

The Assembly met at 10 a.m.

Prayers

## ROUTINE PROCEEDINGS

### INTRODUCTION OF GUESTS

**Mr. Prebble:** — Thank you very much, Mr. Speaker. Mr. Speaker, it's my pleasure this morning to introduce through you to all members of the Assembly, three guests in our gallery, parents who are associated with the early childhood intervention program in this province. Mr. Speaker, I'm pleased to introduce to you, James Dumonceau and his wife Jackie Dumonceau, and Mrs. Tammy Bouchard, Mr. Speaker, all of whom are in your gallery. And I'd ask them to stand and I'd ask all members of the Assembly to join with me in welcoming them to the legislature.

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

## ORAL QUESTIONS

### Spring Seeding Program

**Mr. Romanow:** — Thank you very much, Mr. Speaker. My question to the Premier, Mr. Speaker. As you will know, since budget night in the province of Saskatchewan the provincial government has been promising details of the spring seeding loan guarantee program. Apparently — and may I say parenthetically, somewhat incredibly — a \$500 million committed program was announced without the details being done . . . researched in advance or the consultation being done in advance.

In any event, for two weeks now, approximately, we've been waiting for some details from the government. And my question therefore to the Premier, the Minister of Agriculture, is this: will he be kind enough to tell the House today the details of the spring guarantee loan program; such important details as, for example, who's eligible? Who is going to be eligible and who's not going to be eligible? Can you finally tell us that?

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

**Hon. Mr. Devine:** — Thank you, Mr. Speaker. We have been consulting with the farm groups from across the province of Saskatchewan to put together the details of the program, which are widely supported by the agricultural groups. And we will be in a position to go through those today.

I can say to the hon. member that the farmers of Saskatchewan will generally be eligible to receive the production loan program and the seeding program. For some, Mr. Speaker, we're going to ask them to provide sufficient information so that in fact we know that it is for a seeding program. And the farm groups have said to us that of the 60 or 65,000 farmers in the province of Saskatchewan, when they go to the credit unions or to the banks and make their application forms, it will be relatively straightforward.

For some that have some probability that they might not be able to repay it, at least let's make sure that it goes for seed, fuel, and fertilizer, and to make sure those provisions are there, Mr. Speaker, so that in fact the taxpayers know that it is a fair program, the farmers as well know that their neighbours and everybody else will be able to look at this program for seeding and make sure that they can use that money for agriculture in the spring.

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

**Mr. Romanow:** — Mr. Speaker, I have a new question to the Premier, and I will say to the Premier that his answer has provided us more details than we've had in two weeks, although I would say, and I think it's a fair comment to make, that it's still insufficient details.

My question to the Premier is this, in the light of his answer, is the Premier telling the House that the program is going to be administered by the commercial lending institutions who will be deciding those categories of farmers which you have described as "some" who will be required to provide additional information; or is it going to be administered by ACS (Agricultural Credit Corporation of Saskatchewan)? Will the Premier tell us which of those two institutions, if I may put it that way, are going to be administering this plan.

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

**Hon. Mr. Devine:** — Mr. Speaker, I will say to the hon. member, it's interesting that the opposition hasn't asked a question about agriculture for two weeks, and now they finally . . . in fact, Mr. Speaker, members from our side of the House have had to ask the questions on agriculture because nobody there would be prepared to ask anything.

I will say to the hon. member we've been meeting with people on an ongoing basis with respect to agriculture and now they've helped us design the program. People will be able to get the applications at the credit unions and the financial institutions and they will then phone agricultural credit corporation to get an identification number, so they can't go to every financial institution and double or triple the applications for the money. They will be given an identification number, then they will be able to have access to that money.

If they've had some financial difficulties that would raise some concerns, then in fact there is an additional process where they can work with counselling, with agricultural credit corporation to make sure that they can comply with the regulations, which means this is a seeding program, it's for seed, fuel, and fertilizer as requested by the farm organization.

**Mr. Romanow:** — Mr. Speaker, I have a new question for the Minister of Agriculture. Mr. Speaker, I am sure that you will understand, sir, and the minister will understand, that some of these details, in fact all of these details will have to be put down in writing and made clear, not only for the lending institutions but for the farms.

And my first question — it's a two-part question really —

is whether or not the Premier is able to give us today a copy of those details in the House, so that the opposition can understand them and see them and so the farmers can see them. And more importantly, Mr. Speaker, the question that I want to direct to the Premier with respect to that, while he's tabling the details of the regulations, is whether or not he will tell us who it is that is eligible for receipt of this money, this financial money. What are the criteria that you have talked about here; that is to say, who gets it, who doesn't get it?

Apart from a general statement about a general applicability, this being the desire, how about giving the House and the farmers, more importantly, some specific details as to who qualifies and who doesn't?

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

**Hon. Mr. Devine:** — Well, Mr. Speaker, I will be outlining what those details are. And I will say to the hon. member that it is generally applicable to the 60-some thousand farmers in Saskatchewan, and they will be applying at the agriculture financial institutions, whether it's the credit union or financial institution, Mr. Speaker. And what the farm organizations have said to us is that it should be for everybody, as the production loan was. It's for seeding.

They do recognize, however, that there are some farmers who are facing legal proceedings that have been unable to pay their financial obligations, Mr. Speaker. And as the result of that, we are looking at the recommendations by farm groups that in fact indeed we make sure that the money out there is for seeding, for seed and fertilizer and fuel; to make sure, Mr. Speaker, that in fact this money that is being put up by the taxpayer is going to be directed into an agriculture seeding program and respected by those that are using the money.

So I will provide my assurance to the hon. member that everybody will be eligible to apply.

There'll be some, obviously, who will have some difficulty in the fact that they may have not have been able to readily accommodate some of the financial expectations that they've had in the past. And we'll be prepared to work with those on an ongoing basis, Mr. Speaker.

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

**Mr. Romanow:** — Mr. Speaker, I have a new question to the Premier which I think is a simple and straightforward one which would be capable of a simple and straightforward answer.

The Premier says that everybody is eligible to apply. I want to ask the question, this question of the Premier specifically. Is it said, under this program, that every farmer who provides receipts is eligible?

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

**Hon. Mr. Devine:** — Mr. Speaker, I will say to the hon. member, as he has indicated in the past, that we are not prepared to forgive the production loan that is out there.

And I'll make that very clear to the hon. member. And I know by the indications that were made by the NFU (National Farmers Union) that was in here the other day, the NDP are prepared to forgive the production loan.

I will say, Mr. Speaker, the farm groups do not want the forgiveness of the production loan. What that means, Mr. Speaker, as well, is they expect farmers, they expect farmers to honour their obligations. And as a result Mr. Speaker, we are going to be asking farmers to sign on to say, yes, I will pay this back. That's what it means, Mr. Speaker. And when they apply they will be under obligation to say, I will use this for my seeding program and I will pay it back.

Now, Mr. Speaker, if we have people who have certain financial or legal difficulties, financial or legal difficulties, and they are prepared to come in and talk to us about those, Mr. Speaker, then we are quite prepared to look at them. There will be an appeal mechanism for those that have had severe financial and legal difficulties, Mr. Speaker, and we will be prepared to deal with it.

Let me just point out . . . (inaudible interjection) . . .

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

**Mr. Romanow:** — Mr. Speaker, I have a new question in a new area, of the Premier, and I can't help but observe before I ask the question: I mean, it was a simple, I think straightforward but important question. I don't know whether you, sir, or the members of the gallery or the farmers who are watching, anybody watching, would notice the Premier's answer, but this is really inexcusable.

I have a new question which is simple and straightforward, and please, Mr. Premier, you can give us an answer on this. You went down to Ottawa. You got back a few days ago on the \$500 million cash payment which you said in the Speech from the Throne was a commitment from the federal government to you. My question to you, sir, is: can you tell us whether or not you were able to convince Mr. Mulroney and Mr. Mazankowski of that \$500 million, in cash, before spring seeding, which is your commitment, and if so, when are we going to get that money?

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

**Hon. Mr. Devine:** — Mr. Speaker, I know you or the media will not be misled by the Leader of the Opposition who says that anybody had a commitment for \$500 million cash. And I'd just ask him to present it if he had one, and obviously he doesn't.

Let me just secondly point out, Mr. Speaker, that it would be a great deal of help if we received the solidarity from the members opposite, as we passed the resolution here, and they voted for it. This resolution said the federal government has a responsibility for \$500 million now and \$400 million later, Mr. Speaker. And they stood in their places and voted for it. Then outside, when the farmers' union came in with the SGEU (Saskatchewan Government Employees' Union), they said, no, no, the province should bail the federal government out, that the province should forgive the production loan.

Well Mr. Speaker, I think the Leader of the Opposition, the Leader of the Opposition knows that a five-year moratorium, as well, Mr. Speaker, to forgive the production loan, and then to ask the provincial government to bail out the federal government, is not supported by the farm groups, Mr. Speaker, and is exactly opposite to what he said when he stood in his place in this legislature and voted to have the federal government pay it, Mr. Speaker.

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

**Mr. Romanow:** — Mr. Speaker, I have a new question. Again I would preface by saying how quickly consensus and co-operation and the more listening, caring Premier's image has disappeared from this House with these kinds of answers.

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

**Mr. Romanow:** — My question — but of course I don't think anybody in Saskatchewan was very fooled about that charade in any event — my question, Mr. Premier, again has to be predicated on the statement which is made on page 2 of the March 19 *Hansard* of your budget, your . . . sorry, your throne speech address, and I'll read the words to you exactly:

My government has received a commitment from the Government of Canada that financial assistance will be provided to farmers for spring seeding.

Now, now . . . (inaudible interjection) . . . All right, the Premier asks me where the 500 is. I'm asking the Premier of the province of Saskatchewan, were you misleading the legislature and the farmers of Saskatchewan by excluding that \$500 million, notwithstanding the fact that for two to three weeks before the throne speech you said you were going to get the \$500 million? Were you misleading them or not? Tell us the truth on that. Do you have it or not?

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

**Hon. Mr. Devine:** — Mr. Speaker, you and the gallery and members in the media will now know that he misled the public of Saskatchewan, and he just went back and read it and there's nothing in there about \$500 million. There's a commitment for support. That's what was there. That's what I got. And then he says, well it was for 500 million.

I ask the hon. member, by his silence, Mr. Speaker, by his silence I must assume and we must all assume that he is prepared to have Saskatchewan people bail out the federal government. He's prepared to have the production loan forgiven, and he is prepared to have a five-year moratorium placed in the province of Saskatchewan, Mr. Speaker.

I challenge the hon. member to deny that, to give his policy, to speak his piece or else stick by the resolution that was raised in this House and voted on unanimously.

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

**Mr. Romanow:** — Mr. Speaker, a new question to the Premier who believes that he can concoct out of totally false statements, the position of the Leader of the Opposition and the party on this side.

But I will say to the Premier opposite that he will have his opportunity to legitimately ask questions of us very, very shortly, right after the next election.

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

**Mr. Romanow:** — My colleague from Quill Lakes says, of course if he gets elected.

But my question, Mr. Speaker, to the Premier is straightforward and it's very, very clear.

**The Speaker:** — Order, order.

**Mr. Romanow:** — Thank you, Mr. Speaker. The hon. member from Melville has a little aversion to truth, and he sort of keeps on yelling across the floor all the time whenever he hears it.

**The Speaker:** — Order, order. Hon. members can certainly hear you. I'd like the hon. members to allow the member to put his question. I would ask him to put his question, and I don't think we should have debate back and forth across the floor.

**Mr. Romanow:** — Thank you very much, Mr. Speaker. My question to the Premier is again very simple and straightforward. Now it seems as though the Premier has in effect betrayed the farmers of Saskatchewan, leading them to the conclusion — all of us — that he was fighting for the \$500 million, in the preparatory statements leading up to that Speech from the Throne. But now he tells us that he was fooling; he didn't have the \$500 million; he had a commitment. That's what he had.

By the way, when he got back from Ottawa, he said it was not this commitment of \$250 million, when I asked him the question in the Speech from the Throne question. I'll come back to that in another day.

My question to you is very simple and straightforward, sir. You can answer this to the farmers of Saskatchewan. You came back from a meeting with Mr. Mazankowski and Mr. Mulroney. You say they want . . . they have to pay \$500 million; we say they have to pay \$500 million. My question to you, sir, is: when are you and they going to deliver up and pony up on that commitment of \$500 million?

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

**Hon. Mr. Devine:** — Mr. Speaker, it's interesting that . . . and I'm sure all the television audience will recognize the fact that again the Leader of the Opposition has not dealt with agricultural policy. And by his silence we have to assume that he's endorsing, outside this legislature, told to us by NFU members, that he is prepared to have a five-year moratorium; that he's prepared to forgive the rest of the production loan, and he has not denied it.

And, Mr. Speaker, he wants the provincial government to bail out the federal government. Well you can't have it both ways, Mr. Speaker.

There's an obligation to stay by your word in this legislature. You voted on a resolution here to have the federal government pay, and outside the legislature, Mr. Speaker, he says something completely different. Mr. Speaker, by his silence the people of Saskatchewan know that he has admitted he will forgive the rest of the production loan program, that he supports a five-year moratorium, and that he will not support solidarity, as he looked he was trying to do in this legislature, outside, Mr. Speaker. And the NFU members and the Christian Farm Crisis people and the rest of the province that was in here watching with the SGEU, know what he said to them, Mr. Speaker. We'll hold him to that, Mr. Speaker. What he said in here should matter and it should be the same thing he says outside.

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

**The Speaker:** — Order, order.

### Multi-Year Disaster Program

**Mr. Upshall:** — Thank you, Mr. Speaker. Mr. Speaker, my question is to the minister responsible for crop insurance. Just before I say that, I could say to the Premier that it is seeding and we have nothing yet.

**The Speaker:** — Order, order. I think you should not attempt to enter into debate with another minister. You are going to address the minister for crop insurance and you should confine your remarks to that minister.

**Mr. Upshall:** — Certainly. Well, through the minister responsible for crop insurance, I'd like to say that seeding time is upon us. We know nothing what's coming out of Ottawa. We know nothing what's in your program. And you want us to believe you, and the farmers to believe, that you're actually trying to help them? I think not. And here's another example of your blatant misuse.

My question to you, sir, is: in light of the fact that under the multi-year disaster program those farmers who actually were in individual coverage did not benefit from that program. Since they paid extra premiums, Mr. Minister, and since they do not qualify, do you not think that is unfair? And what steps are you taking to make that more fair?

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

**Hon. Mr. Hardy:** — Well, Mr. Speaker, I explained in here about two or three weeks ago how the multi-year disaster benefit worked and why the ones under individual coverage did not qualify. And I could go back again if they so wish, but I'll just briefly outline it.

To apply or to qualify for the multi-year disaster benefit there must be four RMs, four RMs together who had 20 per cent loss in two consecutive years. The ones that paid into multi-year disaster benefits were the ones that were on area coverage only. So they paid an additional,

anywheres from 1 per cent to 4 per cent, cost shared by the federal government. So they paid a half the 2 per cent additionally on a year-over-year basis, based on a 10-year loss average.

The ones under individual coverage paid the full premium of up to 80 per cent and they got a total of 80 per cent pay-out if they had that much loss. The federal regulations state that nobody can exceed more than 80 per cent pay-out. So therefore under individual coverage, the individual, the ones who could not collect the coverage, or the additional multi or disaster benefits. So, Mr. Speaker, that lays out exactly how it is, and those who are under individual coverage did not qualify because of the 80 per cent.

**Mr. Upshall:** — New question, Mr. Speaker. Mr. Minister, you're right. All farmers paid for that multi-year disaster program and you led them to believe that they were going to be covered. But now you put on your qualifiers — the four-RM block, the 20 per cent of liabilities paid . . . (inaudible) . . . in two years. You put on the qualifiers. They pay for the program; they expect to receive a program, and you cut them out of it because of your qualifying guide-lines.

Mr. Minister, the question I ask you: was this exercise of cutting people out who actually had drought and who should have qualified for that program, is this simply an exercise to save the government money, perhaps to pay for your deal in Cargill?

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

**Hon. Mr. Hardy:** — Well, Mr. Speaker, Cargill has nothing to do with the Saskatchewan Crop Insurance Corporation. It is an insurance corporation for the benefit of the farmers of this province. We've been paid out in excess of \$58 million in multi-year disaster benefits. And I explained recently, or just a moment ago, how that works.

One thing that I want to make absolutely clear to the member opposite, that those who paid under individual coverage did not pay the multi-year disaster additional insurance. Only those who were under area coverage paid an additional amount, in case there was a disaster in one year. A disaster has to be four RMs or greater.

So they did not pay it. Those who took the 80 per cent coverage under individual coverage paid for that only, for their amount. They did not pay the multi-year disaster additional benefits.

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

**Mr. Upshall:** — A new question, Mr. Minister. Mr. Minister, you are a bit wrong, because if a producer changed in '89 to individual coverage, he paid his multi-year premiums in '86-87-88. So if you take an average of those two years, he's behind.

And that's why the SARM (Saskatchewan Association or Rural Municipalities) — and you asked for a consensus — the SARM passed a resolution that would make that fairer.

We have RMs writing you asking why they're being deleted, because they certainly have drought. You have farmers calling — and I know I do so you must have too. Mr. Minister, you misled, misrepresented what this program was about when you put on your qualifiers to cut them out of it.

What steps are you now going to take to adjust this program to ensure that those farmers with two or more years of drought qualify for much needed money to put this year's crop in?

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

**Hon. Mr. Hardy:** — Well, Mr. Speaker, in fairness to the member opposite, nobody misled anybody. In 1985 the program was brought in to assist those areas as a disaster area where they've had two crop losses — I explained earlier — or greater, in those areas. So therefore there was nobody misleading anybody.

He asked what we're going to do to assist those who are in RMs who had losses. There is RMs around who had losses. But under the program and under regulations brought in in 1985, it was designed that it had to be four RMs together or greater.

And so, Mr. Speaker, that is the regulations. That's federal regulations; it's not provincial regulations. And that's the way the program was set up. It's the same as any other insurance. If you insure your barn and you don't insure your granary and it burns down, I guess you lose your granary.

There's nothing you can do beyond what we've done. We've done everything. We've double-checked it twice. In fact, we even went back and checked some of them a third time to be sure that we didn't miss any farmers who could qualify under the way the insurance plan was set up in 1985.

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

#### **Early Childhood Intervention Program**

**Mr. Prebble:** — Mr. Speaker, my question is to the Minister of Social Services and it relates to the Regina region early childhood intervention program.

Mr. Minister, you will know that this is a preventative program designed to help young children with serious physical and mental handicaps. There's a waiting list in Regina of 26 children who need to get into this program urgently and there are 49 spaces currently occupied.

Mr. Minister, many of these children have been waiting for eight months or more. And every month they wait is a lost opportunity for them in terms of overcoming their behavioural problems that need to be addressed in the first year of life, Mr. Minister. And the Regina General Hospital has virtually stopped referrals to the program because of the wait-list.

My question to you, sir, is what do you intend to do about this waiting-list? And will you today give this legislature your commitment that you will provide the funding for 26

new spaces in this program to serve these children who urgently need it.

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

**Hon. Mr. Neudorf:** — Thank you very much, Mr. Speaker. I would like to perhaps be so bold as to have my initial response, first of all, as the Minister of Social Services, to thank the hon. member for his question. I would however at the same time perhaps chastise him that we are now at the conclusion of the first month of this session and I am now able to answer my first question.

So, Mr. Speaker, in response to the question directly, I am pleased to note, Mr. Speaker, that this government has taken a great deal of interest in the early childhood intervention program.

I have met, my officials have met, with the Regina-based chapter of this. The Department of Health has met on a couple of occasions. The Minister of the Family has also met on a couple occasions with this group. And I am proud to announce at this time, Mr. Speaker, that in the year 1988-89 we increased by 10 spaces the spaces available for this program. And also in '88-89 we increased the funding for this program to a tune of \$30,000 to address this particular problem.

And furthermore, Mr. Speaker . . .

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

**The Speaker:** — Order, order. Member from Regina North West, Prince Albert-Duck Lake. Order.

### **ORDERS OF THE DAY**

#### **GOVERNMENT ORDERS**

#### **COMMITTEE OF FINANCE**

#### **Consolidated Fund Budgetary Expenditure Consumer and Commercial Affairs Ordinary Expenditure — Vote 4**

#### **Item 1 (continued)**

**Mr. Calvert:** — Thank you, Mr. Chairperson. Mr. Minister, since we adjourned last evening, I've taken the opportunity of the intervening time to review some of our conversation in this House yesterday, particularly the hour that we spent, or little better than an hour we spent, discussing the concerns of those who lost life savings in Principal Trust, Mr. Minister. And for the information of the Minister of Finance, who will want to pay attention, in our conversation, Mr. Minister of Consumer Affairs, not once did you refuse to answer questions regarding this issue using the excuse that it's before the courts — not twice, not three times, not four times, but by my count, Mr. Minister, 14 times in our one-hour conversation. You stonewalled this committee, stonewalled the people of Saskatchewan, stonewalled the investors by using the excuse that the matter is now before the courts.

And if that wasn't enough, when my colleague from Saskatoon Centre put some questioning to you on this

issue, again you raised the excuse that you are unable to comment because the issue is before the courts.

Well, Mr. Minister, I'm here to tell you this morning that's simply not acceptable. That is not acceptable.

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

**Mr. Calvert:** — And I suggest these estimates will continue until such time as we have some answers to those questions, Mr. Minister.

Mr. Minister, perhaps I need to add some background to the issue. Now I'm fairly confident in saying that you have never met with any of the investors or representatives of the investors. I'm fairly confident in saying that, because your predecessor steadfastly refused when requested time after time to meet, steadfastly refused. I'm fairly confident that you, sir, have not met with those people, and so I think it is incumbent upon me, then, to tell you a little bit about those people.

Mr. Minister, by your calculation, by your figure, there are 5,000 people in this province who saw life savings wiped out when Principal Trust collapsed. I want to tell you about those people, Mr. Minister. The vast majority of those people are seniors either in retirement or very near to retirement. The vast majority of those people have come from working backgrounds or from farming backgrounds or from small-business backgrounds. And the money they invested represented, in most cases, their life savings, their life savings.

Now consider, Mr. Minister, what it would be like to have spent a lifetime of work to put together a small life savings to wake up one morning and to find it's all gone. It's simply gone. Imagine what that feels like, Mr. Minister. And particularly when you invested that money trusting — trusting — that your government in Regina had issued a licence in good faith and that your investment, your savings, were safe. Now imagine what that feels like if you're in retirement or nearing retirement, Mr. Minister. That's who we're talking about here — 5,000 and more people in this province who trusted your government, sir, to protect their life savings.

Now since the day of the collapse . . . well prior to the day of the collapse, but obviously since the day of the collapse, your government, minister after minister — it's been like a revolving door over there in terms of who's the minister in charge — minister after minister has shown contempt and neglect of the concerns of these Saskatchewan citizens, sir. That contempt was only deepened yesterday; we saw it shown only deeper in yesterday's questioning and debate.

Mr. Minister, the people who lost life savings in this province know that other Canadians lost life savings in this collapse. They know that Canadians in Alberta, Canadians living in British Columbia, Canadians living in the Maritimes lost life savings. And they know full well that in the province of Alberta, when the province of Alberta's Ombudsman made a report, their government, the Government of Alberta, acted to compensate the Alberta investors.

The investors in Saskatchewan know full well that when the British Columbia government received its Ombudsman report that the Government of British Columbia acted to compensate its investors. The investors of Saskatchewan know full well that in the province of Nova Scotia, when the Ombudsman made the report in the province of Nova Scotia, the Premier of Nova Scotia then responded by saying, we will act and we will compensate our people; we'll support our people.

Only in the province of Saskatchewan, only in Saskatchewan is the Ombudsman's report delivered and the minister of the Crown says the Ombudsman is wrong and we refuse to act — only in Saskatchewan, only in Saskatchewan.

And you repeated it yesterday, sir, in your opening statement — the Ombudsman is wrong. That's what you're saying, that the Ombudsman is wrong. But then in questioning you refused to comment on where you think he is wrong in his conclusion. Only in Saskatchewan are citizens met with this kind of contempt. Only here.

Mr. Minister, I ask this committee, this House, and the people of Saskatchewan, why are we in this mess? Why are we in the mess that we're in, these three years after the collapse of Principal Trust? Why are we faced with court action? Why have people in Saskatchewan suffered? Why is the taxpayer of Saskatchewan faced with the prospect of having to compensate these people?

Well I'll tell you why, Mr. Minister. I'll tell you why. In my opinion, it's for one reason and one reason alone, and that's because of your political ideology that believes in deregulation. That's why we're into the courts; that's why we're in the mess we're in; and that's why people in Saskatchewan lost their life savings. It's because of your political ideology that calls for deregulation.

That's what you believe in. You believe in this unrestricted, unregulated market-place where it's the survival of the fittest. And we end up with court cases; we end up with citizens having lost their life savings; we end up with lawsuits.

Now, Mr. Minister, this morning we're going to talk about this issue, and I'll be putting specific questions and we'll be expecting very specific answers. You're not going to stonewall; you're not going to get away with saying that this matter is before the courts. You're just not going to make a mockery of the process of your estimates. And so I have some very specific questions, Mr. Minister, and I'll ask for some very specific responses.

In the Ombudsman's report he proposed an action for your government to take, an action that would see compensation going to Saskatchewan investors alone. He proposed a means by which your government, sir, could make right your moral responsibility to the Saskatchewan citizens and not see a thin dime of Saskatchewan taxpayers' money leave this province. He proposed that solution to you, sir. I ask, why did you not act on that solution?

**Hon. Mr. Klein:** — Mr. Chairman, I too would indeed like

to get on with our estimates in a spirit of co-operation.

As we moved along into some other areas, I undertook to supply my critic with a memorandum of understanding concerning the role in the regulation of credit unions in our province. And I said that I would supply him that. I will ask the page to take that over for his perusal.

Regarding the Associated Investors and First Investors problem that he alludes to, as I made in my opening remarks, I recognize that approximately 5,000 investors will not recover all of their investment, and it's unfortunate when people are exposed to those types of losses.

But, Mr. Chairman, I want to get something absolutely straight, unequivocally stated and understood by everybody, that when my critic refers to people losing their life savings, is absolutely not true. Pure and simple, they have already recovered 50 per cent. So they haven't lost it all, as you say that they have . . . (inaudible interjection) . . . well, 49.

There will be available to them almost another 25 per cent, bringing the total recovery up to 75 per cent. I cannot accept the fact that you say they lost all of their investment. That is simply not true, period.

Now as I've said many times, Mr. Chairman, I have to fairly represent 1 million Saskatchewan citizens, 1 million Saskatchewan citizens. It has nothing to do with the 600 or thereabout that have decided on their own to take this issue to court.

As a result, to fairly represent the balance of the people of this province, I find myself unable to properly respond to anything because the issue is before the courts. Any person on earth can understand that once the matter is before the courts I am not at liberty to discuss it. My officials have met with the investors up until the time that it was taken to court, and then their hands become tied. Now it doesn't take a mental giant to understand why. So as a result it's not contempt at all, but it's simply common sense, Mr. Chairman, that I cannot comment.

**Mr. Calvert:** — Mr. Minister, if we were to accept your argument from this side of the House, then it would make questioning in this House on almost any aspect of your government's functioning impossible. You're in the courts on almost every issue.

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

**Mr. Calvert:** — I'm not sure I need to begin the list. We've got people going to court because of the way you destroyed the school-based children's dental plan. We've got SaskTel employees going to court. We've got court cases going down in Dallas, Texas. We've got the wildlife federation taking you to court at the federal level. We've got Principal Trust investors taking you to court. I mean, frankly, Mr. Minister, you must hold the Canadian record for a government that spends more time in court than any other in the country.

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

**Mr. Calvert:** — Frankly, we might go a long way to dealing with some of your financial problems if we had to quit paying lawyers.

Mr. Minister, you indicate in your comments that no one has lost life savings. Well I'll tell you, Mr. Minister, the day after the Principal collapse was announced, those folks, those citizens of Saskatchewan, many of them seniors, had not a dime — not a dime of their life savings that they could claim that day. Through the process of liquidation, as you should know, they've recovered 49 cents of their investments. To reach the 74 or 75 cents, these citizens have received the benefit from the Government of Alberta, a government that apparently cares about people.

Now, Mr. Minister, by your refusal to act on behalf of these investors, you should know that you are cutting the Saskatchewan investor out of money that's now going to be available from the Government of British Columbia. You're cutting the Saskatchewan investor out of some moneys that may become available from Nova Scotia. You're cutting the Saskatchewan investor out of any support from your own government, Mr. Minister.

You want to talk about the court case. Well perhaps we should spend a little time on the court case again. Yesterday, under questioning, you indicated to the House that the lawsuit is now at the stage of discovery, where information is being exchanged. You indicate that the case has not yet come to trial.

Mr. Minister, am I accurate in saying that this is a civil case, that we're dealing here with a civil case, not a criminal case, but a civil case? Is that an accurate assessment of the case?

**Hon. Mr. Klein:** — Mr. Deputy Chairman, so far all I've heard in these estimates are some unique admissions by the members opposite about their policies. Their issue and their policy, I guess, is very clear on a \$50,000 bus scandal that has nothing to do with government. They bring up policy on other old issues that have surfaced over the last six years.

They have absolutely no vision for the future . . . (inaudible interjection) . . . And I just heard a member mention from his seat, GigaText. Yes, and I'll admit that our government has lost some small sums of money on investments in business. They don't understand business; they never have, they never will. There's ups and downs.

(1045)

I could bring up, in my past role as a minister in charge of SEDCO, some investments that the NDP made, but I don't bring those up — those investments that the NDP made that failed. And I don't bring them up because at least they were trying to help the Saskatchewan business entrepreneurs to diversify the economy somewhat, and they failed. That's a natural part of business.

And yet we heard yesterday in my estimates, Mr. Deputy Chairman, the obvious NDP policy on new home warranties. They think that the government should guarantee every home that's built because they don't

have faith in any home builders in this province. They say that, I guess, the home builders aren't in a position to build homes properly and that the government should guarantee them.

And yet we have not heard one word, not one word in the last month, about any kind of a specific policy on agriculture. And they stand here this day now, again, without any kind of a policy on agriculture that is so vital, Mr. Deputy Chairman, to the very life-blood of this province. And they keep questioning — repetitive questions — knowing full well that I'm not in a position to respond.

**Mr. Chairman:** — Order, order. The decorum in this committee, I think, is dwindling badly, and from here on in we'll have one member at a time asking the questions, allow the minister to answer with no interruptions and continue asking questions again.

**Mr. Calvert:** — Mr. Minister, I put a fairly simple question to you. The question was: is the lawsuit that you're now engaged in with the investors a civil action or a criminal action? Which is it?

**Hon. Mr. Klein:** — Mr. Deputy Chairman, it's a civil action.

**Mr. Calvert:** — Civil action. Mr. Minister, I'm going to ask the question I began with. The Ombudsman proposed that your government should compensate Saskatchewan investors and then, to recoup the money, that your government should go to the Government of Alberta and do whatever battle it took to recoup, from the Government of Alberta, the moneys. Consistent therefore with your position. And if you want to review the **Hansard**, Mr. Minister, in August of last year I proposed that very same solution to the then minister. You did not act either on my proposal or on the recommendation of your own Ombudsman to do just that.

Mr. Minister, the question is: why did you fail to do that?

**Hon. Mr. Klein:** — Mr. Deputy Chairman, as I said yesterday at the time that the report was made and those questions were done, that was before the matter was in the courts. The matter is presently in the courts and I'm not in a position to respond.

**Mr. Calvert:** — Mr. Minister, we went through this yesterday. This is an absolutely inappropriate response. You're making a mockery of this committee and mockery of this legislature. It is entirely possible for you to answer these questions.

Mr. Minister, perhaps then if you're going to continue this stonewalling by saying over and over and over again that the matter is before the courts, perhaps, Mr. Minister, you could cite for the committee a rule, a rule that prevents you from dealing with this case in this legislature. Mr. Minister, would you cite for the committee the rule that prevents you from talking about this issue because it's, as you say, before the courts.

**Hon. Mr. Klein:** — I'm sorry, I'd like my critic to repeat the question, Mr. Deputy Speaker.

**Mr. Calvert:** — This whole process, Mr. Minister, would function a fair bit more if you would be paying attention. Mr. Minister, the question is quite a simple question. You seem to take the position we cannot discuss the concerns of Principal Trust, the people who have seen life savings wiped out.

Mr. Minister, on what do you base this position? Is there a rule that you can cite where you are prevented from discussing this issue because it is, as you describe it, before the courts.

**Hon. Mr. Klein:** — Mr. Deputy Chairman, as the members opposite hollered from the seat for me to pay attention, I was indeed talking with my officials to see if I could be permitted somehow a little bit of latitude to supply some more meaningful answers to end this nonsense that's going on.

And again I can repeat this, I can repeat this, Mr. Deputy Chairman. I'd like to correct my critic's statement again. He just now again said who have seen life savings wiped out. That is not true. Their life savings are not wiped out. I've just explained that they can get back about 75 per cent of their investment — hardly their life savings wiped out.

It doesn't take much to understand that when something is before the courts and a matter of a civil trial, I am not at liberty to disclose or discuss the situation.

**Mr. Calvert:** — Mr. Minister, you make a mockery of the rules of this Assembly. Mr. Minister, cite for this committee the rule that prevents you from dealing with these questions. Cite the rule, sir.

**Hon. Mr. Klein:** — Mr. Deputy Chairman . . .

**Mr. Chairman:** — Order, please. Order, order. This is the last time we will have outbursts between ministers and members who are not in the committee, and it is the last time we'll have outbursts of members who want to ask questions from their seat.

**Mr. Calvert:** — Mr. Minister, because of the row from the front bench across the way, I didn't hear you cite the rule that prevents you from answering these questions.

**Hon. Mr. Klein:** — Mr. Deputy Chairman, I will not jeopardize the position of the 1 million people that are presently at court.

**Mr. Calvert:** — Mr. Minister, you are responsible to those 1 million people — 997,000 to be exact. You are responsible to the million people. Of that million people, 5,000 and more have a very specific concern, but I argue the whole million. Every taxpayer in Saskatchewan has a concern.

You've landed us in the courts over this issue. The taxpayers of the province are faced with the moral responsibility to compensate investors because of the failures of your government because you so believe in deregulation.



Mr. Minister, you will talk about this issue in this House. You have a responsibility to the taxpayers of Saskatchewan and to the members of this House to answer the questions.

I ask again: in the rules of this Assembly and the functioning of this committee, will you please cite for me the rule that says you cannot answer these questions?

**Hon. Mr. Klein:** — Mr. Deputy Chairman, unfortunately my responsibility is to the million people that have not invested with the balance of the people that are entertaining this civil lawsuit. All questions will be responded to in the courts, as they should be, and as a result I am unable to respond in this Assembly, and I will not respond in this Assembly.

**Mr. Calvert:** — Mr. Minister . . . when the minister has concluded his conversation with his colleagues.

Mr. Minister, in this Assembly you are responsible to answer questions. It is the responsibility of the opposition to put questions to you, sir, as a minister of the Crown. You are responsible, sir, for expenditures of the taxpayers' dollars. It is our sworn duty to ask questions about how you are spending, or may have to spend the taxpayers' dollars.

Mr. Minister, if you want to escape that responsibility, then I suggest you need to provide to this committee and to the House the rule which gives you the basis to avoid the questions. Will you do that now?

**Hon. Mr. Klein:** — Well, Mr. Chairman, my critic is getting a little closer to the truth. I am responding to the questions, first of all, not evading it at all. I'm responding to the fact that I believe that I cannot respond in detail to the questioning. And you're exactly right; I must protect the taxpayers' dollars. The taxpayers' dollars are presently at risk before the courts, and as a result I will not jeopardize the taxpayers' dollars.

**Mr. Calvert:** — It's too bad, Mr. Minister, that you — and I'm not saying you particularly, but your government — didn't protect the taxpayers of this province some three years ago.

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

**Mr. Calvert:** — And we would not be into the prospects of . . . well, the reality of a lawsuit that's going to cost . . . and again you wouldn't provide the information on that yesterday, how much this is apt to cost the taxpayers, the legal fees alone for the lawsuit.

Mr. Minister, you moved a little in your position, in your last answer. You said to me, I believe I cannot answer questions because it's before the courts. We saw a little movement. Mr. Minister, why do you believe that? From where is this advice coming? Is it coming from your legal people, or is it because, as I suspect, you simply don't want to answer these questions?

**Hon. Mr. Klein:** — Mr. Chairman, it's only ordinary common sense that when the matter is before the courts I cannot respond.

**Mr. Calvert:** — Well then let's be clear. A good argument can be made that when it is a criminal matter . . . Mr. Minister, an argument can be made that if it is a criminal matter before the courts, fair enough. But we're talking here, by your own admission, about a civil matter. And I remind you again, by your own admission, this has not come to trial, sir. This is not at the trial stage. It's at the stage of discovery. It is literally not before the courts at this point. It is not at the trial stage. Therefore, Mr. Minister, I argue it is entirely possible, without jeopardizing or prejudicing the court case, for us to discuss this issue in the House today. But more than that, it is your responsibility, sir, in this building, in this Chamber, to answer the questions.

**Hon. Mr. Klein:** — Mr. Chairman, in my opinion that's the most ridiculous statement I've ever heard. A statement of claim has been filed. It's incumbent on me to protect the million taxpayers of this province. And I will not respond to the matter because it is presently before the courts.

**Mr. Calvert:** — Mr. Minister, you a moment ago said that my position was — I'm not sure of your exact quote — but most ridiculous thing he'd ever heard, the most ridiculous thing he'd ever heard. That's what the minister just said. Well then I intend at this point in our conversation, in our debate, to quote from the *Beauchesne*. Now perhaps you'll take the same view of *Beauchesne*. I will quote. In sections beginning 335 entitled "The Sub-Judice Convention":

335. Members are expected to refrain from discussing matters that are before the courts or tribunals which are courts of record (335).

Down at 337:

In civil cases . . . (and I quote, Mr. Minister), In civil cases, the convention does not apply until the matter has reached the trial stage.

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

**Mr. Calvert:** — Mr. Minister, does that sound ridiculous to you?

**Hon. Mr. Klein:** — Mr. Chairman, I just repeat what I've been saying. It would not be appropriate to comment on this matter because the matter is before the courts.

**Mr. Shillington:** — The only contempt, Mr. Minister, is your contempt of this legislature and your behaviour this morning and yesterday.

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

**Mr. Shillington:** — Whether or not you realize it, Mr. Minister, and you don't seem to, it is your responsibility to come to this legislature and answer questions properly put on matters coming within the jurisdiction of your department. One of them is this issue upon which your government was directly involved. You've sought to avoid the question for two days on what I suggest is a nonsensical pretext that the matter's before the court.

My colleague read the citation for you once; I'm going to read it for you again, Mr. Minister. Mr. Minister, the rule says, page 118 of *Beauchesne's*, and the copy I got happened to be the fifth edition, but in the sixth edition nothing changes. Rule 337 says: "In civil cases the convention does not apply until the matter has reached the trial stage."

Mr. Minister, it is simply not tolerable for you to come here and to refuse to answer questions relating to your administration on an erroneous pretext. This House cannot live with that sort of contempt, and you are, sir, in contempt of this legislature. And, Mr. Minister, if you think it's going to work, then all I can say is, we'll see. We'll see, Mr. Minister.

Mr. Minister, you have a responsibility to answer the questions put by the member from Moose Jaw. They are proper questions coming within your jurisdiction. You have a responsibility to answer them. The authorities are clear. You were asked what your authority is. You said it was the most ridiculous question you've ever heard. Perhaps, Mr. Minister, if it's all that ridiculous, you'd like to cite us some authority. I say, Mr. Minister, none exists.

(1100)

It is a silly pretext to refuse to answer questions which are quite proper. Mr. Minister, if you haven't got some authority for your proposition, then I suggest, Mr. Minister, you begin to deal with the questions, because simply standing up and saying it's before the courts isn't going to get you very far. I'll tell you where it's going to get you, Mr. Minister — it's going to get you back here in front of this committee next Wednesday and the week after that and the week after that until you start answering questions.

This legislature simply cannot . . . I want to say, Mr. Minister, this legislature simply cannot tolerate contempt by a minister such as you, and that is what your behaviour amounts to. It amounts to contempt of this legislature.

Mr. Minister, I say to you to start answering the questions which are properly put. If you have some authority, I'd like to hear it. If you don't, I'd like to hear your answers. I and my colleagues have no intention of tolerating your response, which you know is wrong. And if you don't know it's wrong, it's high time you got some advice.

**Hon. Mr. Neudorf:** — Yes, Mr. Chairman, on a point of order.

**Mr. Chairman:** — State your point of order.

**Hon. Mr. Neudorf:** — Mr. Chairman, I've been listening very intently over the last few moments to the proceedings of this House and I would like to put a point of order with respect to the repetitious questioning that has been going on over the last few moments.

**Mr. Chairman:** — Order, order. I'd ask members to allow the member to state his point of order.

**Hon. Mr. Neudorf:** — And I base my comments on a

number of authorities. And I would like to begin my point of order by indicating that the total of no. 335 from *Beauchesne's* on the *sub judice* convention. . . the member opposite neglected to read the entire article, which states:

Members are expected to refrain from discussing matters that are before the courts or tribunals which are courts of record. The purpose of this sub-judice convention is to protect the parties in a case awaiting or undergoing trial (awaiting, I repeat, or undergoing trial) and persons who stand to be affected by the outcome of a judicial inquiry. It is a voluntary restraint imposed by the House upon itself in the interest of justice and fair play.

Now, Mr. Chairman, I am aware of 337(2) as has been read by the hon. member opposite. However we have been told that there is a statement of claim that has been filed.

And furthermore, to support my stand that I have been taking, is also from the parliamentary rules and forms from *Beauchesne's*, page 123, number 416, reply to oral questions. Now the oral questions, and I submit to you, Mr. Chairman, in this particular forum, apply as well as they do to question period. And 416(1) indicates:

A Minister may decline to answer a question without stating the reason for refusing, and insistence upon an answer is out of order, with no debate being allowed. A refusal to answer cannot be raised as a question of privilege, nor is it regular to comment upon such a refusal. A Member may put a question but has no right to insist on an answer.

Further to that, Mr. Chairman, I refer to the *Rules and Procedures of the Legislative Assembly of Saskatchewan*, on page 15 on rules of debate, and I refer your attention, Mr. Chairman, to rule 25(2), which also deals with irrelevance or repetition:

The Speaker, or the Chairman, after having called the attention of the Assembly, or of the committee, to the conduct of a Member who persists in irrelevance, or tedious repetition, either of his own arguments or of the arguments used by other Members in debate, may direct him to discontinue (that line of questioning) . . .

And, Mr. Chairman, I submit to you that that is the situation that we find ourselves in in this House, and based on the three categories of rulings by the various functions in the Houses of this land, I submit to you that we continue on in the debate on another vein.

**Mr. Chairman:** — Does the member from Regina Centre have something to say?

**Mr. Shillington:** — Yes, I saw no point of order in that. If the chairman cares to turn . . . if the chairman cares to rule on the question of whether or not these questions are in order, I would suggest that you also consult Erskine May, which is precisely to the same effect. And I'll read for you page 343 of Erskine May:

*Matters sub judice.* By a resolution of the House, matters awaiting or under adjudication in a criminal court or a court martial, and matters set down for trial or otherwise brought before a civil court may not be referred to in any debate or question.

The rule is precisely the same, Mr. Chairman. So if you care to work hard enough to find a question in that rambling commentary by the member from Rosthern, it might be whether or not these questions are in order. I submit, Mr. Chairman, they are clearly in order and the minister has a responsibility to this Assembly to answer them.

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

**Mr. Chairman:** — I'll take a few minutes to consult with the Clerk.

Order. There seems to be two issues here: the question of *sub judice* and the one of repetition. So I'll deal with them separately.

This matter was first raised in this committee yesterday. I have now had the opportunity to determine the status of this matter before the courts. I am informed by the registrar of the Court of Queen's Bench that a statement of claim has been filed and an action commenced. However no date at this time has been set for the trial.

Our precedents on this matter are very clear. I refer all members to rulings of the Chair dated May 9, 1978 and June 5, 1985 as follows:

The filing of a statement of claim in a court is an essential part of beginning an action in the courts.

However, while the matter is at this stage, no judicial decision is being made and it is possible that no further steps may be taken to bring the case to trial or that this may not be done for months or years. It therefore would appear to be overly restrictive of a member's right of free speech to prohibit all references to the matter at this time.

Order. This is the ruling of June 5, 1985:

Therefore there is no procedural reason under *sub judice* why the questions cannot be asked or answered.

However, a minister may decline to give an answer during oral question period. It is not the role of the Chair to judge the reason given by the minister.

I refer all members to *Beauchesne's* again, page 123, section 416, paragraph 1:

A Minister may decline to answer a question without stating the reason for refusing, and insistence on an answer is out of order, with no debate being allowed. A refusal to answer cannot be raised as a question of privilege, nor is it regular

to comment upon such a refusal. A Member may put a question but has no right to insist upon an answer.

These precedents apply equally to questions and answers in Committee of Finance. The precedents of this House and particularly the Standing Committee on Crown Corporations bear out this point.

Now on the question of repetition, the member has raised the matter of repetition under rule 25. The practice in this Assembly is that the rules regarding repetition are applied very loosely in order to allow members the fullest freedom of debate that is reasonable. I find that the member has been given wide latitude to repeat his questions in various ways, and certainly the Chair will be monitoring the repetition.

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

(1115)

**Mr. Calvert:** — Thank you Mr. Chairman. Thank you for your ruling. And, Mr. Minister, I hope that that ruling will now enable us to proceed through the questions and answers regarding the matter of Principal Trust. So let me just go back and remind you once again of the conclusion of your Ombudsman's report into the collapse of the companies. His conclusion was — and I quote again from the report:

In light of the above, legal complexities notwithstanding, I feel there is a moral imperative on the Government of Saskatchewan to offer appropriate compensation to the investment contract holders in this Province.

Mr. Minister, do you agree that there is a moral imperative upon your government to offer compensation to the investors in First and Associated Investors through Principal Trust?

**Hon. Mr. Klein:** — Mr. Chairman, as I've indicated always, as a minister of the Crown, it is my responsibility to fairly represent all taxpayers. I believe as a result it's incumbent on me to carry forward this responsibility in the interest of justice and fair play for all concerned. And because the matter is before the courts, I will not comment.

**Mr. Calvert:** — Mr. Minister, so I'm clear, Mr. Minister, just so that I'm clear, did you just say that you refuse to answer my question because the issue is before the courts? Is that what you just said to this committee?

**Hon. Mr. Klein:** — Mr. Chairman, as I said in my opening remarks yesterday, the government representing the balance of the people of this province, some one million people, does not agree with the conclusions reached by the Ombudsman.

**Mr. Calvert:** — Mr. Minister, you do not agree with the conclusions reached by the Ombudsman. I heard you say that yesterday. And, Mr. Minister, where is it in the Ombudsman's argument that you feel he is wrong? Where in the Ombudsman's report do you specifically

disagree, that therefore you can disagree with the conclusion to which he comes?

**Hon. Mr. Klein:** — Mr. Chairman, as these matters will be brought forward during the court case, in the interest of justice and fair play, I will not comment.

**Mr. Calvert:** — Mr. Minister, we have just had an accusation from you, sir. And this is certainly not the first time your government has used this tack, of attacking the Ombudsman of this province, or the auditor.

Whenever, Mr. Minister, you people are caught, you turn on the civil servants. You come here this morning; you say that the Ombudsman is wrong, that there's something wrong . . . and I remind the House, only in Saskatchewan has this happened. In every other jurisdiction affected, the Ombudsman has reported and the government has responded in an appropriate way.

Only in Saskatchewan, only in Saskatchewan, sir, do we have a situation where the Ombudsman's report, and the minister of the day at the time, attacks the Ombudsman. And then you, sir, come into this House this morning, saying the Ombudsman is wrong and then you stand in your place and refuse to say why he's wrong, or any of your reasonings, based, sir, on your argument that it's before the courts, and we've just been through a ruling on that.

If there's a question about repetition in this House this morning, it's the repetition we've heard from you, sir, over and over again — it's before the courts.

Mr. Minister, I put it to you again. What is it in this report, what is it in the argument of the Ombudsman that you feel is wrong?

**Hon. Mr. Klein:** — Mr. Chairman, I suppose the court case will bring that out.

**Mr. Calvert:** — Mr. Minister, you have made the accusation against this report and therefore against the Office of the Ombudsman of this province.

It will come out in this court, sir, in this legislative Chamber . . .

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

**Mr. Calvert:** — Now if you're going to persist in attacking the Ombudsman and the report, you had better defend what you're saying, and I'm putting it to you again. What is it in this report that you disagree with, sir? What is it in the Ombudsman's arguments that you feel is wrong?

**Hon. Mr. Klein:** — Mr. Chairman, to disagree with the conclusions reached by the Ombudsman is hardly an attack on his office. I think that it's fair in this democratic world of ours that if we disagree with somebody, that's fine. It's hardly an attack.

Now we didn't take the issue to court. Other people did. As a result, the courts will determine whether the agreement is right or wrong — or disagreement.

**Mr. Calvert:** — Mr. Minister, it becomes an attack on the Ombudsman when you refuse, steadfastly refuse, to defend your argument, sir; when you will not advance an argument to show where this report is wrong.

Sir, then let me ask this. The Ombudsman, in the body of his report, says, and I quote:

. . . (that) Saskatchewan played right into their hands (referring to the Cormie people) played right into their hands by reason of the total lack of any control over the licensing process.

Sir, do you agree that your government showed total lack of any control over the licensing process?

**Hon. Mr. Klein:** — Mr. Chairman, it's not an attack at all on the Ombudsman, but rather I view it as protection in the interest of justice and fair play for all of those people involved in this action, the 600-and-some-odd that have proceeded with it, as well as the near 1 million that are in the defence.

**Mr. Calvert:** — Mr. Minister, the Ombudsman, in the body of his report, says, and again I quote:

Hindsight is wonderful, and it seems clear now that FIC/AIC sought reinstatement as investment contract dealers in Saskatchewan because they were desperate for new money to help pay current indebtedness, but Saskatchewan played right into their hands by reason of the total lack of any control over the licensing process.

Do you agree? Do you agree with the Ombudsman on this point, that there was total lack of any control over the licensing process?

**Hon. Mr. Klein:** — Mr. Chairman, that's the Ombudsman's opinion and we do not agree with his conclusions.

**Mr. Calvert:** — Sir, do you agree — I'm not talking about the conclusion at this point, sir; I'm talking about this specific statement — do you agree or disagree with the statement made in the Ombudsman's report?

**Hon. Mr. Klein:** — Mr. Chairman, we do not agree with the conclusions reached by the Ombudsman, and unfortunately that's why we have what we have today, I guess.

**Mr. Calvert:** — Mr. Minister, why do you not agree with the conclusion of the Ombudsman's report?

**Hon. Mr. Klein:** — I would say that that might be part of the process of the court decision.

**Mr. Calvert:** — Mr. Minister . . . (inaudible interjection) . . . Now the minister says from his seat . . .

**Mr. Chairman:** — Order, order. The member from Moose Jaw South has the floor.

**Mr. Calvert:** — Mr. Chairperson, the minister just says from his seat that he doesn't have to say anything if he

doesn't want to. Well that's obvious that he doesn't want to say, doesn't want to address this . . . he doesn't want to address this situation, and I find that at best peculiar from a government . . .

**Mr. Chairman:** — Order. I'd ask the member for Moose Jaw North to allow the member for Moose Jaw South to put his question.

**Mr. Calvert:** — Mr. Minister, I find that a rather peculiar position for you to take when you're attempting to portray your government now as the open government willing to be responsive and open. And now we come to the first estimates of this session, the first estimates, and now we've spent how many hours and you stonewall. You stonewall it, sir.

Well, Mr. Minister, we'll just keep asking the questions. There's certainly no rule in effect that says we can't ask questions, and we'll just keep asking the questions.

Mr. Minister, one of the arguments that your government has consistently made throughout the course of the debate on Principal Trust is that you relied on the primary jurisdiction and that has been your line of defence — that you relied on the primary jurisdiction, in this case the primary jurisdiction being Alberta.

The Ombudsman in the report says, and again I quote:

Reliance on the primary jurisdiction may be a mechanism for meeting the obligations, but such reliance, by itself, does not fulfil the obligations.

Mr. Minister, the Ombudsman concludes that you did not fulfil your obligations; that reliance on the primary jurisdiction was not enough. Mr. Minister, do you agree or disagree with that statement of the Ombudsman?

**Hon. Mr. Klein:** — Mr. Chairman, I find that one very repetitive. He said something about the Ombudsman concludes. I have said several times that I do not agree with the conclusions reached by the Ombudsman.

**Mr. Calvert:** — Mr. Minister, the questions are fresh and new every time; the answer is repetitive every time. And, Mr. Minister, it seems that each question I put, I need to put at least twice. I will put that one again twice.

Mr. Minister, the Ombudsman concludes, argues, that reliance on the primary jurisdiction is not enough to meet the obligations, to have met the obligations undertaken by your government, your department. He says, and I quote:

Reliance on the primary jurisdiction may be a mechanism for meeting the obligations, but such reliance by itself does not fulfil the obligations.

Mr. Minister, you did not, your government did not fulfil its obligations to the Saskatchewan people. Mr. Minister, do you agree or disagree with what I have just said?

**Hon. Mr. Klein:** — Mr. Chairman, in my opening remark I indicated that the principle of primary jurisdiction being responsible for the regulation of financial institutions has

been in effect for many decades. In fact, even when the NDP was in power, it was used. As a result, I do not agree with the conclusions reached by the Ombudsman.

**Mr. Calvert:** — Well, Mr. Minister, now we're getting somewhere. You are maintaining the position that your government has taken all along, that you relied on the primary jurisdiction. Ombudsman after Ombudsman across this country have said in each of their reports that that simply is a bogus argument.

An agreement may now exist that at the time that FIC (First Investors Corporation) and AIC (Associated Investors of Canada) were licensed in this province, you know full well, sir, there was no formal agreement. In fact, even the prospect or the suggestion that a convention existed is suspect and is questioned by the Ombudsman.

Sir, will you admit today to the committee that no formal agreement existed regarding the primary jurisdiction at the time that FIC and AIC were licensed in the province?

**Hon. Mr. Klein:** — Mr. Chairman, the questioning almost appears as though my critic is trying to behave as a lawyer in a court. If that's the case, and I use that as an example, because of that question and questions like that, in the interest of justice and fair play, and because the matter is before the courts, I will not comment.

**Mr. Calvert:** — Mr. Minister, we've had a ruling. We had a ruling today from the Chair that that excuse of yours is not acceptable. It's not acceptable. It's not at trial stage. This is a civil case; it's not at trial stage, sir.

If you can't answer or won't answer what you describe to be legal questions, well then let's talk about the moral question. Let's talk about the moral question.

Do you, sir, feel any, any moral responsibility as a minister of the Crown in this government to address the concerns of those who have seen life savings lost in this collapse?

**Hon. Mr. Klein:** — Mr. Chairman, in my responses as a minister of the Crown, it is my responsibility to fairly represent all taxpayers. I believe it's incumbent on me to carry forward this responsibility in the interest of justice and fair play.

**Mr. Calvert:** — Mr. Minister, do you admit that your government was negligent in this regard, in the regard of the licensing of FIC and AIC? Do you admit today some negligence on the part of your government?

**Hon. Mr. Klein:** — Mr. Chairman, the matter is before the courts, and we didn't instigate the law.

(1130)

**Mr. Calvert:** — Mr. Minister, you instigated this problem all right. You instigated it several years ago. Mr. Minister, July 19 in this House, the then minister of Consumer and Commercial Affairs said: "Mr. Speaker, there's no evidence of any negligence on the part of this government." The Ombudsman in response to that statement says, and I quote from the Ombudsman:

I venture to suggest that the government can no longer maintain such a posture with any degree of credibility, and I submit that these statements were made without a real awareness of the history of non-regulation in this province — a history which encompasses all administrations since 1952.

The point is made by the Ombudsman, Mr. Minister, that there has been a history in this province of non-regulation. I argue, Mr. Minister, when we came into this decade of the '80s, significant things changed. We entered in a period of recession. We saw in this province the collapse of Pioneer. We saw the collapse of the Northland Bank. Then came along . . . and we saw the collapse of Principal Trust.

Mr. Minister, I maintain that new occasions teach new duties. You have been government in this province since 1982 in a vastly different set of economic circumstances. Mr. Minister, why was it that your government wasn't paying closer attention in this kind of a situation, to the regulations? Why weren't you paying closer attention to these investment contract companies coming into the province to prey on Saskatchewan people, as the Ombudsman indicates in his report?

**Hon. Mr. Klein:** — Mr. Chairman, the critic was referring to the matters prior to court action. Most questions he is asking have been responded to by former ministers prior to commencement of that action. I really can't understand what he wants to do by continuing discussion except to perhaps facilitate some miscarriage of justice. Because in the interest of justice and fair play, because the matter is before the courts, I leave it at that.

**Mr. Calvert:** — Mr. Minister, yes, you are indeed accurate in saying that many of these questions have been put, not to you sir but to the other ministers that have held your position.

The questions now, sir, are being put not only by members of the opposition. The questions are being put because of an Ombudsman's report, an independent, impartial, non-partisan assessment of the events that led to this collapse, sir.

The questions we put today are questions that have come directly from the conclusions of the Ombudsman of this province. He says, sir, it is no longer credible for you to maintain that there was no negligence. Mr. Minister, I agree with that. And I ask, do you agree with it?

**Hon. Mr. Klein:** — Mr. Chairman, obviously the Ombudsman has issued his opinion, as his responsibility is. And as I have said, we don't agree with the conclusions reached by the Ombudsman.

**Mr. Koenker:** — Mr. Minister, has your department in its possession, at this point in time, quarterly statements for AIC/FIC for the periods ending March 31, '85 and June 30, 1985?

**Hon. Mr. Klein:** — I've been advised that all of the documents have been turned over to Justice.

**Mr. Koenker:** — Mr. Minister, were those quarterly reports turned over to the Department of Justice?

**Hon. Mr. Klein:** — Yes.

**Mr. Koenker:** — So, Mr. Minister, are you saying that the Department of Consumer and Commercial Affairs, subsequent to June 30, 1988, had in its possession quarterly reports for AIC/FIC for the periods ending March 31, '85 and June 30, '85?

**Hon. Mr. Klein:** — Mr. Chairman, I can't tell you exactly what reports the department had in their possession that were turned over.

**Mr. Koenker:** — Well, Mr. Minister, you just told me that those reports were turned over to the Department of Justice. And I'm asking you now with respect to the reports that were turned over to the Department of Justice, whether your department turned over quarterly reports for the periods ending March 31, '85 and June 30, '85.

**Hon. Mr. Klein:** — Mr. Chairman, I don't want to see the member from Saskatoon Sutherland lose his temper. And just to clarify it, I will tell you that all of the documents that the department had were turned over to the Department of Justice. I don't know what specific documents or reports they had that were turned over, but all in our possession were turned over.

If you misunderstood my remarks, and I referred to something specifically, I apologize. I didn't mean to mislead you. But I will clarify now that all of the documents that the department had were turned over to Department of Justice, and I can't clarify what those documents were.

**Mr. Koenker:** — Well, Mr. Minister, you have a responsibility to clarify what documents were included in those documents turned over to the Department of Justice, for the precise reason that these quarterly reports, as of June 30, '88, were never in the possession of the Government of Saskatchewan as required by section 25 of the Saskatchewan investment contract Act. And so what we're dealing with, Mr. Minister, is the same issue that the Ombudsman's report is dealing with, and that issue is your government's negligence and its regulatory failure here in Saskatchewan with respect to the Principal Trust issue.

And I ask you again then, because if these quarterly reports were turned over to the Department of Justice with the other documents you gave to the Department of Justice, if they were included, then that would go a long way to indicating that there might not have been regulatory failure here in Saskatchewan.

So there really is a very important issue at stake here as to whether these quarterly reports are to this very day in the possession of the Government of Saskatchewan or not. And can you answer that?

**Hon. Mr. Klein:** — Mr. Chairman, I can tell you that the officials of my department, which are long-time professional civil servants, did everything within their power to get all the reports that they could. I think that

they did an admirable job under the circumstances. The primary jurisdiction was still all in all Alberta. We got what we could, and all of those documents that we did in fact receive have been turned over to Justice.

**Mr. Koenker:** — Mr. Minister, that's not good enough. That's not good enough because your government had three investment contract companies to regulate under the Saskatchewan investments contracts Act, and you didn't do it. You had responsibilities to the people of Saskatchewan to regulate financial institutions that were operating in this province, and you didn't do it. And I want you to tell us whether the quarterly reports for AIC/FIC, from March 31, '85 and June 30, '85, are presently in the possession of the Government of Saskatchewan. Surely that isn't asking too much.

**Hon. Mr. Klein:** — Mr. Chairman, it's unfortunate that the member continues to attack the people employed in the department and the professional staff that we have. They did their best in obtaining what reports they could, and they turned them over to Justice.

Just to be specific, I can't tell you because all of the documents have been turned over. Now if you're accusing long-time professional civil servants of not doing their job, I guess you're free to do that. I choose not to do that.

**Mr. Koenker:** — You're very good at impugning motives, Mr. Minister, and evading your own responsibilities. I'm asking you . . .

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

**Mr. Koenker:** — I have no quarrel with the civil servants of this province. I have the greatest respect for them. The quarrel that I have is with the kind of performance you're giving here this afternoon and your chronic inability to assume any responsibility yourself for the actions of your department and your fellow ministers. That's what I want to know about.

And I want to ask you if you will undertake to provide me with a written answer to the question as to whether those documents are presently in the possession of the Government of Saskatchewan. Will you undertake to give me a written reply if you can't do that today?

**Hon. Mr. Klein:** — Mr. Chairman, my written reply wouldn't be any different than my verbal reply is now.

**Mr. Koenker:** — Your verbal reply just now, Mr. Minister, was that you didn't know whether they were included in the documents handed over to the Department of Justice.

It's a simple matter for you to undertake to check with your departmental officials and to check with the Department of Justice as to whether or not the documents forwarded to them included copies of the quarterly reports for AIC/FIC for the periods ending March 31, '85 and June 30, '85. Can you give us that information within the next week or two in written form?

**Hon. Mr. Klein:** — Mr. Chairman, I can tell you this: that the ministers that preceded me in this portfolio would

have instructed the department to do their utmost in obtaining all of the reports that would be available, and certainly those may have included the reports that the member is referring to.

Whether my staff in the department and my officials were able to get those reports or not, I can't tell you. And any reports and documents that we had were turned over to Justice. Now surely that must satisfy you, unless if you continue to assault the civil service.

**Mr. Koenker:** — Mr. Minister, no, that doesn't satisfy me at all, not one bit. I'm wondering why you can't tell me whether those reports are in the possession of the Government of Saskatchewan?

**Hon. Mr. Klein:** — Mr. Chairman, I can only repeat: it's my understanding that the department and the officials did everything within their power to obtain all of the documents that they could, and they have turned them over to Justice.

**Mr. Koenker:** — Mr. Minister, I am asking if you can undertake to provide us with a written response to the question as to whether the Government of Saskatchewan has in its possession quarterly reports, at the present time, for the '85, quarters of March 31 and June 30 of '85?

Either the Government of Saskatchewan has the reports in their possession or not. That's not a daunting task to determine whether that information is in the hands of the government. I'm simply asking you if you will provide that information by way of a written response so that we can get on with these estimates today.

**Hon. Mr. Klein:** — Mr. Chairman, I would recommend that the member would write the Department of Justice, who have all of the documents.

**Mr. Koenker:** — Mr. Minister, I'm not prepared to accept that because you have a responsibility as Minister of Consumer Affairs to provide that information. And will you provide it?

(1145)

**Hon. Mr. Klein:** — Mr. Chairman, the hon. member can write to Justice to see what documents they might have that they could satisfy the question.

**An Hon. Member:** — Well he could also ask you.

**Hon. Mr. Klein:** — He's asking me, it's true, and my . . . and in our department do not have any documents. They've been turned over to Justice, so that that would be the appropriate area for you to write if you insist on doing that.

**Mr. Koenker:** — Mr. Minister, are you saying that your department kept no copies of any of the documents that it forwarded to the Department of Justice? Are there any copies of this material in your departmental offices?

**Hon. Mr. Klein:** — Mr. Chairman, I've been advised that boxes of documents went to Justice, and no copies were kept because that wasn't required. Justice has all the files.

**Mr. Koenker:** — So are you telling us today, Mr. Minister, that the Department of Justice now has all government files relative to the demise of Principal Trust, and that Consumer Affairs has no such files?

**Hon. Mr. Klein:** — All of the files that were in the department have been submitted to Justice.

**Mr. Koenker:** — Let's be very clear, Mr. Minister. Are you saying that all of the Principal Trust files in the possession of the Department of Consumer Affairs, all of them are now resident in the Department of Justice?

**Hon. Mr. Klein:** — I understand that's right.

**Mr. Koenker:** — And, Mr. Minister, you're saying then that in relation to all of the Principal Trust files, all of the information pertinent to the Principal Trust issue, that previously had been in the possession of the Department of Consumer Affairs is now in the possession of the Department of Justice. And are you saying that there are no copies whatsoever of any of this information in the Department of Consumer Affairs?

**Hon. Mr. Klein:** — I understand that the entire file from the department has been sent over to Justice.

**Mr. Koenker:** — And, Mr. Minister, are there any copies of any of these files resident at the present time in the Department of Consumer Affairs?

**Hon. Mr. Klein:** — No.

**Mr. Koenker:** — Mr. Minister, are you saying then that the Department of Consumer Affairs has no files, and does it have no listing of any of the materials? Do you even have what we might refer to as a catalogue of those materials, an index of those materials that were forwarded to the Department of Justice? Do you have any such index?

**Hon. Mr. Klein:** — Mr. Chairman, the matter is before the courts. It only stands to reason that the Department of Justice would have the files. Now because they are still in the possession of the government, whether they're physically located in Justice or Consumer Affairs makes no difference, and because there's boxes and boxes and boxes, it wouldn't make any sense at all to copy all of those documents when they're still in the possession of government.

**Mr. Koenker:** — But, Mr. Minister, are you now saying that the Department of Consumer Affairs has nothing to do with the Principal Trust issue?

**Hon. Mr. Klein:** — Now they're finally starting to get somewhere, Mr. Chairman. The matter is before the courts, and as a result it only stands to reason that Justice has them.

**Mr. Koenker:** — That's not true, Mr. Minister. The matter is not before the courts, and we've established that. You persist in that erroneous, fallacious statement.

What we're talking about is government accountability, and when you say that boxes of documents are now in the

Department of Justice and are no longer in the Department of Consumer Affairs, that's very important for the public to know, particularly those members of the public who had money with AIC/FIC, because they have to know which government department is accountable.

That's why it's important to ask these questions and establish that today because you're totally unwilling to provide any information, and we've got to know then where the buck stops. And if it doesn't stop at the Department of Consumer Affairs, it's very important today to establish that the proper place for this kind of questioning is, in fact, with the Department of Justice. But that's not very easily determined, given your kinds of responses here today. And that's why we're asking about who has possession of the material and whether copies of it exist in the Department of Consumer Affairs.

And so, Mr. Minister, I'd like to ask you: when were these boxes of material relative to Principal Trust transferred to the Department of Justice?

**Hon. Mr. Klein:** — The Justice department represents government, and as such represents our department. Clearly the issue is before the courts; a statement of claim has been filed. That is part of the court process. The matter is indeed before the courts because the statement of claim has been filed.

Justice, representing the government and the department, is looking over the documents. I think that it's a lot easier for them to receive the files as they have done following the commencement of the court order . . . or the court action, to review the files rather than send a host of people over to the department to review the files. So it stands to reason that Justice, who must look at these documents, is in possession of them at this time.

**Mr. Koenker:** — Once again, Mr. Minister, you're answering a question that wasn't asked. I asked you when the materials pertinent to Principal Trust and in the possession of the Department of Consumer Affairs were transferred to the Department of Justice? When were the materials transferred to the Department of Justice?

**Hon. Mr. Klein:** — If you would've listened to my response, you would've heard me say, after the court commencement was made in January of this year, the files were turned over. That's what I said in my earlier statement.

**Mr. Koenker:** — Mr. Minister, what we have here is a case of confirming evidence of what the Ombudsman's report has established. And I quote here, Mr. Minister, the Ombudsman's report:

I venture to suggest that the government can no longer maintain such a posture (of negligence) with any degree of credibility, and I submit that the statements were made without a real awareness of the history of non-regulation in this province — a history which encompasses all administrations since 1952.

What we have here, Mr. Minister, is a case of government documents required by law to be filed with the



Government of Saskatchewan, the quarterly statements for 1985 for AIC/FIC, that to this very day you don't know whether or not they're in the possession of the Government of Saskatchewan.

And this is precisely what the Ombudsman's report is all about — negligence on the part of you and your colleagues who have been responsible for protecting the public's interest in this regard. And this is why the Ombudsman's report goes on to say that you have a responsibility to the people who made deposits with AIC/FIC here in Saskatchewan. And I want to ask if you recognize that responsibility in any part, in any way, shape, or form at the present time.

**Hon. Mr. Klein:** — Mr. Chairman, the hon. member reading from that report indicated, or it was indicated in that report that the documents that were in the possession of the department, indeed when the NDP were in power, were also included in that shipment of files. It goes back that long, so that it's very clear that the government does not agree with the conclusions reached by the Ombudsman. And we see where we are today as a result of that.

**Mr. Koenker:** — Sir, how can you say that there was no negligence when your department to this very day, and the Department of Justice or any of the agencies of the Government of Saskatchewan, still don't have quarterly statements required by Saskatchewan law to be filed here. How can you disagree with the Ombudsman's report that there was government negligence when you don't have quarterly statements to this very day. How can you possibly contend that there wasn't negligence?

**Hon. Mr. Klein:** — Mr. Chairman, I don't know how the member can make that statement of not having those reports to this very day.

**Mr. Lyons:** — Thank you very much, Mr. Chairman. A few questions to the minister on somewhat the same line of questioning as pursued by my colleague from Saskatoon Sutherland.

Mr. Minister, I ask you this question. To your knowledge, did the department of consumer and corporate affairs contact the Department of Justice in Saskatchewan prior to January of this year's turning over of the files in regards to Principal Trust matter?

**Hon. Mr. Klein:** — The Department of Justice and our department have been in consultation with each other right from the beginning of the whole unfortunate episode.

**Mr. Lyons:** — You say that, right from the beginning. Would you have an approximate date as to when the first contact was made? And secondly, could you answer the question as to who initiated the contact. Did the department of consumer and corporate affairs contact the Department of Justice or was the Department of Justice contacting the department of consumer and corporate affairs?

**Hon. Mr. Klein:** — I've been told that it's very normal for my department when they encounter a difficulty with any

financial institution or the sort, that they would be in touch with Justice immediately. So I would suspect that back in July of '87 when this surfaced, the department, through its normal course of activity, would have contacted Justice.

**Mr. Lyons:** — I want to get this straight. When you're talking back in July of 1987 — that is when the collapse of the financial institution is taking place — was there any activity initiated by the department, by your department, or the department for which you're now responsible, prior to this event, in regards to the companies and their requirement by law for them to file the quarterly reports?

Was there any action taken on the part of corporate and consumer affairs to check out, in fact see why it was that these companies were not meeting the legal requirements of the province of Saskatchewan?

**Hon. Mr. Klein:** — I believe that that issue, Mr. Deputy Chairman, will probably in all event be brought forward during the court proceedings.

**Mr. Lyons:** — Well, Mr. Minister, that's not something that you can hide behind. That's a question that it's your responsibility here in the legislature to answer, because it goes to the nub of the questions raised by the Ombudsman, and that is to the negligence of not you, sir — because you weren't in charge of that department at that time — but to the member from Maple Creek, who in fact exhibited that kind of negligence as outlined in the Ombudsman's report.

The question was: did the department of consumer and corporate affairs investigate the non-compliance of those companies associated with Principal Trust? Did they do any investigation prior to the . . . as you say July of 1987? Was there anything that the department of consumer and corporate affairs did to initiate through Justice, or with any other government department, this question of non-compliance?

**Hon. Mr. Klein:** — I believe that in the interest of justice and fair play to everybody, that that matter will be discussed before the courts.

(1200)

**Mr. Lyons:** — Mr. Minister, it's not a question of justice and fair play. It's a question of your government's total incompetence that we have seen exhibited time and time again in this province, time and time again in this province; of your failure to carry out the responsibilities for which you and your colleagues in the cabinet and Executive Council are paid a very mighty sum, thanks to the taxpayers of Saskatchewan.

The taxpayers of Saskatchewan, Mr. Minister, have the right to know, and they have the right to know whether or not your government was in fact, as the Ombudsman says, negligent in carrying out your duties. You have the right, you have the responsibility; you have the responsibility both moral and legal to answer to this Assembly for the actions of your department.

Again I put to you this question: did the department of

consumer and corporate affairs contact the Department of Justice or any other department in the Government of Saskatchewan to question the non-compliance of the companies associated with Principal Trust? Yes or No? That's the first question.

The second question is: if you didn't carry out your responsibilities as a government, why didn't you do so? What is the excuse and what's the reason that you've got to put forward to try to peddle before the people of Saskatchewan? — instead of hiding behind this phoney issue of, it's before the courts, an issue which was resolved here today, and rule that in fact there is no obligation for you to try to hide behind that. The only obligation is to try to, as we're seeing here today from your performance, sir, is to try to save your own political skin in this issue.

**Hon. Mr. Klein:** — Mr. Deputy Chairman, part of what the hon. member said is absolutely right. The taxpayers indeed have a right, and on behalf of those taxpayers that have a right to a proper defence to see that justice is served and carried out properly, it's on their behalf that we are representing those taxpayers.

**Mr. Calvert:** — Thank you, Mr. Chairperson. Mr. Minister, I have here a letter that's dated January 25, 1990. It's written by the Premier of the province to a senior couple, actually in the city of Moose Jaw. The Premier, in his letter to this couple, says:

I am hoping that Alberta will reconsider their offer, increase their payment, and distribute the money to all investors in the very near future.

Mr. Minister, could you report to the House today if Alberta has in fact reconsidered their offer or increased the payment, and has any increased payments been distributed to investors in Saskatchewan, sir?

**Hon. Mr. Klein:** — The Government of Alberta, who we still hold responsible, has an offer out that would repay the investors approximately 75 cents.

**Mr. Calvert:** — Mr. Minister, I am fully aware, as are every investor in this province, of the Alberta offer. The Premier of this province is saying he wants Alberta to pay more; he's expecting Alberta to pay more than the offer made. And he says, I am hoping Alberta will pay more and to distribute that additional funds in the very near future. He said that in the month of January. Mr. Minister, is there more to come from the Government of Alberta?

**Hon. Mr. Klein:** — Mr. Deputy Chairman, I certainly can't speak for the Government of Alberta, but the Premier and I are both speaking on behalf of the some 1 million people whose interests we are trying to protect.

**Mr. Calvert:** — Well, Mr. Minister, I don't expect you to speak on behalf of the Government of Alberta, and that's not the question. Here is the Premier of the province, the leader of your party, the chief executive officer of your government, saying, "I am hoping Alberta will reconsider their offer," meaning the offer to bring the investors up to 75 cents.

Mr. Minister, has Alberta reconsidered their offer, with all of the pressure being put on by yourself and the Premier?

**Hon. Mr. Klein:** — Mr. Deputy Chairman, I can't respond for the Government of Alberta. Clearly they had investors to the tune of 50 per cent of the company. B.C. had investors to the tune of 30 per cent. Saskatchewan had investors to the tune of 10 per cent. We've applied as much pressure as we can on the Government of Alberta but I can't respond on their behalf.

**Mr. Calvert:** — Mr. Minister, in our discussions yesterday I asked — and at that time you refused to answer because you said the matter was before the courts — Mr. Minister, yesterday I asked if you could demonstrate to this House how in fact you, sir, and your Premier or others have pressured the Government of Alberta. How have you advanced the case? Has it been through written communication, sir? Have you written to the Government of Alberta outlining your case?

**Hon. Mr. Klein:** — There have been all types of representations from general correspondence to verbal discussions.

**Mr. Calvert:** — Then, Mr. Minister, I ask you, as I asked the Minister of Justice, as I asked former minister, Bob Andrew, I asked you again today, will you provide to this committee copies of whatever correspondence has occurred where you have outlined the position of Saskatchewan to the Government of Alberta. Would you provide to this committee the copies of that correspondence which you just a moment ago admitted exists?

**Hon. Mr. Klein:** — Mr. Deputy Chairman, again the repetition occurs by the free admittance of the hon. member that prior ministers have indeed responded to these questions. And that was before the issue was before the courts. So that at that time they would have gotten all the information that was available. At this time, because the issue is indeed before the courts, my hands are tied.

**Mr. Calvert:** — Mr. Chairperson, you will recognize whenever this minister gets in any . . . comes near to be in any kind of difficulty, we hear about the court case again. Mr. Chairperson, last year in this House the Minister of Justice committed to me not once, but twice, that he would provide copies of that correspondence. The minister, Bob Andrew, responded in this House that he would provide that correspondence. The minister here today says that this correspondence took place, but when I ask him to provide copies, right away he says I can't talk about this, it's before the courts.

The only conclusion that can be drawn, Mr. Minister, is that there is no correspondence to be provided; that in fact you're not pressing the Government of Alberta as you will say in your letters from the Premier and from your predecessor. The only conclusion is that you're not doing anything on behalf of the investors in Saskatchewan, sir.

Mr. Minister, would you be, sir, would you be prepared to meet, would you be prepared to meet with people who have lost money in this collapse? Would you, sir, be prepared to meet with those individuals?

**Hon. Mr. Klein:** — Mr. Deputy Chairman, I believe that all types of meetings have occurred before the matter was placed in the courts. Now that it's in the courts, my hands are tied.

**Mr. Calvert:** — Mr. Minister, will you document to this committee the number of meetings that your predecessor had on an individual basis with investors? Will you provide that information? And I don't mean one single meeting with a lawyer that happens to represent a small portion of them. Will you document when ministers of your department have met individually with investors?

**Hon. Mr. Klein:** — I don't believe I would have access to the diaries that they have kept on various meetings that they have had.

**Mr. Calvert:** — Well I don't have access to those diaries either, Mr. Minister, but I do have constant communication with investors across this province who tell me they have requested meetings, requested meetings with ministers of your government, and have been consistently denied the opportunity to meet face to face to discuss their concerns.

**An Hon. Member:** — That's not true at all.

**Mr. Calvert:** — And if a member across the way says that's not true, then perhaps he can answer. When in the last 12 months have investors been permitted to come to this building, to the minister's office, and meet face to face with the minister?

**Hon. Mr. Klein:** — I can tell you, Mr. Deputy Chairman, that in the years leading up to this situation, I have had many personal and private discussions with constituents of mine, that tell me to give them good representation on their behalf. Those people that were not investors, the some 1 million people that were not investors, are expecting our government to do exactly what we're doing, and that is to defend their right as a taxpayer.

**Mr. Calvert:** — Mr. Minister, are you arguing, are you arguing in this House today that the people of Saskatchewan want you to turn your back, to turn your back on those who lost substantial amounts of money in Principal Trust? Is that what you're saying, that the people of Saskatchewan want you to turn your back on those?

**Hon. Mr. Klein:** — What I'm saying is that the matter is presently before the courts, and we will be able to determine an awful lot once all of those stories and facts are determined.

**Mr. Calvert:** — Mr. Minister, are you, sir, now as the current Minister of Consumer and Commercial Affairs, responsible for the interests of these Saskatchewan citizens, would you be prepared, sir, to meet with some of those investors on a face to face basis?

**Hon. Mr. Klein:** — Mr. Deputy Chairman, I've already responded to that question.

**Mr. Calvert:** — Mr. Minister, you know, as I know, as everybody in this House knows, you have refused to

respond to that question; going back to the repetitive line, it's before the courts.

Mr. Minister, in the course of our conversations today, I'm left relatively dismayed by your irresponsiveness to the concerns of these people. Mr. Minister, in some of your remarks today you would indicate that because the investors will now see, if they accept the Alberta offer, in the neighbourhood of 75 cents on a dollar — 75 per cent of their investment — that they have not lost anything.

Well, Mr. Minister, I want to tell you, to a goodly number of seniors living in this province, including in the constituency that I am privileged to represent, a loss of 25 per cent of their life savings is not an insignificant loss, sir. It may be to you, but to them this is a very significant loss. And count this in too, Mr. Minister — they've lost several years now of interest that might have been earned on the total amount of their savings.

These people, sir, worked hard. They are Saskatchewan people who worked hard over the course of a lifetime. Whether it be as a labourer, whether it be in a pool elevator, whether it be on a small farm, or whether it be in a small business, they've worked hard, preparing for what they thought could be a happy retirement.

Mr. Minister, they've lived now three years with uncertainty. They've lived now three years without access to much of their savings — in dribs and drabs it's been coming. For three years they've lived and looked to your government, to a succession of ministers in this House, to deal with their concerns. And they've been treated with contempt; they've been treated with negligence. And that's been further shown in the discussions we've had in this House over the past two days.

Mr. Minister, there are so many significant issues in your department that need to be discussed. I propose now that we set this issue aside and perhaps return to it next week when you've had some time to think about your responses.

So to that answer, I would like to submit to you just by writing, because I don't think we need to go through this here, some of the standard questions that will be asked of almost every minister in these estimates regarding some of your personal staff and travel and so on. And if it's acceptable to you, sir, I'll just have one of the pages deliver the questions to you, and we'll expect the answers as soon as possible.

**Mr. Van Mulligen:** — Thank you, Mr. Chairman. Mr. Chairman, I want to put some questions to the minister about a slightly different topic, and it has to do with insurance. As the minister is aware, the Superintendent of Insurance is one of his officials, and the matter of regulating insurance in Saskatchewan is one of the functions that his department is responsible for.

I have now had a couple of instances reported directly to me and I've heard of other instances of people who have been told by their insurance companies, and in some cases without any notice or effective notice, that they would no longer be eligible to receive insurance on their

homes. In some cases it meant all insurance. In other cases, it seemed to be just simply for theft and liability, but that their insurance would no longer be renewed because of what the insurance company said were a high number of claims.

(1215)

And I gather that their insurance, that they rate potential . . . they rate people on the basis of claims, and they are empowered or have the right to discriminate against people. If they feel people put in too many claims, they can simply cease the insurance. This is a matter of some concern for these people as individuals that this kind of arbitrary action can be taken without any due process.

In the two cases that I'm most familiar with, it's been a matter of where people have had their homes broken into — there's been a break, enter and theft — and they've, as one would normally do, applied or submitted a claim to the insurance company. These thefts occur because of no fault of their own, but the insurance company is saying, well, we don't want put up with this any more and we simply don't want to provide you with the insurance any more.

The question I have is: how is it that in Saskatchewan and in Canada, where we pride ourselves as being based on a set of laws, and where in almost all cases no action can be taken against others unless it's based on some due process, how is it that these insurance companies can move arbitrarily and without any due process against people in our society?

**Hon. Mr. Klein:** — Well, Mr. Deputy Chairman, I think that the member would be aware that the insurance is written by various companies. I think to say that all companies, you know, are refusing to write insurance is not accurate. But I think that in certain cases, where based on experience, an insurance company refuses to underwrite all or any or part of a risk, that that's up to them to determine based on their actual experience.

For instance, and I refer to the time that I operated my amusement park in the days of the NDP administration, when SGI (Saskatchewan Government Insurance) was about the only insurance company available to Saskatchewan business because they had a monopoly, and they refused to provide my amusement park with liability. They claimed that it was based on experience.

Interestingly enough, there were only six amusement parks in all of Canada, none of which were underwritten by SGI. I had paid significant premiums for years and years and years without experiencing any loss. But yet SGI advised me that they refused to write the liability on an amusement park because it was part of an industry standard.

Well I had to search and scour the entire United States of America to find an insurance company that was indeed willing to write that form of thing. So it's a matter between the people and their insurance company written on a contract. I don't think that there is any general type of plan by the insurance companies to not write business because after all, Mr. Deputy Chairman, that's how they

survive, is by the writing of these contracts.

And there would be no practical way that any government — and I use the example of years ago that the NDP who owned SGI — could interfere with that process, or certainly now where it's a more open market and there are several insurers writing in our province.

**Mr. Van Mulligen:** — Well, Mr. Minister, I'm talking about potentially tens of thousands of home owners in Saskatchewan. I'm not talking about amusement park operators. I can certainly understand how an insurance company, given the limited number of amusement parks, may have some problems in deciding what . . . how to cover for liability. But here we're talking about tens of thousands of home owners in Saskatchewan, and in particular about some home owners in my constituency who are being denied insurance through no fault of their own.

Yet a company can come into Saskatchewan, and provided it can meet some reserve requirements, I gather, with the federal government, is entitled to offer insurance and has no further obligation. It can simply walk away if it wants. And what you're saying, well if one company doesn't want to offer it, even if there's no rules about notice and so on, then that person can go to somewhere else. And he can go through the market and see if there's insurance.

To me that doesn't seem very satisfactory, and in the case of my two constituents, also hasn't been very satisfactory.

In the one case, the person is now having to sell their home because there are no insurance companies that are willing to provide any kind of fire insurance, liability insurance, or any theft insurance; and one of the requirements of his mortgage of course is that he protect his home against fire and, I suppose, some other perils. He can't be provided with any insurance.

In the other case, there is no . . . an insurance company not being willing to provide any theft insurance without any notice, and the person being forced to, at the very last minute, having to look around to see if he can get insurance. And I might say the company that denied him the insurance is a company he's been doing business with for many years, and he decided to go there because his family had been doing business with that company over many years.

So what you're saying is that for consumers in Saskatchewan it's kind of, we're going to trust the market and we're simply not concerned about people being denied insurance because some insurance companies are getting somewhat "antsy" about claims. What you're saying is that as a government you frankly don't care and that it's up to the consumer. Is that what you're saying, Mr. Minister?

**Hon. Mr. Klein:** — Mr. Deputy Chairman, the hon. member is way off in some fairyland here of what I'm saying and what's available, and saying that there are tens of thousands of people who indeed can't get property or casualty insurance. That's a ridiculous statement.

What I am saying is this. There are over 100 licensed companies in Saskatchewan now writing property and casualty, all based on their experience. Now I would dare say that those two constituents of yours, unless if they had some horrendous loss experience or something like that that an insurance company would not accept, if we were to force companies that they must carry insurance, there would be no insurance companies writing business here in Saskatchewan.

And I tell you this, going back to my amusement park days when I contacted my NDP MLA for some help to get some insurance coverage on my amusement park, that help was not available because SGI wouldn't write it on the basis of loss experience, when I know full well that the only amusement park in the province of Saskatchewan was mine and that they had a real good loss experience.

So it was all right then, when SGI was the only carrier, to not help us, and now you're saying there are tens of thousands of consumers out there unable to get property and casualty insurance is a ridiculous statement to make. There are over 100 licensed general insurance companies available to them, and unless if they had a tremendous loss ratio, we can't dictate to the companies to write a contract.

**Mr. Van Mulligen:** — First of all, let's set the record straight here, Mr. Minister. You said you contacted your NDP MLA, yet you stand up in the House saying, well you've lived in Regina, Albert Park, Regina South over the years, where there's never been a NDP MLA — although that's going to change in the next election. So let's be clear on that one. And I don't know what Tory or Liberal MLA you might have talked to.

But again what you're saying then is that you're prepared to rely on the market-place, that your department has no meaningful role to play. I want to ask you this. Can you tell this House just how many inquiries you might get from consumers of insurance during the course of a year about companies not providing insurance? Do you keep any records of the inquiries that you get? Is there any pattern to this in terms of the neighbourhoods in our cities where these inquiries might come from?

**Hon. Mr. Klein:** — I have been advised that we don't keep it as a separate statistic because it's not a big problem. And I would tell the hon. member that, indeed, prior to 1974 when I operated my amusement park, unfortunately we did have an NDP MLA.

**Mr. Van Mulligen:** — Well, Mr. Minister, you can talk about your amusement park in 1974. I'd like to talk about home owners in 1990.

Now you say you don't keep any statistics because it hasn't been a significant problem. Can you tell us just, you know, how many inquiries do you get? Do you get one or two a year? Or is it 10 or is it 20? Just what is the case?

And also, do you let . . . as a matter of course, do you let home owners in Saskatchewan know that if they're experiencing problems with insurance, what steps they might take to rectify their problems?

**Hon. Mr. Klein:** — Mr. Deputy Chairman, perhaps the member was researching something else when I indicated yesterday the number of complaints and inquiries that are handled by the department, and last year there was some 24,000 inquiries, some 2,600 complaints, and I've been advised and informed that less than 20 would relate to insurance.

**Mr. Van Mulligen:** — May I ask you, Mr. Minister, just what it is that you do . . . or you require companies to indicate to those that they insure as to what opportunities exist for them in Saskatchewan if they're denied insurance, and whether they can go to your department to seek advice, or just what process there is for individuals if they're denied insurance?

**Hon. Mr. Klein:** — Mr. Deputy Chairman, that's a tender area for us because if the Superintendent of Insurance became involved in what seemed to be a direction from the Superintendent of Insurance to an insurer to accept somebody's liability, it would be seen as an intrusion into the market-place.

I think that it can be said that if one looked in the yellow pages of their local telephone directory, there would be any number of independent insurance agents representing these 100 companies that they could contact to determine if indeed a carrier would be interested in that particular policy.

**Mr. Van Mulligen:** — Well, Mr. Minister, I know that you don't want to intrude into the market-place unless the market-place has a name like Pocklington or Cargill or GigaText or any number of companies that you have become involved in, but I tell you I'm concerned.

I get calls from people who are denied insurance. These people live in a certain neighbourhood. If there is any kind of pattern beginning to develop here, then I get concerned about what impact that might have on that neighbourhood, and I sense here that insurance companies are beginning to red-line neighbourhoods, and perhaps being less than supportive of people who live in certain neighbourhoods. That then becomes an urban planning issue, and the problems that exist in neighbourhoods, in terms of crime and the like, are then magnified by the actions of insurance companies. And that's what I see taking place here.

(1230)

And I again wonder if this is something that your Superintendent of Insurance might begin to look at and begin to understand, if in fact it is taking place. You're saying that your department isn't concerned; that, you know, it's up to the consumer in the market-place. You have no responsibilities, no concerns whatsoever. You don't know if there's a problem if you take that kind of an attitude.

I'm saying that kind of problem is beginning to develop. You want to put your head in the sand and say, well there's nothing occurring here. I'm saying to you, you have no way of ascertaining if there's a problem because you go out of your way to say that you've got no

involvement with this issue, that you don't want to intrude into the market-place.

And I'm not saying that you need to intrude into the market-place, but I say to you, as the Minister of Consumer Affairs, that you should be aware of what is taking place in the market-place. If you're aware of what's taking place in the market-place, some of the problems that have been discussed in the last few days would not necessarily have arisen. And I speak thereof the Principal Trust fiasco.

We see in the case of automobile insurance in some other provinces that governments have, one, encouraged companies to get together to ensure that there is 100 per cent availability of insurance, and to encourage the companies to see that there is an equitable distribution of high risk among all insurers so that one company or the other isn't caught with all the high risk claims.

That's something that's been done in automobile insurance, I believe, in Alberta, in Ontario. I wonder if there is any role for government — and I'm not saying that you have to go to this extent — but I'm wondering if there is any role for your department to begin to understand what might be happening with people in certain neighbourhoods of this city.

Are you conducting any inquiries of insurance companies, and I give you as an example The Co-operators? Have you, for example, sat down with The Co-operators who underwrite a fair amount of insurance in the city of Regina, and with SGI, to talk to them about: are you denying insurance, property insurance now to more people than you were in the past based on claims? And can we be assured that everyone who has a home is in fact or does in fact have access to insurance? If you discontinue the provision of insurance to that person, is there someone else that's picking it up, and how do you know that? And are any of these discontinuances of insurance concentrated in certain areas of cities?

And have you had discussions with municipal officials to alert them to the fact that this is taking place, or with police departments in those municipalities, to alert them to the fact that this is taking place. Are you encouraging any of those kinds of discussions to take place?

And that's not an intrusion into the market-place, Mr. Minister, I would submit to you. That's simply saying that, gee, there may be a potential problem here. It's good for government to be aware of that so as to ensure that the industry is in fact doing what it's supposed to be doing. Are you doing any of that, Mr. Minister?

**Hon. Mr. Klein:** — Mr. Deputy Chairman, part of my past history includes the general insurance business for 11 years. Part of it also includes my own agency. I belong to various insurance agents' associations. I am still familiar, through my past history, with many, many insurance agents in this city and indeed in this province.

And what you're bringing up is bordering on the preposterous. You're talking as though insurance is not available to the majority of people in this province. That's absolutely ridiculous to make that kind of a statement.

You mentioned specifically two constituents that are having a problem. I'm prepared to accept that. That's not unusual. That's well within the norm.

I can tell you that the insurance agents' association and the agents that I know of, who I speak with very frequently, have not indicated to me that they are having a problem with carriers not accepting various forms of liability. There is no major problem in existence out there, as you're alluding to. I don't know why you're taking these scare tactics. There is no red line that the companies have gotten together on, short of what you're saying is a combine exists there and that they refuse to write this kind of a coverage.

None of that is in existence. The insurance agents are going about their business in an orderly fashion in a free market enterprise, very, very highly competitive. You mention The Co-Operators — highly competitive against SGI, trying to write their fair amount of business in this province. And understandably, depending on the risks that they take and the losses that they absorb, at any given time they may choose to write or not write any particular line or any particular risk.

And I believe that if there was any huge problem out there that our department would be aware of it. Consumers are not banging down our doors saying that they can't get insurance as you've alluded to. And certainly I don't believe that that kind of a problem exists out there, nor will it.

**Mr. Van Mulligen:** — Well I want to thank the minister for his answer. You set my mind at ease, Mr. Minister. You told me that you've talked to insurance agents and that you've asked them about this and they've told you that they don't perceive there to be a problem.

Can I ask you how many insurance agents you've discussed this with? Was it with their association? Was this in the form of a written question, or did you take a sampling of insurance agents in the city or across Saskatchewan to ask them about this particular problem? I just want to follow up on what you said, where you said that the insurance agents that you've talked to haven't sort of said that this is problem.

**Hon. Mr. Klein:** — I have been present at one formal presentation with the insurance councils of this province who have not raised any particular problem with me. And I can tell the hon. member this, Mr. Chairman, that in my travels throughout this province I'm continually in contact with members of the business community from all walks of life, whether it be the restaurant business, or whether it be the manufacturers, or whether it indeed be the general insurance agents.

And I've spoken to dozens and dozens and maybe hundreds of agents. They know that my door is always open. They know that they certainly would be willing to contact me or could contact me if any problem existed. I asked them how things are going. They don't get involved in any particular discussion or area that you have brought up. If you would like me to ask them if they have any concerns with that area, to determine whether indeed there is a problem, I have no problem in my frequent

meetings with them, on an informal basis, of asking them if indeed that problem exists.

But I suppose that if I brought back to this Assembly, and I don't know when I could, the fact that none is in existence, you wouldn't believe me in any event.

**Mr. Van Mulligen:** — Let me just say I appreciate the minister's undertaking that he will ask his contacts in the insurance industry. I assume that your department will also do the same, is to begin to ask of companies and insurance agents if this is any kind of a growing problem in Regina and in Saskatchewan. And I thank the minister for that undertaking.

**Mr. Anguish:** — Mr. Minister, I know that you are well aware that the general insurance industry of the province has some concerns about banks and other financial institutions being allowed to sell general insurance. And I was wondering if you've had any communication with your federal counterpart expressing your concern about financial institutions selling general insurance.

**Hon. Mr. Klein:** — Mr. Chairman, I haven't had the opportunity in my new capacity to have any formal meetings with the federal government, but I know that the ministers that have preceded me in this — as you are aware, it is a federal regulation regarding the financial institutions — their stand and ours is that the financial institutions would not be allowed to sell insurance.

And while I'm on my feet, Mr. Chairman, I'd like to introduce in the Speaker's gallery, somebody that doesn't frequent this place . . .

**Mr. Chairman:** — Order, order. The member would have to ask for leave.

**Hon. Mr. Klein:** — With leave, if I could introduce a guest in the gallery.

Leave granted.

## INTRODUCTION OF GUESTS

**Hon. Mr. Klein:** — Thank you, Mr. Chairman, and I'd like to thank the opposition members for allowing me the privilege of introducing an infrequent guest to the galleries. My wife Shirley doesn't come here too often, but she joined in the proceedings with us this afternoon. And I would like to welcome her here, and I think that colleagues and perhaps yourselves would also like to do that.

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

## COMMITTEE OF FINANCE

### Consolidated Fund Budgetary Expenditure Consumer and Commercial Affairs Ordinary Expenditure — Vote 4

#### Item 1 (continued)

**Mr. Anguish:** — Mr. Minister, I'm wondering if you would give us your undertaking that you would

communicate with your federal counterpart, you as the new minister also oppose financial institutions selling general insurance in the province of Saskatchewan or across Canada.

**Hon. Mr. Klein:** — I understand that prior to any changes in federal legislation that that meeting will occur.

**Mr. Anguish:** — Well, Mr. Minister, by the tone of your answer, are you anticipating that the federal government is going to change the Bank Act to allow banks and financial institutions to enter into the sale of general insurance? Has that been communicated to you? You sort of indicated that in your answer.

**Hon. Mr. Klein:** — I think it's fair to say that we don't want to see any changes in those regulations, and I don't anticipate that the federal government will be making any. But by the same token, I can't be held responsible for any changes that they may or may not have on their agenda. Certainly I would anticipate seeing them before any of those changes would occur.

**Mr. Anguish:** — In the circumstance, Mr. Minister, where there could be a future situation where those financial institutions that operate under a federal charter may be allowed to sell general insurance, if that was to come to pass, Mr. Minister, would you be open to proposing changes to the Act that governs credit unions in the province to allow them equal opportunity to other financial institutions?

**Hon. Mr. Klein:** — Well that's all speculation at this time. And we would certainly want our credit unions to remain competitive with all other financial institutions, and we would do whatever we would have to do, I think, to see that that would happen.

**Mr. Anguish:** — But you do acknowledge that it is under your authority as a provincial government that if the federal government was to allow financial institutions that are under a federal charter, if they're allowed to sell general insurance, it would be under your authority to allow credit unions to sell general insurance as well so they could compete within the market-place of financial institutions in Saskatchewan. Is that correct, Mr. Minister?

**Hon. Mr. Klein:** — Yes, I understand that absolutely, Mr. Chairman. And the member is expressing a very valid concern that we are aware of and staying with. And we will do and take the measures that are necessary, if and when any of your speculation may ever materialize. And I'm not aware of any changes pending.

**Mr. Anguish:** — Mr. Minister, have you communicated this support for the insurance agents in Saskatchewan to the Insurance Brokers Association of Saskatchewan?

**Hon. Mr. Klein:** — It's my understanding that they're aware of it, yes.

**Mr. Anguish:** — Well, better than making them aware of it, I would appreciate, as I'm sure other insurance agents across Saskatchewan, if you would have some communication with the Insurance Brokers Association (of Saskatchewan) to indicate your strong support for the

independent agents in Saskatchewan, and to not allow financial institutions to be selling general insurance in this province. And I'm sure that the agents across Saskatchewan will appreciate that very much, Mr. Minister.

**Hon. Mr. Klein:** — As the member very well knows, when The Credit Union Act was amended recently, that provision was not inserted. The insurance agents association, with which I'm very familiar, as I alluded to earlier in my remarks, knows exactly where this minister is coming from on their issue.

**Mr. Calvert:** — Mr. Minister, just as we were moving to the time of adjournment yesterday, my colleague from Saskatoon Centre raised a number of questions, particularly in regard to seniors, and I'd like to return to that, to pursue that discussion just a little further, Mr. Minister. And again I come back to the direct sellers in the province, and I think we all recognize, yourself included, that seniors living alone are particularly vulnerable to the unscrupulous direct seller.

(1245)

And I'd want to say, Mr. Minister, as I'm sure you would, that the majority of direct sellers in the province are indeed scrupulous in offering good products and good services, but in fact we do live with the unscrupulous direct seller in our province, and they very often will prey on the seniors and on the elderly of Saskatchewan. I recognize some of the efforts that your department has made, particularly through the education branch of your department, and I must say I've received a fair bit of the material produced by your department. And I say, and I don't say it just in passing, that some very good materials are coming from your department, sir, and credit goes to your department and to the staff of your department for the educational materials you're producing.

I recognize that there is protection within The Direct Sellers Act, the 10-day cancellation clause. But, Mr. Minister, I still see in the newspapers of Saskatchewan, headlines like these which are current headlines, one headline that reads, "Fraud artists prey on the elderly." Another one from January this year, "Salesman ordered to repay seniors." And so there is still a problem that exists, and I'm sure you're willing to admit that.

So, Mr. Minister, I would like just to spend a few minutes in discussion with you on ways that that problem might be further addressed. I understand, Mr. Minister — and I'm not arguing this position — I understand that the Government of New Brunswick is currently looking at their direct seller legislation to increase the cooling-off period from a 10-day period to a 15-day period. Are you, sir, as minister, or officials in your department, looking at that cooling-off provision in Saskatchewan with any view to changing that?

**Hon. Mr. Klein:** — Mr. Chairman, the hon. member does bring up some valid concerns, and I think that I agree with most of his observations. And right now in particular, as the member from Saskatoon Centre brought up yesterday, this seems to be the time of year that a lot of activity occurs on door-to-door sales, so that we are very aware of

what may or may not occur.

Keeping that in mind, we will be launching a new kit in co-operation with the Family Foundation and the seniors' bureau to further educate our seniors, as best we can, to be very, very cautious in dealing with that type of an approach.

And I can tell you that we always watch with interest new legislation that's proposed across the country. And if it can be included to the benefit of our people, we would certainly be willing to have a look at that. I can tell you that we don't intend on doing anything this year with it.

As you know, we increased the cooling-off period from four days to 10 days, and we also included telephone solicitation in that. So that we would like to protect our consumers, not only the seniors but all of our consumers, to the fullest extent that we can. And if we can improve on that and still allow the door-to-door salesmen that are dependent on that for their daily living to continue without a problem, we would certainly like to do that. We will be monitoring the whole issue as we always do.

**Mr. Calvert:** — Mr. Minister, it has come to my attention through contacts, and again primarily from seniors but also from others, and indeed I've discussed this with some local contractors in the community where I live, and they too see it as a concern.

With the 10-day cooling-off period there is no provision that that cooling-off period applies to the beginning of work. And this is particularly in the case of home renovations where a contractor — and again, I say an unscrupulous contractor — will approach an individual and sign a deal for some work.

Very often that work will begin within a matter of hours or days, well before the 10-day cooling-off period has elapsed. And if then toward the end of the cooling-off period, the individual who signed the contract realizes that this is not up to expectation, a good bit of the work may already have been done and then it becomes a matter of fighting it in court.

Mr. Minister, have you given any consideration to a cooling-off period before actual home renovations could begin, when those renovations are being provided through a door-to-door sale?

**Hon. Mr. Klein:** — You bring up a valid situation that we will examine and monitor very closely.

The committee reported progress.

**Hon. Mr. Devine:** — Mr. Speaker, I would like to make a ministerial announcement.

Leave granted.

## MINISTERIAL STATEMENTS

### Spring Seeding Program

**Hon. Mr. Devine:** — Thank you, Mr. Speaker. Mr. Speaker, in a few moments I will be meeting with the



media and announcing our spring seeding program for the province of Saskatchewan.

The program — and the announcement has been handed to the opposition leader so that he can respond as well — will be \$525 million in short-term operating loans. And it is designed, Mr. Speaker, with the help of the agricultural community.

And I want to particularly just take a few seconds to thank those that have been involved in helping us design it: the Saskatchewan Wheat Pool; flax growers; the Saskatchewan Association of Rural Municipalities; the Pork Producers Marketing Board; the Western Canadian Wheat Growers Association; United Grain Growers; the stock growers; the Cattle Feeders Association; the canola growers; the Pulse Crop Development Board; and yes, the National Farmers Union.

In co-operation with them, and certainly as recommended by the Leader of the Opposition in his letter to me, in a recommendation of a spring seeding program, we have settled on the following criteria: it will be \$12.50 per cultivated acre; the interest rate will be ten and three-quarters; the maximum seeding loan, Mr. Speaker, will be \$50,000 per applicant and \$100,000 per multiple operator.

The loans will be available on April 30, 1990, through the local credit unions and financial institutions, the banks. Applications will be received up to the end of July, July 31, 1990, and all disbursements by the lenders are to be made by August 31, 1990. The loans are due and repayable in full as of January 15, 1991, and the loans will be guaranteed by the Agricultural Credit Corporation of Saskatchewan.

Farmers must declare, Mr. Speaker, that the loan proceeds will be used for, as recommended by the farmers, the purchase of 1990 crop inputs, including seed, fuel, fertilizer, repairs, chemicals and hired custom services to help in seeding.

Banks and credit unions will not use the loan proceeds for payment of principal or interest on other loans, and the Canadian Wheat Board permit books will be used as a base for determining the cultivated acres, that we've had similar experience on the production loan program, Mr. Speaker.

All farmers in the province will be eligible to apply for the spring seeding program. However applicants that may — and I specify may — be excluded, includes those whose loans are currently in demand, foreclosure, or judgement status, those who are in bankruptcy proceedings, or those who are seriously in arrears with other government programs, or those who have been rejected from the Saskatchewan counsel and assistance for farmers program, otherwise known as the farm program.

I want to point out, Mr. Speaker, that applicants who have been excluded from the spring seeding program can appeal through a peer panel established under the Saskatchewan counselling and assistance for farmers program.

The administrative costs, Mr. Speaker, will be \$50 per applicant, to be paid for by the applicants, and the loans are expected to be repaid as of January 15, 1991.

In summary, Mr. Speaker, this \$525 million program, the spring seeding operating program as recommended by farm groups, and indeed by the Leader of the Opposition, is one that has been carefully designed to make sure that we help the farmers in the province of Saskatchewan and also protect and respect the taxpayers' money. This will cost in the neighbourhood of \$40 million, and we will be as careful and as sensitive to the farm groups and their advice in terms of how this program is administered for putting the crop in in 1990.

Thank you, Mr. Speaker.

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

**Mr. Romanow:** — Thank you very much, Mr. Speaker. I'll make a very brief preliminary response on behalf of the official opposition. I thank the Premier for forwarding to us a few moments ago copies of the press statement and some additional details. I'm not complaining, but we've only had them for a very few short minutes and I'm actually looking at them in the process. So my response would have to be tempered by the fact that some further consideration is required before a detailed response is made later this afternoon.

I would like to make, however, I think, basically four very quick points if I can, Mr. Speaker. First of all, I have to note again the delay in the announcement of this program on the part of the government, which delay I can only categorize as being inexplicable and in some ways inexcusable. This is a \$500 million program, as the Premier has already told the House, and one would have indicated that, would have thought that it would have been developed after a lot of consultation, and the details would have been formulated after that consultation, in advance of the announcement of the program.

It almost indicates that the government's response here is very much an *ad hoc* response, thought out at the very last moment, announced in a major way without any details for two weeks and then a catch-up period of consultation with the farmers and farm organizations.

I think this is not the way farmers want their business of agricultural programs decided. They want to move away from *ad hoc* programs. They want long-term agricultural programs. And this is a case study of how I think a government ought not to be announcing a program and a case study of what governments do not want, which is *ad hoc* programs, but a series of long-term income stability and debt restructuring programs. That's the first point.

The second point that I want to make I've already made, and this will just take 10 seconds. We're going to study these proposals in detail and I'm sure the farmers and the farm organizations will, and as a consequence there'll be some further announcements and perhaps even some questions which will come from them.

The third point that I wish to make, Mr. Speaker, is: we do welcome, however, the announcement finally at long last

because it does point the path to some of the farmers who might be inclined to take this loan as to exactly the criteria and the conditions for acceptance. The point that needs to be made is that this loan in effect provides essentially no effective debt restructuring or debt reduction.

What this program does in effect is provide for more debt. The Premier refers to my letter to him, and I think what is important to know, in terms of a basic difference between ourselves and the government opposite, is that at the time of my letter to him we called for a \$500 million cash injection first from Ottawa, to help absorb the current debt, and thereafter, if there was a requirement for a spring seeding guarantee program, that it should be implemented and announced thereafter, the thinking being that this would reduce the numbers of farmers who in effect would be obligated to get themselves more into debt.

We do not have that \$500 million, notwithstanding the Premier's commitment, and I think that this is in fact a very serious deficiency in the program, and I think the farmers are deeply concerned as a consequence.

(1300)

The fourth point that I would like to make on this announcement is very briefly made but is an example of the kind of questions which I think still need to be answered by the Premier, and I hope he does in the next hours and days ahead. For example, in the Premier's announcement the words used are as follows, actually under the name of the Associate Minister of Agriculture:

There was general agreement during our consultations that farmers who are (here are the important words, Mr. Speaker) facing serious debt or legal difficulties and who virtually have no probability of repayment, may be ineligible for the program.

Questions that need to be asked are, who is going to determine when a farmer's in serious debt or legal difficulties? Is it going to be the lending institutions? What are the criteria for serious debt and legal obligations? These are not set out. And how many farmers do we expect will be eliminated by virtue of these criteria? At one time, the Premier was talking in terms of 50,000 farmers qualifying.

I think that these are important questions, especially if the plan is going to be administered by the lending institutions, as it seems it's going to be. Because if in effect the lending institutions decide which farmers are in serious debt or legal difficulties, then in effect we may be right back to where we began three weeks ago. Namely, if you are able to get a loan, you probably don't need this program. If you don't qualify for a loan, you don't get it under this program. So where are we? In any event, we need to have these questions clarified.

Another example is the administration of this program by the banks, and I think I've made my point there. I think the administration by ACS is something which should have been considered. Perhaps the Premier has an effective response to this, I don't know.

I make a peripheral comment on the \$50 per application provision which is an out-of-pocket expense for the farmers of about \$2.5 million just for the administration of this plan, based on 50,000 applicants, which is the Premier's indication here. And I think that's a very big expense charge too.

Time has run out for me, Mr. Speaker. I will simply say that we are at long last relieved, as the farmers are, that at least the broad outline of the program is announced by the government. We will have further comments to make after consultation with the farm organizations on these details and other questions which need to be raised.

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

**Hon. Mr. Neudorf:** — Thank you, Mr. Speaker. On behalf of members on this side, I would like to take this opportunity to wish all members opposite, the legislative workers, and certainly yourself, sir, and the people of Saskatchewan a most blessed Easter season coming ahead. And with that I would move that this House do now stand adjourned.

**Mr. Lingenfelter:** — I just want to join with my colleague, the Acting House Leader in wishing everyone a happy Easter — the staff, the Speaker, all members. And we'll see you back here on Tuesday. And I'm sure that you will all have a very, very good weekend.

**Hon. Mr. Neudorf:** — Mr. Speaker, I move that this House do now adjourn.

**The Speaker:** — The Deputy Leader has moved that the House do now adjourn. And before we put the question, I too would like to echo the views of the Opposition House Leader and the Government Deputy House Leader that I wish all staff, all members, have an enjoyable, blessed Easter weekend. And the House now stands adjourned until Tuesday at 2 p.m.

The Assembly adjourned at 1:04 p.m.

**CORRIDENDUM**

On page 644 of *Hansard* No. 18A Wednesday, April 11, 1990, in paragraph 4 of the left-hand column, the words attributed to Hon. Mr. Chairman were actually spoken by Hon. Mr. Klein.

We apologize for this error.

**[NOTE: The online version has been corrected.]**