

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

Mr. Toth: — Thank you, Mr. Speaker. Mr. Speaker, it's my privilege to introduce to you and through you, on behalf of the Deputy Premier, the member from Souris-Cannington, 32 students from Carlyle public school, seated in the west gallery. Mr. Speaker, they're accompanied by their teacher, Mrs. Sharon Kish and Miss Deborah Petruic; chaperons, Mrs. Heather Mitchell, Mrs. Joanne Brown, and Mrs. Whitehouse; bus driver, Ms. Valerie Gallenger.

We welcome you to the Assembly today. I trust you're having an enjoyable time in the city. May you find the proceedings informative. I look forward to meeting you at 3 p.m. out on the lawn out front.

Would you join me in welcoming the guests this afternoon.

Hon. Members: Hear, hear!

Mr. Van Mulligen: — Thank you, Mr. Speaker. I rise with pleasure to introduce to you, and through you to the members of the Assembly, a group of 52 students from Arcola School, which is located in Regina Victoria constituency. These students are from grades 5 and 6. They're accompanied by Mrs. Laurie Koepke, Mr. Kelly Maupin, and Mr. Eric Ingham. I'll be meeting with the students after the question period for questions, pictures, and drinks. I look forward to that.

And I ask the members to join with me to make these students feel welcome here today.

Hon. Members: Hear, hear!

Hon. Mrs. Duncan: — Thank you, Mr. Speaker. It's my pleasure today, Mr. Speaker, to introduce a delegation of 13 persons sitting in your gallery. Mr. Speaker, these are faculty members and students of the University of Utara in Malaysia, and the University of Saskatchewan, faculty of Commerce.

Mr. Speaker, the University of Saskatchewan has had a long history of involvement in international development, and the university has received, over the years, scholarship students from various parts of the developing world and has collaborated with institutions in developing their world. The proposal that the two faculties will be dealing with originates from the University of Saskatchewan, College of Commerce, Mr. Speaker, and even though as a faculty unit this will be the first college's formal application to the Canadian International Development Agency, they have been involved in various other economic development areas.

We will be hosting a number of students here at the University of Saskatchewan in Saskatoon, and later this year a number of our students will be going over to help

set up the University of Utara in Malaysia.

I would ask all members to please welcome not only our students from our country but our international students and faculty members.

Hon. Members: Hear, hear!

Mr. Solomon: — Thank you, Mr. Speaker. It's my pleasure today to introduce to you, and through you to all members of this Assembly, 80 grade 7 and 8 students from the Elsie Mironuck School in Regina North West. They are seated in the east gallery. They are accompanied by Mlle. Notenboom, Mrs. Wright, Mrs. Gunnlaugson and Mr. Nelson.

I want to tell the students that at the International Childrens' Festival yesterday I ran into Elsie Mironuck herself, and had a very pleasant, short visit with her. And I'd like to say, Mr. Speaker, to this Assembly that I look forward to meeting with you after question period to discuss issues which you believe are important. And I hope that you enjoy your tour today, and I wish you a safe journey home. Thank you.

Hon. Members: Hear, hear!

Hon. Mr. Taylor: — Mr. Speaker, it gives me pleasure to welcome the second group of seniors from Indian Head that are taking part in the seniors' fitness course over at the Paul Schwann Centre.

We have eight of them in here today with us. They're seated in the front row of your gallery. They are Mr. Ben Hewson, Mandy Krofchek, Lionel Smith, Cliff Kinney, Gordon Smith, Vivian Dorn, Eleanor McLean, and Terry Glass.

I would like the residents of Indian Head to stand and everyone welcome them. I'll meet with you after question period to discuss what you've seen here today. Welcome to the Chamber.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Loan to Ken Waschuk

Mr. Solomon: — Mr. Speaker, my question is to the Minister of Justice, and it concerns the GigaText scandal. Minister, on June 2 in this House we raised the question of a no-interest loan of \$150,000 paid by Mr. Guy Montpetit to your PC government's pollster and friend, Ken Waschuk.

At the time, your colleague, the minister responsible for SEDCO, said that this money was not GigaText money and that it did not come from Saskatchewan taxpayers. Is that also your contention, Mr. Minister?

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Mr. Speaker, that question has been raised in that form before, and the response I gave at that

time is that that matter is subject to the investigation by the RCMP, and that report is to be coming down very shortly. And let's leave it to that investigation to determine that question.

Mr. Solomon: — Mr. Speaker, a new question to the Minister of Justice. Minister, we're not asking you at this time about the status of the RCMP investigation, although we hope that a report on that investigation will be presented to this House in the very near future. What we are asking you about is your government's knowledge, or a lack thereof, about the spending of taxpayers' dollars.

Minister, my question is this: are you familiar with the report compiled by the court-appointed inspector of Mr. Montpetit's companies, presented in the Montreal court case, which clearly shows that the \$150,000 loan received by your pollster, Ken Waschuk, came directly from GigaText money, channelled through the Montpetit controlled or operated companies, Lisp, Edubi, and Koyama? Are you familiar with that report, and when did you become aware of both that loan and its sources?

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Mr. Speaker, the question was advanced earlier on. What I indicated at that time, and I indicate now, is that the government became aware of some allegations last October or November, and the response, Mr. Speaker, by the Department of Justice was to refer this matter to an RCMP investigation. And that's exactly what we did, Mr. Speaker.

Now I am advised that the RCMP are close to concluding that investigation and will report accordingly. And I simply say, that is part of the gamut of that investigation. I think it's only proper that we wait and see what the outcome of that will be.

Mr. Solomon: — Mr. Speaker, a new question to the minister. What we're trying to find out, Mr. Minister, is how you spent the money and who was accountable.

Mr. Waschuk, when interviewed in Montreal regarding this scandal that your government is involved in, said that he, at the request of Senator Michel Cogger, who's a mutual friend of both he and the Prime Minister, facilitated getting Mr. Montpetit and your government together to discuss his proposal for a translation service.

Can you tell us if Mr. Waschuk made that approach to you, the Deputy Premier, one of your Executive Council colleagues, and when he made that approach?

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Mr. Speaker, I indicated again that it was under the parameters of the investigation by the RCMP. With regards to any allegation, the questions that they ask — did Mr. Waschuk make any representation to me, and that's the only one I can respond to — the answer is no, he made no representation to me whatsoever.

Mr. Solomon: — Mr. Speaker, a supplementary. My question, very simply, Minister, is: you seem to be the senior member on the benches this afternoon; you are

sort of the acting premier. We in the opposition want to know who Mr. Waschuk contacted in your government. Was it the Deputy Premier, the Premier, or was it one of your cabinet colleagues, and when did he do this?

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Mr. Speaker, what I indicated before to the question is, did . . . the question was asked to me, did he make representation to me? And the answer was . . . I said no.

Now, Mr. Speaker, the hon. members are requesting that, did Mr. Waschuk make some representations to the government? I indicated to you that this matter was referred to the RCMP, is going to be investigated. Any improper activity will be investigated by the RCMP and will be reported accordingly, Mr. Speaker.

Mr. Mitchell: — I think my question is to the Minister of Justice, but if he's not answering for the government as a senior minister, then I would like to address this question to whoever is answering for the government.

Some Hon. Members: Hear, hear!

Mr. Mitchell: — Minister, will you tell this House: when was the last time anyone in your government commissioned Mr. Waschuk to undertake any poll or conduct any other research for your government? And secondly, can you tell us when was the first, or, for that matter, the last time anyone in your government discussed with Mr. Waschuk the propriety of his accepting this loan from Mr. Montpetit, this loan which was paid by Mr. Montpetit's Bermuda company to Mr. Waschuk's Bermuda company?

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Mr. Speaker, in response to the question, is that I can advise the hon. member with regards to myself, and that is I've had no contact with Mr. Waschuk. I am not familiar with any work that has gone to Mr. Waschuk since such and such a time. I don't have that information available, Mr. Speaker. I will take notice of the question and I will bring the answer back to the House.

Mr. Mitchell: — A new question to the same minister. Minister, I want to refer you to the October 20, 1988 memo from Dr. Douglas Young, in which he sets out his concerns over the way GigaText finances are being handled. And during a conversation with Mr. Montpetit that is related in this memo, Dr. Young expressed his objections to giving up his shares in Norlus to meet certain commitments, at which time he says he was told by Mr. Montpetit: unless I agreed to this, unless I agreed to give up these shares, the agreement with Saskatchewan could not be achieved because he — that is Montpetit — would not be able to honour the promises he had already made to certain individuals.

Now, Mr. Minister, have you undertaken to determine, as part of your responsibility for taxpayers' money, if there were considerations paid to Mr. Waschuk?

Hon. Mr. Andrew: — Mr. Speaker, my responsibility on this particular matter was when there was allegations made of criminal activity, then it was my obligation to refer that matter to the RCMP, and that's in fact what I did. That is exactly what I did, Mr. Speaker.

Now the hon. member has posed many of those questions in the House before. The Deputy Premier has indicated that he is responsible for that file and will respond to those particular questions, Mr. Speaker. And I simply take notice of any further question that is not a duplication of ones asked before, and the Deputy Premier will in fact respond to those questions.

Mr. Mitchell: — A new question to the same minister. Minister, the RCMP are concerned only with the question of whether a crime was committed. What we're concerned with in our questions in this House is the taxpayers' money. In short, we want the taxpayers' money back, and the RCMP aren't going to be able to achieve that. Now that's the object of our questioning. Now Mr. Montpetit got Mr. Young to put up some of his shares in Norlus to raise cash for these considerations. To quote Dr. Young, he said:

He (meaning Montpetit) also said that he would hold the shares in trust, although he may dispense some to the named persons, and that one person in particular had to receive only cash.

Now, Mr. Minister, are you not interested at all in knowing who it is that demands a cash payment to set up deals with your government, or is it possible that you do know and you're just not prepared to share that information with us?

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Now the hon. member poses a question, and he is an hon. member and a practising lawyer in this province — he makes a statement with regard to somebody demanding payment. Now if somebody has in fact demanded payment to arrange for meetings, then I suggest that that falls into the purview of a criminal investigation, Mr. Speaker, and that's where it should properly be left. That was where it was referred by the Department of Justice. I am advised by the RCMP that they are very close to completing their investigation and will respond accordingly.

I would say to the hon. member, as an hon. member of this House and as a practising lawyer, that is a proper course to follow, and I think it is proper that we let the course of justice follow its course.

Mr. Mitchell: — Well let me ask a new question, Mr. Speaker. Let me ask this just simply, Minister, because we're dealing with taxpayers' money here: have you made any effort whatever to recover this \$150,000 from your pollster Mr. Ken Waschuk?

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Mr. Speaker, I will respond again in this way: that the allegations were referred. If there is wrongdoing, then appropriate action will be taken. It will

be taken either on the criminal side or it will be taken on the civil side. Now I simply say to the hon. member that let the course of justice take its course.

Trips to Boston and Regina By Deputy Premier

Mr. Lautermilch: — Thank you, Mr. Speaker. I have a new question to the same minister. Mr. Minister, I'd like to deal directly with another aspect of this scam, this GigaText scandal, and one which speaks directly to your credibility, your government's credibility in the answers that have been presented to this House.

On June 5 we asked in this House whether or not the Deputy Premier flew to Boston with Montpetit in a private jet. He chose not to answer by saying he once flew back from Montreal to Regina with Montpetit to save the cost of an Air Canada ticket. He may have saved the cost of an Air Canada ticket, but that junket ended up costing the taxpayers about five and a quarter million dollars.

Mr. Speaker, I have evidence here filed in court, a passenger list for a private jet, which shows clearly that the Deputy Premier, Montpetit, and two others on September 16, 1988 flew from Montreal to Bedford, Massachusetts, just outside of Boston, on to Peterboro, New Jersey, and then back to Montreal.

I want you to answer to this House, Mr. Minister, why did your government hide that information last week, or is the RCMP just investigating that too?

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Let me respond in two ways, Mr. Speaker. The hon. member says that five and a half million or five and a quarter million dollars has been lost. I think that still remains to be seen with regard to whether or not this system will work. And I think it's appropriate to look and wait and see if that particular system will work.

Now I recall, Mr. Speaker, the questions and answers in the House here a week to 10 days ago, and I remember the hon. member posing questions to the Deputy Premier and the Deputy Premier responding. Now what exactly was that question asked to the Deputy Premier, I would like an opportunity to review it. The Deputy Premier will be in the House tomorrow, and the Deputy Premier can respond to that particular question.

Trip to Winnipeg by Cabinet Ministers

Mr. Lautermilch: — New question, Mr. Minister. I also see from those aircraft records that the Deputy Premier, Mr. Leier, and Mr. Montpetit did indeed fly from Montreal to Regina on September 20 of last year and that the cost of the flight was \$11,014.92, or about \$3,672 per passenger, and that it was billed to GigaText, and GigaText was using taxpayers' money to fund that. If that's a saving to Saskatchewan over a regular Air Canada one-way ticket between Montreal and Regina, I think you better talk with your buddy, the Premier, and your friend Ken Waschuk.

Would you confirm that in April of last year Mr. Montpetit used his private plane to ferry the Deputy Premier, the

Minister of Justice, the Minister of Science and Technology, the minister responsible for SEDCO, and Mr. Leier to Winnipeg and back? And why didn't you mention that flight in this House?

Some Hon. Members: Hear, hear!

The Speaker: — Order, order. Order, order.

Hon. Mr. Andrew: — Well, Mr. Speaker, with regard to the question about a trip to Winnipeg by the Deputy Premier, the minister of consumer and corporate affairs, and myself, that clearly happened, and I have nothing to hide with regard to that, Mr. Speaker.

What happened, Mr. Speaker — if the hon. members are interested in a response to the question — what happened is that three or four of us went over to Winnipeg in the morning and came back at noon to look at the particular computer system that was there and came back, Mr. Speaker. Mr. Speaker, went over to see a computer system in Winnipeg and came back, Mr. Speaker.

Now you could either go over there and look at it; you could take the government aircraft; you could take a commercial aircraft; you could take this aircraft. At this point in time there was no agreement, Mr. Speaker. There was no company or anything else, and I saw nothing wrong with doing that.

Mr. Lautermilch: — Supplementary, Mr. Speaker. Can you tell this House how many ministers it takes to blow five and a quarter million of taxpayers' dollars?

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Well, Mr. Speaker, the hon. members posed that question, and the response by the Deputy Premier a number of days in question period was, let's give the system a chance to see whether it works or doesn't work, Mr. Speaker. If it doesn't work, the Deputy Premier indicated in this House that he takes responsibility for that, Mr. Speaker. I think it's just proper.

I think, if I recall the date, it was June 17 or somewhere close to that day when it was to determine whether or not this system would work or not, Mr. Speaker, and I think we should just be patient and see if that in fact does work.

Payment by GigaText to Terry Leier

Mr. Anguish: — Thank you, Mr. Speaker. My question is to the minister in charge of SEDCO. Madam Minister, you said in this House when we first started questioning about GigaText that the Deputy Premier respond to questions that were taken notice of then. We're still waiting and still the Minister of Justice is taking more notice of more questions, and we'd like you to stick to your word and eventually answer the questions that you've taken notice of.

I'll try one on you now, Madam Minister: since you claimed that the \$5,000 paid by Giga Text to Mr. Leier was an advance on legitimate board expenses including travel, and since Mr. Leier availed himself of Mr. Montpetit's private plane on at least three occasions for

travel, would you table all the receipts that Mr. Leier claimed against the advance of \$5,000 so that the legitimacy of the expenses can be proven? Or is this solicitor for the Crown investment corporation also under RCMP investigation?

Some Hon. Members: Hear, hear!

Hon. Mrs. Duncan: — Mr. Speaker, Mr. Speaker, it was clearly indicated by the Minister of Justice that when the allegations first arose in Montreal, the whole matter of GigaText — the expenditures, the purchases, every penny — was referred to an RCMP investigation. And I also indicated, in answer to the very same question a number of weeks ago, that all payments to and from GigaText were under investigation.

Trip to San Francisco and Other Places

Mr. Anguish: — A new question to the same minister, or the Minister of Justice, or the Premier, if the Premier cares to get involved in the scandalous activity of his cabinet ministers.

We also see from the flight records that Mr. Montpetit last August took a brief, two-day trip to San Francisco, Minneapolis, and back to Montreal, with one Grace Sim, and that amount was billed to GigaText. Incidentally, Madam Minister, this was on a weekend.

The day before, Mr. Montpetit, Ms. Sim, Mr. Leier, Mr. Waschuk used the jet to fly to Saskatoon. One would assume that in the course of that day's flight Mr. Montpetit's plans for use of the jet the next day would have come up in conversation. Why did such a stalwart civil servant such as Mr. Leier and your good buddy Ken Waschuk, why wouldn't they advise and report to you that taxpayers' dollars were being used for a little jaunt to the Golden Gate for what — to inspect the streets of San Francisco?

Some Hon. Members: Hear, hear!

Hon. Mrs. Duncan: — Mr. Speaker, as I indicated to the member some time ago, I have only had responsibility for GigaText through SEDCO's involvement late November, or some time around then, when we were sent in to run the daily workings of GigaText. But what I would point out, Mr. Speaker, is that here we have the NDP, knowing full well there is a complete police investigation on; knowing that there is a trial, I believe it's a civil trial, on in Montreal. They bandy about names of Ken Waschuk, of Terry Leier, of Mr. Montpetit, Dr. Young.

These people are more interested in character assassination than waiting for the normal steps to proceed and the investigation to be complete and tabled with the Minister of Justice. They are more interested in innuendo, allegation, and character assassination.

Some Hon. Members: Hear, hear!

Mr. Anguish: — New question, same minister. We understand the RCMP investigation is very important. We anxiously await the report of the RCMP to come into this House. It doesn't excuse you, Madam Minister, of being

accountable for taxpayers' dollars.

Some Hon. Members: Hear, hear!

Mr. Anguish: — Madam Minister, it's all too apparent that this Quebec high-flyer had you and your government bamboozled with his private jet and his fast life-style, to the extent that you didn't care where the taxpayers' dollars went. In fact, whenever there was a flight going they must have just asked, how many cabinet ministers want to get on board? Four want to go to Winnipeg today as computer experts?

Madam Minister, is that all it takes to distract you people from doing your job as watch-dogs over the money of the taxpayers of the people of Saskatchewan? And can anyone with a smooth line and a private jet come into this province and do the people of Saskatchewan out of five and a quarter million dollars without any sort of accountability on the part of your government?

Some Hon. Members: Hear, hear!

Hon. Mrs. Duncan: — Mr. Speaker, we also indicated in the same line of questioning a number of weeks ago that we have given the company until June 17 to demonstrate that the technology is valid. We will wait, and we have a high degree of confidence, Mr. Speaker, that the technology will work, the technology will work.

And I suppose, Mr. Speaker, Tommy Douglas had just as much fun flying on Husky's jet as we did on whatever.

Mr. Anguish: — Supplementary to a previous question, Mr. Speaker. The flight that I referred to where Mr. Montpetit and Ms. Sim went on a weekend from Regina to San Francisco . . . it cost for that day flight down there, \$5,385.89 of taxpayers money.

The next day they came back — same people, Guy Montpetit, Grace Sim — at the end of the weekend, that is, Madam Minister, from San Francisco to Minneapolis to Montreal. That cost of that flight was \$9,901.24 — over \$15,000. Now, Madam Minister, could you tell us, aside from the RCMP investigation, aside from translating services, could you tell what business on behalf of the taxpayers of the province of Saskatchewan with GigaText that those two individuals were doing on a weekend, costing us \$15,000 just for travel?

Some Hon. Members: Hear, hear!

Hon. Mrs. Duncan: — Mr. Speaker, what I can confirm is that since SEDCO has gone in to do the daily management of GigaText, all payments from GigaText were deemed to be legitimate and were confirmed to be legitimate.

Mr. Anguish: — New question. Madam Minister, do you give us your undertaking you will find out the reason for that trip, so these two individuals go off to San Francisco, come back at our expense, the taxpayers' expense. It cost us \$15,000 plus. Will you find out the purpose of the trip, and if you can't prove it was GigaText business, we'll get our money back?

Hon. Mrs. Duncan: — Mr. Speaker, Mr. Speaker, I will neither confirm nor deny the allegations made by the hon. member, but what I can say is that all payments that were made after SEDCO took over the daily management of GigaText were validated as being legitimate payments. As to the allegations made by the hon. member that so and so, and so and so flew here and there, I don't have knowledge of that. And I will undertake to see what he asked.

An Hon. Member: — Supplementary.

The Speaker: — Time has expired.

Some Hon. Members: Hear, hear!

INTRODUCTION OF BILLS

Bill No. 45 — An Act respecting Personal Care Homes

Hon. Mr. McLeod: — Mr. Speaker, I move first reading of a Bill respecting Personal Care Homes.

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

Bill No. 46 — An Act to amend The Ophthalmic Dispensers Act

Hon. Mr. McLeod: — Mr. Speaker, I move first reading of a Bill to amend The Ophthalmic Dispensers Act.

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

Bill No. 47 — An Act to amend The Municipal Revenue Sharing Act

Hon. Mr. Klein: — Thank you, Mr. Speaker. I move first reading of a Bill to amend The Municipal Revenue Sharing Act.

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

ORDERS OF THE DAY

GOVERNMENT ORDERS

SECOND READINGS

Bill No. 41 — An Act to amend The Agricultural Credit Corporation of Saskatchewan Act

Hon. Mr. Devine: — Mr. Speaker, it's a pleasure for me today to rise before the Assembly and propose second reading of a Bill to introduce The Agricultural Credit Corporation of Saskatchewan Amendment Act, 1989.

First, Mr. Speaker, I would like to provide some background regarding the Agricultural Credit Corporation of Saskatchewan, ACS, and I will explain the intent of the amendments to this Act, which will ensure the government can continue its commitment to provide farm families with financing options and indeed more protection.

First let me say, Mr. Speaker, the Agricultural Credit Corporation of Saskatchewan was formed by this government in January 1984 in response to the fact that we had very high interest rates. ACS was to provide low interest rate loans to farmers with intensive agriculture operations, primarily livestock and irrigation — both for diversification, Mr. Speaker.

During the past seven years of this administration, we have provided Saskatchewan farmers with total interest savings of over \$327 million under the ACS production loan and cash advance programs, plus interest rate rebates under the farm purchase program. I repeat, Mr. Speaker, \$327 million in money saved by Saskatchewan farmers as a result of ACS. Mr. Speaker, that is 327 million of interest rate savings directly to Saskatchewan farmers in just seven years.

The farming community of this province is advising this government that it believes this kind of interest rate protection and financial assistance is extremely important to them, and it should continue. As a result of the advice we've received and are continuing to receive from farmers, the government is furthering its commitment to agriculture by providing innovative new financing options and financial assistance for families involved in farming.

Mr. Speaker, The Agricultural Credit Corporation of Saskatchewan Amendment Act, 1989, has been developed to enable ACS to broaden its mandate and to provide alternative financing services to farmers and ranchers without discouraging the continued participation of commercial lenders in agriculture financing. In other words, Mr. Speaker, the amendment to the agricultural corporation Act in 1989 is a delicate balance to encourage financing for farmers from lending institutions, but to provide the back-up and the safety net to farmers when they need our help.

The expansion of the ACS mandate includes provisions to do the following, Mr. Speaker. One, provide financing for the purchase of the home quarter, which is very important. And as our ministers travelled across Saskatchewan and MLAs continue to talk with people, they said, please protect the home quarter and do whatever you can to make sure the home, the livestock operation, the dairy operation, the feed lot, or the garage, or whatever it might be, that it's part and parcel of the home, the family home is protected.

Secondly, to finance the purchase and construction or renovation of buildings and improvements including the existing house on the home quarter; and three, provide loans for farmers who are able to provide adequate security to re-establish, re-establish their farm operations following a negotiated debt settlement agreement with their existing lenders. In other words, Mr. Speaker, we will be there to help people start again where it is at all viable to protect their home, and indeed, not only the home quarter but other land as well.

To be eligible, once the legislation is approved, the farmer must have negotiated a settlement as a result of an involuntary appearance before the Farm Land Security

Board, Farm Debt Review Board or mediation services.

Eligible items would include existing livestock, the home quarter or yard site, and any or all of the land that form part of the settlement agreement with his existing lender.

Farmers who have negotiated settlements prior to this legislation being approved, or who are continuing to farm, may be eligible as well, Mr. Speaker, if they have not been able to obtain financing from some other source.

In addition, the following changes will be made to the lending program: firstly, non-farm income will be eliminated as an eligibility criteria. Farmers with off-farm income will be eligible for loans under the capital loan program.

Up till now, Mr. Speaker, if people had off-farm income they were often not eligible to get loans for farming. As you know, many, many young people are forced to work off the farm as well as on the farm. Some are driving a school bus, some are doing some work in town, some work in the winter-time, some do custom work. We think that's a good idea, and in fact if we can encourage young people to work, then in fact you can help pay for the land. We're not going to discriminate against young people who are prepared to do some off-farm work to save the family farm. Secondly, the maximum net worth to qualify under the program will be increased by \$50,000, from \$450,000 to \$500,000. Third, provisions will be made to capitalize start-up costs to intensive livestock operations financed through ACS.

In other words, Mr. Speaker, we're finding that the balance, and the better balance, improved balance between grain and livestock has helped deepen and broaden the Saskatchewan economy. And certainly in agriculture it's worked. So to the extent that we can help diversify the agricultural sector by expanding the livestock industry and intensify those operations, Mr. Speaker, we believe that it's a good idea.

Fourth, the corporation will provide financing to an existing farm without the requirement that an expansion be undertaken. This change will allow ACS to finance, for example, renovations or improvements to an extensive, intensive livestock facility without the requirement that the operation be expanded, so we can improve the quality of the operation and not just expand the operation, Mr. Speaker.

And many people have said that if they can have more efficiency and better economy of scale through diversification and intensification, they can do a better job of the size they have as opposed to just growing larger. And farmers have given us that view and expressed that view time and time again, Mr. Speaker, and this legislation will accommodate that wish.

And fifthly, farmers whose net worth exceeds \$500,000 will be able to obtain loans for the purchase of a home quarter and the purchase of construction or buildings and permanent improvements on the home quarter as well.

A third aspect of this amendment, Mr. Speaker, is an interesting program that was suggested to us by farmers

and moms and dads that want to see the land and the farm passed on to the next generation but don't necessarily want to go to a bank at all or a credit union or the farm credit or anybody else. A program called the guarantee vendor mortgage will be introduced to increase the availability of capital and reduce borrowing costs to farmers while encouraging residents of Saskatchewan, especially retiring farmers, to invest in agriculture.

Mr. Speaker, many people know that the average age of the farmer in the province of Saskatchewan has been increasing because it's been difficult to pass the land on to the next generation. Because of the fear of high interest rates, because of the loss of cash flow, and because, Mr. Speaker, frankly it's difficult to get operating money and borrow money from financial institutions in many cases, farmers have been unable or unwilling to transfer the land to the next generation. They said, could you help us do that and avoid the financial institutions. And we said, perhaps we can.

This option, this alternative, I believe, will be increasingly popular across Saskatchewan. The program conditions will be as follows: first, ACS will guarantee 100 per cent of the principal on land mortgage carried by the vendor. In other words, if a father or mom or farmer who thinks about retiring wants to sell to the young people that are coming up, the government will back up that sale 100 per cent under certain conditions.

Two, the interest rate is agreed upon by the vendor, that is the seller and purchaser, and cannot exceed 1 per cent below the 5-year Bank of Montreal GIC (guaranteed investment certificate) rate. In other words, if it's a fair deal for both parties, Mr. Speaker, we'll back it up. The rate is fixed for five years so that we know that the young people will have a chance to make the payment, and the people that are selling also feel confident that it's a fair return for them.

Three, the maximum loan guarantee will be \$500,000 for individual operators. In a multiple operator unit, the maximum loan guarantee would be the same as the capital loan program. This means that multiple operator farms will be eligible for a maximum aggregate amount of up to \$2 million based on the number of operators times \$500,000.

Fourth, the loan is amortized over a minimum of 10 years and a maximum of 25 years.

Five, the vendor must hold first mortgage on the property purchased as security.

Mr. Speaker, to ensure there is a minimal interference in private agreements, the program will be constructed in the following fashion. The payments are made directly from the buyer to the vendor with a copy of the receipt provided to the lending institution, that is ACS. The guarantee vendor mortgage program is structured to allow for flexibility within the program.

(1445)

I'll give you another example. Either the vendor or buyer may transfer the agreement with the guarantee subject to

prior approval to an individual, a co-operative, a farm partnership, or farm corporation who meet program eligibility criteria. And I ran this by the credit union, a couple of hundred members last night in Humboldt, Mr. Speaker. And many people there were saying that, you know, it's just to the point where if you're going to have to pay interest to somebody, many farmers are saying, I'd like to have it paid to the family, not to the financial institution, but indeed to the family.

And if in fact we can back up that process and that alternative, so if you want to sell to somebody in your community or to your son or to your daughter or somebody else, and you want the interest to go to the family and go to the young people and stay in that family unit, then in fact the government can back it up and it's a win-win situation for both the buyer and the seller.

And frankly, the credit union and other financial institutions have said: look, if people want to sell to one another, I mean, fair enough. There's an awful lot of opportunity to provide credit to people, but if that's the way they want to do it and save the interest rate for the people of Saskatchewan and the farmers of Saskatchewan, I give you a bouquet; I think it's a good idea; let's see if it will work.

Mr. Speaker, new and growing markets throughout the world provide both challenges and opportunities for agriculture and food producers in Saskatchewan. If we can design new instruments, financial instruments, in our province to help protect them, to help save the family farm, the home quarter, help them refinance, help them build better livestock intensification operations, irrigation operations; if we can help transfer the land from one generation to another and avoid interest payments — and what I mean avoiding them, the interest stays in the family and we can back that up by government.

A combination of those alternatives will now be available to the people of Saskatchewan. They can go to the credit union, they can go to farm credit, they can go to a bank, they can go to a combination of various agricultural programs in government, or they can just do it themselves with the back-up and the guarantee of the province of Saskatchewan.

Mr. Speaker, The Agricultural Credit Corporation of Saskatchewan Amendment Act, 1989, allows this government, for the first time in Saskatchewan history, and I believe one of the first times . . . possibly the first time in the country, to continue to enhance its commitment to provide financial assistance and interest rate protection locked in — some of these rates are at nine and three-quarters — for Saskatchewan producers, and allow for the growth and the strengthening of the family farm in the province of Saskatchewan.

We have almost half the farm land in the country, Mr. Speaker. We have 65 or 60-some thousand farmers in the province. Mr. Speaker, I take a great deal of pleasure in moving second reading of an Agricultural Credit Corporation of Saskatchewan Amendment Act, 1989.

Some Hon. Members: Hear, hear!

Mr. Lingenfelter: — Mr. Speaker, I want to take just a few moments before I adjourn the debate on second reading of Bill 41 and hold it over for my colleague from Humboldt to make a few comments about a couple of items in the Bill, and more items that are not in the Bill that I think are of concern to farm families and to rural communities.

I want to say, first of all, that I guess we're disappointed, Mr. Premier, that you'd choose day 56 of the session to give second reading to a Bill that you say is so important to the farmers and to the people of the Assembly. I want to say that day 56 is hardly appropriate when for the last two weeks you have hijacked the legislature dealing with a bell-ringing a motion, that every day of that two-week period you chose not to deal with Bill 41 even though we urged the government and moved motions to that effect that we deal with this Bill, that the government chose to deal with the bell-ringing motion, and then in the end, moved the bell-ringing motion to a committee anyway and made the farm families of this province wait an extra two weeks, closer to a month in fact, while they hijacked the Legislative Assembly in order to jam rule changes that should have been done in committee.

Well you want to talk about the Bill; I intend to talk about the Bill. But I want to say, first of all, that many farm families have been talking to us — farm families in Maple Creek when we were there the other night, in Shaunavon, farmers all over the province — talking about why this government has chosen to deal with privatization for the first 56 days of this session. Why is Bill No. 1 on the order paper, the privatization Bill, rather than the agricultural Bill, Bill 41? Why aren't they in the reverse? This is what farm families are asking us.

Now the member from Shaunavon will well know that in his area farm families are asking him: why is privatizing SaskPower take precedent over bringing forward farm Bills? And they ask that. And they worry a great deal. They say, how is it if you're concerned about farm families, that you choose to privatize the power corporation, and that the gas lines that they gave a right to run across their land, that you would choose to support them being owned by a private company? That's what they're asking. And I've got a number of letters that I will enter in the debate at an appropriate time.

But what I want to say to the Premier who elaborated on many items that are not included in the Bill, because I've read the Bill, and some of the things that he was talking about implementing, are nowhere to be seen in the written legislation. I ask him whether or not he will table the regulations that go along with the Bill so we can have the full impact, because there were some things that he was mentioning that simply aren't mentioned in the Bill as it is written that will have a great deal of impact on farm families.

But I also notice, Mr. Speaker, that one of the things that is bothering farm families a great deal is the doing away with and the privatizing of the dental program which was done in recent years by this very government. And farm families are concerned that Bill 41 does not deal with those kind of issues, that it doesn't deal with it. On the one hand you take away social programs that directly affect

farm families, and then you bring in what can only be described as a very weak piece of legislation to deal with the crisis that has, in the first few months of this year, 12,000 people more leaving the province than are moving in — 12,000 people.

In fact, since this legislature began sitting a few months ago, over 3,000 people have left, and the total priority of this government has been privatization. Only today, day 56, do we have the Premier coming to deal with this weak-kneed legislation which will not do the job in protecting farm families.

An Hon. Member: — Let's talk about the Bill.

Mr. Lingenfelter: — I'm talking about the Bill. I'm saying it's a weak-kneed attempt to deal with the problem that you people have created over the last seven years.

Some Hon. Members: Hear, hear!

Mr. Lingenfelter: — Farmers have never been worse off in my living memory — in my living memory — and I got my first quota book back in 1967. In 1967 the first quota book. And I lived under a regime of Ross Thatcher and it was tough then, but he at least had an administration that was balancing the budget and doing some things for the people of the province. I hate to admit that.

But since I have received and worked on the farm in 1967 and got my first quota book, I have never seen such a disaster as there is after seven years of this Premier and this Conservative government. It's never been as tough.

And the member from Yorkton knows that. He was in the machinery dealership business. He was in the manufacturing business back when Allan Blakeney was the premier, and he will remember the boom days of that time when Morris Rod Weeder was expanding all over the place, instead of shutting down. He would remember that. He would remember the days when places like Frontier and Friggstad Manufacturing, back in the good old days in the 1970s under a New Democratic government, when it was expanding and we had local industry producing machinery.

Well what has happened to those implement dealers and manufacturers? Well look at manufacturers and look at implement dealers. They're going broke at record numbers . . . (inaudible interjection) . . . The member from Rosthern who knows a lot about . . .

The Speaker: — Order, order, order. Order. I think we should allow the member from Regina Elphinstone to carry on with his remarks. Constant interruptions are not acceptable.

Mr. Lingenfelter: — The member from Rosthern, who has a great deal of experience driving tractors, and I won't comment on how he backs up tractors, but everyone will know what I talk about in the Rosthern constituency, and that was before the rains of recent times; this is when it was dry everywhere. But I won't comment on that about the member from Rosthern, but his credibility is not all that great.

The Speaker: — Order, order, order. Order, order. Order, order. Perhaps the member from Rosthern could refrain from interrupting the member. On the other hand, perhaps the member from Elphinstone could deal with the Bill, and the member from Rosthern's problems are his own concern.

Mr. Lingenfelter: — Mr. Speaker, I want to say that tractors and manufacturing and farm equipment and the dealerships are very germane to the debate of Bill 41. It's got everything to do with agriculture. And what I want to say is just make a few comments before I adjourn the debate, about how this Bill fails miserably with the situation that the member from Morse and this group of people have put onto the farmers of this province.

Now the member for Morse will know that his neighbours are suffering more than they have ever suffered as farmers. He will know that, that it's tough times, that you would have to be an old, old farmer to remember back to the 1930s and the previous Conservative government of Mr. Anderson to remember such tough times on the farm — such tough times on the farm.

And I say that is why in the last federal election, last fall, the majority of farmers in this province voted against the federal Conservative government — the majority voted against the Conservative government in Ottawa because of their deception with the agricultural industry. And since that time it has gotten much worse.

And since that time, the Premier did not call a session in the fall when he should have dealt with these agricultural programs and policies. And he didn't deal with it in the spring of 1989. He chose day 56, when an ordinary session would be winding down, to bring forward what he says is the most important Bill in the session. I say that is a Premier who is deceiving farmers, and that's the reason why we have record numbers of young people leaving the farm.

We have disaster in the farm economy. How many times have members of this side of the Assembly and members of that side of the Assembly gone to young farm families, sat at the kitchen table and seen desperation in the eyes of those farm families because there's no government policies that will deal with interest rates that are driving off the farm at record numbers . . . (inaudible interjection) . . . Well I want to say something to the member for Morse about 13 per cent interest today compared to 18 per cent back in 1981.

An Hon. Member: — Twenty-two.

Mr. Lingenfelter: — No, 18 was the highest I ever paid, and I had loans at the time. But I want to tell you that in 1981 with wheat at \$6 a bushel and interest rates at 18 per cent, there isn't a farmer in this province that wouldn't tell you clearly they were better off in 1981 than they are today at 13 per cent interest.

Some Hon. Members: Hear, hear!

Mr. Lingenfelter: — You know that. I know that. It's that kind of deception and deceit that will in the end defeat you people. That's the problem.

I want to say as well, that when you look at the recent federal budget, and this commitment by the federal Conservative Party to end the fuel rebate for farmers with not a whimper or a sound from this Premier, this agricultural Premier with the permit book, not one whimper or one sound of defence for the Saskatchewan farmers as the fuel rebate was done away with. I say that is a Premier that is ready to have the farmers vote against him at the time of the next election.

Not standing up for farmers when Ottawa comes into play to destroy agricultural programs. What does he say? Farmers have to be part of paying off the national debt. That was his defence. You know that, Mr. Speaker.

The one other point that is even more disastrous to farmers is the idea of the national sales tax which will come into place in the very near future — I say, too near the next provincial election. If you think that you're going to get away or distance yourself from the federal government on the implementation of a 16 per cent federal sales tax near the next provincial election and use Bill 41 to say, we did this for the farmers while we allowed Brian Mulroney and the federal party to implement a 16 per cent sales tax on agricultural industry, then you've got another thought coming, because we're going to make the direct link between the lack of a premier who will stand up for Saskatchewan and the national sales tax.

Just think about it for a moment. The member from Shellbrook has a large farm. He has a four-wheel drive tractor. The engine in that tractor probably is worth 15 or 20,000 to rip down and repair. After the sales tax comes into place, do you know how much extra you will pay to do a motor job on that tractor because the service will be taxable at 16 per cent? Just figure it out. What do you think 16 per cent on half of that bill, if they charge only on the service, 16 per cent on 10,000? An extra \$1,600 to the federal government on one tractor engine.

You haven't told the public that. You're deceiving them on the national sales tax and the Minister of Finance knows it. And when we get into interim supply, my colleague will probably be asking questions about the repercussions of that national sales tax when it takes place.

(1500)

Now you may disagree with the federal government, but you're not saying it. You're not standing up for Saskatchewan and for Saskatchewan farmers.

Let's say — and I address this to the member from Melfort who has a thriving auction business — is it true or not that after the national sales tax comes into place, that when you go out and auction off a farmer's equipment, who may be going bankrupt or who may be retiring, that the 16 per cent will apply at auction sales? Will it, or will it not?

The Speaker: — Order. The member from Morse.

Mr. Martens: — I'd like to raise a point of order. I don't believe that this discussion about the federal finances has anything to do with Bill 41, and I would like to ask the

Speaker for an opinion of that.

The Speaker: — I've listened to the hon. member's point of order, and we are discussing Bill No. 41, and the hon. member from Regina Elphinstone is raising other issues. However, as before, I believe he has to make it relevant, and a long and far-ranging discussion of agriculture without relating to the Bill itself, as he knows, is out of order. So I ask him to do that.

Mr. Lingenfelter: — I'm sorry, Mr. Speaker, that I didn't relate the national sales tax directly to the lack of any initiative in Bill 41, but I intend to do that at the conclusion of my explanation of how the national sales tax is going to harm farmers. Because I think if you put the two positions, Bill 41, which is a weak-kneed, nothing Bill when it comes to saving farmers, against what their colleagues and friends are doing in Ottawa, to put more taxation on the back of farmers in one fell swoop than any other government in the history, then there's a problem. That's the connection.

And I well know why the member from Morse doesn't want to hear it. I understand that, because it's very difficult to defend when he goes out to his constituency. When he goes to church on Sundays, the people who are there want to talk to him. How is this national sales tax going to be implemented? Do I have to pay it on a used grain auger motor when I'm at an auction sale? They want to know that. They will want to know on Bill 41, can I go out and buy land? What's the interest rate? They'll want to know these details.

I'm saying today that on the side of Bill 41, it's a shame that we're dealing with it today on day 56 of the session. But what's even more important, I say to you, Mr. Speaker, is the fact that this government is totally silent as the federal government rips apart the very fabric of farmers who these people are pretending to defend. That's the point I'm trying to make. And I want to say that there is a link between the national sales tax and the lack of any initiative in Bill 41.

I say in closing, because I know my colleague from Humboldt will want to elaborate and will do a much better job than I on going through the details of the Bill, but it's disappointing, to say the least, when you think about the fact that we have had 56 days of debate virtually totally on privatization. True, SaskPower has now been deferred. Bill 1, we haven't seen for a while. We then had the bell-ringing and the changes that were supposed to change the rules unilaterally, where the government hijacked the legislature for over two weeks and every day brought in a rule change to try to jam it at the opposition.

They chose to bring it, rather than choosing Bill 41. They set the agenda. Everyone knows that. I say hijacked the legislature for over two weeks to deal with the rule change unilaterally when, in the end, they had to refer it to the committee as we had suggested initially, rather than dealing with Bill 41. That's the point I want to make.

I want to tell you, Mr. Speaker, I'm very disappointed with this government and its approach to farmers — the deception, the fact that we have record numbers going broke. I think this Bill will do little to help solve that

problem.

Some Hon. Members: Hear, hear!

The Speaker: — Ready for the question?

An Hon. Member: — Mr. Speaker, I beg leave to adjourn debate.

The Speaker: — The member for Regina Elphinstone . . . Order, order. Order. Order. The member did sit down, and according to the rules of the House he in fact doesn't have the opportunity unless the House grants it. So I would recognize the member for Regina . . . (inaudible interjection) . . . Leave is granted? Okay. Leave has been granted.

Debate adjourned.

COMMITTEE OF FINANCE

Motions for Interim Supply

Ms. Atkinson: — Thank you very much, Mr. Chairperson. Mr. Minister, last night the Legislative Assembly passed spending estimates for Energy and Mines. Can you advise us whether Energy and Mines can now spend their budget now that their estimates have been passed?

Hon. Mr. Lane: — No, they cannot.

Ms. Atkinson: — So if we were to pass Education estimates this afternoon for some reason, would that permit the Department of Education to spend 100 per cent of their budget allocation?

Hon. Mr. Lane: — No, interim supply is the procedure. I can explain to the hon. member, as I am advised that until such time as all the estimates are passed, the departments cannot spend the full amount of their budget, interim supply, except as granted by interim supply. If interim supply was to pass several departments for twelve-twelfths, then they could spend. You could, I gather, conceivably do that in advance of consideration or after.

Ms. Atkinson: — Now just so that we're both agreed then, the timing of the passing of departmental estimates has nothing to do with those departments' ability to spend their budget allocation. What we have to have in this legislature is a Bill for interim supply to give authority to those departments, even though their estimates may already have been completed by this legislature, for them to spend their money.

That being the case, Mr. Minister of Finance, at the end of May it came to my attention, as a result of numerous school boards contacting me, that for some reason their budget allocations were being held up by the Department of Finance and they were in a position where they were having to borrow, in some cases millions of dollars worth of money in order to pay their teachers, to meet their monthly commitments.

As a result of that problem, I wrote the Minister of Education, Mr. Hepworth, a letter on June 1 asking and

expressing to him our grave concerns regarding the government's failure to adequately meet the financial needs of local school board divisions through payments of grants. And in response to that letter, Mr. Minister, and in response to some comments that I had made in the press about the problem of funding for local school board divisions, your Minister of Education said that he would hope that the government can start playing a bit of catch-up if Education estimates aren't approved by the legislature before the next interim supply Bill is needed.

Now could you tell me, Mr. Minister of Finance, whether or not your Minister of Education knows what, in fact, the process of this House is, as a result of those statements in the press?

Hon. Mr. Lane: — Well certainly. But let's put your argument in a nutshell. And the argument quite simply is that at the end of, or by the end of the first month after the budget, the simple thing to do to avoid the whole problem is for the government to bring in twelve-twelfths of all the expenditures for all of the departments under interim supply. That would take away, that would allow everybody to be paid right off the bat. There'd be no further need to come forward with interim supply, no need to go through the historical processes of the House. I don't think that's wise.

An Hon. Member: — It's never been done either.

Hon. Mr. Lane: — That's right, it's never been done. It's not been done for a reason. The traditional practice has been to do one-twelfth, with some exceptions. But generally, if you go through the list, I would venture to guess that 80 per cent of all the interim supplies are one-twelfth. And it's there for a reason. It's because the historical practice of the legislature has been that the final amount is done when the estimates pass.

So that process, I think, is well understood by everyone, and that's the process that has traditionally been followed.

Ms. Atkinson: — Well my colleague says that you took a long time to say nothing, and I couldn't agree with him more.

Now, Mr. Minister, it is your government that has the sole responsibility and duty to decide when interim supply comes before this legislature — your government and your government alone. In fact, Mr. Minister, I would say it's your responsibility as the Minister of Finance. And this year you chose not to do that. You chose not to do what your government has done in the past in terms of how it pays school boards in a timely fashion.

And I want to tell you, I want to bring you up to date and document for you what you have done in the past. For instance, in 1988, April 27 of 1988, the date of the cheque stub for local school boards all across this province was one-twelfth, and they got it on April 27. On May 17 they received two-twelfths; on May 19 they received one-twelfth; on June 29 they received two-twelfths; and by the end of June they had received one-half of their budget allocation.

And as you know, Mr. Minister, school boards' year to date runs from January to the end of December. And what your government and what all governments have done in the past is that they have tried to ensure that by the end of June school boards have the money for the first six months of their year. And this year, Mr. Minister, your government chose not to do it.

And what we had instead in the press, and what we had the Department of Education telling local school board employees and directors, was that it was the fault of the opposition that this money hadn't been presented to them in a timely fashion. And in fact that was an unflat, blatant untruth on the part of the Minister of Education.

(1515)

And obviously, had your government been concerned about the fact that school boards across this province — and there are over 100 of them — have had to spend literally hundreds of thousands of dollars in interest payments, had you had any concern for that whatsoever you would have provided in the interim supply Bill on May 9 of this year what you have done in the past, and that is more than one-twelfth. And you chose not to do that. And as a result of that, Mr. Minister, the school board in Saskatoon, the city that I represent, the Saskatoon public school board has had to pay \$1,600 per day in interest payments because of the delays by your government in getting those grants to those school boards in a timely way.

Now, Mr. Minister, if you'd get out your calculator, you will find out that \$1,600 a day, times 30 days, is a great deal of money and, in fact, is a teacher's salary. At a time when we have huge student teacher ratios, at a time when school boards across this province are laying off teachers as a result of your funding cut-backs, that's an incredible amount of money.

We have teachers in this province that have to count paper and can't use staplers and can't use the xerox machine because of underfunding by your government. And in fact, as a result of the delays in the interim supply Bill, and the fact that you didn't . . . you decided not to bring in two-twelfths, or three-twelfths or four-twelfths in May, they have paid thousands and thousands of dollars in interest payments.

Now I want to know what provisions your government's going to make to ensure that those school boards don't run over their budgets — and they have already, for interest payments. Are you going to refund them the interest payments that have been made as a result of your lack of getting those grants in payments to them in a timely fashion? Are you going to refund those interest payments to those school boards?

Hon. Mr. Lane: — The hon. member was correct in only one point of her lengthy dissertation and that is that by the end of June that six-twelfths is paid to the school boards, and that's precisely what this interim supply Bill will do.

For you to argue that interim supply has historically been a one-sided approach by government, you do not understand the process. And in fact, traditionally there

has been at least some discussion, or at least informal assessment as to what would be acceptable at a particular time, between the opposition of the day and the government of the day. And that's the way this system has worked, and it has worked for some very long period of time, the only exception being on the one-twelfth.

Whenever there is the scheduled interim supply, the opposition generally is told in advance. If there is serious opposition, the government can make its decision. But there has been the informal relationship back and forth on interim supply because both parties recognize that interim supply is an exceptional activity in dealing with the public expenditures.

So having said that, you cannot avoid the responsibility, and I understand you were a very vital part of it, of hijacking this legislature for some 17 days. And let me tell the hon. member, then debating for another three weeks, then debating and filibustering for another three weeks, so that today we are in effect having been here for some 74 days, 74 days that we have been here. And most . . .

An Hon. Member: — 74?

Hon. Mr. Lane: — If I add the 17 to the . . . 74 that we were here; the 57 that you were here. And that's the difference.

So I suggest to the hon. member that in the normal course, in the normal course, Mr. Chairman, all of the estimates, all of the Bills, all of the debate would have been over in the normal course, but it was your choice and your choice alone. And I understand the hon. member was very much a part of the decision to go on strike.

So having said that, I suggest . . . (inaudible interjection) . . . The hon. member from Regina Centre wants to take a little credit for it . . . (inaudible interjection) . . . No, he's giving it all away now. I suggest to the hon. member that in the normal course of events we would have been all finished all of the agenda, including budget, estimates, legislation.

So I suggest that everybody in the province, everybody in the province — and they will remember this after the session is over — they will remember two things: they will remember the SaskEnergy debate . . . They will remember three things. They'll remember the potash, privatization, and they will remember that the NDP walked out on strike for 17 days to try and make this ungovernable.

Ms. Atkinson: — Obviously the Minister of Finance didn't hear my question. And my question was, as an example, the Saskatoon public school board is paying \$1,600 a day in interest payments as a result of your government's decision not to pay grants to school boards in a timely fashion.

Mr. Minister, that decision on the part of your government has cost school boards across this province hundreds of thousands of dollars in interest payments, payments that they had not budgeted for because they expected your government, who has the sole right and responsibility and duty to bring in interim supply Bills in a timely fashion — they had expected your government to get their grants or

get their payments to them in a timely fashion. And you chose not to do that.

Now, Mr. Minister, it's really quite a simple question and I don't think that we should get all hung up in the political fights of past and the political fights of the day, because school boards are spending a great deal of money, and I just simply want to know, Mr. Minister: are you going to make arrangements to reimburse those school divisions — and there's over a hundred of them in Saskatchewan — the amount of money that they have had to spend on interest payments as a result of your government not forwarding to them their school grants in a timely fashion?

Hon. Mr. Lane: — Well as I've indicated now on two occasions, that we are by this Bill, ending up in June, giving them six-twelfths. Having said that, and having taken your argument, then when you're concerned about the day-to-day costs, why didn't you pass this last night? Why didn't you pass this last night? At one point, a day is important to you, and then the next time . . . you talked about all sorts of things last night.

So I suggest to the hon. member that the public understands full well that you went on strike for 17 days; that they went on strike; you filibustered; you went on strike for 17 days. We've been in effect here 74, which would have finished, I think, 99 per cent of the legislative session in Saskatchewan's history, and you chose to delay that. You chose to not debate. You chose to walk out. You chose to go on strike. You chose to filibuster and not to get on with the business.

So I suggest to the hon. member that when you say, let's get away from the partisan, let's get away from the political, that you're in fact not getting away from it, and that this interim supply does in fact give the school boards the six-twelfths by the end of June as has been the historical practice.

Ms. Atkinson: — Obviously, Mr. Minister, you didn't hear my question. I'll just repeat it for you, and I would ask you to listen carefully.

School boards, as a result of the late payments of grants to the various divisions, have had to incur thousands of dollars, hundreds of thousands of dollars in interest charges, charges that they had not budgeted for. And I'm wondering, Mr. Minister, if a school board has overshot its budget for interest by 30 or \$40,000 as a result of this late payment, will your government reimburse them the 30 or \$40,000 that they've overshot their budget by?

Hon. Mr. Lane: — No. You're not listening to the answer. The answer is that by the end of June the legislature on interim supply has granted to the school board six-twelfths. Okay? Now accordingly to my watch, it is today June 14. Okay? For the member from Regina North West — 1989. Okay?

It is not yet the end of June. It is not yet the end of June. And in the historical practice of this legislature, the school boards will receive the six-twelfths by the end of June, provided at some point we pass the interim supply Bill before the end of June.

I'm assuming . . . Perhaps, given the track record of the opposition to date, I'm being overly optimistic. But having said that, if we are to pass interim supply by the end of June, they will have received six-twelfths as they have historically done.

Ms. Atkinson: — But also . . . Mr. Minister, I think I'm going to try and do a paint-by-number description here, because obviously you're not understanding. So maybe if you can get out your Think-and-Do book, we can get down to brass tacks.

This year school boards received on April 24 one-twelfth of their funding; on May 23 they received another twelfth. That's for the year 1989. Last year in 1988 on April 27 they received a twelfth, on May 17 they received two-twelfths, on May 19 they received one-twelfth. So by May 19, Mr. Minister, they had received four-twelfths, or one-quarter of their . . . or one-third of their budget. By June 29 they received the other two-twelfths, for one-half of their budget.

What I'm saying, Mr. Minister, is that in this year they've only received two-twelfths of their budget. So from January until this time they have only had two months of their budget. So they have been paid for January and February, but they haven't yet been paid for March, April, May, and June. So what school boards have had to do is borrow money each month, Mr. Minister, for March, April, May, and June to make their commitments.

So what has happened, Mr. Minister, what has happened as a result of having to borrow the money, they have incurred interest expenses that they didn't anticipate. And so they have had to borrow money, they've had interest expenses that they didn't anticipate . . .

Mr. Chairman: — Order, order. We've got discussions going on between members. If members want to ask questions, as I said last night, they certainly have the opportunity to rise, be recognized in their place, and ask the questions of the Minister of Finance. So I would ask members to please refrain from having discussions across the floor and wait until their turn to ask the questions.

Ms. Atkinson: — So as a result of this, they've incurred in the city of Saskatoon, for instance, the Saskatoon public school board has incurred \$1,600 worth of interest every day as a result of the late payments, and it was something they didn't anticipate.

I received a letter that was directed to Mr. Hepworth from one school board . . .

Mr. Chairman: — Order. I have brought this to members' attention before. I let it slip once this afternoon, but I would caution members not to use other members' names.

Ms. Atkinson: — To the Minister of Education this letter reads:

Dear (Minister of Education): We are extremely concerned over the late arrival of the foundation grants to school divisions. We have already overspent our entire year's budget for interest

costs, and we had budgeted \$10,000 more than last year. At the same time, we have cut off all purchases for the schools as our line of credit doesn't even allow for the June payroll.

(1530)

That's what's happened in this province. And I simply want to ask you, Mr. Minister: what provisions has your government made to reimburse those school boards for interest payments that they didn't anticipate? Those school boards have already set their mill rate. They can't go back to the local taxpayers for more money. And I want to know, what are you going to do about it?

Hon. Mr. Lane: — Well, I think a reasonable resolution of the bell-ringing would indicate the right thing to do about it so that the opposition doesn't go out on strike for 17 days. So that the opposition, that the opposition tie up the legislature for 74 days — 74 days — and when in normal course of events we would have been . . . passed the budget; we would have passed all the legislation; we would have finished all of the debates . . .

An Hon. Member: — Fantasy.

Hon. Mr. Lane: — . . . all of the other items. The hon. member says, fantasy. The hon. member says, fantasy, and that may be the world she lives in, but let me tell you that historically the session would be well finished by now. So I indicate to the hon. member, the second part, as most school boards may tell you, that at some point during the second half of the year, providing we finish our estimates, that they will then be paid the full second half. And most will receive additional interest as a result of those payments.

So for you to put a . . .

An Hon. Member: — So they are going to receive additional interest as a result of your late payments.

Hon. Mr. Lane: — Depending what they do with it, depending what they do with it.

An Hon. Member: — Explain that.

Hon. Mr. Lane: — Well what will happen in the second half, providing we get through estimates, they will get paid the full second half — six-twelfths — which they then can bank, credit union, or whatever, and receive the additional interest which is theirs.

So having said that, you asked me what the solution was. I think the solution is the reasonable resolution of the bell-ringing provisions. I think that the answer is that we get back and begin to expedite the business of the legislature. And that, thirdly, you not go out on strike. And so at the end of the June in most years, to my knowledge, the school boards will receive six-twelfths of certain funds, and that will happen as a result of this interim supply, providing it's passed by June 30.

Ms. Atkinson: — Well, Mr. Minister, I just want to clarify who is at fault here. Who is the guilty party when it comes to school boards having to pay hundreds of thousands of

dollars in interest payments?

An Hon. Member: — You are.

Ms. Atkinson: — And it's not us, as the members over there say. The people that are responsible are the members of the Progressive Conservative government — that's who's responsible.

Some Hon. Members: Hear, hear!

Ms. Atkinson: — That government has the sole responsibility and duty and right to bring in interim supply Bills any time they wish. And in fact they brought in the last interim supply Bill, I believe, on May 9, and at that time they could have brought in four-twelfths of the budget, and they chose not to do it.

And then the Minister of Education in the press said that the NDP wouldn't go for it, when at no time in the history of this legislative session has one member from that government approached these benches and asked us our opinion on interim supply Bill. So it's flat untruth on the part of the Minister of Education. It's a flat untruth.

Some Hon. Members: Hear, hear!

Ms. Atkinson: — Now you can answer, Mr. Minister, any way you wish, and you can blame us for this problem, but it's not our problem.

Had you chosen on May 9 to bring in four-twelfths of the budget for the Department of Education, the school boards across this province would not be in the mess that they're in right now. They would not be in the mess that they're in right now. But your government chose not to do that. You made that decision alone. It had nothing to do with us.

Now what you're trying to tell the school boards across this province is that the NDP's decision to walk out of this legislature as a result of your government's decision to privatize SaskPower has led to this economic crisis on the part of school boards. And that's simply not true — simply not true.

Your government can determine when, where, if, how interim supply Bill gets before the members of this Legislative Assembly. And your government chose not to bring in an interim supply Bill for the Department of Education that represented four-twelfths of the funding.

Now I just want to review for the members opposite what you did last year, in 1988. On April 6, 1988, your government brought in one-twelfth for all departments. On May 16, 1988, your government brought in two-twelfths for all departments, with the exception of Health and Education and, I believe, Urban Affairs. And as a result of that, school boards by May 19 last year, as a result of your decision, the Government of Saskatchewan's decision, had received four-twelfths of their money.

This year your government chose not to, on May 9, bring forward an interim supply Bill that would have paid to school boards the money that they required in order that

they not incur these high interest rates.

Clearly, Mr. Minister, you have misled the people of our province. You have misled school boards across this province, but they're not buying it — they're not buying it. And your comments will be sent to all of those school boards so they will know who the culprit is — they will know who the culprit is. And those comments clearly indicate to those school boards that they will not recover the interest payments that they've lost. They will not recover it from your government.

And, Mr. Minister, you full well know that in July there's a bit of catch up, but after that it's one-twelfth after this Legislative Assembly deals with budgets, and you know that. They don't get six-twelfths in July and they can put it in the bank and collect interest payments. That's purely a falsehood. That doesn't happen.

And so what's happened as a result of your carelessness and as a result of your decision to play politics with the people of Saskatchewan? School boards in every community in our province have incurred thousands and thousands of dollars in interest expenses that they will not recover from your government. They will not recover that money whatsoever. They will have to make decisions, as a result of overshooting their budgets on interest payments, on whether they cut staff, whether they cut programs to kids, whether or not they cut janitorial services, cut repair services, or whatever.

And your government has put them in that position. And your government, Mr. Minister, I suggest, will have to pay for that in the end because the people of this province are not stupid — they are not stupid — and they know full well that had you wanted to, you could have gotten that money to them in a timely fashion. On May 9 you could have introduced an interim supply Bill that paid additional money to the Department of Education to get that money to the school divisions. But you, and you alone, chose not to.

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — Well I think what the school boards will recognize, and the ones I've talked to fully recognize, that if the opposition had not have gone on strike and this House been dealt with in a normal way, that we would have been through budget, throne speech, legislation, and all the private members' debates.

And I suggest to the hon. member that they fully recognize that the opposition has said that they would make this province ungovernable and that they hold you accountable to that.

To suggest that you would have agreed with four-twelfths, they don't believe you. They know full well that if there had have been anything out of the ordinary done in May, you would have picked up your little brief-case and you would have walked out that door; you would have walked down the hallway; you would have walked out of the front of the building, and you'd have been gone. And everybody in this province knows. Everybody in the province knows that, and they believe it. And they know it because they've seen it happen.

Mr. Kowalsky: — Mr. Minister, what's happening here is you're trying to get away with two issues, both of which are your fault. And you're trying to skate around and blame it on the opposition because of a 17-day effort where the opposition backed the position of the people of Saskatchewan to make sure that you guys wouldn't dispose of SaskPower. That's what really happened there, Mr. Speaker.

But I want to get back to this issue and make sure that you come up with the truth in this, because we're not going to let you get away with this. You can't just skate around and keep skating around and think that you're going to get away with it. In the first place, Mr. Minister, let's get back to the May 11th date, 9th to the 11th. Did you or did you not at that date have the option of bringing in one-twelfth, or two-twelfths, or three-twelfths? I say you had the option. Did you or did you not have that option?

Hon. Mr. Lane: — I've already indicated that on the first months after the budget we could have brought in for twelve-twelfths of every single budget and the total budget. That has not been the historical practice of this legislature, and it's not one that I would recommend. Having said that, everybody in this province knows that in May, if the government had have brought in any exceptional changes, you would have walked out; you would have walked down the street. You would have walked down the street; you would have gone on strike, because everybody knows your statements that you were going to make this province ungovernable. Those were your statements. Everybody knows that. Every school board member knows that. Everybody involved with education knows that. And they know that you would have walked and gone on strike. That's what they know. That's what they know.

So I've said, and I've said now three or four times this afternoon, that on the first month after a budget we could have brought interim supply to do twelve-twelfths, all the budget, all the expenditures, so that all the moneys are spent. But that's not the way the practices work. The practice generally has been that each month until the budget is passed, the legislature votes interim supply, usually for one-twelfth. The exception has been two-twelfths.

I have also said on numerous occasions this afternoon that by June 30 in every single year that I have records back to 1960, the school boards have had six-twelfths. In the spirit of co-operation, we have brought more than two-twelfths forward for education in this interim supply.

And we'll see whether you're going to support that or not. Are you going to go out on strike again? Are you going to walk away? Are going to take off out through the doors? Are you going to run because this is now six-twelfths for the school boards?

And you can't hide from the fact that everybody knows you went on strike. Everybody knows that. You can't run and hide from the fact that everybody knows you said you were going to make this province ungovernable. Everybody knows that. Those are not my words; those are your words.

So having said that, they . . .

An Hon. Member: — We didn't say . . .

Hon. Mr. Lane: — Oh, no. Oh, no. Now the member from Saskatoon says: oh, we didn't say that, we didn't say that. We didn't say that that we're not going to . . . (inaudible interjection) . . . oh now they're trying to back away and say they didn't say that they're going to make this province ungovernable.

Mr. Chairman: — Order. Order. There's too much discussion going across the floor between members, so I again ask members to wait their turn, stand in their place and be recognized if they want to ask questions of the minister.

(1545)

Mr. Kowalsky: — Thank you, Mr. Speaker. I asked the minister whether he had the option of giving one-twelfth or two-twelfths in the May 9 to 11 interim supply Bill, and in that long discourse he said, yes, he could have given up to twelve-twelfths. So clearly you had the choice. You had the choice of deciding whether it was one-twelfth or two-twelfths. The precedent over the past years has been to supply two-twelfths or three-twelfths in the interim supply Bill. That has been the precedent. So it was clearly your choice to short . . . either your choice or your incompetence, one or the other — your choice or your incompetence. So admit it. That's all there was to it.

But instead of admitting it, instead of admitting that it was your choice or your incompetence to give only one-twelfth in the last interim supply Bill, you started concocting a story. You concocted a story that somehow the opposition sets up the interim supply, or is to blame for the interim supply. In fact, you did worse than that. You are having employees of the Crown going around and perjuring themselves around this province.

Here's a quote from an issue of the *Prince Albert Daily Herald* just this week, and in this quote there's a Gerry Sing-Chin, who's acting director of the school grants for Saskatchewan Education, and he's saying here: "Only two-twelfths . . ." pardon me, it says, before his comment, it says:

Only two-twelfths of the grant money has been paid to date, compared to the five-twelfths usual for June.

I agree. It is usual by the end of June to have five-twelfths. And then it says here:

The late payments are due to a slow down of the proceedings of the legislature, said Gerry Sing-Chin, acting director of school grants for Saskatchewan Education.

Now what you've got is you've got your people in your department passing on this untruth, Mr. Speaker, passing on the untruth that you didn't have the choice. You clearly had the choice.

What you did after is you're trying to regain a little bit of political momentum, and I understand that you would want to do that. But by doing that, you're just making it worse for yourself because you're trying to cover up incompetence with an untruth.

And I want you to be able to come clean on this, and I want to give you the opportunity to do so. And I think if you did that, it would clear the matter up here and now, and we could get on with this. But if you just carry on and try to cover up one thing with another, you'll be in a worse mess than you ever were.

Hon. Mr. Lane: — Well I suggest, if the hon. member takes my statement that you could pay twelve-twelfths in the first budget . . . or the first month after the budget as being indicative of what the practice could be, that is not what I said. I said that that is not the practice, and it is not a practice that I would condone or support, to pay twelve-twelfths. What has been the case is by the end of June, first of July, the boards get their six-twelfths. That's what I've said.

To say and try and deny that this legislature, with your strike, filibusters, and slow-down, has not disrupted proceedings . . .

An Hon. Member: — The Tory agenda.

Hon. Mr. Lane: — . . . or the Tory agenda, obviously is not correct.

So having said that, the public servant is correct. And you may not like to hear that, but mark my words, as I've said before, one of the things that the people will remember about this legislature when everything settles down . . .

An Hon. Member: — GigaText. They'll remember GigaText.

Hon. Mr. Lane: — They'll remember GigaText when they're getting their translations in French, and you're going to run around like the Luddites . . . like the Luddites you are and say, oh, it can't be done, it can't be done, it can't be done.

The problem you have with GigaText, of course, is you had Nabu. Remember Nabu which cost over \$5 million. Oh, the hon. member here from Regina is smiling; he remembers Nabu. He remembers Nabu — eastern Canadian company that you socked money in, that we lost \$5 million on to help Ottawa develop its high-tech industry. You had that problem.

So having said that, yes, your delays, your strike has in fact disrupted this, has caused the school boards not to be paid, has caused others not to be paid. And at the end of the day the people will remember it was the New Democratic Party that said, we're going on strike; we're going on strike, said the New Democratic Party. And the people remember that.

Mr. Kowalsky: — Well, Mr. Chairman, obviously it's no use in pursuing this any further. I'm rather disappointed, Mr. Minister, that you didn't take the opportunity to just say, all right, that's the way it was, and that we tried to

recover some ground. You could have done the honourable thing, Mr. Minister. You could have said, yes, we made a mistake on May 9th or the 10th. You could have said that.

Well maybe people got misled a little bit about this, but the truth of the matter is we could have done it. I'm disappointed in that, Mr. Minister.

Hon. Mr. Lane: — Well heaven knows that it's not my role in life to disappoint the hon. member, and I'm sad if he is disappointed. I know many other people out there are disappointed in the actions of the opposition. So keep in mind what I said as well, that in the normal course, 72 days, which is what we're at now, 72 days that the government's been here, the vast majority of sessions would have all been completed, all budgets passed, and all moneys able to be allocated to those that receive government expenditures.

Ms. Smart: — Thank you, Mr. Chairman. Mr. Minister of Finance, when you were speaking I was the one that called out the word "fantasy", because in this legislature I have heard Progressive Conservative members fabricate reality in many different ways, but you really take the prize. You wander so far from the truth that I don't think you would recognize it if it jumped up and hit you in the face. You have said things in this legislature that are blatantly untrue.

Mr. Chairman: — Order, order. Order, order. I find that unparliamentary in the context it was used, and I would ask the member to apologize.

Ms. Smart: — Mr. Chairman, I apologize for saying that. I will say that the member has wandered from the truth. I have heard him say things in this legislature about the issues under consideration that are wandering from the truth.

The New Democratic Party has never said that we wanted to make this province ungovernable. We have never said that. And I have stood here when I was speaking to other issues, and I have mentioned the Canadian tradition of peace, order, and good government, Mr. Chairman, as being the tradition in Canada, a tradition which I very strongly, with my colleagues on this side of the House, honour and respect.

And one of the traditions of good government, Mr. Chairman, is the tradition of having a Provincial Auditor as an officer of this Legislative Assembly, who looks at the accounts of the government and gives all of us, members in the opposition and members on the government side, particularly the back-benchers, gives us a record and an accounting of the expenditures made particularly by the Minister of Finance and his cabinet colleagues.

And we have seen in this legislature the Provincial Auditor maligned by the government opposite, and we have seen a report from the Provincial Auditor that indicates that 50 per cent of the money spent by the government has not been looked at by our Provincial Auditor, our officer of this Legislative Assembly, the person hired by this Legislative Assembly to make sure that we do have good government.

And on top of that, Mr. Chairman, we've had just lately the GigaText scam, which indicates that close to \$5 million of our taxpayers' money was spent by the government opposite in a blank cheque to a snake oil salesman from Montreal who could come in and use our money, our hard-earned money, to go off to give \$150,000 to a PC supporter, to take \$15,000 of our money to go winging across to San Francisco for a weekend — completely unknown.

And the fact that this government opposite would give a blank cheque to a person like that, to do what they want with our taxpayers' money, and at the same time put some of the constituents in my constituency, and many of the people across this province who are on social assistance, under the most cruel surveillance by a branch of the Department of Social Services that's staffed by ex-RCMP officers and cost the taxpayers money — people with a small bit of money under that tremendous surveillance, and a creep from Montreal getting a complete blank cheque from this government.

And here I stand now, being asked by the Minister of Finance to support his interim supply Bill, to support more money going to who knows where and what scams we still have to uncover. And since there has been this scam with GigaText, I'm sure that there will be many more.

So it is with reluctance that I vote to give this government a single penny more, because I don't know what's going to happen to it. I do hope that when we pass this interim supply Bill, that you will see that some of the essential services that the people of Saskatchewan need will get paid for.

Your Minister of Human Resources and Social Services is saying that he can't fund any of the programs in his department because we haven't passed the budget, and yet it's your government, and you, Mr. Minister of Finance, who have decided that the estimates will not come through.

We've had over a month of debating a bell-ringing motion, which your government chose to put on the agenda as government business, day after day after day. You had a choice; you had control. You have far more control of what goes on in this legislature than the opposition has, and you chose not to bring in the estimates. You chose not to bring in the Bills that would help in some way deal with some of the crises in this province. You chose day after day to bring in the motion on bell-ringing. And in a sense, if you want to call it a strike, Mr. Minister, you were on strike as much as we were.

You had the legitimate option of letting the bells ring on a piece of legislation that was appallingly bad for the province, and which received the total support of the people of Saskatchewan, massive support, for our 17 days of bell-ringing to let them know what you were up to.

And I sure wish we could let them know more of what you're up to. We could, if you would co-operate with the Provincial Auditor, and if you would co-operate in terms

of just carrying through the normal procedure of good government. But you won't do that. You live in some kind of a fantasy land that just simply will not recognize the traditions and the realities that the rest of the people live in. And the fact that you, as the Minister of Finance, were part of a cabinet that approved this GigaText scheme, which anyone who knows anything about high technology or computer technology would realize, is a long, long way from reality.

And I said yesterday, and I've been saying to my colleagues, and I will say it again to you, Mr. Minister of Finance, that the GigaText scheme and the other schemes that you've been up to, particularly with high-tech, is like you've been looking at *Star Wars* through the bottom of a bottle of scotch, because there's absolutely no reality to that. It's more of the fantasy that you seem to be particularly susceptible to, you and your government.

And the fact that we have this GigaText scheme, with a *carte blanche* cheque to go off and do whatever they want with the taxpayers' money, is just proof again of your bad government, and proof again that you don't have the interests of the people at heart. As I said earlier, if you did, you would have brought in your estimates, you would not have kept coming back with the bell-ringing motion. You put this legislature on strike as much as anyone did when you did that.

And the other thing that you've done over and over again, you, Mr. Minister, and other people in your cabinet and the back-benchers, you have refused to debate the issues that we have brought to this House. You have refused to speak, and that is not good government, because whatever it is that you're up to, you should be prepared to defend it here in this legislature. You should be prepared to answer the questions that we have asked you about the GigaText scheme and about what's happening to our taxpayers' money on that particular issue. You should do that in order to have good government.

(1600)

And don't stand in your place and wag your finger at me and wag your finger at my colleagues here in opposition about being on strike and about wanting to make this province ungovernable. You are the ones that have chosen not to bring in the estimates and not to get on with the business of the legislature. It's been your choice.

And I don't see how you can defend what you've done so far in any way. The school boards will understand very clearly why they have not gotten their money, and any other group that you've used as an excuse that you weren't able to do anything because, oh dear, for 75 days you've had no control over this legislature — that is just fantasy! That is telling the people of Saskatchewan a complete untruth. That is misrepresenting the truth.

And it is not fair on the people of Saskatchewan to give them that impression of government. You've had control. You have control. The trouble is, you don't want to show the people of Saskatchewan what you can do, because you're afraid; you're afraid that if they know anything more about what you're up to, that they will oppose you even further. And you're afraid that we may walk out

again.

Mr. Minister, let me tell you that walking out of this legislature and letting the bells ring for 17 days was a very daring and a very courageous activity on our part.

Some Hon. Members: Hear, hear!

Ms. Smart: — We took a risk when we did that, Mr. Minister. We took a risk when we did that, and we discovered to our great delight that the people of Saskatchewan were completely with us. And I stood, for one, in the Midtown Plaza and got signatures one after the other, and people in Yorkton, in the mall in Yorkton, were lined up to sign my petition when I went to Yorkton. And my colleagues have had the same experience.

So while we took a courageous action, we found that the people are with us. That is not an action that we did lightly, and it is not an action that we could do again, because the people of Saskatchewan obviously want us to conduct our business in this legislature, and we are committed to doing that. We would ask that you would be committed to doing the same thing.

But the fact that you have continued to put on your agenda an issue that we had to debate, and the fact that you would not debate it — you just simply left us speaking one after the other on the bell-ringing motion, and you chose not to bring in your estimates — you have chosen over the last month not to deal with your estimates, and that's been your control and your choice — the fact that you've done that has meant that we are now at this point in time where we are having to debate another interim supply Bill and where people are going to be told a misrepresentation of the truth from your government that the reason they're not getting their money is because we have done something to obstruct the government.

We have very little power. You are the ones that are obstructing good government. And you are also the ones that are failing to take seriously your responsibility to monitor the taxpayers' money with great caution and care.

Mr. Minister, the amount of money that my colleague, the member from Saskatoon Nutana said that the Saskatoon school board had to spend on interest, was the equivalent in one month of one teacher's salary. It was the equivalent of two peoples' salary living on minimum wage, and perhaps a bit more. That's a lot of money to spend in interest rates that get nobody anything except more profit to the banks.

There are people in this province who need the money . . .

Mr. Chairman: — Order. Order. I'd ask the member for Regina Centre if he wants to get into the debate to rise and be recognized, and certainly he can get into the debate.

Ms. Smart: — Mr. Chairman, I assure you that the member from Regina Centre is eagerly awaiting a chance to get into this debate. I'm sure that he supports every word that I've been saying, and I'm sure that I will support every word that he's been saying.

Some Hon. Members: Hear, hear!

Ms. Smart: — As the critic for the Department of Finance, the member from Regina Centre has been looking at the budget very carefully, and I know he's going to have a lot of important things to say.

But I also want to take this opportunity in this legislature to register my horror at the way the government opposite is spending the taxpayers' money on schemes like GigaText. I want to underline, again, your responsibility to spend the taxpayers' money carefully; that the taxpayers' money comes from people who live on very low incomes, something the Minister of Finance knows nothing about in his real life.

And you can talk to him over and over again about the conditions that people have to live under in order to pay the taxes that he wants to collect, including the flat tax, and yet he goes off in a fantasy land and spends money on GigaText and gives money out to who knows what, and comes in with a budget with a tremendous deficit. And yet here he comes to us and asks us to support this interim supply Bill to go forward with more of his schemes.

And I want to urge, particularly the back-benchers opposite, to take this issue very seriously. You may joke and laugh and shout at me about what's happening, but the taxpayers' money is a precious resource which you are entrusted to spend wisely.

I ask you to spend it on programs for the people of Saskatchewan. I ask you to clean out your closet with all these skeletons that you've got there; clean up your act; spend the people's money wisely. And if you do that I will have no trouble supporting an interim supply Bill.

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — Well I know we will all wait with bated breath to find out if the member from Regina Centre in fact endorses what the member from Saskatoon Centre has said, as she so eloquently said, I know that the member from Regina Centre will support what I say.

Let's take a look at what she says. She says, first of all, that if she had her way she wouldn't give this government one cent more money, and then she turns around and says she's going to support the interim supply Bill. That was early in her remarks.

So now there's an inconsistency. She doesn't know what she's talking about. Then on a little later she says: oh, no money at all, and I'm going to be against the interim supply Bill because this government shouldn't have a cent to spend. That's what she says.

Then she tries to deny to the people of this province that she went out on strike. The fact is, she did go out on strike. She went out on strike for 17 days, tries to deny that she did, tries to deny that she did. Do you want to know . . . And then she says, spend your money wisely because she's all in favour of this.

You know, there's one member in this legislature, there's one member in this legislature that has written to the

government and said, I want a bed in the bathroom. I want a bed in the bathroom, says that member to this government, when she wants the women's washroom.

Now I happen to accept the argument that there should be a separate washroom for women. It's now done. I draw the line about the request from the member from Saskatoon Centre for a bed in the bathroom. And that's what the NDP member asked for, in writing, to this government — for a bed in the bathroom. She wanted a couch in the bathroom, all right? The hon. member asked this government for a couch in the bathroom. She wants a couch in the bathroom. The couch in her lounge isn't safe enough — the couch in her lounge isn't safe enough. She's afraid to use the couch in the opposition members' lounge.

Now maybe there's reason for that. I don't know what it is — I don't know what it is. But she wants . . . the hon. member, the NDP member, wants to have a sleep. A 17-day strike is not enough for the hon. member. She wants to sleep when she's here. She wants to go to the bathroom and then lie down.

And the hon. member has the gall to stand in this House and say, wise expenditure of money. You asked for the bed. You're the one that wanted the bed. You wanted the government to spend several hundred dollars so you could have a bed in the bathroom. In writing, you asked for it. Yes you did. She admits it.

And she has stood up here and talked for 15 minutes about wise expenditure of government money. Maybe you want to stand up in your place and justify why you think the government should pay for a bed for you in the bathroom. Here's your chance.

Some Hon. Members: Hear, hear!

Ms. Smart: — Thank you, Mr. Chairman. I'd be pleased to respond to this. This is the first time the issue has come to the floor of the legislature, although I was going to raise it in estimates. I will point out that even as of now, there is no completely designated washroom for the women MLAs, and this legislature has never had one.

I have written to the government, to the Speaker of the House, and to the House Leader, deputy House leader, and to the member responsible for the property management corporation about this issue, Mr. Minister. And I have asked that there be a washroom for the women MLAs.

It is a fact in legislation that a women's washroom, a washroom for a number of employees, shall have a couch in that washroom, and I wanted to be sure that you would go with the legislation and put that couch in a washroom for the women MLAs.

If you want me to go into the details of why it was put in legislation that employers should put a couch in a women's washroom . . . and most of the work places in Saskatchewan where there are a number of women employed have couches in their washroom. I know we had one in the Saskatoon Public Library.

There are conditions that women have, such as pregnancy, when they may want to lie down. And I believe that there are many women who've taken advantage of that opportunity when they have had problems with pregnancy or with menstruation, Mr. Minister. And if you need to learn the facts of life here on the floor of the legislature, you're really a pretty shameful person.

Some Hon. Members: Hear, hear!

Ms. Smart: — I'm quite prepared to stand here and say that the women need a washroom, and I have the support of many women's groups in this province and the support of my colleagues in asking for that. And I hope that you will provide us with a decent one when you get around to it. Thank you.

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — Well the washroom has been supplied; the washroom's been supplied for some time, and the hon. member should know that. If she doesn't, that's her problem.

But you're the one that's put in the request, and you're the one that stood here and complained about government expenditures. Now you're the one asking for the couch and the bed. You're the one. And I'm telling the hon. member, I'm telling you . . . (inaudible interjection) . . . yes, she did write it. She's admitted. She admitted it. She asked for it.

So I suggest to the hon. member that your inconsistencies flowed several times during your remarks. You try and deny you're on strike. On the one hand you say that you're not going to support the interim supply Bill, not one more cent to the government, and then you say that it should have been passed yesterday. Then you say that no more money . . . then you're going to say we pass the interim supply Bill. You were all over the map. You were all over the map in your remarks.

So I suggest to the hon. member, I suggest to the hon. member . . . a little embarrassing, fellows, for you. Well, embarrassing for you, fellows, but I suggest to the hon. member, when you stand up, when you stand up and talk about expenditure, we know where your priorities lie. And they certainly fly in the face of what your remarks were.

So I suggest to the hon. member, you can't deny you were on strike. You can't deny your request. You can't deny that your objective was to make things ungovernable, and you can't deny it.

Oh, now all of a sudden she's changed again. Now she's changed again.

(1615)

An Hon. Member: — Hardly.

Hon. Mr. Lane: — Oh she certainly has. On the one hand, she was up denying that she said it was going to be ungovernable, now she says she doesn't deny it. So make

up your mind. Make up your mind. Already been through that.

So I suggest to the hon. member . . . (inaudible interjection) . . . No, the written request came from the hon. member. She will have to explain that. She will have to explain that.

An Hon. Member: — She won't have to explain it . . .

Hon. Mr. Lane: — Oh yes, she will — oh yes, she will . . . (inaudible interjection) . . . Well, we'll let the hon. member get in and defend her position again.

Mr. Shillington: — I just want to make one comment and then the member from Saskatoon wants to take over. I just want to say that I think the minister has accomplished the impossible. You made the former Lloyd Hampton look sensitive.

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — Well, I don't know what relevance that has. But I suggest to the hon. member that the accusations were made by the member from Saskatoon Centre, and I think they've been responded. I think she's been responded to. We know where her priorities are. We know what her overall objective, what the highlight of her political career will be.

Mr. Prebble: — Well, Mr. Chairman, the minister has behaved with shocking disregard for the women of this province.

Some Hon. Members: Hear, hear!

Mr. Prebble: — I think there's nothing else to say with respect to it. I want to ask the minister some specific questions in the social services area. And the first question I want to ask is with respect to the operations of the special investigations unit in this province.

I wonder, Mr. Minister, if you could tell us in this fiscal year what the cost of operating the special investigations unit will be. And I wonder if you could send me in writing the number of staff in that unit and a list of those staff and of their positions. If you could tell us today the cost of operating that unit, please?

Hon. Mr. Lane: — We don't have that detailed information from the various departments. That's not traditionally the practice of interim supply, but that is certainly an appropriate question for the estimates of Department of Social Services.

Mr. Prebble: — Well I wonder if you could undertake to provide it to me in writing, please, Mr. Minister.

Hon. Mr. Lane: — No I'm not sure I will, not because I don't think it's an appropriate question for the Department of Social Services, because I think it is an appropriate question for the estimates of the Department of Social Services. Having said that, if we're now going to use interim supply to answer the detailed questions of all departments, I think that's quite a deviation from practice, and I'm not sure it's advisable. I have said, I think an

appropriate question for the detailed review of the estimates of the Department of Social Services, and that would be the appropriate place for that question.

Mr. Prebble: — Well, Mr. Minister, I'm asking you now to provide it to me in writing. That's a perfectly reasonable . . .

Mr. Chairman: — Order, order. Detailed questions should be asked of the minister of that department. Interim supply covers the whole government and all its expenditures, but not any detailed questions should be asked of separate departments under an interim supply Bill.

Mr. Shillington: — Thank you. Mr. Minister, before the day passes, I want to get back to the subject which you spent so much energy in avoiding last night, and that is the *Report of the Provincial Auditor*. I suggested last night to you, Mr. Minister, that this government would be well served by lending some support to the Provincial Auditor instead of bending every effort to make his work impossible. I suggested last night to you, Mr. Minister, that the Provincial Auditor serves a useful purpose, not just for the taxpayer, but also for the government in office, as is the case with any organization, whether it be a business or a public organization, the auditors serve a useful purpose in keeping spending on track.

Mr. Minister, you said last night, you defended, apparently, the principle of the use of private auditors. I suggest to you, Mr. Minister, that the purpose of having a Provincial Auditor is that the Provincial Auditor is responsible to this Assembly and the taxpayers.

The limitation in the value of having a private auditor was shown in this affair when the private auditors refused to make the information available. Surely that's the whole purpose of having an auditor, is that ultimately taxpayers shall have the information and the taxpayers' representatives shall have the information.

Let me, Mr. Minister, use the example of a private business. In a private business the shareholders elect the auditors and the auditors are responsible to the shareholders. The problem with your system of private auditors is, it's the directors who are appointing the shareholders and the directors who are firing the shareholders . . . sorry, it's the directors who are appointing the auditors and the directors who are firing them. That wouldn't work in a private business and that won't work here.

The value of the Provincial Auditor is that the Provincial Auditor is appointed by the shareholders, 64 in number, which have a seat in this Assembly. Your auditors are, in effect, appointed by the directors, the cabinet, and they're not responsible to us and they're not giving us any information. And they're fired by you people. That's the problem with the private auditors.

If this Assembly nominated the private auditors, that would be a different system, but that's not your system. Your system has the directors, in effect, appointing and firing the auditors, and that won't work.

An Hon. Member: — Why not?

Mr. Shillington: — Why? Well I would think that's obvious even to the member from Rosthern, who shows such skill in the handling of farm machinery. I would think even you ought to recognize the old saying, he who pays the piper calls the tune. If the directors appoint . . . The reason why the directors of a private business don't appoint the auditor is because they're there, not to protect the directors, but to protect the shareholders. Your system has the auditors appointed by the cabinet, apparently to protect the cabinet, and not to protect the taxpayer. That's the problem with the system . . . (inaudible interjection) . . . Indeed I do. Indeed, I just finished saying that. Anyone, anyone . . .

Mr. Chairman: — Order, order. Order. Order. If the members from Rosthern and Wascana want to get into the debate, certainly they can rise in their place and be recognized to ask questions of the minister. At this time, the member for Regina Centre has the floor, and I would ask members to allow him to make his points and to ask his questions of the Minister of Finance.

Mr. Shillington: — Mr. Minister, that's what's wrong with your current system. Your current system has the auditors appointed by the cabinet, fired by the cabinet, the stoutest conscience . . . fired by the directors of the Crown corporations then, all of whom you appoint and all of whom you can release.

There is, Mr. Minister . . . I will speak to the question of the auditor's integrity in a moment. If the member from Assiniboia-Gravelbourg will be patient, I'll speak to that in a moment.

But I just want to point out that that isn't what's done in private business and for the best of reasons. The stoutest conscience, Mr. Minister, the stoutest conscience will be bothered and perhaps bent by the absence of a pay cheque. The stoutest conscience will be affected by that.

Mr. Minister, the whole purpose in having the Provincial Auditor oversee it is the Provincial Auditor is responsible for the members of this Assembly who in effect represent the shareholders. That's what's wrong with your system.

Mr. Minister, well when PCS (Potash Corporation of Saskatchewan) started — I say to the rather thick-skulled member — when PCS started it, the Provincial Auditor had a full range of supervisory authority. The difficulty with the system, as it has grown up, is that the Provincial Auditor cannot supervise that activity.

There's perhaps nothing inherently wrong with private auditors doing the books of Crown corporations so long as there's adequate supervision by the Provincial Auditor who represents us, the taxpayer, in a sense. That's what's wrong with the system, not that the auditors are doing it, but that there's no supervision. They're answerable apparently only to the cabinet.

Mr. Minister, it appears that if you haven't any more sense than this, your Premier does. Your Premier, Mr. Minister, has now directed all of the auditors and all of the officials of the government to comply with the law and make all

the information available to the Provincial Auditor. Will you now admit, Mr. Minister, that the system . . . will you now admit what the Premier's admitted and that's that the system you had in place was wrong, contrary to the law, but far more important than that, not an adequate protection for the taxpayer?

Hon. Mr. Lane: — Well I, with respect to the hon. member, don't think the hon. member understands the process or has the foggiest idea about the process. There are private sector auditors that certainly are appointed by the boards of directors of the various Crown corporations. Did that happen with the potash corporation under the NDP? Yes it did. Did it happen with the SMDC (Saskatchewan Mining Development Corporation) under the NDP? Yes it did.

And the difference is that the hon. member doesn't understand that the Provincial Auditor's objection to the system is having to go through the private sector auditors to get the information he wants. Interesting that it works in every other province.

For you to buy and say that there's not a scrutiny and not an audit and not a public review of 50 per cent of the expenditures out there is totally wrong. You are in fact implying and stating — not implying, stating directly — that the private sector auditors are not doing proper audits, and I resent that and I say it's wrong. It is a slam on the audit profession of this province and it is not accurate.

Now the fact that the Provincial Auditor, instead of going directly and duplicating what the private sector auditors are doing and going to them for information, to state that we went to someone else for the information and not the ones that did the audit, and to say as a result of that practice, not getting the information, with the greatest respect, it is not the situation in any other province that uses private sector auditors. There's not a duplication of the work. If the auditor has reason to believe that a private sector auditor is not doing a proper audit, he has every right and duty and obligation to make that public. Okay?

And I have acknowledged last night that the system that works in every other province that uses private sector auditors is not working here. It's not working. I said that last night. But to say, because we use private sector auditors, that an audit is not being done and the expenditures are not being reviewed, is not correct, is not accurate, and indicates — and I'm being very charitable — a total lack of understanding.

I said last night that I believe private sector auditors bring something to the table for the province and their own profession. And I think it's a good thing for the province to use our private sector accounting firms.

I brought in the legislation that the Provincial Auditor has the ability and is the overall auditor. He has that by legislation. But to say that because we use a private sector audit, audits are not being done, is wrong. It's just plain out and out wrong.

(1630)

I believe that within the present law, without a legislative

change, that a workable system can be arrived at. I believe that. It is in every other province.

I believe that the Provincial Auditor can carry out his legislative role, that the audits can be done by the private sector in certain instances, and I think that that's healthy for Saskatchewan, I think it's good for this legislature. I think it's good for the corporations involved.

Now I do believe, as I said last night, that the use of the Public Accounts Committee to try and resolve that — I hope they can; I don't know whether they can or whether they can't, but the system seems to work in every other province, and I've admitted that it doesn't seem to be working here. But don't leave the impression because we're using private sector auditors that things are either being hidden under the table, I think you said last night — cover our tracks, I think, by using private sector auditors, I think is an absolute damning statement about the competence and the professional integrity of the chartered accountant profession of this province.

And I'm taking, as you would expect, the liberty of giving your remarks to that profession, and you can deal with that profession. And I would expect that you would know that those remarks of yours would be forwarded to the profession — and properly they should be.

Mr. Shillington: — Please do. Mr. Minister, I sincerely hope you forward a copy of my remarks to the chartered accountants institute. I sincerely hope you do, because I can't believe that the executive of the institute would support the kind of system which you have established here. I just cannot believe they would support a system which has the auditor appointed by the management and not the ultimate taxpayer-shareholder, and that's your system. And that's the problem with the system.

Mr. Minister, Mr. Minister, you mentioned public accounts. Well I just want to say that your members in public accounts have done their best to derail the activities of that committee because you don't want to hear what the Provincial Auditor's got to say.

Mr. Minister, I'm going to say, with respect to the Provincial Auditor, I hope . . . Heaven only knows how much influence the Premier has, but I hope the Premier has some influence in the government, and I hope we return to a system whereby the Provincial Auditor has overall responsibility for the audit. It may be done in the direct sense by the private sector auditors, but the ultimate authority ought to rest with the Provincial Auditor, Mr. Minister. And all I can say is that I hope we return to that system.

I can't imagine that the chartered accountancy institute would applaud a system whereby management appoints the auditors. That's not the system anywhere, nor is it the system in any other province, just for openers.

Mr. Minister, I want to deal with the overall problems which have been raised by the Provincial Auditor's report. This report, Mr. Minister, would embarrass any government but this. It points to a morass of mismanagement and incompetence. The question I actually asked you last night, Mr. Minister, was: what do

you intend to do to clean up the mess? The Provincial Auditor's report points to a government which has lost control over the administration of government.

There cannot be, Mr. Minister, another government in Canada with the magnitude of the administrative problems which this government has. There simply cannot be another government in Canada which is in anywhere near the mess that yours is.

Mr. Minister, there's two options open to you. One is to get up and deny it, and the other is to get up and tell this Assembly what you intend to do to clean up the mess. Those are your two options, Mr. Minister.

I think most reasonable people would agree that the public of Saskatchewan would be far better served if you got up and outlined, at least in a tentative, hazy way, some plans to deal with the administrative mess into which this government has descended. I frankly do not think the public of Saskatchewan want to hear you deny the existence of any problems. Surely the Provincial Auditor's report should convince even the obstinate members of the treasury benches opposite that you've got a serious problem.

So I ask you, Mr. Minister, to share with us whatever plans you may have to deal with what must be the worst administrative problems in Canada here in Saskatchewan.

Hon. Mr. Lane: — I appreciate the extreme language of the hon. member. He starts out by saying that we should have a system where the Provincial Auditor has the ultimate responsibility, and that's precisely what the legislation presently in effect now . . .

An Hon. Member: — That's right, only you didn't follow it.

Hon. Mr. Lane: — No, the difference is this. And what the hon. member doesn't understand is that in the case of the private sector, supposing a holding company with several other companies under it, each could have a different auditor. It could be one auditor for the holding company, a separate one. Under the practice of the profession, the overall auditor relies on the actions of the other auditors. Okay? What we have here is that very system, except that the Provincial Auditor believes that he should go in and deal directly around the auditors that are appointed. No difference in any other province, with the greatest respect.

The question, quite simply, can we have a workable system where the Provincial Auditor relies upon the appointed auditors? That's the system that works in any other jurisdiction. And in every case, I believe, where there is an allegation that information was not forwarded, the information could be obtained from the auditor appointed by the particular corporation.

So the problem was process. That's the difficulty. I'm not in favour, or I would do it most reluctantly, to have a change in the legislation when the very legislation can work in other jurisdictions. I believe that it can ultimately work here. I hope it can work here, because I believe that

there is a legitimate role for the private-sector auditors. I believe that they are in fact doing proper audits, and that should in no way impede the Provincial Auditor from dealing with his statutory duties. I believe that to be the case. That can be done with the co-operation between the auditors appointed and the Provincial Auditor.

For whatever reason, that hasn't worked here, and I've admitted that now three times. It hasn't worked. It works in other provinces.

And it's a matter of whether one goes to the private sector auditor and asks for the information, which I gather in all cases they were prepared to supply. Okay? Several cases the corporation has said, get the information from our auditors. Auditors are prepared to supply it.

Well certainly that is a change, but it works everywhere else. I don't know why it can't work here. The Provincial Auditor has the overall authority. If he says an audit's not being done . . . and he never said that. It's an interpretation put on by others, including Mr. Petrie of the **Leader-Post**. But he didn't say that.

But he can, and I believe that the system can work. He can go to the auditors that are appointed, certainly by the respective Crown corporations, and get the information from them. And I'm not aware of a situation in that report where, when he went to the auditor, the private sector auditor, that the information was withheld.

Mr. Shillington: — Well, Mr. Minister, let me give you some assistance. You say that you're not sure how it's going to be made to work. I think I've got that figured out, and I think Mr. Lutz has got that figured out. It's going to work when you appoint a provincial auditor with a great deal less integrity than Mr. Lutz has.

And that brings me to another subject of deep concern to members of this side, and that's the appointment of his successor.

Mr. Minister, I want to be bluntly honest with respect to the Ombudsman, and I make the point because there's a past history of dealing with these legislative offices with something less than integrity. Mr. Minister, when the office of the Ombudsman came open, who did you appoint? A Tory toady — and I'll use that language — a partner of Mr. Hill's. Mr. Minister, we haven't heard a word from him since that anyone cares to listen to. And that's how you made the office of the Ombudsman work — you appointed a Conservative toady to it.

Mr. Minister, I am therefore very concerned about Mr. Lutz's successor. He points out that for some time there has been a practice of adopting the recommendation of the outgoing auditor with respect to the appointment of his successor. He points out that's how he was appointed. Mr. Minister, I would like your assurance that that is how his successor will be appointed because frankly I don't trust you at all to appoint his successor.

If, Mr. Minister, you people are given a free rein, and if past practice is any guide in what'll happen, your sole criteria in finding an auditor will be somebody who will salute when this government calls his name. That's what

you did with the office of the Ombudsman. There are any number of other examples of it, and I'm very, very concerned about the appointment of his successor.

So I ask you, Mr. Minister, will you give us your assurance that past practice will be followed with respect to the appointment of his successor, because I am very concerned about it and so are members on this side of the Assembly.

Hon. Mr. Lane: — Well I remember exactly the same criticism being given by the hon. member of me when I appointed Mr. Kruzeniski to head up the Human Rights Commission. And I remember you standing here and saying what a terrible, destructive, vindictive, awful, shocking, political appointment Mr. Kruzeniski was. That's what the opposition said. And you were highly critical of Mr. Kruzeniski. You were highly critical of Mr. Kruzeniski.

You sit up and you've attacked Lloyd Barber, saying he isn't competent to run a university. You've said, your people have said in this House, that Lloyd Barber can't even run a university. You're starting to get the reputation right across the province now of attacking some pretty well respected people. And I suggest to the hon. member that you're not doing yourselves any favours.

You attack now all the chartered accountants, saying they're toadies, that they're doing a cover-up. That's what you've said.

I will raise a couple of issues with respect to the appointment of the Provincial Auditor, the successor. I happen to believe that the Provincial Auditor should be one that can work with the private sector auditors. I think that that's fair, and they can do that in a thoroughly professional way with the Provincial Auditor carrying out his legislative mandate. And I believe that that is feasible, and I believe that the public will be well served.

I believe that we should consider, as I believe in every other province, that the Provincial Auditor is appointed for a set term of five years — and I think the hon. member from Regina Victoria is aware of that — that the auditors are appointed for a statutory term of five years or 10 years. I believe that applies to the Auditor General of Canada.

I think that that's something we should look at, and I certainly have no difficulty, obviously, with the Public Accounts Committee considering that question. Many in the profession believe that Saskatchewan should go to a term appointment. That's a matter of fair debate. That's a matter of fair debate. I think that that's something that should be looked at.

(1645)

But when you stand up and you blanket all the appointments as hacks and toadies, I think is your word . . . (inaudible interjection) . . . Toady.

Like I say, I can recall the strong criticism of the NDP opposition with Mr. Kruzeniski. Like I say, I hear the member from, I believe, Regina Rosemont, but . . . I think it was Regina Rosemont, saying that the president of the

university can't even run the university. So the political personal attacks of some people in this province are, I think, starting to reflect back in the opposition, and you know the results of that as well as I do.

But I think there are two fairer questions that have to be dealt with with the appointment of the successor to the Provincial Auditor.

An Hon. Member: — Is he a Conservative?

Hon. Mr. Lane: — No, no.

I believe that the Provincial Auditor, without a legislative change as to the powers, because I don't think it's necessary, should recognize and be prepared to recognize that the private sector auditors bring a contribution to the province and to the corporation, and that the professional relationship which deals in the course of differing auditors in the same corporation should apply.

And then, secondly, I think we should take a legitimate look . . . and I don't as yet have an opinion whether we should go to a term. Many in the profession, the accounting profession, say that there should be a term. I think that's a fair question to be debated and a fair question to be resolved.

Mr. Shillington: — Mr. Minister, your remarks would alarm me if I thought anyone believed you. But given your history, Mr. Minister, of enormous deficits, a less than a candid approach to those deficits, particularly before elections, people have long since ceased to believe anything that you say.

Just in case, however, someone might have been deceived, let me say that we never made critical comments about Mr. Kruzeniski. It is fair to say that there was some concern about his appointment because he had not heretofore taken a leadership position within the human rights. That was felt, but not said. Mr. Minister, we said very little about his appointment; as it turned out, he was a very good appointment.

I have certainly expressed . . . with respect to Mr. Barber, I have never expressed any doubt about his ability to run a university. I have expressed a dismay that such a distinguished academic would lend his name to such a cheap political exercise, but I have never criticized his administrative ability. I've simply criticized his judgement in taking part in such an exercise.

Mr. Minister, before time elapses, I want to deal with one other subject, and that is the imposition of the federal sales tax. Mr. Minister, this is a shemuzzle. We have, Mr. Minister, four . . . we have . . . once the federal sales tax is introduced we will have goods being sold under four different situations: federal sales tax only, provincial tax only, federal and provincial sales tax and entirely exempt.

I recently — in fact, in mid-May I saw a cartoon on the front page of *The Financial Post* which I thought summed it up: a retailer in a store with four cash registers, one for each of the situations.

Mr. Minister, I want to voice some complaint, first of all, about the fact that we now have two levels of . . . two different sales taxes both being imposed with very little co-ordination. Surely it would have been a more rational system to combine them into one. That is what your federal counterpart, Mr. Wilson, wanted to do. I understand you people wouldn't.

And if I may attribute motives to that, I think it may be in part due to the fact that there might have been less money in it if you had gone into a single system. At least, if you didn't change the level of tax, it would have been less money.

Mr. Minister, I'd like you to comment on the fact that we now have a vastly more complex situation with respect to sales tax than we used to have. I would like your admission that that is not a good situation. I'd like to hear what your plans are to get this country into a single sales tax, if a sales tax we must have.

I will have one other question with respect to the wisdom of sales taxes generally, but that's a separate question. For now, I'd like you to address yourself to the confusion which is going to be caused when businesses go to two.

Mr. Minister, I just repeat — and I won't take for ever on this because we are running out of time — I repeat what many have said, and that is that it's going to be very difficult to keep track of these taxes without a computerized accounting system; it's going to be very difficult to do on a manual system. And there are lots of businesses which are not yet on a computerized accounting system, and I think that's largely the smaller ones. This complexity is going to hit the smaller businesses hardest.

So I ask you, Mr. Minister, to admit that; to give us your assurance that you'll do what you can to get this country on to a single, unified sales tax system.

Hon. Mr. Lane: — Well the difficulty with the proposal . . . and many business organizations are urging the provinces to join with the national sales tax so that there is one tax. The problem is that they are fundamentally different taxes. We have a direct sales tax on certain items. The national sales tax, or the goods and services tax, is a much more broad tax dealing with services.

So if we are to have one system, it would mean joining with the federal system. So if you're urging us to join the federal system, with the greatest respect, that's different than what some of your members were saying yesterday, which is that we should oppose that.

So there are retailers in the province that have written to us saying, join the federal; make it one tax. That's a consideration and a fair one . . . (inaudible interjection) . . . Pardon.

An Hon. Member: — Canadian Federation of Independent Business for one . . .

Hon. Mr. Lane: — Well, and the Retail Council of Canada have asked for it as well, and there are others. That is certainly one of the considerations.

But the problem is you can't have it both ways. You can't say oppose it and then say only one tax, because they are fundamentally different types of taxes. They do have some modest overlap, but overall the federal goods and services tax is a much more broad tax and more than just on commodities, as is our direct retail tax. So that's one of the difficulties. It's one of the difficulties.

I don't want to prolong this because if you've got specific questions — one that came up earlier I believe, I don't know whether you wanted to pose it, came on the question of servicing. I believe the member from Regina Elphinstone said, servicing farm equipment, that the farmer would have to pay the tax. That is partially correct.

The farmers are exempt from the tax, and if they paid that service tax at whatever rate, then they get that deducted from other taxes on a monthly basis on other payments under the national sales tax. So in effect, throughout the system, from the information we have to date, that the farmers are at zero tax. But I'm not trying to prolong it. If you've got specific questions, I've set out the difficulty of trying to go to one. They are fundamentally different taxes.

Mr. Shillington: — I think, Mr. Minister, with the greatest of respect, I think, Mr. Minister, that this government is exaggerating the differences between the taxes in the interest of maximizing the tax revenue. And I think what is more, you do not want to lose control over the amount of the tax that you levy. There may be some loss of control over what you tax.

Mr. Minister, I thought it unnecessary to state again our position with respect to the federal sales tax. It was said yesterday during the rule 16 debate — sorry, during the debate which followed the rule 16 debate, and that is that we are opposed to the substitution of consumptive taxes for income taxes. We think they are injurious for a variety of reasons, one of which is that it imposes a fairly stiff tax on businesses which are acquiring additional capital equipment — and farmers are the outstanding example of that — who are going to be acquiring new equipment, some of which will be exempt, some of which will not.

I note, as I'm frequently in the riding of the member for Assiniboia-Gravelbourg, I note the age of many of those half-tons. A lot of those things are really on what must be their last tires. I suspect if we get a decent crop, Mr. Minister, a goodly number of some of those vehicles will be replaced that have run down. My understanding is that there's going to be a federal sales tax on those vehicles.

Mr. Minister, it is also a fair comment, with respect to other businesses which are acquiring capital equipment, it adds a fairly stiff burden on businesses which need additional capital, because by and large the sales tax is levied on that capital equipment.

Mr. Minister, our position with respect to the federal sales tax is, it should never have come into being, but, and this is the point I was making earlier, if we must have a federal sales tax, then we should have one sales tax in this country and not two. That's the point I was making, Mr. Minister.

So I don't want to be misunderstood. Nothing I said should lend any support to the substitution of income . . . of consumptive taxes from income taxes. We think it's retrogressive and not a progressive taxation system. We think, more specifically, it's injurious to the economic health of the country.

But if we must have two taxes, if we must have a federal sales tax, then we should have one sales tax in the country, not two. And that's the point I was making.

Hon. Mr. Lane: — Well let me just respond again, because in terms of the point you made that capital equipment would become more costly, the advice I have is that those input costs are at zero, so that that's not the case . . . (inaudible interjection) . . . No. That's precisely the way the system will work — that those come in at zero.

Secondly, as I indicated in my response to the opposition the other day about the national sales tax, one of the difficulties from Saskatchewan's position, there are some sectors in our provincial economy that benefit, because . . . some sectors benefit — manufacturing, processing, that now pay the manufacturing sales tax . . . That can include some restaurants. Okay . . . (inaudible interjection) . . . Well for some of their equipment, that's right . . . (inaudible interjection) . . . No. Well I'm telling . . .

An Hon. Member: — It is not revenue . . .

Hon. Mr. Lane: — No. That's not my point. My point is that those that are now paying . . . And you can research this yourself. The present manufacturing sales tax — okay? — whoever they may be — and you can check it out — will probably pay less through a national sales tax because one of the objectives of the national sales tax reduce the federal manufacturing sales tax. It's one of the stated objectives. That is the one point on which the three national parties agree . . . (inaudible interjection) . . . Right, right. But you're taking it zero at each stage. If it's an input cost, you'll ultimately pay zero, okay?

I mean, I'm not trying to sit here and debate with you as to the imposition of the tax, I'm trying to indicate some of the difficulties in the assessing, and until we get the details, not only of the imposition of the tax and how it works, but secondly, because I believe it important, and I believe it responds to the point that the hon. member makes, is what are the expenditure offsets; are they adequate enough to offset for particularly low income people the imposition of the tax?

That's going to be a matter of some debate, and that's going to be a matter of some analysis. We don't have that yet. So there are offsets that can happen, and we just simply do not have those yet.

Motion agreed to.

Hon. Mr. Lane: —

Resolved that a sum not exceeding \$476,798,400 be granted to Her Majesty on account for the 12 months ending March 31, 1990.

Motion agreed to.

Hon. Mr. Lane: —

Resolved that towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1990, the sum of \$53,675,000 be granted out of the Saskatchewan Heritage Fund.

Motion agreed to.

Hon. Mr. Lane: —

Resolved that a sum not exceeding \$53,675,000 be granted to Her Majesty on account for the 12 months ending March 31, 1990.

Motion agreed to.

The committee reported progress.

FIRST AND SECOND READING OF RESOLUTIONS

Hon. Mr. Lane: — I move that the resolutions be now read the first and second time, Mr. Speaker.

Motion agreed to and the resolutions read a first and second time.

APPROPRIATION BILL

Hon. Mr. Lane: — By leave of the Assembly, I move:

That Bill No. 48, an Act for Granting to Her Majesty certain sums of Money for the Public Service for the Fiscal Year Ending March 31, 1990, be now introduced and read the first.

Leave granted.

Motion agreed to and the Bill read a first time.

Hon. Mr. Lane: — By leave of the Assembly and under rule 48(2), I move that the Bill be now read a second and third time.

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

ROYAL ASSENT

At 5:04 p.m. Her Honour the Lieutenant Governor entered the Chamber, took her seat upon the throne, and gave Royal Assent to the following Bills:

- Bill No. 4 — An Act to amend The Residential Services Act
- Bill No. 5 — An Act to amend The Line Fence Act
- Bill No. 10 — An Act to amend The Public Trustee Act
- Bill No. 14 — An Act respecting Consequential Amendments to certain Acts resulting from the enactment of The Municipal Board Act
- Bill No. 15 — An Act to amend The Queen's Bench

Act.

- Bill No. 01 — An Act to amend an Act to incorporate St. Margaret's Hospital (Grey Nuns) of Biggar.
- Bill No. 48 — An Act for Granting to Her Majesty certain sums of Money for the Public Service for the Fiscal Year Ending March 31, 1990

Her Honour then retired from the Chamber at 5:08 p.m.

The Assembly adjourned at 5:09 p.m.