

July 17, 1989

EVENING SITTING

COMMITTEE OF THE WHOLE

Bill No. 52 — An Act to amend The Queen's Printer Act

Mr. Chairman: — Would the minister introduce his officials.

Hon. Mr. Andrew: — Ian Brown, the chief legislative Crown counsel, and the other two I've introduced before.

Clauses 1 to 3 inclusive agreed to.

The committee agreed to report the Bill.

Bill No. 42 — An Act respecting the protection of spousal rights in Homesteads**Clause 1**

Mr. Koskie: — Thank you, Mr. Chairman. I note that there is a couple of changes in respect to The Homesteads Act, and one in respect to The Matrimonial Property Act. And in bringing about the changes to The Homesteads Act, I just wonder what degree of consultation you had with various groups as it relates to The Matrimonial Property Act and to any of the other substantive changes that you made in respect to the Act.

Hon. Mr. Andrew: — We consulted with the following groups: the Immigrant Women of Saskatchewan, the provincial council of women, the Saskatchewan Action Committee on the Status of Women, Saskatchewan Women's Advisory Council, Saskatchewan Women's Institute, Saskatchewan Women's Agricultural Network, Aboriginal Women's Council of Saskatchewan, Treaty Indian Women's Council, Saskatchewan Business and Professional Women's Clubs, Saskatchewan Battered Women's Advocacy Network, YWCA of Saskatoon, Regina, and Prince Albert, Saskatchewan Matrimonial Property Coalition, Saskatchewan branch, Canadian Bar Association.

Mr. Koskie: — I take it that you ran this by the law society and their group?

Hon. Mr. Andrew: — Law Society of Saskatchewan.

Mr. Koskie: — I just wonder, in respect to a definition of homestead, are there any particular changes there that have been added to the old definition?

Hon. Mr. Andrew: — Just the inclusion of both spouses as opposed to and when it relates to the occupancy of the homestead.

Mr. Koskie: — But, Mr. Minister, why did it take you so long to give the same rights to men as women had under the homesteads?

Hon. Mr. Andrew: — I've only been in this job a couple of years.

Mr. Koskie: — I just want to look at a couple other

sections. In section 3 there's just a couple of questions so I'll run through it this way . . . duration of homestead. And I note in subsection (e):

owning spouse and non-owning spouse enter into an interspousal contract pursuant to The Matrimonial Property Act providing otherwise.

I take it this is when, under The Matrimonial Property Act, they enter into disposition and agree to it, pursuant to a contract. Is that the intent of that subsection?

Hon. Mr. Andrew: — The Homesteads Act never acknowledged any agreement entered into by husband and wife or under The Matrimonial Property Act. So if you entered into an agreement, your agreement could cover everything except the law never allowed it to cover the homestead. This now allows that agreement also to cover the homestead.

Mr. Koskie: — And then under section 6(4), just take a note there, where it says: "A person acting under a power of attorney shall not sign the consent required pursuant to this section" — I'm wondering the rationale for that.

Hon. Mr. Andrew: — That's existing now. Very often you have somebody appointed as a power of attorney, and it was always felt that a power of attorney would be substantially limited to things other than the transfer of land, and that's . . . I don't think anyone anticipated that the power of attorney . . . Very often people have a power of attorney signed if they're going away for a time to handle some of their affairs and they would not want them to be able to do that.

Mr. Koskie: — And under one other . . . A couple of other questions. Under section 7(2), "The acknowledgement described in subsection (1) may be made before:" and they have a list there. Are there any changes or additions there?

Hon. Mr. Andrew: — We removed the registrar of land titles. Before it read, "the registrar of land titles and the court", and we added there, "the Provincial Court of Saskatchewan" and "the Court of Appeal."

The Chairman: — Is it all right to go page by page? Agreed.

Page 1 agreed to.

Pages 2 to 12 inclusive agreed to.

The committee agreed to report the Bill.

Bill No. 50 — An Act respecting Certain Amendments to Certain Acts resulting from the enactment of The Homesteads Act, 1989

Clauses 1 to 7 inclusive agreed to.

Clause 8

Mr. Koskie: — Mr. Chairman, in respect to item 8, the section 46 of The Public Trustee Act was repealed and the

new provision was put in. I ask the minister, what is the essence of the changes that is made by repealing the previous section 46 and putting in 46(1)?

Hon. Mr. Andrew: — Why is that it uses the same terminology as is contained in The Homesteads Act, dealing with the spouse, etc., different meanings of the spouse.

Mr. Koskie: — Could you just clarify that a little more. I don't quite follow you on that.

Hon. Mr. Andrew: — There would be no change in substance of this particular section. It is required because of the change in . . . that we just went through in The Homestead Act for non-owning spouse, that type of thing. And that's what it's designed for, is to cover that off.

Clause 8 agreed to.

Clauses 9 to 12 inclusive agreed to.

The committee agreed to report the Bill.

Bill No. 83 — An Act to provide for the Postponement of the Tabling of Certain Documents

Clause 1

The Chairman: — Would the minister introduce his officials.

Hon. Mr. Hodgins: — Mr. Chairman, I'd like to introduce to you Doug Moen, and I'm just not sure what his title is. He is with the Department of Justice. And I'd also like to introduce Lynn Minja to the committee.

Mr. Lingenfelter: — Yes, Mr. Chairman, I just want to ask a few questions of the minister carrying this Bill through. And I notice the member from Regina South hollering from his seat. Is there something wrong with you, or what's the problem over there?

I just want to ask a few questions about the late tabling of documents, as to why in the world at this late date, the 78th day of the session, we're introducing . . .

An Hon. Member: — Plus 17 where we rang the bells.

Mr. Lingenfelter: — Yes, plus 17 where we rang the bells. That would have given you an extra 17 days.

Mr. Chairman: — Order, order. Allow the member to make his comments.

Mr. Lingenfelter: — And the Minister of Health says that includes . . . or doesn't include the 17 days we rang the bells in order to protect the SaskPower Corporation, which we're still fighting for; that after all that time, Mr. Minister, your government still hasn't got its act together to the point where you've got the documents ready to table. I think that's incredible.

And I go through the list and I see, first of all, the Agricultural Development Corporation. Now that would obviously be the Premier of the province. He hasn't got

his work done. Can you tell me why the Premier of the province wouldn't have that report ready?

Hon. Mr. Hodgins: — Thank you, Mr. Chairman. Mr. Chairman, I would like to respond to the opposition member, firstly by saying that this is not an unusual event. This is not an unusual Bill to be brought forward. I would expect, Mr. Chairman, and I would ask the hon. members to correct me if I'm wrong, but I would expect that the hon. members would admit that under previous administrations, in other years, similar type legislation was passed. I say, Mr. Chairman, that certainly it is not unusual whatsoever.

What is unusual, Mr. Chairman, is that we are sitting at this time of year, and normally, I think, if you look over history, Mr. Chairman, you would find that normally we are not in the legislature. But this, for that reason, Mr. Chairman, and consistent, I might add, with past practices in other years under other administrations, you would find the same event taking place.

Mr. Lingenfelter: — Mr. Minister, I wonder if you would give me the list of the documents that have not been tabled to this point. Can you get me the list and read them out to us so we know which ones you're having trouble with, which ministers aren't doing their work over there. I mean, here we're talking about ministers who are getting paid close to \$100,000 a year.

The Minister of Labour preaches about low income families, how they should be more responsible and plant gardens and that sort of thing. And yet you people, who have had the better part of a year to prepare your documents, come here, high paid, high paid staff to help you, and don't have your work done. Can you give me a list of those reports that have not been yet tabled?

(1915)

Hon. Mr. Hodgins: — Yes, Mr. Chairman, I'd be happy to provide that to the hon. member and I will send that across the floor, and you will find that there's only a handful of these. Economic development foundation of Saskatchewan, Heritage Fund Saskatchewan, Liquor Board superannuation fund, Saskatchewan Pension Plan, superannuation supplementary provisions, and the student aid fund. And I'll provide these. I'll send them across with the page so the hon. member does have a copy of it.

Mr. Lingenfelter: — Mr. Minister, these are the ones that have not been tabled to this point. Can you now give me a list of those that were tabled late, where the ministers broke the law, in fact broke their own law that they make in terms of late tabling. Can you give me a list of those ministers who in fact broke the law.

Now we know there's been a number of cases during this session where ministers actually broke the law. Advertising illegally against the Securities Commission — that was one minister who broke the law. But in this case, how many ministers in late tabling of documents were in conflict with your own legislation? Can you give me that list?

Hon. Mr. Hodgins: — Mr. Chairman, I think the hon. member would know that there are a large number of these documents to be filed every year. The hon. member would know that of that great, big, long list that is filed every year, I have provided to him the list of annual reports that have not yet been tabled. And I would think, Mr. Chairman, that that should be sufficient information for the member opposite.

Mr. Lingenfelter: — I don't think it's up to you to decide what information we should ask for or that should be given. I mean, the committee has a history of providing information — not to me, because it's important to me, but the important reason is so the public of the province know that this government isn't doing their work. Well I want to go through the list. If this is how we have to do it, if we have to take this long to do it, I'll go through the list one by one, because I have them here, and ask you which one of them, whether or not they were tabled on time or whether they were tabled late.

Mr. Chairman, you will know there is a much easier way of doing this, and that would be for the minister to come here prepared with the list of information. I mean, this is traditional kind of questions that are asked in this committee. But I want to start out by asking about the Advanced Technology Training Centre annual report. Has that one been tabled, and was it tabled on time?

Hon. Mr. Hodgins: — Mr. Chairman, I would like to respond to the hon. member's question. We do not have right with us the information as to the precise day on which these documents were tabled. I can assure the hon. member that the document that he referred to has been tabled. I will take notice of the question and get back to you and provide you with the exact day on which it was tabled.

Mr. Lingenfelter: — Well I wonder, Mr. Chairman, if the minister could have someone go out and get that information or whether we should adjourn the committee. I mean, this is such a routine question that if we don't have that information, probably what we should do is adjourn the committee and then come back another day when you've prepared the information. And, Mr. Chairman, the Minister of Education keeps yelling from his seat, and I just wonder if you could get . . .

Mr. Chairman: — Order, order. Members have conversations going back and forth across the floor, and I'd ask them, if they have any questions, to ask the minister in committee. And the member from Quill Lakes, if he has any questions, he can certainly rise in his place and be recognized. And members on both sides of the House can ask questions in Committee of the Whole.

Mr. Lingenfelter: — I wondered if the minister could respond to the question, whether he could get the list put together for me. I have some of them that were tabled late, just ones I made notes of as the session went on: the agricultural development corporation I mentioned earlier; Crown investments corporation was tabled late. But it shouldn't be too much trouble for someone just to get that information. As I say, I've got a number of them that were tabled late, but I want to complete this list just so I can check out and do a bit of a report card on which

ministers are actually doing their jobs.

And I'm sure the chairman of the committee would like to know. I mean, obviously he's a taxpayer. He would like to know which of the front-benchers aren't doing their work, as would many people in the public. Because this is a routine job that the ministers know they have to do every year, and the law of the land, the law of the province says there's a certain date when the document should be tabled. And I just wonder whether you can give us the commitment that you'll send someone out to get that information for us.

Hon. Mr. Hodgins: — Mr. Chairman, I would like to respond to the hon. member's . . .

Mr. Chairman: — Order, order. Allow the Minister of Highways . . . Order. Allow the minister to respond.

Hon. Mr. Hodgins: — Thank you, Mr. Chairman. Mr. Chairman, if I could have hon. members' attention here for a few moments I would like to provide this information, and that'll be on both sides of the House. And I don't mean to play chairman here, Mr. Chairman.

Anyway, Mr. Chairman, I would like to respond. Firstly, Mr. Chairman, the opposition and the government have many things to talk about, and I understand that it is the opposition's role to determine how long they want to talk on which item.

I want to make the following case, Mr. Chairman. I don't feel that the legislature should be tied up unduly on this particular item. And I'll make the following case and I'll make the following offer to members of the opposition.

Firstly, the case, Mr. Chairman. This Act, a very similar Act or identical Act has been filed in the Saskatchewan legislature the following years, and I will read them to you, Mr. Chairman: 1966, a Liberal government, if I remember correctly; 1970; 1971, NDP government; 1973, NDP government; 1975, NDP government; 1976, NDP government; 1978, NDP government; 1983 through 1987, five Progressive Conservative governments. So, Mr. Chairman, as I said at the outset, as I said at the outset, there is nothing terribly strange, terribly different or secretive, if you like, about this piece of legislation.

Now, Mr. Chairman, I want to provide to members of the opposition a list that I have here, and I want to be as open and forthright and provide as much information as we have here this evening. And this is a very extensive document, and I'm sure the member opposite will be interested in it, that gives the Act, the tabling deadline, the date tabled for, I think, virtually every one of the documents that was to be tabled.

Now, Mr. Chairman, there may be some specifically that are missing from here. That information I do not have available. But, Mr. Chairman, I do want to provide this, and it's a fairly extensive document, and I trust the members of the opposition will take this as being an answer to most of their questions.

I'll send it over in a few moments, Mr. Chairman.

Mr. Lingenfelter: — Well I appreciate that. I'm not sure why it took the minister so long to give that information, but that is exactly the question I asked 15 minutes ago.

But I think that what I want to say here is the record of this government when it comes to tabling documents and being secretive. You've indicated that the previous NDP government tabled late or moved legislation for late tabling in 1971, and there were other years. There were some years, but few years. I think three of them were election years, '71, '75, '78. The only years, then, of the 11 years that were not election years, there were two, '73 and '76.

What I say to you is that you're late all the time to the point where the auditor in his report talks about the late tabled documents, because it's part of the auditor's job to make sure that things are rolling along smoothly. I believe this is the first time that I can remember where the auditor is now concerned about the fact that you're not tabling the documents on time.

And I just want to ask you what the reason is. Why, when the session has gone on for this length of time, where you're complaining that we should be out of here — and I hear this over and over again from you people — why should we be out of here when you still haven't tabled all your documents? How can you make the argument that the session should be over? How does that make any sense?

Hon. Mr. Hodgins: — Mr. Chairman, I think the hon. members might be very interested in knowing, if you take closely a look at the list that we have provided, where the documents have been late you will find that these are corporations, if you like, or annual reports from departments that have the latest possible year end, that is the March 31 year end. Departments, Crown corporations, etc., who had earlier year ends, that is, let's say, the end of April, the end of . . . pardon me, the end of February or so, they have been tabled. But these ones, Mr. Chairman, are corporations or departments that have had later year ends, that is, March 31.

And so it's not unusual, Mr. Chairman. It is not a lengthy list. I think if you were to compare this record with the record under any other administration, you would find that it is not unusual. There is not anything terribly, terribly different about this.

And, Mr. Chairman, if members opposite prefer, I will go back through and we will have further discussion on this and we will talk about the tabling of late documents that took place in 1966, and I'm sure there were some good reasons for it. The same tabling of documents late in 1970, 1971, 1973, 1975, 1976, 1978. And, Mr. Chairman, I suppose in those days gone by in history, the same type of arguments were presented on both sides of the House. But I only submit to you, Mr. Chairman, that there's nothing unusual about this; the list is not terribly long; that this list in fact deals with departments or corporations that had a very late year end.

(1930)

Mr. Van Mulligen: — Thank you, Mr. Chairman. Looking at the list, I'm not sure what the minister is talking about. I see here, for example, Saskatchewan Grain Car Corporation, annual report to July 31, 1988, and those people were able to table their report in time, or were able to report it.

I want to deal with the reports that have not yet been tabled. And in view of the auditor's comment the previous year, which — and I stand to be corrected in this — evinces for the first time concern about the late tabling of annual reports by the government, in view of the auditor's comments and concerns, I wonder if the minister can tell us in each case, the reasons why these reports have not yet been tabled, that is to say: the economic development foundation of Saskatchewan; the Heritage Fund, Saskatchewan; the Liquor Board superannuation fund; the Saskatchewan Pension Plan; the superannuation supplementary provisions; and the student aid fund.

It would seem to me that in light of the auditor's comments, hopefully there would have been some follow-up by the government to the effect, to agencies, departments, and Crown corporations, that reports must be tabled on time. And I wonder, in view of this, have you received any comments from the ministers concerned as to the reasons why these reports have not yet been tabled, and can you provide those reasons here tonight?

Hon. Mr. Hodgins: — Thank you, Mr. Chairman. I am advised by my officials that the first Bill on which you had a question, that there is nothing to report; and the second one, the information is still being compiled.

Mr. Van Mulligen: — I have a list here of six reports and the first, the economic development foundation of Saskatchewan, you're telling me that there's nothing to report; you have no indication from anyone as to the reason why this report has not yet been tabled. And in the case of the Heritage Fund, Saskatchewan, you're saying the information is still being compiled.

Can you tell me who is the minister responsible for tabling the economic development foundation of Saskatchewan report, and when it was to have been tabled. Also with respect to the Heritage Fund, Saskatchewan, can you tell us who the minister responsible is, when that should have been tabled, and can you also advise in this case the reason for the delay. And once we go through those two, I'd like to deal with the other four. Let's deal with those two first.

Hon. Mr. Hodgins: — Mr. Chairman, in answer to the hon. member's question, I am advised that the minister of the economic foundation agency or department is the hon. member for Maple Creek. I am advised that the reason for no report being tabled is that that particular department or agency, or whatever form it takes, is not really an active agency or department, so therefore no report would be filed.

With respect to the Heritage Fund report, I am advised that the information is still being compiled on that and it will be provided as soon as the information is gathered.

I do say, Mr. Chairman, that many of these questions would be well-known to members of the Public Accounts Committee, and I have been advised that we do have a list here that comes from the Public Accounts Committee, that talks about or lists all of the departments or corporations and the date of the year end of them and when they were tabled. So I do have that available for the hon. member's perusal.

Mr. Van Mulligen: — I appreciate that, Mr. Minister, and having the list, I still don't understand how these things can come in late.

I just want to deal with the economic development foundation of Saskatchewan. If this is a non-active agency, then what is the problem in providing the annual report, if nothing really changes? If you're saying that, notwithstanding The Tabling of Documents Act, this agency does not report because it doesn't exist any more, then why don't you change the legislation to deal with this accordingly?

In terms of the Heritage Fund, I wonder if you can tell the people of Saskatchewan what is the hold-up, the reason for the hold-up in the reporting with respect to the Heritage Fund, Saskatchewan.

Hon. Mr. Hodgins: — Mr. Chairman, I do take note of the hon. member's point with respect to the economic development foundation. And if it is not an active foundation, the hon. member raises a very good point as to why a simple letter would not go forth to the appropriate place and say exactly that, that it is not an active foundation and therefore no report needs to be filed. I have directed my officials to investigate that and take that recommendation under advisement, and I think it would be safe to say, hon. member, that that is a very good suggestion and we will certainly follow up on it by using that practice if and providing there are no sound bureaucratic reasons why such should not be done. So I thank the hon. member for that suggestion.

With respect to the Heritage Fund report, I can tell the hon. member that that information is being compiled and certainly the document will be tabled and I would think reasonably soon. And I only stress again that this is not inconsistent with other years practices.

Mr. Van Mulligen: — There's a lot of people in Saskatchewan who believe that the Heritage Fund is kind of a non-active entity as well, but I assume that it is still active and that there are still matters worthy of report to the Assembly and to the people of Saskatchewan, and I'm prepared to let that one go.

But I wonder if you might give us an undertaking to contact the minister responsible, and I assume that to be the Minister of Finance, and ask him to provide in writing some reason as to why the Heritage Fund report has not yet been tabled and to put that in writing. If you can give us that undertaking then we can get on to the other ones.

Hon. Mr. Hodgins: — Yes, I'd be happy to do that.

Mr. Van Mulligen: — I wonder at this point then if we can have a brief explanation in each of the cases: the Liquor

Board, Saskatchewan Pension Plan, the superannuation supplementary provisions, and the student aid fund, as to why these are also not yet tabled.

Hon. Mr. Hodgins: — Thank you, Mr. Chairman. Mr. Chairman, I do not have the detailed information on each one of these departments, and I think the hon. member may certainly understand that. It's very difficult for me to have that type of information directly at my fingertips. I can only stress again that this is not an unusual practice. I can tell you that certainly, with some of these different agencies, heavy work-loads have caused some delay. I would think the fact that we're sitting in the legislature for an extended period of time, and the fact that Her Majesty's Loyal Opposition has asked a lot of questions over the past four months, might have taken some extra time. I would think that that case could be argued. But notwithstanding those types of arguments, I will commit to the hon. member that I will take it upon myself to make directives to these various departments or agencies, to bring to their attention the fact that they are indeed tardy in tabling these documents, and I will suggest to them that with all reasonable haste that these documents get filed.

Mr. Van Mulligen: — I don't have any more questions as such, but I did want to make a comment, and perhaps the minister might want to react to that, Mr. Chairman. That is simply to say that members of the Legislative Assembly, those that are not members of the executive government, have a responsibility to hold a government, the executive government, accountable for its actions, and for its spending. One way we have to be able to do that is to receive the annual reports of the departments, agencies, and Crown corporations for which the executive government has a responsibility, and has been entrusted with that responsibility as a result of a general election. One of the few ways that we have to hold the government accountable is through these annual reports.

Now it's recognized and it's understood that throughout the course of the years that not every year are all reports on time, and you've made mention of that and I agree that that has been the case. But the auditor, for the first time in the history of the auditor's reports, has made mention of this and has pointed out the fact that these reports are late, are not being tabled on time; therefore the information that should be coming to the members of the Legislative Assembly in order to be able to hold a government accountable are simply not being provided on time; therefore members of the Legislative Assembly are not able to do the job that they're supposed to do in a timely and effective manner. For the first time, he pointed that out.

Now it seems to me that having done that, having done that, the government should take cognizance of the auditor's comments and be more sensitive in this matter. And I think that it's reasonable now, in light of the auditor's comments, that when this matter becomes before the Assembly, that is to ask the Assembly to pass a Bill about postponing the tabling of certain documents, that it's incumbent on the government to have a clear and succinct explanation in each case as to why documents are late, or why they're not yet tabled.

I think that's a reasonable expectation for members of the

Legislative Assembly to have. I expect that in the future that will be your conduct and that you will in fact be able to provide a full report in each case.

Thank you.

(1945)

Mr. Rolfes: — Mr. Chairman, I had not intended to be on my feet on this one, but the Minister of Education has been speaking from his chair all evening, and I've got a little perturbed because when we did his estimates, Mr. Chairman . . . And I was going to leave this for this evening, but I want to say to the minister that when we did his estimates . . . why it's important, why it's important that annual reports be tabled.

Because the one that isn't tabled is the student aid fund. And during our estimates, Mr. Minister, it was found out that in this past year well over a million dollars of student loans were made to students who attended private schools that are very questionable — one particular private school that's very questionable. But we didn't have the information at our fingertips in order to question the minister more vigorously on his responsibility on protecting public funds.

Now, Mr. Minister, I want to ask you: do you not feel that it is reasonable for us to have those annual reports available, particularly the student aid fund, which the deadline was March 31?

You had indicated that, well the House has been in session for a long time and we have been asking a lot of questions, which is true, but substantially the annual report should have been finished by March 8, when the House was called. Do you not believe, Mr. Minister, that that is a reasonable request, that that is a reasonable request of the opposition, to have that annual report ready for the House when the estimates are due?

Mr. Minister, I want to ask you: why is the student aid fund report not tabled? And I don't think you can use as an excuse that because the House has been sitting, the officials just simply didn't have the time to get it done, because the deadline, as indicated in the paper you just gave us, is March 31. Now the House didn't open until March 8. I would assume that substantially the report would have been finished. And hopefully, you can give me some reason as to why that report has not been tabled in the House by now.

Hon. Mr. Hodgins: — I can only tell the hon. member that once again, once again, every year, virtually every year there are some reports that are late. And it's happened under all administrations over the history in the province of Saskatchewan. I will take note of the hon. member's request, specifically on the student aid fund. I will make inquiries and have that report brought back to me, and I would be happy to provide in writing to the hon. member the reasons why this particular report has been late. And I'd be happy to provide that to you.

Mr. Rolfes: — Mr. Chairman, I have one or two more questions. I want the minister to note, on the paper that you have distributed to us, on the student aid fund, tabling

deadline for 1987 was March 21; it was tabled on March 10. And the tabling deadline for 1988 was March 31, but the date tabled in 1988, it says nil. Would you explain what that means — no comment, or no date available, or was it not tabled at all? Is that what that means?

Hon. Mr. Hodgins: — That simply means that that report has not been tabled.

Mr. Rolfes: — And you say that you are going to provide the information to us as to why that report has not been tabled. Now, Mr. Minister, I want to just draw to your attention, because the Minister of Education didn't take it very seriously, but I want to draw to your attention one particular private vocational school. And it's been brought to our attention, and we've had a lot of problems brought to our attention because of that private school, and that is Bridge City College.

The minister did indicate in his estimates that over a million dollars' worth of loans were issued to students who attended Bridge City College, but very, very few students ever graduate from Bridge City College. In fact, I believe in one particular course only two out of 49; in another one, seven out of 21. Now that's a lot of public funds being given to students who attend a private vocational school but never graduate.

And I think we as an opposition not only have the right but the responsibility to garner all the information we can to question the minister on whether or not he's carrying out his responsibility in protecting the rights of the people. Now that student aid fund would have been very valuable to me, as an opposition critic in advanced education, to have that information.

My other question to you, Mr. Minister, is this: are they substantially rewriting the reports on those that have not been tabled in April, May, and June? Now you did say earlier that one of the reasons for not tabling them was because we've been sitting now for about four months. Are they substantially rewriting those reports, and if they are, why are they?

Hon. Mr. Hodgins: — Mr. Chairman, I think that an accusation by the hon. member that the reports are being rewritten, I don't believe that that is true in any sense of the word. I can only say again, Mr. Chairman, that it's not an unusual practice, for a wide variety of reasons, that some, some of the many reports that are required to be tabled are at times late.

I well can say to the hon. member that the Provincial Auditor has brought this to the attention of the government. And I do believe, Mr. Chairman, that it has even been reported in the media that the Premier of this province has issued directives to all ministers and to all departments that if possible these reports should be tabled on time; that unless there are very good reasons, we should make every, every best effort to have them tabled on time.

I cannot provide to the hon. member a detailed argument on each case as to why some of the many ones have not been tabled. I only give the hon. member this commitment, that we will make every best effort and

every reasonable attempt to have these reports brought forth to the people of Saskatchewan as quickly as possible.

The hon. member has shown some personal and intense interest in the student aid fund. I make the following personal commitment, that I will provide to you reasons and in fact histories of when this document with respect to the student aid fund has been late in the past and for what reason it is late this year.

Mr. Rolfes: — Mr. Minister, just a couple of comments. First of all, your comment on the Premier giving some directives to the ministers. I appreciate that very much, but let me tell you that the Premier also gave a directive in this House and also made a commitment in this House that we would be able to study in detail the Provincial Auditor's report in public accounts, which was stymied then by the government members opposite who refused, who simply refused to deal with the Provincial Auditor's report as it has been done in the past.

And so I welcome the comments of the Premier and I hope that he will have some influence on those ministers who do table reports late.

But I want to tell you, Mr. Minister, if you are not aware, that there are ministers on that side who in the past have sat on annual reports and refused to table them when they were ready; that they were in their offices and simply refused to table them.

And so I'm somewhat leery about taking you at your word, although I hope that this is true that you will see to it that these reports are tabled in the future on time. Because in order for us to do our work, and the members opposite, not the cabinet ministers, for them to do their work, we need those reports.

And I think the Provincial Auditor made it very clear in his report that too often those reports are untimely and they are too old. They are simply information that no longer anybody's interested in. And I think we cannot serve our duties and our responsibilities if those reports are not tabled in this House on time, and particularly when the ministers have them and are sitting on them in their offices. And those things have happened in the past and I hope that you will see to it that that will not take place in the future.

Hon. Mr. Hodgins: — I certainly thank the hon. member for his comments, and I will only conclude by saying this: I certainly will have directives given to all the departments, and there's only a handful of them if you look at the list, that have been late, and certainly I will bring the whole matter that has been under discussion this evening to the attention of all of these departments, and the member may count on that.

Clause 1 agreed to.

Clauses 2 and 3 agreed to.

The committee agreed to report the Bill.

(2000)

THIRD READINGS

Bill No. 25 — An Act to amend The Saskatchewan Pension Plan Act

Hon. Mr. Hodgins: — Mr. Speaker, I move that this Bill be now read a third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

Bill No. 29 — An Act to amend The Tobacco Tax Act

Hon. Mr. Hodgins: — Mr. Speaker, I move that this Bill be now read a third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

Bill No. 61 — An Act to amend The Financial Administration Act

The Speaker: — When shall this Bill be read a third time?

Hon. Mr. Hodgins: — With leave now, Mr. Speaker. Leave granted.

Hon. Mr. Hodgins: — Mr. Speaker, I'm sorry, I retract asking for leave. Technically, I was incorrect and I simply move third reading of that Bill.

Motion agreed to, the Bill read a third time and passed under its title.

Bill No. 35 — An Act respecting the Implementation of the Grasslands National Park Agreement

Hon. Mr. Hodgins: — Mr. Speaker, I move that this Bill be now read a third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

Bill No. 73 — An Act to amend The Saskatchewan Human Rights Code

Hon. Mr. Hodgins: — Mr. Speaker, I move that this Bill be now read a third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

Bill No. 19 — An Act respecting Victims of Crime

Hon. Mr. Hodgins: — Mr. Speaker, I move that this Bill be now read a third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

Bill No. 31 — An Act respecting Certain Adults Requiring Guardianship

Hon. Mr. Hodgins: — Mr. Speaker, I move that the

amendments be now read a first and second time.

Motion agreed to.

Hon. Mr. Hodgins: — Mr. Speaker, by leave of the Assembly, I move that the Bill be now read a third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

Bill No. 32 — An Act respecting certain Consequential Amendments to certain Acts resulting from the enactment of the Dependent Adults Act

Hon. Mr. Hodgins: — Mr. Speaker, I move that the amendments be now read a first and second time.

Motion agreed to.

Hon. Mr. Hodgins: — Mr. Speaker, by leave of the Assembly, I move that the Bill be now read the third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

Bill No. 52 — An Act to amend The Queen's Printer Act

Hon. Mr. Hodgins: — Mr. Speaker, I move that this Bill be now read the third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

Bill No. 42 — An Act respecting the protection of spousal rights in Homesteads

Hon. Mr. Hodgins: — Mr. Speaker, I move that this Bill be now the third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

Bill No. 50 — An Act respecting Certain Amendments to Certain Acts resulting from the enactment of The Homesteads Act, 1989

Hon. Mr. Hodgins: — Mr. Speaker, I move that this Bill be now a third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

Bill No. 83 — An Act to provide for the Postponement of the Tabling of Certain Documents

Hon. Mr. Hodgins: — Mr. Speaker, I move that this Bill be now the third time and passed under its title.

Motion agreed to on division, the Bill read a third time and passed under its title.

ROYAL ASSENT TO BILLS

At 8:13 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. 41 --	An Act to amend The Agricultural Credit Corporation of Saskatchewan Act
Bill No. 55 --	An Act to establish the Agriculture Development Fund
Bill No. 69 --	An Act to provide for the Financial Stability of Agriculture
Bill No. 74 --	An Act to amend The Saskatchewan Farm Security Act
Bill No. 19 --	An Act respecting Victims of Crime
Bill No. 25 --	An Act to amend The Saskatchewan Pension Plan Act
Bill No. 29 --	An Act to amend The Tobacco Tax Act
Bill No. 31 --	An Act respecting Certain Adults Requiring Guardianship
Bill No. 32 --	An Act respecting certain Consequential Amendments to certain Acts resulting from the enactment of The Dependent Adults Act
Bill No. 35 --	An Act respecting the Implementation of the Grasslands National Park Agreement
Bill No. 42 --	An Act respecting the protection of spousal rights in Homesteads
Bill No. 50 --	An Act respecting Certain Amendments to Certain Acts resulting from the enactment of The Homesteads Act, 1989
Bill No. 52 --	An Act to amend The Queen's Printer Act
Bill No. 61 --	An Act to amend The Financial Administration Act
Bill No. 73 --	An Act to amend The Saskatchewan Human Rights Code
Bill No. 83 --	An Act to provide for the Postponement of the Tabling of Certain Documents

Her Honour retired from the Chamber at 8:17 p.m.

COMMITTEE OF FINANCE

**Consolidated Fund Budgetary Expenditure
Saskatchewan Crop Insurance Corporation
Ordinary Expenditure — Vote 46**

Mr. Chairman: — I'd ask the minister to introduce the officials.

Hon. Mr. Hardy: — Thank you, Mr. Chairman. On my left here I have Henry Zilm, president of the Saskatchewan Crop Insurance; behind me here I have Walt Charabin, manager of finance; directly beside him is Bev Baber, administration and human resources; and over here I have Keith Hayward, analyst, planning and development.

Item 1

Mr. Upshall: — Thank you, Mr. Chairman. Mr. Minister, I have a list of questions that I will send across to you for your reply as soon as possible. They include the names, titles, and salaries of all ministerial personnel and staff and any change in those salaries in the last year; for 1989, the number of out-of-province trips taken by the minister, identifying in each case the destination, persons accompanying the minister at government expense, cost of the trip, and purpose of the trip, and for 1989-90 the total amount budgeted for out-of-province ministerial trips; for 1988-89, total amount spent by the agency on advertising, and for 1989-90 the

total amount of budget for advertising; for 1988-89, the total amount spent by the agency on polling and market research, and for 1989-90, the total amount budgeted for these purposes; and did the agency use any chartered aircraft during 1988-89, and if so, what cost, and what amount has been budgeted for charter in 1989-90.

Mr. Minister, when could I expect this information?

Hon. Mr. Hardy: — We'll get it to you as soon as we can put it together, within a week. Is that good enough? Probably quicker than that if you want. I can answer some of them right out.

Mr. Upshall: — That's sufficient. Mr. Chairman, Mr. Minister, I would like to ask you a question that dates back a few years, and that is with regards to the higher pay-out of indemnity of an air reel that was used to take off the crop. Is this policy still on the books, or has it been removed?

Hon. Mr. Hardy: — My understanding was that although it was passed before it was put into place, it was cancelled, and we've never done it at all at any time. So although it was talked about earlier, it was never put into place.

Mr. Upshall: — So this is no longer on the books as a policy of the corporation?

Hon. Mr. Hardy: — No. It hasn't been on there for a long time.

Mr. Upshall: — Okay. Mr. Minister, how many employees are presently working at the head office in Melville?

Hon. Mr. Hardy: — The head office in Melville has 105 employees.

Mr. Upshall: — Well, Mr. Minister, 105 employees . . . That's an increase, I believe, of roughly 40 staff. Am I right to assume that there were about 65 in head office in Regina when the corporation left?

Hon. Mr. Hardy: — There's 60 permanent positions and then there's quite a few students during the summer and there's casual and part-time help — they work sharing or, in fact, called in when needed, and there's certain times of year we use them. So that includes everybody that's called or shown on the payroll.

Mr. Upshall: — Mr. Minister, can you confirm that there were 65 employed in Regina when the head office was here, and did that include these part-time staff that you speak of?

Hon. Mr. Hardy: — There was about 60 or 65 permanent and I can get you the exact figure if you want. We can go back into the . . . But there was about 10 or 15 casual people here in Regina as well.

Mr. Upshall: — So 10 or 15 casuals. So now you're saying

there are about 40 casuals, so that's an increase of 30 from the move. Am I right to assume that?

Hon. Mr. Hardy: — That's correct. There's about 40 casual or part-time or students out there at Melville right now. And just so you put it in perspective, as you know, we brought in a province-wide forage program which wasn't there before. We're still cleaning up from . . . Some of those would be on call-back when they're needed from the drought of last year. So they'd still be on our records.

Mr. Upshall: — Mr. Minister, last year you made reference to, when I asked the question about why the payments were late coming, and you quoted the reason for that was the move to Melville. Now this year there are also a number of payments that are relatively late in going to farmers. Could you explain this in light of the fact that you have an increase of roughly nearly 50 per cent in staff?

Hon. Mr. Hardy: — Just to go back, and I'm sure you're aware of it, but last year we had 94,000 claims, and we hired, as you know, to process that through the office at Melville, as you know, we hired casual or part-time help to help. On top of that, for this year alone we've went from 46,000 grain contracts to 51,000 grains contracts; and we went from 1,200 forage contracts to 15,800 forage contracts, and they all have to be processed through. So that's the reason why the numbers are there.

Mr. Upshall: — Well, Mr. Minister, especially needed in years of a drought is quick service. Just to sort of wind this little area down, with an increase of staff like that, you would think that it would be possible to have these contracts settled in a very short period of time. I just don't know. I mean, we can have all the excuses we want, but I think that in the future it should be noted that farmers who are in tough financial straits right now need crop insurance payments as quickly as possible, and I think it's inexcusable that your department has added staff and still there are many farmers who are having their payments come late.

Now, Mr. Minister, a new question to you: has crop insurance corporation acquired any new computer hardware or software in the last two years?

Hon. Mr. Hardy: — We've acquired six microcomputers in the last year for the different offices around the province.

Mr. Upshall: — Were any of the old computers replaced, or was this just an addition to the fleet that you have?

Hon. Mr. Hardy: — Those would be new ones put in.

Mr. Upshall: — Mr. Minister, just as a point of curiosity, were any of those computers purchased from the GigaText corporation?

Hon. Mr. Hardy: — No.

Mr. Upshall: — Well, I thank you for that. Mr. Minister, you will know that there's a situation where many farmers have their crop insurance cheques intercepted by lending institutions. How many indemnity cheques have been

paid to farmers — not the insured, but to the lenders?

Hon. Mr. Hardy: — There'd be none paid for this year, for 1989. We don't pay to none of the lenders on re-establishment or reseeding. That's paid directly to the farmer at the local office, as you know, the same as a portion of the hail is paid at the local office immediately within 48 hours. So there would have been none paid in 1989 so far to any lending institutions.

Mr. Upshall: — Well could you give me a breakdown for the last three years of the numbers that were paid, of cheques that were paid directly to institutions as opposed to farmers. And, Mr. Minister, while you're at it, could you tell me, break it down even further, telling me how many were made from ACS (Agricultural Credit Corporation of Saskatchewan), or to ACS, rather; how many to lands branch; how many to Farm Credit Corporation; and how many to banking or lending institutions.

Hon. Mr. Hardy: — Just to follow up with the member's question there. I believe he asked that question, or somebody did in Crowns, and we have sent it to the Clerk, all that information, I think, to you. But if you haven't, the Clerk would certainly have it. We forwarded that as you asked for it before to the Clerk, and it's been sent a week or two ago.

Mr. Upshall: — Well, Mr. Minister, I just wanted to get it as a matter of record. I do have some numbers, if you could verify them, if you want to present them: in 1985-86 some 3,041; '86-87, 1,441; '87-88, 1,008. Is that the most current figures you have, and could you verify those for me?

(2030)

Hon. Mr. Hardy: — I would assume if that's the letter that I sent to you, or we sent to the Clerk, that would certainly be the numbers that the crop insurance have. I don't have the letter with me to verify it, and I asked the department and they haven't got it along either. But we could . . . I can check that out to see if that is the same. If it's the same letter I sent you, that's the number that the crop insurance has identified.

Mr. Upshall: — Mr. Minister, along with these cheques that are sent to institutions, I believe there's a \$50 charge. Is that accurate?

Hon. Mr. Hardy: — That's correct; there is a \$50 service charge to lending institutions for registering the claim against any claim that may be filed by a farmer.

Mr. Upshall: — Mr. Minister, are you aware that that charge is passed on to farmers?

Hon. Mr. Hardy: — Well I think in most cases the lending institutions pass on a lot of it. Just so you know what it was for, as you're probably aware, that it does cost a great deal of money to have an assignment, or a great deal of work to have an assignment processed, and it's to cover the cost of processing the assignment. It covers the cost of receiving, accepting, and recording the assignment. It covers notifying the lending institution of the acceptance.

If a claim is payable, a separate assignment cheque is drawn payable to the lending institution rather than the normal processing of the cheque to the insured.

Each transaction must be monitored carefully and scrutinized because the legal responsibility of assignment. In other words, if you have a claim we have to go through them all to be sure . . . or go through the computer make sure it's not on there. And if there are multiple assignments it's even more complicated, so there's a great deal of work by the crop insurance staff to do it and to handle it.

Mr. Upshall: — Well, Mr. Minister, I don't see how a \$50 charge is warranted, although you say there's a great deal of work involved. But the point to be made here is that these farmers who have their cheques assigned obviously are the farmers who are in financial difficulty, and if you want to take the year 1987-88, where the least number of cheques were assigned, 1,008, and multiply that by \$50, that's some \$50,000 coming out of the economy, coming out of farmers' pockets. And it may not sound like a large amount of money, but the point I make is that I don't think it's necessary for crop insurance to put a further burden on farmers who are in financial difficulty.

I have seen this happen in other areas of your government. ACS (Agricultural Credit Corporation of Saskatchewan) are now charging service fees on many of their loans, and I just don't think that's a practice that should be followed by the government, especially because farmers now are strapped for cash. And I think that if your government had any sensitivity at all, it would not be forcing these charges onto the backs of farmers.

Now you may well justify or try to justify that added cost, but when you start taking \$50,000 or so out of the provincial farm economy, that is just another burden that they are . . . another cost they're burdened with. I think it's all because your government is running such a poor ship, spending in areas like GigaText corporation or giving Cargill \$290 million, that you are forced into burdening farmers with extra costs through service fees. And when you add up the service fees from all the departments, not just your department, that puts a tremendous cost on those farmers that can least afford that cost. Now, Mr. Minister, how do you justify that?

Hon. Mr. Hardy: — Well, Mr. Chairman, first of all it is a service to the farmers, and we're sensitive to farmers in the sense that there were some lending institutions, even on a small loan, would request that the department in fact register an assignment against that for that small amount of loan. It certainly has cut back a great deal on that. And I believe it has put responsibility on the lending institutions to be sure it's a relative loan regarding whatever the loan is; it's not just a frivolous type of a loan.

And there was quite a bit of that, and I believe it's a responsible way — \$50,000 spread amongst 55,000 policy holders, and that's what we're talking about. And just to be fair, we do spend much more than \$50,000 going through the assignments one on one.

Each time there's an assignment or each time there's a claim you have to make sure that there's not an

assignment against that claim. You have to make sure that it's been paid. You have to make sure that the farmer's notified. There's a whole series of things to do.

And it does allow the farmer then to in fact . . . And in fact I believe it allows the financial institutions to therefore lend the farmer money, and it could well even keep their interest costs down.

Mr. Upshall: — Well, Mr. Minister, I do not accept your interpretation of that because, as I say, you can say it's spread over 55,000 policy holders, but still it's those people who can least afford who are paying this. So it's really not spread over the 55,000. So I just wanted to straighten you out on that one.

Mr. Minister, can you tell me if a farmer loses his right to dispute his indemnity amount if he deposits his cheque?

Hon. Mr. Hardy: — Could you repeat the question?

Mr. Upshall: — Does the farmer lose his right to dispute his indemnity once his cheque is deposited?

Hon. Mr. Hardy: — Although it says there on the cheque that this is final obligation, or the final obligation of the crop insurance, we have never, ever refused to take a second or a third or a fourth or a fifth look at a farmer who feels he wasn't fairly dealt with.

And he also has — or she, whichever the case may be — has the right to appear before the board, crop insurance board, who are all farmers, and they do review it as well. So not only can he have it a second look at by the crop insurance department, but also he can take it before the board — or she can, whichever it may be.

Mr. Upshall: — Mr. Minister, as you know, many farmers use their indemnity cheques to pay their premiums. Could you tell me what the interest charges are on unpaid premiums and when they start?

Hon. Mr. Hardy: — The charge is 15 per cent per annum, and it's 30 days after the bill is sent before it is calculated. And if it's for your premiums, they're not in effect until . . . It's not payable or due . . . There's no interest charge up to and including September 1. So you get it from the first of the year, or whatever you take it out, April 1, whatever date, right through till September 1 interest free. From then on, there's a 15 per cent per annum on unpaid amounts.

Mr. Upshall: — Mr. Minister, when are the premiums due? What date?

Hon. Mr. Hardy: — Well they're due August 31, September 1, whichever date you want to use; they're both the same.

Mr. Upshall: — Well, Mr. Minister, you give farmers 30 days, and after that you charge them 15 per cent interest on their outstanding premiums at a time when they can least afford it. Why would your corporation not be able to charge a lesser amount of interest? You're acting like the Farm Credit Corporation in Ottawa now, and some of your ACS loans . . . you can get money at a much cheaper

rate than that.

Again, as another added cost — and this is what I was talking about before with regards to the \$50 charge — it's another added cost on to the backs of farmers just to make your corporation look good because you can't run the government well enough to distribute the funds properly.

Mr. Minister, can you tell me why you could not charge a lesser rate of interest, in the area of 8 or 9 per cent?

Hon. Mr. Hardy: — Well first of all, so you understand, the first four months we charge no interest on at all. We cover you for reseedling, re-establishment, or hail, or any crop loss for the first four months, which is coverage with no cost at all, no interest at all. After September 1, therefore, they charge you 15 per cent. The 15 per cent is based on bank interest rate and we set it, I believe, in March.

If the bank interest rates come down — which we borrow the money from, that's where we borrow from to pay these, because the indemnity don't all come in; sometimes you have more payments out than you have indemnities in — therefore as the bank interest rates come down, so does the interest rates that we charge the customers. So if it was to drop by 2 per cent, then we'd look at dropping this 2 per cent.

Mr. Upshall: — Mr. Minister, is the money that you borrow to support these unpaid premiums, are you charged 15 per cent on that money?

Hon. Mr. Hardy: — The money is borrowed through Department of Finance, so whatever their borrowing rate is at the time that we're looking at plus about 2 per cent, which the banks normally do. It was designed . . . And it's been in place for many years; I believe the former administration had the same policy, so it's not a policy that we designed. It's a policy used across Canada; it's not just used in Saskatchewan. And it's been in place . . . Now it's maybe not the best policy and maybe it could be taken a second look at. I wouldn't be against that. But that's the policy that's been in place for many years. It's not something that's been just brought into place. And it's used across Canada. But we do borrow the money; we do borrow the money through the Department of Finance.

Mr. Upshall: — Well, Mr. Minister, I think there's a little different scenario being put forward the last few years, whereby we're seeing, as the other day showed, that over 10,000 intents of foreclosure action being filed against farmers. Now I just find it a little bit unrealistic that your department, your department has to charge 15 per cent interest to farmers who are being strapped for cash, who are having foreclosure notices filed against them, when you can get the money through the Department of Finance at, I would guess . . . You know, Department of Finance at one time at least could get it for a prime rate. And then you turn around and charge 15 per cent. Mr. Minister, can you tell me exactly what the Department of Finance charges you for that money?

(2045)

Hon. Mr. Hardy: — Just first of all to put it in perspective,

the interest charges that are added to the accounts, which is about, I believe, one and a quarter per cent a month, goes into the premium fund, which is all the farmers' fund, which pays the premiums and helps control the cost of premiums. So it's directly back to the farmers in general. And then there's a lot of farmers who do pay it prior to . . . And they have to. Whether they borrowed the money or took it out of their account, there's certainly a direct cost to them. We get the money from the Consolidated Fund or whatever they . . . And that's where the money comes from. So that's the borrowing; that's the cost of borrowing whatever the Department of Finance has to borrow the money from.

And just to put it in its perspective so you understand, there's many farm organizations out there who charge a great deal more. And if you've been to the Saskatchewan Wheat Pool, you'll find out that they're about 2 per cent or one and three-quarters per cent a month, and the Federated Co-op, I believe I saw a bill one day with 2 per cent on it. I'm just saying that to put it into perspective. There's many . . . And that's not the only one. Pioneer Grain charges one and three-quarter per cent a month.

An Hon. Member: — Where's Cargill?

Hon. Mr. Hardy: — Well Cargill probably charges the same amount as the wheat pool does. So they're all in their perspective.

I'm not saying that it's right, that maybe we shouldn't take a look at lowering it, but it's based on those reasons. It goes into the fund — the premium fund — and it tries to keep it equal for all farmers. And it's done across Canada, and it's been done for years — not just this administration, but the former administration, the one before that.

Some Hon. Members: Hear, hear!

Mr. Upshall: — Well Mr. Minister, you can run your government by comparison if you like. The point I'm making is that farmers who, through your government, should be shown some leadership to keep the cost down as much as possible, are not getting the results from that. Mr. Minister, in case you missed the question: what does the Department of Finance charge you for interest?

Hon. Mr. Hardy: — Just to put that . . . To answer that directly, the Department of Finance borrows the money; they then allocate it to the Saskatchewan Crop Insurance so the cost of the borrowing is picked up by you, or the taxpayers of Saskatchewan, and then that money is then put in . . . The interest that comes off of that is collected back, goes into the premium fund to help reduce the amount of premiums. So it's sort of a . . . And then last year, just to put it in its perspective, last year the reinsurance fund which is also part of, that's picked up by the provincial government, a portion of it, last year I believe it's going to cost us almost \$20 million to hold the reinsurance money until we get the money back from the federal government. So those kinds of moneys is what's put in by every taxpayer in this province towards the crop insurance corporation. They're direct costs and they're picked up by the taxpayer through the Consolidated Fund.

Mr. Upshall: — Well in that case, Mr. Minister, it should be very easy then to drop the 15 per cent interest charge. I mean, you can justify it any way you like. The point that I am making is, those farmers who are in financial difficulty are the ones who are unable to pay their premiums right away, so they're picking up the tab. And what you're doing is getting the money from the Department of Finance, picked up by the taxpayers, and you're charging 50 per cent back into crop insurance corporation on the backs of those farmers who can least afford to pay. And I would just suggest that your department and your government is lacking in its responsibilities to agriculture when it carries forward these types of policies.

Now, Mr. Minister, I would like to move on to another topic now. You will recall that the initial price for grain last year was set at 2.99 and throughout the year the price of grain went up and for those farmers who got a crop, they got the advantage of the increased price and their production that they got, and there were some areas of the province who did get not a bad production. But farmers who did not get a crop got hit twice. First of all they did not get the advantage of the increased price and they had no crop. Mr. Minister, can you tell me why there was no adjustment in that price through crop insurance?

Hon. Mr. Hardy: — I don't need any help to handle this one. When crop insurance was . . . When you take out crop insurance, whether it's 2.99 a bushel for wheat or a dollar and whatever it was for barley, that's what your premium was set at when you took it out. Your premium is based on the value of your insurance coverage.

If you were to go back and at the end of any year and say, well all right the price of grains has gone up — like this year where you have the four price options — you could say, well I'll stay at the bottom one and if I have a good crop, I'll take that. If I have a poor crop, I'm going to go up and take the high priced option because I'm only going to pay if I'm going to collect.

Insurance companies don't run that way. Insurance companies run on the value. Your premium is based on the value that you set at the first of the year, whenever you take your fire insurance out on your house, same thing. If your house burns down, you can't go back and change the amount of insurance. The premiums are based on insurance values, or a value of insurance. And there's no difference between that and a house or any other building that you're putting into place.

So to keep it, I guess, in a perspective, it's just based at the amount that you insure it for when you take it out at the first of the year. It can't be changed because if you do, you'd have to change for everybody, and the ones that didn't collect would want to go back, and the ones that didn't, or were in a collectable position, would want to go ahead. That would never work. You'd never have an insurance company at all. It would just go broke.

Mr. Upshall: — Well, Mr. Minister, I think that your counterpart in Alberta disagreed with you last year because he was calling upon Ottawa to increase the price of grain through crop insurance. In fact, I have a clipping here and the headline says, "Saskatchewan says a deal is a deal." And I'll quote:

Saskatchewan won't be asking Ottawa to increase pay-outs under the crop insurance agreement signed earlier this year. (And I go on to quote.) Alberta has responded by asking the federal government to increase pay-outs.

Mr. Minister, you can talk about your price option this year, but that certainly did not help farmers last year, the year of the most severe drought we have seen for many years.

I just wonder why, Mr. Minister, seeing that if . . . It seems to me that if you joined with your counterpart in Alberta, you probably could have got Manitoba on side as well. You could have had some influence to getting the price option increased for farmers for last year, the year where they needed it most. And after all, there is some sort of clout supposedly held by the ministers in your department of crop insurance towards Ottawa. At least we hear it all the time from the Premier.

Mr. Minister, why did you not join with your counterpart in Alberta who seemingly had something . . . some desire, rather, to help farmers by getting the price increase? And you just flatly refused. And you can give me all the excuses you want. In the year where farmers needed the price increase most, you refused to go to bat for them even though Alberta started the ball rolling. If you would have gone ahead, Manitoba probably would have joined in and we could have got a price increase.

Hon. Mr. Hardy: — Well first of all, so you understand, I explained why you don't change anybody's policy, because those who didn't have a claim would sure be upset if they found out their premium's on the way up.

Second, under the Canada grain drought assistance program, part of the formula where you have had a claim takes it from the value of 2.99 to 4.35 a bushel. That is part of the formula takes it up. So if you had had a claim at 2.99 under crop insurance or didn't have it under crop insurance, whatever the case may be, the difference in the bushels that you claimed will . . . also the difference will apply on the 2.99 to the 4.35. So there is a . . . That's taken into consideration under the Canadian grain drought assistance. And that, as you know, is coming out, part of it's been paid now and the rest is coming.

Those things are taken into consideration, so although Alberta has asked for it, it's already in the formula here in Saskatchewan, and I assume it's in Alberta too. Although maybe Alberta hasn't — it isn't in theirs, but it is in Saskatchewan one.

Mr. Upshall: — Mr. Minister, are you saying that that provision was in last year?

Hon. Mr. Hardy: — No, what I said was that under the Canadian grain drought assistance program or grant or whatever you want to call it that's going to be paid out here — part of it's paid out now and the rest is going to be paid out towards the end of this month — that under that they took the value of the wheat from 2.99, is all you could insure it for last year, and took it all the way up to 4.35, and that's part of the formula. So if you sold 10

bushels and there was a difference of \$1.36, that was taken into consideration in the formula — the difference. So you also not only make up the bushels that's been lost, but you also make up the difference on the amount.

Mr. Upshall: — Well, Mr. Minister, last year, last year — my point is — when farmers needed this assistance most, you didn't go to bat for them. And that's the bare truth. Now under this new formula for this year, the base price for wheat is 4.35, and if the price increases there's options. Is there any provision that that base price will go below the 4.35?

Hon. Mr. Hardy: — In some of the grains it's . . . as you know, the Canadian Wheat Board has announced a lower price than the 4.35. But because of the way we've set it up, it can never go below 4.35. So if you have the variable price option, the minimum you'll receive is 4.35 a bushel on no. 2 hard spring red wheat.

Mr. Upshall: — Thank you, Mr. Minister, I'll take as a commitment from you, and we'll see what happens in the future.

Mr. Minister, you will know that the federal government has made statements in the past, in recent past, I guess, saying that they will no longer be funding crop insurance to the same amounts that they have in the past. In their budget they're cited as saying that the federal government will save about \$90 million in 1989-90, and \$110 million in 1990-91. Now, Mr. Minister, can you tell me if you were consulted on this change before the decision was made?

Hon. Mr. Hardy: — Well, they've been consulting with us for the last couple of years over a lot of things to crop insurance. As you know, we had a review panel here in Regina and Saskatoon and invited all the farm organizations to appear before it to review what internally we had put together, and a copy was sent to every farm organization.

Later on this summer, or this fall now I guess it will be, we will go back out to the farm . . . we'll take back out what the farm organizations and the internal committee has put together, take it back out and let all the farmers have a look at it and give us their thoughts on it, on what the changes we're talking about might be. And that's stuff we've been consulting with the federal government — such things as, we've consulted a great deal with the Canada drought assistance program. I mean, we spent hundreds of hours talking with them.

We talked about such things as quarter section, or field coverage. We've talked about individual coverage across the province. We've talked about a forage program, a Saskatchewan forage program, a province-wide one which is in place now. We have consulted with them about other issues, how you could look at different price options, a four-price option, other price options. All those things we've been consulting with the federal government over the last year to a great deal and a lot of detail.

So we've looked at a lot of those things; we've consulted with them not only on such things as . . . we've consulted

with them and talked to them about cost sharing, and that's certainly one that's been talked about, and all the rest I just mentioned. So certainly we've consulted with them a great deal and will continue to do so.

Mr. Upshall: — Mr. Minister, my specific question was: were you notified that the federal government was going to back out of approximately \$200 million worth of crop insurance over the next two years? Did they notify you of that before they announced it in the federal budget?

(2100)

Hon. Mr. Hardy: — Well, certainly we had talked and they had told us that they wanted to have cost sharing of the provincial governments across Canada. As I said, we've talked to them about a lot of things in the way of making very major changes to crop insurance. If there's going to be any cost sharing, it is time that we had a one . . . complete farmer protection package out there. And that's why we've such people as the National Farmers Union to take a look at what we're proposing.

On top of that, just so you know for sure, there is in place an agreement that says they've got to give you five years notice unless you both agree to make a change. So we have in place, and they haven't given us no notice, so we have in place at least a five-year time lag before they can do anything, even if they gave us notice tomorrow.

But what we would like to see, if there's going to be any cost sharing, is a comprehensive insurance policy in place that would give the farmer the level of comfort that he or she needs so they can selectively pick that to suit their needs and we won't have to have *ad hoc* programs where you don't really know what you're getting and what you're not getting. And those should be in fact, you know, picked up by the farmer and by governments. And if that's the case, if it's put into place right and we get a real comprehensive package, then I suppose that we'd take a serious look at it.

Mr. Upshall: — Well, Mr. Minister, in the federal budget of April 1989 it says, and I quote:

It is expected that a rebalancing of the cost to this program (that means the crop insurance program) will result in the federal saving of about \$90 million in 1989, and \$110 million in 1990-91.

Now someone here is not making a connection, because you say there's a five-year lag and you say you've been consulting with the government, and yet the federal government says they're going to cut out \$200 million of cost by 1991.

And, Mr. Minister, you did not answer my question directly. You said you had consultations. Did you know, Mr. Minister, that the federal government was going to put it in its budget, and did they notify you that they were going to cut out \$200 million by 1991 out of their input into the crop insurance program?

Hon. Mr. Hardy: — Well just to go back, it was talked about last July at the federal-provincial ministers' conference. That's a year ago. Since then we've had a lot

of discussion on it. What's in the budget, as you know, they didn't tell us what was in the budget, although we were certainly aware that they were looking and asking for . . . As you know, within the federal and provincial agreement there's two different funding formulas, and they'd like to go to the second funding formula which is what Quebec and some of the other ones have.

Without our agreement they can't do that, without giving us at least a five-year notice. So in fact, if they want to make those kind of changes they have to give us, without our agreement, they have to give us a five-year notice.

I look at it in a broader sense and say if we can get a comprehensive insurance policy available to the farmers so they can pick the level of insurance that he or she needs to protect themselves against disasters or whatever else, then I think that at that time we'd take a serious look at changing it.

But until we have that, an agreement in place — and we've been working with them — we're the major player in the crop insurance, no doubt about it. We're 43 per cent of the farm land in Canada is here in Saskatchewan. There's almost 50 million acres under cultivation. It's a large . . . we're dealing in very large numbers and we have to be absolutely sure that we're giving the farmer the comprehensive package that he or she needs to protect him for the future.

Mr. Upshall: — Well, Mr. Minister, I think the Alberta boards there are without agreement. So obviously by your statement you're telling me that you did agree to an increase of provincial treasury costs due to a decrease in federal treasury costs.

Now, Mr. Minister, I want to quote to you from the **Star-Phoenix** of May 13 of this year. I quote:

Most provincial premiers . . .

This is talking about crop insurance:

Most provincial premiers told Mazankowski they were angered by Wilson's assumption that they had agreed to pay more of the crop insurance costs.

Mr. Minister, by your statements I do not see that you are angered by that at all. Could you tell me if you made representation to the federal government stating that you were amongst the majority of ministers who were angered by the increase in cost to the provincial treasury?

Hon. Mr. Hardy: — I'm not sure the farmer would be angry whether or if, even, two governments agreed to a different cost sharing formula as long as her costs didn't go up.

I'm sure they'd be much more happier if they had a list of opportunities where they could pick out the amount of insurance that they needed to protect their farm in case they have a disaster, or where they get hailed out or rained out, or whatever the case may be. So they can protect themselves to the level of comfort that they need for the next . . . to be able to farm for that year and the year

after. That's what a farmer needs to do to be able to protect himself.

The crop insurance as it was, did not do that. And you know that; they had no options. They had one choice, take it or leave it. We believe there's many, many options out there. A province-wide forage insurance program; a four-price option of all grains; individual coverage for farmers; quarter section or field coverage which farmers have been asking for a great deal; different types of price options or price guarantees; increased price options.

Those are the things the farmers have been asking for. Give us a chance, give us the opportunity to select what we need for our particular farm and we'll do that, and then let these *ad hoc* programs that we argue over and have so much trouble over will all be included in the package.

And I think that's a lot better way for long-term security for the farmer out there because they will know what they need to take to protect themselves for the future, cost-shared by governments.

Mr. Upshall: — Well, Mr. Minister, what I hear you saying is that you're agreeing, you're saying yes to the federal government dumping \$200 million over the next two years onto the backs of Saskatchewan taxpayers; onto the backs of people in Saskatchewan who have the second highest poverty level in Canada; on the backs of a population in Saskatchewan whose net out-migration is almost double that of any other province in this country. And you're sitting there telling me that you're agreeing to putting a greater burden on the taxpayers of Saskatchewan without even a word to the federal government.

Mr. Minister, I ask you, what kind of representation is that on behalf of the Saskatchewan taxpayers to the federal government? What kind of leadership are you providing there?

Some Hon. Members: Hear, hear!

Hon. Mr. Hardy: — First of all, we've certainly been proposing lots of changes to crop insurance. How it's funded, I suppose, is something that will be decided in the future. We know in Saskatchewan here that we've got to have a better insurance policy, a better way of insuring the farmer out there for losses, either for forage or for crops. Right now we have included, I believe it went from 11 to 23 grains under crop insurance. Honey bees is now insured under crop insurance, and we have a province-wide livestock insurance program. Before there was just a few municipalities involved; now the whole province is in. We are gradually bringing into place a comprehensive province-wide type of insurance policies that's available to farmers.

And just to mention, I know you said that the out-migration of people, I heard you mention that for the province. Certainly it's nothing that we'd like to see, but remember from 1971 to 1982, 13,000 farmers left the farm in this province, and that was during the world's best times that the world's ever known as far as economic wise.

Mr. Upshall: — Mr. Minister . . .

Mr. Chairman: — Order, order. Could I just bring to the member's attention that I think that it's a little difficult for the questioner and the minister to hear the question and the answer if all members are really speaking out fairly loudly. So to keep that in mind and have some respect for the member from . . .

Mr. Upshall: — Thank you, Mr. Chairman. Mr. Minister, what you're telling us here is that you're looking for a new, improved crop insurance system, and I don't argue with that. But the scenario before us is that you are going to put onto the backs of Saskatchewan taxpayers an extra \$200 million over the next two years, and roughly \$100 million a year in subsequent years, and then you are going to negotiate this new special crop insurance deal with Ottawa.

Well if I were a federal politician in Ottawa, in the federal government, I would be very willing to make any amendments that you wanted to the system, because who's going to pay for it? It's going to be the farmers of Saskatchewan paying for it and the taxpayers of Saskatchewan paying for it. So I just am amazed at your lack of leadership on behalf of Saskatchewan farmers while negotiating with the federal government. Add to that, Mr. Minister, the fact that, and I'll quote from a news release from March 30 of this year it says, and I quote:

Agriculture Minister Don Mazankowski today cautioned farmers across the country not to rely on special *ad hoc* assistance this year should there be a crop loss as a result of natural disasters. Farmers must protect themselves by contributing to crop insurance programs, Mr. Mazankowski said. This is the federal government's preferred vehicle for providing financial assistance to farmers who suffer crop losses.

So we have the federal government dumping on the taxpayers of Saskatchewan \$200 million in the next two years, then they're saying that there's going to be no other assistance for disasters in Saskatchewan.

Now, Mr. Minister, when you add those two things up, what we're seeing here is that you and your government are standing idly by while the federal government is taking you for a ride under the crop insurance program. They're reducing their costs by roughly \$100 million a year, and now they're saying that there's not going to be any special assistance.

Mr. Minister, can I ask you this: do you guarantee that crop insurance will cover farmers' losses in the future to the degree that the programs out of Ottawa, plus crop insurance, covered them for? Do I make myself clear? Will you guarantee that farmers will be covered under the crop insurance — this new improved program — for the losses they incurred, or loss they will incur in the future, equal to what they got out of Ottawa in the last few years, combined with the crop insurance program?

Hon. Mr. Hardy: — Well, I don't know how you could ever say that *ad hoc* programs, how you would ever

classify it for some areas. In areas where I live the Canada drought assistance for grains probably doesn't even apply. In some areas it would apply to the full amount.

What I can tell the member only is that if we put in . . . and even with what we've got in now, the 4.35 a bushel from 2.99, which is a substantive amount, you take that and the farmer has a half decent crop, he's going to have a lot more income than he did through getting drought and all the other assistance.

On top of that, we have in place a forage program that has an insurance coverage value of \$103 million. That is to cover farmers if they have a drought in their forage end of it. On top of that, when you tie it all together, last year we had \$1.2 billion worth of liability coverage. This year we have in excess of \$2 billion of a coverage for farmers out there, so if there was a disaster we could cover up as much as \$2 billion.

That is all under the program and we would like to enhance that even further; we would like to take it down so you can cover yourself by quarter section or field coverage, whichever makes the best sense. We would like to have individual coverage so you can operate on your own, or in fact take the area coverage in and work from that, which makes a farmer who has been putting fertilizer and putting sprays on and complaining that he can't cover for what his cost is, if he shows his production is up he'll be able to cover for the production of that land, as he's shown as he can produce, at the top rate or the rate he wants to select.

So in fact, because the farmer could have all these options and select his own, he could have more coverage that he has now. But it will be his decision or her decision, it won't be somebody from Ottawa saying, well you can have some or you can't have some. They'll decide for themselves in the spring what they need to take them through that year and the amount of coverage they need and, you know, other things that could be looked at, such things as guaranteed price.

Mr. Upshall: — Mr. Minister, you say that you had some \$2 billion liabilities last year.

An Hon. Member: — I said 1.2.

Mr. Upshall: — 1.2 last year, okay. What happens if the federal government decides that it's out of all the programs, as the federal minister Mazankowski has stated? He said, there's no more programs coming out of Ottawa; you better rely on crop insurance. What happens to the \$425 million coming to Saskatchewan? Will that be covered under the new crop insurance program?

(2115)

The point I'm trying to make is this. I'm sure that the federal minister smiles every time you give him a phone call because, first of all, you let him get away with dumping onto the backs of Saskatchewan taxpayers roughly \$100 million a year. They're opting out of the program by 25 per cent. And then you're saying that there is going to be a new crop insurance program but you're not going to ensure that farmers are going to be covered.

And that's the point I have to make. The minister in Ottawa must smile every time you come down there because every time you do Saskatchewan farmers are losing dollars in their pockets. Now he can tell you that crop insurance is the only vehicle. My question to you is

— and you have not answered it: will crop insurance cover farmers to the same level that all these programs including crop insurance would cover, given a year like last year where the drought was so prevalent?

Hon. Mr. Hardy: — I guess what I've been trying to tell you is that we'd like to put in place a program or a policy that will allow the farmer to buy that level of insurance you're talking about. In other words, they would be able to buy the level of insurance that they feel is necessary to operate their farms, and at 4.35 a bushel, at 20 bushels to the acre, that's about \$90 an acre. If that isn't sufficient, then we're saying that we're even looking beyond that.

If you were at any of the hearings you would know that they said that even look beyond that, and say: instead of staying at 70 per cent, look at 80 per cent or 85 per cent or 90 per cent options, and take it on your own personal 10-year average, which in a lot of cases is a lot greater than crop insurance coverage now. So in fact, you could in fact have a lot more coverage than you have now, or at least you could buy the amount of insurance that you feel is necessary to cover your farm operations and do away . . .

One other thing I want to mention is that Mr. Mazankowski, I believe, made the statement that he wants to have better safety nets for farmers and to try to do away with these *ad hoc* programs so the farmer can have his own safety net, buy it, and it's cost shared by the federal government and the farmer or the federal government, provincial government, whatever it works out to.

And the third thing, remember that the reinsurance, if you go over the amount of premiums collected for that year, like last year, the federal government picks up 75 per cent of the reinsurance fund and carries at their own cost. So remember that that's another cost that they will be sharing with . . . that they have to share with us. So if they did have a disaster at \$2 billion, they could find themselves picking up one awful pile of money in reinsurance claims.

Mr. Upshall: — Well, Mr. Minister, I think you've answered my question indirectly, and that answer you gave is the fact that Saskatchewan farmers will not be assured a return of stability process that they can rely on in order that they will be covered for levels that they were covered for in the past.

Now it's fine to say that it's going to be a new, improved crop insurance program, and believe me, crop insurance has to be improved, but the point that I make, and I'll end on this note, is that you are letting Ottawa off the hook. You are asking Saskatchewan taxpayers and Saskatchewan farmers to pick up the brunt of the new, improved program. You are telling them that there is going to be no other vehicle but crop insurance, and the federal government is also saying that. And what we have is an insurance program that is going to be totally inadequate. If we would have had to rely last year on crop

insurance and the drought, it would have been totally, totally inadequate.

And I know that the price options have increased, but, Mr. Minister, that will not cover a disaster in this province. And Ottawa is opting out, they say there's no more, and you're letting them do that, sitting by idly without making representation on behalf of the Saskatchewan farmers, saying that no, we have to make a deal.

The problem is that you have not got a sufficient program in place before the old programs were ended. If you were being responsible and representing Saskatchewan farmers, you would ensure that there was a program in place, and as you say, the discussion paper is simply that — a discussion paper. But what we have now is Ottawa opting out, saying they're out of these programs, and you are not making representation to them to ensure that they're in all assistance programs until such a time that crop insurance is sufficient to cover the need.

And I just think, Mr. Minister, that you and the Premier of this province, the Minister of Agriculture, are being taken to the cleaners again, as we've seen in the GigaText scandal, as we see with the Cargill fiasco. You're being taken to the cleaners again by the federal government. And who's to pay? The taxpayers and the farmers of Saskatchewan again are to pay.

Now that wouldn't be so bad if they were assured the coverage. But I see nothing to indicate that you have a program in place to make sure the coverage is assured before the federal government has backed out of their commitments. And I think that's a terrible way to run a crop insurance program.

Some Hon. Members: Hear, hear!

Hon. Mr. Hardy: — Just to set the record straight there or just to make the point, the federal government is . . . they have to give the provincial government five years notice if they want to make a change in agreement or they want to cancel the Saskatchewan crop insurance agreement.

We have been working with them for more than a year now, looking at all the different price . . . or all the different options. And I heard you say, if those were all in place, that you would agree to some funding. And I believe that's a very positive way of saying it, and I'm glad you support me on it. But at the same time, if you want to talk about *ad hoc* programs and the cost to the provincial governments, I could go back to all the way from the green feed to three or four livestock programs that's cost a great deal of money, to the five-bushel write-off that we had, to a lot of different loans that we've put out there which I believe total almost \$600 million over the last seven years that provincial government has put into farming.

A lot of those would stay in place, but a lot don't have to be there if you have the coverage that is needed to protect the farmer. And I'm glad that you said that you would support it if everything is in place. And I can assure you, I can assure you before we ever go into any cost sharing agreement, signed cost sharing agreement, is that in fact those kinds of coverages that I've been talking about will

be in place. And they'll be there to protect the farmer and to protect the taxpayer.

Mr. Upshall: — Just one more question, Mr. Minister. You talk about your five-year time frame. Will you assure this House and the farmers of Saskatchewan that in 1989-90, 1990-91, that because the five-year time frame — you said you've been negotiating for about a year now, so that puts it . . . '88, about 1993 — will you assure the farmers of Saskatchewan that the federal government will not pull out of its commitment, that you will not agree to them pulling out of its commitment until the five-year time frame has passed. And if so, why will you not do that?

Hon. Mr. Hardy: — First of all, they haven't even gave notice of the five years, so it would be effect from the date they give it, if that was the case.

We've been negotiating with them on a different basis. We're saying, if all these programs that you agree should be into place, and I think you agree with me a lot of them should be; it's about time.

I believe the NFU (National Farmers Union), the wheat pool, everybody basically agreed, and I think that that review committee that heard all the different farm organizations, I think they come out with the feeling that most of the things proposed certainly were worth pursuing further, in fact should be put into place.

Well I don't know what else I can say, except to say that the five-year agreement, notice hasn't been given yet on it, but that we're negotiating. And if in fact we can get a comprehensive crop insurance program put in place that covers the farmers, that protects them as they should be protected so they can select what they need, I'm sure at that time that we will sit down with them and certainly negotiate with them. We have negotiated all along, so there's no secret, we've been negotiating with them all along.

Until we feel very comfortable that we have in place, not only in Saskatchewan, there's Alberta and Manitoba too that they're talking about, until we have in place a comprehensive package that protects the farmer, does all the things that we'd like to see and I believe most of the farm organization, I think I can honestly say all the farm organization would like to see put into place, that we're not going to sign any agreement until we have that kind of a package put there that we feel comfortable that is good for the farmer today, tomorrow and for the future.

Mr. Upshall: — Mr. Minister, I just can't let that go by. I don't like you putting words in my mouth. And the only time I would agree is if the level of coverage of crop insurance is sufficient that it covers farmers for disasters and that it's to my satisfaction.

And I think that I will be watching very closely, as will the farmers of Saskatchewan, to see if in fact the words in the federal budget are carried forward whereby there's going to be any reduction in payments from the federal treasury to crop insurance program, before five years from the date they give notice to you, what you said will be sometime in the future. I'll be watching that very closely. Thank you, Mr. Chairman.

Item 1 agreed to.

Items 2 and 3 agreed to.

Vote 46 agreed to.

**Consolidated Fund Loans, Advances and Investments
Saskatchewan Crop Insurance Corporation
Vote 161**

Item 1 — Statutory.

**Supplementary Estimates, 1989
Consolidated Fund Budgetary Expenditure
Saskatchewan Crop Insurance Corporation
Ordinary Expenditure — Vote 46**

Items 1 and 2 agreed to.

Vote 46 agreed to.

**Supplementary Estimates, 1989
Consolidated Fund Loans, Advances and Investments
Saskatchewan Crop Insurance Corporation
Vote 161**

Item 1 agreed to.

Vote 161 agreed to.

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

Mr. Upshall: — I would like to thank the minister and his officials for the estimates that they have provided for us tonight. I'd just like to end up by saying we'll be watching crop insurance with very close scrutiny in the future.

Hon. Mr. Hardy: — Mr. Chairman, I'd like to thank the officials also for coming in. I have asked them four times before we got it through, and I know it's not the opposition's fault but we've had them in here. And I'd like to thank them for doing a good job. They're running the crop insurance extremely well, and they're putting together a lot of new plans and proposals and policies that I believe will be good for the farmers.

And also I'd like to thank the member for the questions he asked. I'll get that information as soon as I can over to you.

Some Hon. Members: Hear, hear!

The committee reported progress.

ADJOURNED DEBATES

SECOND READINGS

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Lane that **Bill No. 20 — An Act respecting the Reorganization of the Potash Corporation of Saskatchewan** be now read a second time.

Mr. Shillington: — Mr. Speaker, when I was speaking on

Friday at 1 o'clock and was interrupted, I had . . .

An Hon. Member: — Rudely interrupted by the Speaker.

(2130)

Mr. Shillington: — . . . interrupted by the Speaker. Not all suggestions made in this place are worth following up, are always productive to follow up, perhaps I should have said.

Mr. Speaker, I had made the comment that this government is not trusted by the public of Saskatchewan, and one of the reasons for that is because they say one thing during an election and something quite different afterwards and indeed do something quite different afterwards.

Mr. Speaker, during the 1986 campaign, this government promised faithfully that they would not privatize SPC or SaskTel or the potash corporation. They made that commitment, made it in unmistakable terms, and then went ahead and did it anyway. Mr. Speaker, their only defence to that was that you did the same thing . . . (inaudible interjection) . . . Well, the member from Assiniboia-Gravelbourg says it sounds like mediscare.

Mr. Speaker, this happens to be true. It happens that you people did make that statement. You made it unmistakably in simple, fairly clear terms. And the statement that we have not apprised the public of our intention to nationalize the potash industry is simply not accurate.

Let me relate for the members' benefit the comments made in the . . . The platform in 1971 was called New Deal '75. It was a document which . . . unlike the document of the members opposite which contained few words, this was a fairly full description of our platform. It was 21 pages long . . . actually it was 25 pages long, most of it fairly detailed copy.

What we said about resources then is worth repeating. These comments stand as a description of what we intended to do and, I think, have a certain timelessness about them. This is also a description of how we'll handle resources in the future.

Mr. Speaker, one of the tests of a platform, one of the tests of the integrity of a platform, is whether or not you'd like to run on it again. If a platform was a good platform, well thought out, then presumably one wouldn't mind running on it in the future. I ask members opposite to consider how they would like to run on some of their platforms that they ran on the past. You wonder if the member from Assiniboia-Gravelbourg and the member from Swift Current recall some of those — money in your pocket; we'll do away with the sales tax; we'll do away with the gas tax; we're going to lower income tax by 10 percentage points.

As opposed to that, I think, patently dishonest election platform, let me repeat for members opposite what we said about resources. I think most members of this side of the Assembly would not at all object to this being described as not our 1971 platform but our 1990

platform. It said . . . this was the 1975 platform again. It said:

In 1971 New Democrats promised to act decisively to see that Saskatchewan resources are developed to benefit Saskatchewan people.

That has been done.

I won't go into all this. I won't go into the next couple of paragraphs. It's a description of what had been accomplished between . . . (inaudible interjection) . . . Well the member from Assiniboia is thirsting for knowledge on the subject of an NDP platform. That's understandable because so are quite a number of other people of Saskatchewan. Given the fact that the public of Saskatchewan have pretty much written off this government, it's no wonder that the member from Assiniboia-Gravelbourg is so anxious to know what we will do in the future. He is virtually staring into his own future.

It went on to say:

When re-elected, (in 1975) New Democrats will continue to act to see that Saskatchewan people get the greatest possible benefit from our resources in the decades ahead . . .

Specifically, we will:

1. Defend . . . the right of Saskatchewan people to the full benefits from their rightful heritage . . .

And then it goes on:

2. Speed up direct . . . participation in exploration for and development of potash and hard rock minerals to achieve a greater measure of public ownership of these resources and industries.

An Hon. Member: — Read that again.

Mr. Shillington: — Let me repeat that for the benefit of members opposite:

Specifically, we will:

1. Defend and protect the right of Saskatchewan people to the full benefits from their rightful heritage — the natural resources of this province.
2. Speed up direct government participation in exploration for and development of potash and hard rock minerals to achieve a greater measure of public ownership of these resources and industries.

Mr. Speaker, I suspect the member from Assiniboia-Gravelbourg, he says he will oppose that. I suspect he'll be doing so in private life. I would say that member's chances of being returned are not as bright.

An Hon. Member: — This guy's more popular today than he was when he was elected.

Mr. Shillington: — Well the member from Weyburn who is consistent . . .

The Speaker: — Order, order. I think the hon. member is discussing member by member, members in the House, and I really don't think that's what this debate is all about. I'm sure he realizes that, and I ask him to return to the topic.

Mr. Shillington: — The member from Weyburn is calling for an apology; he ought to recognize the necessity for one, given his activities.

Mr. Speaker, in 1971 we also spoke of the potash corporation under a section entitled, "Resources and Economic Development." We spoke at some length with respect to our policy with respect to resource development. It's well written, and I want to read it; it's directly germane to what we said should be done with resources in general and potash in particular. We said:

Saskatchewan's natural resources are the rightful heritage of the people of our province — not the preserve of private interests. The New Democratic Party believes that Liberal (their) policy of selling out our birthright is both unwise and unnecessary.

(They said) We have faith in Saskatchewan people. We believe them capable of developing their own resources for their own benefit. Outside help is sometimes necessary, but a sell-out is not. Development must be aimed at maximizing benefits for people — not maximizing profits for big business and its promoters.

New Democrats recognize the need for research and planning, and the folly of "growth for the sake of growth." We must take into account all aspects of the well-being of the citizens, including their right to a healthy environment.

Toward these ends, a New Democratic government will:

5. Review existing royalty and other arrangements with a view to renegotiating, where necessary, those not in the interests of Saskatchewan people. Where feasible, we will reclaim ownership and control of foreign-owned resources.

Mr. Speaker, as a platform in 1971 it was eloquent. I think those are words that many New Democrats would not mind at all running on in 1990.

Some Hon. Members: Hear, hear!

Mr. Shillington: — Mr. Speaker, I want to talk for a moment about the actual process in 1975.

It was my first session of the legislature after being elected in June of 1975. Mr. Speaker, the Bill was introduced — the Bill which brought under public ownership a portion of the potash industry was introduced, as I recall it, in late November (very late November; it would be November 28th or 29th). There was a throne speech. The private members' day was given exclusively to private members'

business, as I recall it. But apart from that we did nothing but debate the private members' Bill. It was concluded . . . The debate was concluded, as I recall it, in late January. There were two . . . I'm sorry, in late January, that's right.

Mr. Speaker, there were two solid months given to nothing else. There were some 70 sitting days in which we did nothing but talk about potash. That government allowed a full and fair debate. It was a long period; we sat through the Christmas season, through January. At times it was a bit tiresome, but in the end result I think served a useful purpose that we sat and discussed the matter for over 105 hours. It seemed like a long time; it did, however, give the subject a full and fair airing. When the matter was passed, everyone was satisfied that the process had been fair. There were some, of course, who didn't agree with bringing the potash industry under public ownership, but no one who felt there was anything unfair in the process, no one who felt that everybody had not been given their full and fair opportunity to say their piece on the debate.

I think it served an additional purpose as well. I think the lengthy debate served to educate the members, and through the members the media, and through the media the public, about the issue. While it was true that people became sceptical . . . people began very sceptical of the take-over, in the end result bringing the potash industry under public ownership became quite popular. The government was elected to another term of office after that in 1978, and I think the fashion in which the former member from Regina Elphinstone, Allan Blakeney, and the current member from Regina Riversdale handled the debate — and they did steer it together — the fashion in which they handled it laid the foundation for the later success of the policy.

Mr. Speaker, it's interesting then to ask ourself what happened in the years following. In the years following, the potash corporation was an unbridled success until that particular government took office.

In its first full year of operation the Potash Corporation of Saskatchewan earned only \$540,000. That's nothing to sneeze at. It was a new corporation with all the expenses attendant at starting up. The next year that profit doubled to \$1.1 million. The next year it increased 24-fold to \$24 million. In 1977 it more than doubled . . . in 1979, rather, it more than doubled to \$78 million. The next year, in 1980, it more than doubled again to \$167 million. In 1981, it made \$141 million.

(2145)

Mr. Speaker, in the years following, between 1975 and 1981, the six years, the company earned \$413,510,000 in profits. We invested in it almost exactly the same sum of money — \$418 million. What that means, Mr. Speaker, is that the Potash Corporation of Saskatchewan paid for itself in the first six years of operation. What that means in effect, Mr. Speaker, was that the public of Saskatchewan got their money out of it by 1981. They owned an asset which had at that point in time cost them nothing, an asset which was paying some dividends . . . (inaudible interjection) . . . The member from Wilkie asks who wrote this for me? In a very real sense, the public of

Saskatchewan wrote this story. This was their story of an industry which they took over which contributed very little to the public good and which thereafter contributed a very great deal — a very great deal.

Some Hon. Members: Hear, hear!

Mr. Shillington: — In many ways — the member asks who wrote this — in many ways this was the public of Saskatchewan, their courage, and their faith in themselves, led by a government which also had faith in the public of Saskatchewan and their ability to manage their own destiny.

Mr. Speaker, the members opposite took office in 1982 and treated everything that they saw with the utmost suspicion. A phrase was coined then: "paralysis by analysis". The government did nothing the first year except to try to analyse what kind of mischief the government had been up to.

Specifically with respect to the Potash Corporation of Saskatchewan, they treated the Potash Corporation of Saskatchewan as some sort of a leper. They intentionally restricted and kept the Potash Corporation of Saskatchewan on a short leash. Before my time expires, I want to get to that subject.

The Potash Corporation of Saskatchewan actually lost its share of the market. Its share of the market decreased steadily during the years that this government was in office. That showed up very dramatically on the bottom line, from \$141 million which the potash corporation made in 1981; in 1982 that had shrunk to \$607,000; in 1983 they lost \$18 million; in 1984, again a profit of \$24 million. And then the losses really get numbing. In the next three years they lost \$68 million and then \$103 million and then \$21 million.

Mr. Speaker, I want to discuss for a moment how that came into being. This government intentionally set out with something that must have approached a scorched earth policy. It seemed, Mr. Speaker, that this government opposite was trying to destroy what had been a valuable asset.

I neglected to mention, Mr. Speaker, that during the years the Blakeney government was in office, they took out dividends of \$50 million a year. Each year there was \$50 million to provide hospitals, schools, roads, a dental plan, a drug plan, to name a couple of the initiatives of that government. That was \$50 million which hadn't been available before and would not have been available had it not been for the fact that the potash industry was brought under public control.

Mr. Speaker, by 1981 the public of Saskatchewan had an equity in their potash corporation of \$732 million, at a very low debt, a debt of only \$88 million. They owned a valuable asset. Moreover they had control over one of the most valuable natural resources in the province. Saskatchewan is to potash what Saudi Arabia is to oil, or what, I suppose, the U.S. might be to coal. We have 40 per cent of the world's supply and 60 per cent of the western world's supply of potash. It's virtually the only resource over which we have a substantial measure of

control in the world market.

Mr. Speaker, these people took office, took a company which sat on the world's most valuable resource — and sat on the world's richest resource, I should have said — a corporation which had a little under 50 per cent of the resource and managed to lose money in three out of the five years. What is more astonishing — and this contributed to a certain deterioration in the balance sheet at the Potash Corporation of Saskatchewan — what is more astonishing is that notwithstanding that during the years in office when the Potash Corporation of Saskatchewan . . . they only made \$8 million during the first three years; from '82 to '84 they took out dividends of \$124 million. Surely that has to be the height of irresponsibility. This government came into office promising a government run on business-like lines. In fact in so many areas, of which this is only one, this government behaved in a fashion which showed a total neglect, a total disregard for some very simple, fundamental rules of running a business.

Mr. Speaker, they took substantial dividends out in years when the corporation was losing money. Mr. Speaker, I said when this government came into office in 1982 the Potash Corporation of Saskatchewan had a debt of \$88 million versus an equity of \$732 million — had enjoyed very substantial profits. This corporation in 1981 had one of the strongest balance sheets of any mining company operating throughout the world. That is an accurate statement. It was well managed, sat on very rich resources, and was able to make a substantial contribution.

In large part because this government kept the Potash Corporation of Saskatchewan at short rein, that deteriorated very quickly. Part of the reason why the company's financial position deteriorated was because the company actually lost a share of the market.

From 1981 to 1987 the Potash Corporation of Saskatchewan's share of the total potash sales fell from 37 per cent to 33 per cent. That didn't happen because of any new and richer mines opened up somewhere else; ours were the — and remain — the richest mines in the world. It didn't happen because the others were larger or more efficient. IMCC (International Minerals and Chemical Corporation (Canada) Ltd.) remains the world's largest potash mine in the world; that happened because this government kept by the Potash Corporation of Saskatchewan on a short leash. Its share of total sales in Saskatchewan fell from 37 to 33 per cent. Even more dramatically, its share of off-shore sales, sales made to countries outside North America, fell from 59 per cent to 44 per cent.

Mr. Speaker, the second reason why the financial position of the Potash Corporation of Saskatchewan deteriorated was because these people took out dividends in a year when they, it seemed, designed the company to lose money. They, at one and the same time, Mr. Speaker, set the company up such they would lose money and then took dividends out as well. Surely, Mr. Speaker, that's the height of irresponsibility.

Mr. Speaker, the potash corporation's total long-term

debt in 1987 was \$662 million of which virtually 85 per cent of that was incurred during the years these people have been in office. In other words, a full 85 per cent of the potash corporation's long-term debt has been added since 1981; a full \$227 million of that has been committed since the present Minister of Finance became Minister of Finance in December 1985. That is a very, very rapid deterioration in this corporation's financial position.

Notwithstanding that, Mr. Speaker, the Potash Corporation of Saskatchewan remained with a balance sheet which was not disastrous. They've still enjoyed . . . Having gone from having the debt to equity ratio of 1:8, it deteriorated to about 1:1 — had an equal measure of debt and equity at that time. Notwithstanding that, the Minister of Finance took over the Potash Corporation of Saskatchewan's debt; no real explanation for it given by the Minister of Finance — patently obvious that they're setting it up for a sale. That was done a couple of years ago.

So we have now, Mr. Speaker, lost a corporation which contributed, at least in a temporary sense . . . the government seeks to remove this. Mr. Speaker, the government seeks to sell the Potash Corporation of Saskatchewan; they've done that. If that succeeds, we will lose the profits which that company's quite capable of making again under better management, and we will have in addition \$500 million in debt which will eventually have to be paid off by the taxpayer.

Mr. Speaker, we have a number of things which we have said to the public of Saskatchewan with respect to this particular privatization. We have said, Mr. Speaker, that this government has no mandate to privatize the Potash Corporation of Saskatchewan. They promised they wouldn't do it, and then went about neglecting that promise. We have said, Mr. Speaker, that it is for reasons such as this that the public of Saskatchewan now suffer through a much higher debt load, much higher taxes, and have a much poorer range of services.

The public of Saskatchewan complained that their taxes have gone up; the quality of the services they get have deteriorated. A major portion of the reason for that is that this government has changed the source of a goodly portion of its tax money. During the '70s more so than any other province except Alberta, we got our taxes from resources. This government changed all of that, turned all that over to the private sector, and sought to get those same taxes from the public of Saskatchewan. The result, Mr. Speaker, was highly predictable. The province's debt has ballooned, the services have deteriorated, and the taxes have gone up.

Mr. Speaker, I think, with respect to the future, the public of Saskatchewan can be assured that when this mandate of this government finally runs out, one of the first priorities of a new government, an NDP government, will be to reverse that, to change that back so that the public of Saskatchewan's taxes go down, and the share of the burden paid by the resource companies — be they oil or potash — go up.

Some Hon. Members: Hear, hear!

The Speaker: — It being 10 o'clock the House stands adjourned until tomorrow at 2 p.m.

The Assembly adjourned at 10 p.m.