that health care professionals are being forced to set up private practice.

I also understand that there's a couple more private labs that have sprung up in the province by the encouragement of this government and which is having some effect on our publicly funded labs. So you see a constant trend out there, Mr. Chairman, towards the privatization of health services by the PC government in Saskatchewan. Bit by bit, piece by piece, they're frittering away at our medical care system and attacking one principle of medicare after another.

(1630)

The fourth and last principle I want to talk about is universality, Mr. Chairman. Universality means that adequate health services shall be available to all Canadians wherever they reside and whatever their financial resources may be, within the limitations imposed by geographic factors.

What does the government do with respect to the principle of universality? It destroys the dental plan so that it's more difficult for working parents and people living in rural Saskatchewan to obtain dental services. They don't have an adequate dental plan in rural Saskatchewan as much as the minister will travel out to Radville and have a phoney ribbon-cutting ceremony some six months after a clinic has been set up there. They have not provided rural Saskatchewan with adequate, universal, accessible dental services.

Some Hon. Members: Hear, hear!

Ms. Simard: — What else does the government do with respect to universality? It decimates the prescription drug plan so that the availability of it to all people in Saskatchewan is simply not there.

It orders a report that in effect — as much as the minister may try to deny this — in effect by implication, suggests the closure of rural hospitals. And for anyone to deny that, Mr. Chairman, is not to fully understand exactly what is being said in that report, and I know the minister understands.

How else have they affected universality with respect to deterrent fees, Mr. Chairman? Their private agenda is to implement deterrent; it's not a private agenda, Mr. Chairman. Excuse me, the PC Party, by public resolution, in effect at their convention, passed a resolution to the effect that deterrent fees would be imposed, Mr. Chairman. That will reduce the universality of health care in the province of Saskatchewan, if in effect deterrent fees are imposed and I . . . which is one of the basic principles of medicare in Saskatchewan.

And I just wish to refer you once again to the Hall commission report where under the heading of universality, they talk about deterrent fees:

But during the public hearings, I was surprised at the wealth of complaints regarding the number of persons reported by community groups and by medical and hospital spokesmen as not being insured in the three provinces of Alberta, British Columbia, and Ontario, which still levy premium taxes. This issue has been subjected to extraordinary public discussion in Ontario, particularly through the deliberations and report of the legislative committee in 1978, and I need not belabour the issue here. However, what both the legislative committee revealed and what various briefs submitted during my public hearings highlighted is the very small percentage of those entitled to subsidy, that is the working poor and the temporarily unemployed who actually apply for and receive the entitled assistance. Lack of knowledge of its availability, cumbersome administrative procedures, even difficulty in obtaining application forms apparently create genuine barriers to insured status.

In effect, Mr. Chairman, what is being said there, that once deterrent fees are implemented, those who may have an exemption from paying it often don't utilize that exemption because of one barrier or another, whether it be the bureaucracy or lack of knowledge that the exemption is available. And in effect what happens is you have the universality of medicare being attacked and destroyed, and that's what the PC Party wants to do in Saskatchewan. And they're on record to that effect, Mr. Minister.

So, Mr. Minister . . . Mr. Chairman rather, the corner-stones of medicare, its very foundation, each and every one of them — comprehensiveness, accessibility, public administration, and universality — have been betrayed by that Minister of Health and by his government and struck down by the PC government.

So what does it do? What does it do, Mr. Chairman? It sets up a task force. It sets up a task force, Mr. Chairman, for the purpose of using it as a smoke screen.

And they appoint to this task force, loyal civil servant that he may be, the former deputy minister to the Minister of Health, who was the deputy minister at the time that the government decimated medicare in Saskatchewan and betrayed every single principle of medicare as it is founded and interpreted in Canada. We suggest, Mr. Chairman, that the appearance of that is that this hardly gives the task force the appearance of being independent.

But what is even more disturbing about this task force, Mr. Chairman, even more disturbing is the fact that the terms of reference of this task force make no reference at all, not a single reference to the principles, the fundamental principles of medicare being the foundation upon which the task force must operate.

The terms of reference and the mandate do not say that, Mr. Chairman. Why don't they say that, Mr. Chairman? I think they don't because we have to assume they don't, and we assume because they are absent that a review of all those principles is wide open by the task force. And the principles of medicare are open to be disregarded by the task force, because the minister and the government have refused to say that the task force is bound by those four corner-stones of medicare.

For more than 40 years, Mr. Chairman, Saskatchewan has had a strong and proud tradition of leadership in health care. It as the people of Saskatchewan, under the CCF leadership of Tommy Douglas, that introduced hospitalization insurance in Saskatchewan, a first in North America. It was the people of Saskatchewan, Mr. Chairman, the men and women of Saskatchewan, under the leadership of Woodrow Lloyd, that introduced medicare — a bold step, Mr. Chairman, and another first. And it was the people of Saskatchewan, the men and women of Saskatchewan, Mr. Chairman, and the Allan Blakeney New Democrats, who introduced new and innovative health care services for Saskatchewan like the prescription drug plan and the school-based children's dental plan.

These were positive steps for improved health care for Saskatchewan and they were firsts in North America — firsts, Mr. Chairman. But the PC government and the Minister of Health have turned their back on the proud Saskatchewan tradition of health care leadership. They've broken their promises and they've betrayed medicare in Saskatchewan. And now they've mandated a task force to review even the very principles and foundation of medicare, the corner-stones of medicare.

The task force mandate says that it can look at insured services, for example. For those who know the PC government, what do you think that means? Do you think that means increasing insured services? Of course not, Mr. Chairman. Do you think that means further cut-backs and slashing of insured services? Of course, Mr. Chairman, that's what the Tories are signalling. Do you think that means justifying the cruel and heartless cut-backs to the prescription drug plan and the dental plan? Of course, Mr. Chairman, that's what the Tories are signalling.

Their mandate talks about funding of health care. What do you think that means, Mr. Chairman? That we should have more public funding of health care, or does that mean we should be funding health care through deterrent fees and through other . . . pay your own way or pay as you go.

And the mandate of the task force refers to utilization of health care. What does that mean, from a Tory point of view, Mr. Chairman? That means over-utilization and therefore deterrent fees.

The terms of reference talk about the nature and distribution of health care facilities. And what do you think that means, Mr. Chairman? Well, Schwartz report jumps into my mind; closure of rural hospitals is the other thing that comes to mind, and so on. And it goes on and on.

But nowhere does it say that the task force must be cognizant of the corner-stones of medicare and the basic principles and the basic foundation upon which medicare in this country and in this province was based. Why? As I said before, because the PC government wants those principles to be reviewed — that's why.

And we know that these task force people are good men and women and we trust they will acknowledge these basic principles of health care. But that's not the Tory agenda, I tell you, Mr. Chairman. The members of the task force may acknowledge those principles, but it's not the Tory agenda.

So if the Tories don't like this report, what are they going to do? I think they'll shelve it and hope it gives them some credibility, but not necessarily act on it. Do you really believe, Mr. Chairman, that they'll implement progressive and fair recommendations to improve socialized medicine? Of course not. They may use it as an election ploy, and in that regard I think the timing that the task force is to report is very interesting. I see the minister has set the time for the task force as December 31, 1989, just before we go into an election year — set by the Minister of Health for the task force. And I'm wondering why the task force wasn't given the opportunity to set their own timing.

So if we get a good report out of the task force, what is the PC government going to do with it in this pre-election year? Probably make promises to the public. But we know what they do with their promises. They break them as soon as they get elected and then continue on implementing their privatized, right-wing extremist's ideology gone wild in the province of Saskatchewan.

And let's look at some of these promises that the PC government have engaged in over the years. Let's look at them. The promise to have cut the provincial income tax by 10 per cent — a promise broken. The promise to eliminate the gas tax for good — another promise broken. The promise to eliminate the provincial sales tax — another promise broken. The promise that the PC government would never attack Saskatchewan medicare. The member from Melville in his election material saying, funding for health and education will be increased. The member from Maple Creek saying, improvements on health care delivery system, as a promise in her election material. Another PC member saying, improve medicare, and look at this: extend drug plan coverage; plan to include all prescription drugs.

Well, Mr. Chairman, that's a PC promise for you. It's so much hot air, Mr. Chairman, so much hot air. So we know what they do with their promises. After they get elected they break them.

And meanwhile, while the task force is going through the province, the Tories continue with their rhetoric on spiralling health costs. And there's no doubt, Mr. Chairman, that national health care expenditures have been rising over the last decades, but the Tory lines must be exposed for what they are — scare tactics, fabricated to justify Tory governments dismantling medicare in this province and indeed throughout the entire country.

There has been no real attempt on the part of this government to reduce costs for the people of this province; rather the attempt has been to reduce the commitment to medical care and to publicly funded universal health care programs. For example, let's look at the (Drug) Patent Act, a federal Act which allows multinational corporations to charge ever higher prices for their drugs and to give them an edge on the market. This has done nothing, the (Drug) Patent Act, the federal (Drug) Patent Act has done nothing to assist in the containment of health care costs in this province. It certainly has not ensured that prescription drugs remain within the affordability levels for all people in this province. It has, in fact, facilitated the ability of multinational drug companies to continue to charge ever increasing drug prices, and it's my understanding that this has already started at record levels.

In the long run, the drug patent legislation in Canada, Mr. Chairman, is going to mean higher medical costs for people, because instead of having access to medication that they need, people will be hospitalized. So in the end, Mr. Chairman, these short-sighted policies are going to result in higher medical costs for future generations, all for the purpose of going along with their Tory friends, multinational drug corporations across the country.

So in the interim, we, the taxpayers in Saskatchewan, pay. Their friends are smiling, and the principles of accessibility and universality are being betrayed by their approval of the drug patent legislation.

(1645)

The evidence that blows a hole in the Tory myth that medicare is too expensive is the fact that the American privatized system is substantially more expensive. And I think it's important that the public, because there's all this rhetoric out there about health care costs, and it's referred to in the throne speech — health care costs being very difficult to maintain — some of the facts should be put on the record, Mr. Chairman.

In 1983, per capita spending on health care in Canada was under \$1,100 per year per person — I understand that's at \$1,200 now, but I'm dealing with 1983 statistics because I want to make a comparison to the United States — while in the United States, at the same time, per capita spending was almost \$1,400, or 27.3 per cent higher. Unlike Canada, the United States remains a primarily private care system, with 37 million Americans lacking any health insurance. And yet their costs are 27.3 per cent higher.

Is that the direction you want Saskatchewan medicine to go, Mr. Minister? Is that the direction? In 1960, before medical care was introduced in Saskatchewan, Canada led virtually the entire world, devoting 5.6 per cent of GDP (gross domestic product) to health care. By 1983 Canada was devoting 8.5 per cent of its gross domestic product to health care resources, while the United States, that bastion of free markets, was spending 10.9 per cent of its gross domestic product on health care — 10.9 per cent, Mr. Chairman, as opposed to 8.5 per cent in Canada.

Quite simply, there is nothing to indicate that we are spending too much on health care. If the United States can devote almost 11 per cent of its gross domestic product to these expenditures, then Canada's spending appears rather moderate, Mr. Chairman, rather moderate. And I believe that point was also made by Dr. Scharfstein, past president of the SMA (Saskatchewan Medical Association) when he reacted to this minister and this government's comment in the throne speech on the cost of health care.

One major reason for our relatively better performance is that medicare confers substantial powers to provincial governments in controlling expenditures through their near total control over hospital budgets and in their role in determining fee schedules.

But what do we see this government doing, Mr. Chairman? Agreeing with free trade in Canada, which opens the door wide open, explicitly for the administration of Saskatchewan hospitals and for the administration of Saskatchewan nursing homes by American private sector companies, in spite of the reason, in spite of the fact that costs are controlled in Canada and Saskatchewan because we have control of our hospitals and institutions.

Some Hon. Members: Hear, hear!

Ms. Simard: — And they are trying to contain the costs of health care, Mr. Chairman? Hog-wash! That's a simple myth. They're approving a free trade agreement that is going to lead us down the path that the Americans have gone over the last decades.

Administrative costs in Saskatchewan and Canada account for about 2 per cent of total health care spending, whereas in the U.S. the comparable figure is 8.5 per cent — more than three times, Mr. Chairman, the Canadian figure. The administrative efficiency in Canada because of the principle of publicly funded medicare saves Canadians over 2 billion annually. It saves Canadians over 2 billion annually, Mr. Chairman.

In the United States, private expenditures on health care are double that of Canada, Mr. Chairman — double that of Canada. And while the elderly are entitled to medicare benefits in the States, about two-thirds of the elderly purchase private insurance coverage to supplement their medicare benefits and protect themselves against the deductibles, the co-insurance, and limits they are subject to under the American system of health care. And despite this double coverage, Mr. Chairman, the elderly paid, on the average, 25 per cent of their health expenses out of pocket. And I say that's unacceptable, Mr. Chairman.

And what we see happening in our prescription drug plan is a movement in that direction, because by far the most people who use — and according to your own report on the prescription drug plan which you dumped on my desk five minutes before I had a chance to get up and speak — according to that report, it establishes that seniors use the prescription drug plan at a rate far greater than any other sector in Saskatchewan. And so what are you doing? You are requiring seniors to supplement medical care

insurance benefits at an ever-increasing rate. Those who can least afford to pay, Mr. Minister, those who can least afford to pay — a move to privatization, a move to the American system, that's what's happening in Saskatchewan, Mr. Chairman.

I think it's also interesting, Mr. Chairman, that in Saskatchewan, 1982 was the last year that this province exceeded the national average in terms of public contribution to total health care costs — in that year, with governments — federally and provincially, contributed approximately 78 per cent of the health care costs. And by 1985 government health expenditures represented 72.3 per cent of total public and private health care spending in Saskatchewan — a drop of some 5.7 per cent. And this figure is significantly below, Mr. Chairman, the national average of 75.5 per cent.

And let us not forget, Mr. Chairman, that this was before this provincial government acquiesced in the cut-backs of federal resources under established programs financing arrangements and before the elimination of the school-based dental plan and the destruction of the universal drug prescription program.

So I believe, Mr. Chairman, it's fair to say that costs are not spiralling, but that this government's contribution to health care spending is becoming less and less every year, less than what other provinces are spending in Canada.

In terms of provincial comparisons with respect to the gross provincial product, the average nationally for health care spending in Canada as a percentage of gross provincial product was 10.6 per cent in 1984, and Saskatchewan's health care expenditures accounting for only 9.4 per cent of gross provincial product.

In short, Mr. Chairman, this government has no real commitment to medicare in spite of what they may say. Medicare is not a priority of this government, and the people of the province know that.

Mr. Minister, you've said that this government is committed to top quality health care delivery. Well let me tell you, Mr. Minister, that this is not the same. Committing yourself to top quality health care is not the same as giving your commitment to comprehensive, universal, accessible, publicly administered health care.

Top quality health care is indeed available in the United States, but it's not accessible to the 37 million Americans who do not have health insurance and to the millions of others. It is limited to the extent of the maximum benefits allowable under their private health insurance programs.

And, Mr. Chairman, this is not the Saskatchewan way. Men and women in Saskatchewan want, yes — portable, comprehensive, universal, accessible, publicly administered and funded health care. It's cheaper, it's better, and it's more humane. And that is the future, Mr. Minister. That's the future. To return to something less is to turn the clock back.

And the people aren't fooled by your motives, Mr. Minister, they're not fooled. They know you say one thing but your actions say another. And your actions are things

like supporting multinational drug companies, slashing prescription drug plan so that people are making a decision between buying medication and groceries, equating people who can't afford . . . people on prescription drugs to criminals, attacking seniors through ever-increasing costs under the prescription drug plan. They know that you're not committed to medicare, Mr. Minister.

Slashing the dental plan, affecting the accessibility and the universality of a first-rate dental plan in Saskatchewan ; your support for free trade which is going to lead to the privatization of hospital and nursing home administration in Saskatchewan; your support for deterrent fees, Mr. Minister, which will limit the accessibility and the universality of our health care programs; your support for the free market in medicare while you know that 37 million Americans are uninsured in the United States — those are betrayals of principles of medicare.

You have refused to correct these problems, Mr. Minister. You've betrayed the people of Saskatchewan, and I suggest that you're irresponsible, uncaring, and incompetent in your administration of health care in Saskatchewan, and you've abandoned any claim to be the guardian of the people's health. In fact, due to your government's actions, the health of Saskatchewan people is at serious risk, Mr. Minister.

You don't have a shred of credibility left, Mr. Minister, with respect to health care. And the setting up of the task force isn't going to increase your credibility, Mr. Minister, because you don't have a shred of credibility left. Just ask the people as they come out of drug stores; just ask the people as they sit in dentists' office waiting for treatment; just as the people in rural Saskatchewan, no dental services; just ask the cancer patients who have been waiting to get into the cancer clinic while you play petty politics; just ask the nurses and the doctors and all those struggling to give high quality health care under your heartless and cruel cut-backs and underfunding of the system; just ask Mrs. Couch, Mr. Minister, just as Mrs. Couch and Mrs. Klotz, and the Shepherd family, and Nancy Skerrett — and the list goes on and on, Mr. Minister — just ask them.

Well the men and women of Saskatoon Eastview and Regina Elphinstone have had an opportunity to render judgement on your health care record. And the people of Saskatchewan, Mr. Minister, are waiting for the next election to render judgement on this government's health care record. And if this government wants to know what that judgement will be, then call an election sooner rather than later, Mr. Minister.

Some Hon. Members: Hear, hear!

Ms. Simard: — Mr. Minister, I had referred to some individuals at the closing part of those remarks, and I want to refer to them again. I want to bring to your attention the fact that a constituent of mine, a gentleman by the name of Mr. Max Smith who has been in contact with you through me, who is one of Dr. Busse's patients, who has blood clots in his leg and needs major vascular surgery — he was booked for surgery on December 9, 1987; his

condition is getting worse.

I spoke to him today. He told me that his condition is getting progressively worse as the days go by. He has written to the minister. He spoke to the minister, and all he got from you, Mr. Minister, was some sort of *non sequitur* response about, this usually doesn't happen, and it's just something rare that happens. Well the fact of the matter is, Mr. Minister, it's been from December now until June 9; December 9 to June 9 — January, February, March, April, May, June — six months and this gentleman is still not booked for surgery for blood clots in his legs.

Mr. Minister, he could lose his legs if he doesn't get into a hospital right away, Mr. Minister. Now I want to know what you're going to do for that man, and I want to see some commitment from this government to clear up these hospital waiting lists. And meanwhile his wife is suffering, his wife is suffering under the prescription drug plan because of some ridiculous formality over at the Department of Health.

Mrs. Jacqueline Smith had bypass surgery on March 10 and she's been attempting to get coverage for a persantine drug. She got one-year extension in which she could get this drug, and the year expired, I believe, on March 20. She made an application; she was six days late in getting her slip in, Mr. Minister, six days late for the coverage. And your department has told her, I'm sorry, it's too late. And that's the sort of heartless and cruel policies you have at the Department of Health, Mr. Minister. Those are the heartless and cruel policies.

And I want to know in these health care estimates what you're going to do for Mrs. Jacqueline Smith, and whether you're going to cover her for that persantine, six days late in getting her bill in, Mr. Minister. Now that's ridiculous to deny this woman coverage under the prescription drug plan. Your bureaucracy has blossomed in a spectacular fashion, Mr. Minister.

Mr. Chairman: — It being 5 o'clock I leave the chair till 7 o'clock.

The Assembly recessed until 7 p.m.