

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

Hon. Mr. Devine: — Thank you, Mr. Speaker. I have two guests that I would like to introduce today, through you and to the House and the members of the legislature. First of all, in the Speaker's gallery, the Consul General of Belgium, who is in Toronto, Mr. Robert Devriese. The Consul General I met this morning, and he will be meeting with Her Honour, the Lieutenant Governor. He'll be meeting with the Hon. Grant Schmidt, officials from the Department of Health, and officials from Intergovernmental Affairs.

I want to say to you, Mr. Speaker, and to the members, that the Consul General has been very helpful to me personally. My daughter Michelle just had the opportunity to represent Belgium at the United Nations in New York and she received her advice on several of the political issues in Europe from the Consul General.

As well, he is very interested in the health card technology, and we met with the Minister of Social Services in Belgium. And their officials will be here, so he will be continuing to talk about our health card being marketed in Europe. And obviously we had some very good discussions about Europe 1992, the multilateral trade negotiations going on at the GATT (General Agreement on Tariffs and Trade).

So I would ask all members here to welcome this distinguished European visitor.

Hon. Members: Hear, hear!

Hon. Mr. Devine: — As well, Mr. Speaker, I want to introduce to you, and through you, a special guest and their organization, Mr. Rodolfo Jerez, president of the Saskatchewan Association for Nicaraguan Democracy. He's seated in the Speaker's gallery.

This is a very historic time for Nicaragua. Mrs. Violeta Chamorro was inaugurated yesterday, April 25, as the president of that nation. The government and the province of Saskatchewan look forward to building a solid and lasting relationship with people in Latin America, and particularly Nicaragua, and wish our very best wishes to the newly democratically elected president.

So I would ask all members to please recognize our guests and wish them well in Nicaragua.

Hon. Members: Hear, hear!

Mr. Saxinger: — Thank you, Mr. Speaker. Mr. Speaker, I'd like to introduce to you, and through you to the members of this Assembly, a group of students, grade 8 students from Cudworth. They came down together with a group from Bruno and they're going to be here today to view this session. They are accompanied by their

teachers, Jim Bridgeman and Karen Dufort, and their bus driver, Ben Lucas. I look forward to meeting with them at 3 o'clock for pictures and refreshments and questions. And I would ask the members to please help welcome the students to Regina.

Hon. Members: Hear, hear!

Hon. Mr. Petersen: — Thank you very much, Mr. Speaker. I'd like to introduce to you, and through you, two visitors to the Assembly today seated in your gallery, Mr. Speaker. They're Mel Hegland, the mayor of La Ronge, and Mr. Vern Studer, a representative of the chamber of commerce from La Ronge. And I'd ask the gentlemen to rise and be recognized, and I'd just ask all members to help me welcome them here today.

Hon. Members: Hear, hear!

Mr. Upshall: — Thank you, Mr. Speaker. Mr. Speaker, I would like to join with the member for Kinistino in welcoming to our legislature the groups from Bruno and Cudworth. I have to apologize; I believe I will be in crop insurance estimates when it comes time for pictures and drinks, so I've asked my colleague from P.A.-Duck Lake to sit in for me, and he will certainly do a good job of answering all your questions. I just hope you have a good trip to Regina and a safe trip home, and I'd like all members to again welcome them here.

Hon. Members: Hear, hear!

Mr. Calvert: — Thank you, Mr. Speaker. To you, and through you to all members, I would like to introduce seven adult students from the SIAST (Saskatchewan Institute of Applied Science and Technology) campus, Palliser Campus in Moose Jaw who are visiting our legislature today. They're accompanied by their teacher, Mr. Larry Shaak. I look forward to meeting with the friends from Moose Jaw right after question period, and I would invite all members to welcome these guests to our Chamber.

Hon. Members: Hear, hear!

Mr. Goulet: — Mr. Speaker, to you, and through you, I would like also to welcome two people from La Ronge, the mayor, Mel Hegland, and Mr. Vernon Studer who's been, both of them have been very involved in mining development and would like to have strong participation in that area, Mr. Speaker.

Hon. Members: Hear, hear!

ORAL QUESTIONS

STC Inquiry

Mr. Trew: — Thank you, Mr. Speaker. I have a question for the minister responsible for Saskatchewan Transportation Company. Mr. Minister, you will be aware of the story in today's *Star-Phoenix* which states:

After they were arrested in Dallas and disowned by STC, Don Castle and Darrell Lowry used

Saskatchewan Transportation Company credit cards to ring up \$1,400 in phone calls between Dallas and Regina.

Since the two men were at that time suspended from their duties at STC, one would have assumed that their privileges were also suspended. That being the case, why were they allowed to use STC credit cards to run up \$1,400 of long distance charges after their suspension?

Some Hon. Members: Hear, hear!

Hon. Mr. McLeod: — Mr. Speaker, the member's quite right in saying that the two individuals in question were suspended by STC without pay and other benefits. Other benefits would certainly include the use of credit cards, whether they be either credit cards or telephone credit cards.

Mr. Speaker, as I think the hon. member would know and many people here in the House and elsewhere would know, that credit cards and credit card numbers, once one has the number, you can go forward and use the credit card number. I believe that was done by both in both cases. The corporate credit card numbers used by STC is a corporate number that's used by employees, including the bus drivers out and around the province.

When it came to our attention that this had been done and it was being done in Dallas, the credit card number in question was cancelled and new credit cards were issued to the employees of STC subsequent to this happening.

Some Hon. Members: Hear, hear!

Mr. Trew: — New question, Mr. Speaker. Minister, I'm afraid it's just not going to wash; it's not good enough. It's that kind of a cavalier attitude towards the taxpayers' money and towards STC which has taken that corporation from a very strong financial surplus position to a \$25 million deficit during your long, hard, eight Tory years of mismanagement.

Can you tell us, Minister, what perks these two STC executives had in addition to a calling card, when they were cut off, and what their monthly spending was on such things as expense accounts during the time leading up to their arrests?

Hon. Mr. McLeod: — Mr. Speaker, as we've said in the House before — I might just make the comment as it relates to credit cards — the credit card numbers, as I've said, once one has the credit card, whether he has it physically in their hand or whether they have the number committed to memory, they're able to use it. I know that people that I know, members of our caucus who have credit card numbers, memorize their credit card numbers. And so I'm not sure if that's the case with the hon. member or some of his colleagues. That's the fact of life for the way in which credit cards work.

But, Mr. Speaker, more importantly, and as I have said in the House before and outside this House, this whole issue as it relates to the two people who are charged in the United States — not convicted, but charged — who are charged in the United States and who have been

suspended without pay or other benefits by STC, we believe we've acted in a prudent way. We have established a judicial inquiry. I believe that's seen by people across the province as a reasonable response to the unfortunate circumstance that we are in.

That is the case. If the member has other questions, and I know they have all kinds of questions, and he takes every opportunity to engage in muck-raking or whatever other term you might want to apply to it, but I would say to you, Mr. Speaker, I take the responsibility very seriously. We have given it — all of the information — to the judicial inquiry. And, Mr. Speaker, that member, all members, and the people of Saskatchewan, I believe, should allow the judicial inquiry to take its course.

Some Hon. Members: Hear, hear!

Mr. Trew: — A new question, Mr. Speaker, to the same minister. Minister, it's that kind of misspending and your government's lack of controls which should be covered in the Ernst and Young report.

Can you tell us if this item was included in the Ernst and Young report? And will you do the proper thing and make that report public today so that the people of Saskatchewan can see for themselves how this kind of mismanagement of taxpayers' money is or was dealt with?

Some Hon. Members: Hear, hear!

Hon. Mr. McLeod: — Mr. Speaker, the issue of the Ernst and Young report and the submission of that report by Ernst and Young, the nationally recognized firm, to the judicial inquiry is an issue that's been dealt with in the past here. That was turned over to the judicial inquiry on the request of Mr. Justice Brownridge, as I've reported to the House before.

At the time that I reported to the House, the members over there did not believe it was the case. They've questioned the answer that I was giving at the time. Subsequently they were shown to be wrong on that case. Mr. Speaker, all I say to you is that the Ernst and Young report has been turned over to the judicial inquiry as had been requested.

The Ernst and Young report has dealt with accounting practices and all of the management practices within STC. Mr. Speaker, the judicial inquiry is mandated to be a public exercise and will be a public inquiry. All I can say to that hon. member is have patience and you will have all of the information that you need.

Some Hon. Members: Hear, hear!

Mr. Koskie: — Thank you, Mr. Speaker. Mr. Speaker, I'd like to direct a question to the Minister of Justice. Mr. Minister, we have some revealing facts. We have these two officials in Dallas, the two STC officials who are facing bribery charges at the present time, making several calls to the chief of staff of the former minister responsible for STC and now Government House Leader and the member for Melfort. And we also have several calls being made to the former communication director, a very senior advisor to the Premier. I want to ask you, Mr.

Minister: are you apprised of the fact that these phone calls were in fact made by any of the individuals receiving them and whether or not you have determined the purpose of those calls.

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — No, Mr. Speaker, and we should keep in mind that a lot of people, when they receive calls, answer the telephone. I think the question that has to be dealt with is, as the minister responsible for STC has answered, what to do about the credit card. And I think that's the question that has to be answered, and the hon. member has answered that.

Some Hon. Members: Hear, hear!

Mr. Koskie: — Mr. Speaker, another question to the Minister of Justice. I hope he can do a little better in this one. Mr. Minister, these are calls from the accused from Dallas to a senior chief of staff of one minister and also to a former communication officer of the Premier. I ask you, Mr. Minister, will you take it upon yourself to determine the nature of those calls? And will you also, Mr. Minister, undertake to advise the RCMP and the commissioner for the judicial inquiry that such calls were made and may be of interest in determining whether or not investigation would be furthered by such contact with these individuals.

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — I have little doubt but that the RCM police members that I know and that I'm aware of would take a look at the paper, and this information, I believe, was in at least both daily newspapers today. If that's a surprise to the hon. member, I'm surprised.

Secondly, from my reading of the paper today, that one of those individuals was the sister-in-law of the individual, which I think again what I'm simply saying is it's the question of the use of the credit card that's the big one. If someone phoned their sister-in-law, I'm surprised that that would surprise the NDP. And then secondly, my recollection of Mr. Quinlan, at the time that the story broke, was doing public relations on behalf of STC and the bus system.

So, well again, the only ones. Every reporter in this province knows full well that you haven't brought one new item to the floor of this Assembly. You are interpreting it in your own manner but that doesn't deal with the facts out there, Mr. Speaker. The fact is that they use the credit calls. And the hon. member responsible has already responded to that question.

Some Hon. Members: Hear, hear!

Mr. Koskie: — I want, Mr. Minister, to ask you this. Will you give the House your assurance that if the RCMP or the judicial inquiry wishes to investigate whether or not these people — that is the chief of staff or the former communication officers, were in fact acting as conduits for higher-ups in government — will you in fact co-operate fully in the investigation?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — I'm trying to think of what the D could stand for. I know that the N is a misnomer because there is nothing new in the New Democratic Party. But I know the P stands for paranoia, Mr. Speaker, because, Mr. Speaker, again nothing new.

We had indicated at the time of the inquiry that there would be full co-operation from the government. We set it up, Mr. Speaker, in the belief that it was the right thing to do to get to the bottom of the matter, Mr. Speaker. And there will be full co-operation with the inquiry.

The police have been carrying on their investigation as they normally do, as this government quite properly takes a position that they should be able to make their inquiries unfettered and independent of government. We believe in that principle, Mr. Speaker.

We do disagree with the principle espoused by the New Democratic Party yesterday in Crown corporations that the politicians should oversee the police investigations. That is wrong.

Some Hon. Members: Hear, hear!

Mr. Koskie: — Another question to the minister, and I ask you to listen to the question because you seem to stray a little bit, but I can understand why you do.

Mr. Minister, can you tell us whether or not the RCMP investigation is completed, and if it's not, when do you expect it to be completed? Do you have any ideas as to when it's likely to be completed and whether or not the investigation is still concentrating solely on Castle and Lowry as the member from Meadow Lake has indicated.

Hon. Mr. Lane: — Again, Mr. Speaker, the NDP are trying innuendo; we've now heard that for the last couple of years. I can only tell you I'm advised that the investigation is continuing and that I would, Mr. Speaker, expect that they will report whenever they're finished, and not before.

I will like to restate, Mr. Speaker, that the principle espoused yesterday in Crown Corporations by the NDP that there should be political overseeing of police investigations is not the policy of this government, it is the policy of only the New Democratic Party.

Some Hon. Members: Hear, hear!

Executive Compensation at PCS

Mr. Mitchell: — Thank you, Mr. Speaker. I have a question for the minister responsible for the Potash Corporation of Saskatchewan, and it concerns the contract of William Doyle, the president of PCS (Potash Corporation of Saskatchewan Inc.) sales.

One provision of that contract, Minister, says that the corporation shall reimburse the employee for membership dues to the North Shore Country Club in Glenview, Illinois, during the five-year term of the agreement. Now we've made inquiries about this North

Shore Country Club, and we find that it cost 10,000 American dollars just to be put on the waiting list for membership, and another \$20,000 American immediately upon acceptance as a member, and that's over 35,000 Canadian dollars just to get in the door, Minister.

Now can you tell Saskatchewan people if this has actually happened; if \$35,000 of Saskatchewan's money has been spent to get Mr. Doyle into this exclusive country club?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — Mr. Speaker, I can't answer what clubs or what was paid. But let me indicate to the hon. members that I would expect that many corporations, and many national and international corporations do in fact, Mr. Speaker, encourage their senior managers to join certain clubs and have memberships in certain clubs.

For that, Mr. Speaker, to be a surprise to anyone in this province, I would be surprised. And which clubs, which organizations that international corporations should have their executive members, is obviously a decision of the management of what are in the best interests of the corporation, to ultimately get the highest return for shareholders. That's what business expenses are supposed to do, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Mitchell: — A new question, Mr. Speaker. I take it from the minister's answer that the answer . . . I take it that the answer is quite likely yes, these amounts were paid to get Mr. Doyle into the North Shore Country Club.

In addition to this \$35,000 to get in the door, we're told that the annual membership fee at this club is over \$4,000 in Canadian money per year. Now that's what I call high-priced networking or high-priced marketing, but I don't think Saskatchewan taxpayers will find it acceptable when there are hungry children in this province.

How can you justify this expenditure, Mr. Minister? Surely Saskatchewan people aren't responsible for the golf club dues of company executives. Can you tell the House how many other public sector executives have these unnecessary and expensive perks in their contracts?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — Mr. Speaker, I can't answer that question. I would expect that the corporations that are carrying on business nationally and internationally, Mr. Speaker, and corporations where it is in the best interests of the company to have their senior employees members of clubs or organizations — that the potash corporation would be no different than anyone else.

As a matter of fact, Mr. Speaker, I can recall when we took office. We took office at . . . and that policy, I'm sure . . . that people, their senior members were members of golf clubs in the province, members of Assiniboia Club, members of the Saskatoon Club, Mr. Speaker.

So to say, Mr. Speaker, that senior managers are not members of these organizations, would be wrong. And, Mr. Speaker, to say that senior executives shouldn't do what they believe in the best interests of their corporations, for their employees to get the best interests for their shareholders, that's a decision for management, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Mitchell: — A new question to the minister. Minister, we're talking about a contract that was entered into when PCS was a Crown corporation, and we're talking about an employee who himself is earning more than \$300,000 U.S. per year. Now this North Shore Country Club is ranked in the top 100 golf courses in the United States by *Golf Digest*, and there are some 4,500 private golf clubs in the United States.

We're told that this rating is based on three factors: the wealth of the membership, the wealth of the club, and the prestige of the club. Now we in Saskatchewan are thrilled to know that the Potash Corporation of Saskatchewan is on such an exclusive membership list.

Can you tell this House what possible benefit was expected to accrue or will accrue to the Potash Corporation of Saskatchewan, and thereby to the people of this province, by spending a total of over \$56,000 Canadian in the life of this contract over five years to grant Mr. Doyle membership in this exclusive golf course?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — Well the difficulty I have is that you can't have it both ways. If it's an exclusive membership, then I would expect in the normal course of doing business that their contacts would be that much more exclusive, that much more prestigious, that much more important, and that much more influential — Mr. Speaker, that it's those type of people that in fact they will want to do business with to influence the decision.

The potash corporation, much to the surprise of the New Democratic Party, is dealing with some very large corporations in the United States, major buyers, Mr. Speaker, major mining companies in the United States — major, as I say, buyers of potash, major distributors of potash in the corporation.

Agri-food businesses, Mr. Speaker, of hundreds of millions of dollars are the type of businesses that the potash corporation quite properly is dealing with to try and sell Saskatchewan potash.

I'm surprised that the hon. member would say that they should not be doing that. Mr. Speaker, they should be in contact with the people that are going to buy the potash, going to distribute the potash. And, Mr. Speaker, wherever those people are, I hope the potash people is very closely in touch with them.

Some Hon. Members: Hear, hear!

Children Living in Poverty

Mr. Pringle: — Mr. Speaker, in light of the answer that the minister has given, that this government is willing to support \$40,000 a year on golf fees for top executives, I'd like to direct my question to the minister of the families.

Given the fact that we have 64,000 children living in poverty in Saskatchewan, 22,000 children using the food banks last year in this province, and that 70 per cent of the working parents, primarily women, who are working full time, live in poverty, as do their children, do you support this policy of \$40,000 a year for top corporate executives to golf, Mr. Minister?

Some Hon. Members: Hear, hear!

Hon. Mr. Martin: — Mr. Speaker, the 64,000 number that the members of the opposition and the critic of the family is throwing around are arbitrary at the very best, Mr. Speaker. Nobody agrees with those figures. The fact of the matter is, Mr. Speaker, that the radio ads that they're running and the members of that party are saying that people on low income are not feeding their children. That's what they're saying about the farmers of this province, that the farmers of this province are not feeding their children, Mr. Speaker. And we know that's not true.

I'm appalled at the insulting remarks and radio ads that they're running against the low income people of this province, Mr. Speaker.

Some Hon. Members: Hear, hear!

Agreement with Cargill

Mr. Solomon: — Thank you, Mr. Speaker. My . . .

The Speaker: — Order, order!

Mr. Solomon: — Thank you, Mr. Speaker. My question is addressed to the Premier this afternoon. Mr. Premier, your good friend, Kerry Hawkins, who is president of Cargill Canada, said on STV last night that Cargill, and I quote:

. . . won't bow to political pressure, and details of the plant at Belle Plaine will not be given out even if Premier Devine asks for them.

Mr. Premier, who's running things in Saskatchewan — you or Cargill grain? What gives Cargill the right to tell Saskatchewan people they aren't entitled to know how their money is being spent?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, they've been all over the map this morning, and again they're taking it out of context.

I will say that we are doing a joint venture on fertilizer, the Government of Saskatchewan and the Cargill corporation, and indeed you will have public information. But on the commercial arrangements on margins, you never make them public. And the commercial basis, and you know that as well as I do . . . In fact, we talked about it recently.

So you will have a public document that is there that outlines the nature of what the agreement is, but you will not see the release on commercial margins. And nor should anybody expect to in a competitive business.

They might not understand that, Mr. Speaker. They know very well that they couldn't do it. They couldn't build fertilizer projects, they couldn't build paper mills, they couldn't build upgraders. They don't really understand that. Nor do they understand international marketing.

But maybe they'll come along after a while, Mr. Speaker — after they figure out it's a good idea to diversify the economy here, not have the fertilizer plant built in North Dakota and we ship the natural gas and the jobs into the States. Let's have it on this side of the border so we get the jobs and we get the opportunities, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Solomon: — A new question to the Premier, Mr. Speaker. Mr. Premier, it's a fact that Cargill has put up \$65 million, or 15 per cent of the equity. It's a fact that the people of Saskatchewan have put up at risk \$370 million, or 85 per cent of the equity. And it would seem that Cargill should be a junior partner to the people of this province.

Yet with your full compliance Cargill has decided that it can, on its own whim, ignore the wishes of the people of Saskatchewan. Is it written somewhere, Mr. Premier, in those deals which you won't reveal, that Cargill has the right to ignore the people of this province and to disregard a directive from you — because that's what Mr. Hawkins did yesterday. Did you put that in your deal?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, the hon. members say that we want to give Imperial Oil the commission margins as we market all the information to the competitors, from Simplot, or from other places. I mean, all the fertilizer manufacturing is in Alberta, United States, and Manitoba, not in Saskatchewan. So we set up a company here, and the NDP is saying let's give all the margin information to Imperial Oil, to Simplot, or to Americans or other people when we're building a plant here. Now nobody in their right mind would do that.

We know that you can have an arrangement here where we can build and we can be competitive. There are going to be margins paid for the interest rate protection. There's going to be a commission paid for marketing and there's going to be a commission paid for the natural gas.

And in fact, Mr. Speaker, if you go into Moose Jaw right now and you talk to people, and I'm sure that you're aware of this, that the people of Moose Jaw are awfully glad that the fertilizer plant isn't going to be made and put up in Montana or North Dakota. It's going to be on this side of the border, so we can process our natural gas and have the lowest-priced fertilizer any place in western Canada, Mr. Speaker.

Some Hon. Members: Hear, hear!

INTRODUCTION OF BILLS

Bill No. 14 — An Act respecting Certain Payments to the Meewasin Valley Authority, the Wakamow Valley Authority and the Wascana Centre Authority

Mr. Kopelchuk: — Mr. Speaker, I move first reading of a Bill respecting Certain Payments to the Meewasin Valley Authority, the Wakamow Valley Authority and the Wascana Centre Authority.

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

Bill No. 15 — An Act to amend The Saskatchewan Embalmers Act

Hon. Mr. McLeod: — Thank you, Mr. Speaker. I move first reading of a Bill to amend The Saskatchewan Embalmers Act.

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

ORDERS OF THE DAY

GOVERNMENT ORDERS

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure Rural Development Ordinary Expenditure — Vote 43

Item 1 (continued)

Mr. Koskie: — Thank you, Mr. Chairman. Mr. Minister, I have a series of questions which I'd like to perhaps read into the . . . it relates to staff, the traditional questions, and travel, and there's a few other ones, in-province travel.

I thought perhaps to save time — because I think we can only wring so much water out of a rag, and I think that we should wind this down and get on into a new area like crop insurance — and what I will do if I may, Mr. Minister, with your concurrence, is to read in these questions. And perhaps you could provide me with the answer, written reply to these questions.

So in respect to staff, the first question I'd like to read in and have the minister reply is: I'd like the name and the title and the salary of all personal staff. This'll all be recorded.

Secondly, I would like to know if there was any change in salary among your staff in the past year.

Third, how many vehicles are provided by the provincial government for the use of officials and employees who are part of the Department of Rural Development?

And four, do ministerial assistants have access to government cars for any reason?

And five, do any officials or employees of Rural

Development have credit cards issued by or paid for by the department?

Mr. Minister, are you prepared then to take those as read in and supply me with the answer? Is that the way you prefer to go?

Hon. Mr. Hardy: — No problem. We'll get them all together and send them over to you.

Mr. Koskie: — Then I'll proceed, Mr. Chairman. In respect to travel, I want, number one, last year how many out-of-province trips were taken by the minister? What were the destinations? Who accompanied the minister? Four, what was the cost of each trip? Five, what was the purpose of each trip? Six, in the coming year, how much is budgeted for travel by the minister? And seven, did the department use any charter aircraft during '89-90? If so, what cost?

Also in respect to in-province travel. Number one, Mr. Minister, can you tell me how often you used the executive aircraft in '89-90? And two, can you tell me the cost of these trips? Three, what was the purpose of each of these trips? And four, did any of your personal staff go along with you on the executive aircraft trips in '89-90? Those I think are the essential standard questions which I'd like to have completed.

There's just a couple other areas that I want to touch on and that is in respect to WESTBRIDGE, Mr. Minister. And I'd like you to consider this. I see recently in the *Public Accounts* for '88-89 that your department paid to WESTBRIDGE Computer Corporation the sum of \$373,192. That was in '88-89. Can you tell me if a similar amount was spent last year in '89-90 on WESTBRIDGE? And has a similar amount been budgeted for 1990-91?

Hon. Mr. Hardy: — Mr. Chairman, the money that's budgeted to WESTBRIDGE is for the Crown land management system that we have in place and about 95 per cent of that total budget is for that. It was for the previous . . . it's been in all years; it'll be for this year coming up as well, about the same.

Mr. Koskie: — In respect to providing this service, Mr. Minister, with WESTBRIDGE, you didn't give me the statistics as to how much you spent last year or how much is budgeted this year. I didn't hear it at least. And I want to know whether or not . . . whether you tendered for that service, in other words, gave other computer companies an opportunity to tender for providing such service, or was it just simply handed out to WESTBRIDGE?

Hon. Mr. Hardy: — First of all, I'll go back to your question. I think when I said the dollars I said there was about the same all three years, it would be about the same. Just so I clarify that. In regards to the contract, the contract was with SaskCOMP when it was part of WESTBRIDGE. It was just transferred over because it was all in the mainframes and no other way . . . If we had to do it again, it would be very costly, even if you tendered it out, to get that information and redo it again.

Mr. Koskie: — The contract with WESTBRIDGE Computer Corporation was in '88-89. What is the reason

for not having been able to tender it out? Because if what you're saying is true, that you were hooked in on SaskCOMP and then SaskCOMP was turned over to WESTBRIDGE, then it logically follows after that that anything that SaskCOMP had, WESTBRIDGE took over and there's no tendering process. And WESTBRIDGE, as a consequence, gets essentially all of government business without any right of any other computer company being able to tender.

Hon. Mr. Hardy: — When it transferred over, as you said, it was part of SaskCOMP. It went over . . . it's on their mainframe. We actually purchased the use of that information that was on their mainframe from them, from WESTBRIDGE now, which was SaskCOMP before. And so we pay for the use of that information that's on there and the distribution of that.

(1445)

Mr. Koskie: — Well it's a terrific hand-out to WESTBRIDGE, I'll tell you that, Mr. Minister. That's why their records showed that free enterprise was working so well, because what they did is to pick up a very profitable company, SaskCOMP, and with it win all of, or a major portion of government contracts without any tendering.

What's happening out there, Mr. Minister, is that the other computer companies say that there's unfair privileges being granted to WESTBRIDGE, the one which you're trying to flog around the province saying such a success. Well you can be a success if you're handed contracts and you don't have to compete.

But you're the big enterpriser, the free enterpriser, you know; the individual should get out and compete in the free market. You don't believe in it. What you have done is handed it out to some of your buddies again, that are running WESTBRIDGE. That's really what has happened and it's rigged throughout the whole of the government. And you know it and I know it, and so do the competing computer companies in Saskatchewan.

I want to ask a couple other questions here, and you can answer these in writing along with the others. But don't take too long; I want them before the election. In respect to advertising in polling, Mr. Minister, how much was spent on advertising by Rural Development in '89-90, the total advertising?

I want to know, two, how much is budgeted on advertising in '90-91. And three, did your department spend any money on polling and market research in '89-90? If so, how much? And is there any amount budgeted for polling in 1990-91, and if so, how much? If you could also supply those answers in writing with the others as soon as possible, I'd appreciate it, Mr. Minister.

I want to get on because we want to get on to crop insurance. There are a number of people wanting to determine and to find out from you, Mr. Minister, some of the unfairness of the application of crop insurance to the farmers of the province. But, Mr. Minister, I want again just to say what a disaster your government has been in supporting rural Saskatchewan, and it has again been brought to our attention in respect to your buddies over in

Ottawa.

I mentioned to you the other day that privatization of postal systems was the course of action that was going to be taken by the federal Tories and that you were a party to that, although you try to deny it. Just like with GST (goods and services tax), you're a party to GST, even though you deny you reject it and you're saying you're fighting against it.

And the truth of the matter is, a report came out, a parliamentary committee set up by the Tories in Ottawa under the Department of Consumer Affairs. And what did the Tory committee members recommend to the Tory government? They recommend the sale of and the privatization of Canada Post. Other members on that committee . . . there was a New Democrat and a Liberal, both of whom opposed and wrote a minority report opposing the privatization.

The consumer and corporate affairs committee stated Tuesday:

. . . that Canada Post would continue with current plans to close rural post offices and replace them with mail services offered by retail outlets.

That's exactly what is happening, Mr. Minister. And I'm not going to belabour it, but the other night over at Cadillac, Saskatchewan, in the Shaunavon constituency, again over 200 people came out, fighting to save their postal services. And I'll tell you, there was no Tory MP at that meeting. And the MLA from Shaunavon was at the back of the hall being perfectly silent and slipping away quietly.

I'll tell you, Mr. Minister, that the people of Cadillac and other communities in this province are angry over your lack of action in helping to defend what they believe is their right to defend. And certainly you can take a look at what's happening.

I have a brief report here from the critic of the New Democratic Party that sent it to me. I want just to indicate how rapidly they're moving forward. Canada Post and the federal government have chosen to move quickly as a strategy to close these post offices throughout Canada. As of March 20 this year, 179 have been closed, 457 have been privatized in retail outlets, 306 are under review, and 199 communities have their retail post offices open, where federal outlets already exist.

In fact, so determined at privatization is your Tory cousins in Ottawa that they have admitted, Canada Post actually admitted to putting money into retail outlets virtually next door to its own post office. Canada Post told the committee, normally in rural areas where the store is too small, where the output will not be able to support the initial payments, we do rent or put some money into the investment in order to get a retail store. They're actually subsidizing the privatization of postal services.

You know, Mr. Minister, as someone said in the Shaunavon constituency, one of the big things the Tories down there provincially are touting is tourism on Red Coat Trail, I believe it's called . . . (inaudible interjection) . . .

Yes. They're promoting tourism down the Red Coat Trail.

And you know what he said? He said, you'd think before they advertise tourism down there, that they'd build a Red Coat Trail. But secondly, he said after you come down to the communities on this big tourism that the Tories are touting, he said you get into towns like Cadillac and you wouldn't even be able to send a postcard back, because the post offices in the communities will be closed.

So I want to leave it at that. I think the people of Saskatchewan know where the Tories stand on it. Therefore privatization . . . the provincial government is giving only lip-service. Do you realize that the post office in Yorkton, which is making a sizeable amount of money, is due to be privatized. That's how far it has gone.

And the people of Saskatchewan, as the lady that headed up the committee at Dubuc, Saskatchewan, she said — and they closed down the post office in Dubuc and now they have it in a retail store, against the wishes of the people — and she said, we will not forget. An election will come and I'll tell you, she said, the people will know how to vote. They'll vote against those Tories that will not stand up for rural Saskatchewan. And I congratulate her for taking that stance.

Mr. Minister, I want to basically close these estimates to get on to crop insurance. And I want to say to you that I'm disappointed in the budget in respect to rural affairs or Rural Development. The budget has been cut by over \$2.2 million. You have frozen the grants since '87-88 for the operating grants in the conditional and unconditional grants to the RMs. That represents over 60 per cent of the budget, and you've maintained the amount of money that you'd pay out to the RMs at the same level as in '87-88.

As a consequence, what we see in rural Saskatchewan is obviously a reduction of services, a reduction in the construction of roads and improvements for rural way of life. And what is even worse, Mr. Minister, as a result of the extravagance of your government in wrong priorities, costs are being transferred onto the backs of municipal property owners.

Because of the adequate funding of education, the RMs and property owners are going to have to pay a considerable more in taxes. I take a look at the Humboldt riding, or Humboldt rural school division. They lost \$106,000 in funding. They are going to have to increase from six to seven mills the rate of taxation. They're going to have to get rid of five or six teachers. And the mill rate is going up, and the Minister of Education says, does it have anything to do with population?

Well I'll tell you, Mr. Minister, that's another thing that I'm going to talk about. Your economic policy is as bad as your policy in support of rural Saskatchewan. And I say to you, and many of the municipalities because of your economic policies, there's a burden of tax arrears in many of the municipalities throughout Saskatchewan. We see you as so-called defender of rural services. And we had to bring you in this House and make you announce and change the policy in respect to ferries.

In fact the member from Prince Albert-Duck Lake met and had a press conference in Prince Albert, and farmers petitioned and forced you, just after the budget came in, to call over the member from Rosthern and say, we're in trouble; let's change that policy. And so he stood in the House here and he said, we changed it. And oh, did they think they had created a coup!

Can you feature a minister of the Crown who says he keeps in contact with rural Saskatchewan and he's consulting all the time, he says, that he would put into a budget a slash of services such as which couldn't be handled by the farmers in the area. He had to change it.

And so what obviously, this budget doesn't mean anything. Any budget a Tory government brings down doesn't mean anything because it has really little relationship as to their expenditures. He has an amount set out here, how much it's going to cost for ferry services. Now during estimates review, he changes the policy, so that's not relevant any more.

Yes, Mr. Minister, really fighting for rural Saskatchewan, announced a rat program with the Premier a couple years ago. Oh, they were going to be part of the rat-free area of North America, Alberta and Saskatchewan — 130 new jobs. And I'll tell you, I'll tell you the only live body in Saskatchewan that supports you and your government, Mr. Minister, are the rats. That's the only ones that support you, are the rats, because they have had a stay of execution. And so the rats are supportive of you. But I tell you, there's not enough rats to get you elected again. I'll tell you, Mr. Minister, you really fought hard too.

As I said, cut the ferry service; turn it around when you get into a tough spot. Announce a rat program, cut the rat program. You're fighting hard for saving rural Saskatchewan, rural post offices. Boy, what a fight you're putting on there. Children's dental program, best in North America, school-based. You stood by and watched that be eroded by the Minister of Health, your Premier, and the dental college of the province. Fighting, boy; fighting for rural Saskatchewan.

And what else have you done? You went ahead and did some privatization because that's your real strong point, Mr. Minister. You're the privatizer. And you started out privatizing the community pastures until the cattlemen backed you into a corner and said, halt. You cut veterinarian services and grants to provide services of veterinarians to the people in rural Saskatchewan.

(1500)

You're starting on the course of privatization of crop insurance — 250 new jobs he said, we're creating. They called them businesses. You know what I call it? Pork-barrelling, that's what it is, 250 pork-barrel. Tory organizers they call them. That's what it is out there in rural Saskatchewan.

I'll tell you, I talked to a lot of farmers and they said, we knew pretty well what we wanted in our crop insurance and we were able to go into the crop insurance office, get what we wanted, pay for it, and away we went. We didn't need some Tory coming out to our farm three or four

times, getting paid 35 or \$40,000 a year. And the worst of it, Mr. Minister, is that you haven't even set up a course for them. What they're doing now is going into the rural service centres, and the staff there that provided the service are now having to teach these Tory organizers about crop insurance. We'll get into that when we get into crop insurance. But that's what you've been privatizing, Mr. Minister.

Another real fight you made, you know, when the privatization of SaskPower . . . You really stood tall there, too.

But you do have priorities, Mr. Minister, you and your government. You have priorities for a few and we've alluded to these before. You have Chuck Childers, with his five-year, no-cut contract, and Doyle, and three top officials of Crown corporation, potash, get \$6 million over five years. And you slash over \$2 million from the budget supporting rural Saskatchewan. Quite a priority, Mr. Minister.

Farmers of this country: you say it's going to cost you \$40 million for your seed loan program; federal government says \$20 billion. That's about right. You've cut out anywhere from 5 to 10,000 farmers. I predict more. So that's what you have, about 32 cents an acre for a average farmer. That's what it'll cost the government.

But for Cargill you have \$370,000, no problem whatsoever. You've got millions of dollars for Peter Pocklington, who has turned out to be the biggest parasite on the provincial treasuries across this country, worse than any other Tory that I know. This is the guy that talked about fighting for the individualism. And he was a leadership candidate, if you believe it. And he just fleeced the provincial government in Alberta for some \$70 million of the taxpayers.

Yes, you've got priorities all right, priorities for your rich friends who dictate the terms of your government.

I say, Mr. Minister, you've failed in agriculture, you've failed to address the problems, you've failed to develop a long-term policy. And as a result we see the depopulation of Saskatchewan and the young and the best of our brains are leaving this province.

You've deserted small business in the interest of megaprojects. And certainly the working man has not received much under your tenure. Almost one-quarter of the total working force of this province are part time, that is they work from one to 19 hours, or from 19 to 30 hours. Almost a quarter are part-time workers. We once had the highest minimum wage; you've had one minimum wage increase in eight years.

Yes. And you've done more for ordinary citizens of Saskatchewan. While you heaped money onto the Childers and the Cargills and the Pocklingtons of this world, what you've done is taxed the people of Saskatchewan. What we have today is the highest personal income tax in all of Canada, Mr. Minister, and we have the highest per capita debt in all of Canada.

Mr. Minister, you took a province over that had the lowest

per capita debt, had the lowest taxation across Canada, and today what you have done is destroyed the base of operation for many Saskatchewan people. And what even is worse is you've mortgaged the future of the next and subsequent generations.

I want to say, as I've said before, Mr. Speaker, that your government has been one of deception, deceit, incompetence, waste, and mismanagement. You try to sell your ideas with millions of dollars of taxpayers' money going into advertising. But the true fact is, Mr. Minister, the substance is lacking, and the people of Saskatchewan are aware of it.

And I say to you that what you have done to this province is short of being scandalous. And I say to you, Mr. Minister, you too are part of that legacy, a legacy which I wouldn't want to bear, what you have done to this province and to the people of this province with the deception, the waste, the mismanagement, and indeed corruption.

I say to you, Mr. Minister, that at some point in time a government loses its moral right to govern. I think this government has sunk so low that the people of this province, indeed across Canada in respect to Tories, have lost all respect for what you stand for or what you have done.

I think what's even worse, Mr. Chairman, is that this government — and that includes this minister — have done a terrible disservice even to the democratic process. And I think that the people of Saskatchewan deserve much better, Mr. Minister, and I think the people of Saskatchewan are going to get much better. And I think that at the next election the people of Saskatchewan will give you a clear message as to what they think of you, Mr. Minister, and that government.

Some Hon. Members: Hear, hear!

Mr. Koskie: — Mr. Minister, much more could be said of those dreadful eight years that you have placed upon the backs of the people of this province. But, as I say, you can only wring so much water out of a cloth or a wet rag, and I think we have pretty well wrung everything that needs to be wrung out of that department, and we want to get on with the other aspects of it because we've got a lot of estimates.

But I say to you, Mr. Minister, in closing, it's time that this government stops the deception that they're doing something. I mean, you're talking about rural diversification is the big thing now. There's nothing wrong with diversification, Mr. Minister, but the fact is that you haven't been successful in eight years and your priorities have been for megaprojects. And I'll tell you, Mr. Minister, you have to meet the present. People out there have concerns. Their concerns are, right now, how do we survive on the farm; how do we survive in it with our business. And those should be the priorities, Mr. Minister.

And the people of Saskatchewan have really one thing in mind as I go across rural Saskatchewan. And time after time I hear it, Mr. Minister, and the question they ask me

is, when will there be an election? When will there be an election? That's what's on the minds of the people of Saskatchewan now.

And so, Mr. Minister, I can say a lot more in respect to your estimates. I've said in respect to revenue sharing, you've frozen them since '87-88. I've talked about road services branch being cut back, ferry service staffing cut back and service — even though you amended it in the House here when we got to you — RM secretaries grant has been cut. There's other services that have been cut by other departments which affects rural Saskatchewan also.

And so I say, Mr. Minister, that we had expected more from you as minister of rural affairs, but in view of the fact of the priorities of your government you may well be doing the best you can. But I say to you that the time has come that deception will no longer work. You can't bluff your way through or you can't advertise your way into an electoral win any longer.

I say to you, you lost the moral right to govern. And if you have any influence, for once work on the Premier and tell him what the people of Saskatchewan want. They want an election and they want it soon.

Some Hon. Members: Hear, hear!

Hon. Mr. Hardy: — Thank you, Mr. Chairman. I'll just make a few very brief remarks. The member from Quill Lakes went to a great extent of talking how nothing has been done in the Department of Rural Development to work with rural Saskatchewan people. I believe that the people of rural Saskatchewan know that that's not true; that we've did a great deal of work out there with the rural service centres that we're putting up, with the rural development diversification.

I just want to touch on two or three things I touched on earlier, but just so the member knows that we are doing a lot of things in rural development diversification. Since the first of this year we've approved grants under the rural economic development grant to 30 projects in Saskatchewan, all new ones. That's just since the first of the year. That's when the grant came into place.

I want to touch on a few of the ones that we're involved with. We're working with two dehy plants being established and certainly they know where they are. A flax board plant that's being put into place. The peola chip plant, and I've talked about that. The Manitou Beach proposals that's going to develop tourism in the area. There's a company going to produce sandwiches.

We have the Vis-A-Vis plant that's going into, the Quill Lakes member, into Wynyard where we have not only RMs involved and the town involved and a local entrepreneur involved, we also have a company from Japan involved. A very major player, also going to put in a Japanese garden there which is very, very neat and unique for this area. And that's part of their own expenditure, so that'll probably be the first . . . will be the first in this province.

We've got organic flour mills. We've got about four of them now being set up. We have a couple of eviscerating

plants and an expansion to another one. We have NorSask Forest Products up at Meadow Lake that are expanding, going to make furniture board. We have the North American waterfowl plan that we're now putting into place in part of the member's area and all through the north of Regina here.

And all to the north, where be a very extended amount of opportunities for both tourism and for the people of the area, we have been working on another inland terminal in the Wadena area, and I don't think there's any secret there that they've been asking for some assistance, and we're working with them. And there's a list of other smaller ones that we get into, that I could name here today that we've been working on, most of those in the last year or so, most of those even in the last year.

I just want touch a couple others. He said we cut the rural development and we froze it. We have managed where we have administration and staff. We've cut down on many areas where we might have travelled and all the other stuff. I can personally say, in advertising too we do the basic advertising that's needed. I can say personally that I don't travel out of this province. I think I went out twice last year, both to Brandon: one to speak to Manitoba municipalities, once to speak to the University of Brandon, both times on development diversification. That's the only two trips out and that was on the request of those two groups of people.

(1515)

I want to mention the rural development. We have done some things, the last three or four years, although the amount of moneys that he says in the base is frozen for conditional and unconditional, and that's true. It's remained the same. We've brought in the new rationalization, road rationalization program, upgraded most road systems and changed the funding dramatically in some of them. The primary goods system, the heavy haul system brought in, which is a special one; it's nothing to do with the basic other ones. We brought in a regravelling program that's been available now for three years — this is the fourth year coming up now — that has assisted municipalities to the tune of \$7 million, 50-50 cost sharing on all designated road systems.

So I just wanted to touch on that because we have done some things, maybe not great things — and you could be right, maybe they're not really great — but they have maintained the basic structure there. And in fact many times have improved our road structures and certainly has rebuilt and redesignated so that we do look at where the hauls are and how the major service system . . . services there and where it needs to be built into.

He mentioned about the ferries, and it's true, we did cut three hours from the ferry service. We did previous to that. I've had a few calls previous to that, two members I mentioned in the House here, the one from Rosthern and the one from Kinistino, went up there on the weekend. They come back . . . met with the groups up there. They come back and we had discussed during the day and then previous to, previous to being . . . as the member knows from P.A., previous to even a petition being presented in the House here — and he did have one, I grant you, that is

fair — but I had previously announced that we would go back to regular hours, those three hours, because the farmers needed it. They explained to us why they needed it, seeding and harvesting.

Yesterday I met with some more groups of farmers up there, so special, where they had a special case, and I told them very distinctly that we will make sure that they have access where it's needed. And I think they were certainly satisfied with that.

He mentioned the privatization of pastures. They're to co-ops and certainly that's fair if he calls that. But that's members running it and I think that's the right way to go.

I just want to . . . one other thing he mentioned, the post office at Cadillac. I think every one of us have concerns when we lose our post office in rural Saskatchewan. I have written letters to Harvie Andre, the minister responsible for Canada Post. I've written letters to Canada Post. I have met with Canada Post about four times over the last three years in regards to this.

And in some cases, I would think fair to say, in some cases we have had some success. In regards to Cadillac, the member from Shaunavon was there. I don't know if anybody else was there from the opposition or not. And I don't know. They may or may not have been; I can't say. I don't know if any MLA was there from the opposition; I'll put that very carefully. And whether they're there or not, I do know that the member was there from Shaunavon.

The member and I have put together a letter drafted again to Mr. Harvie Andre, the minister responsible. We are also sending a copy out to the people of Cadillac, a copy of our letter. We're very . . . and the wording is put in such a way as we believe that the post office should remain in Cadillac; that it's important to the rural structure of our . . . that we're putting together out there.

So we've done those kinds of things and . . . Nothing's ever great in tough times but you do the best you can, Mr. Chairman. I believe the Department of Rural Development has done the best that's possible out there.

We've worked always with the people; we've always been there to listen to them. I've met with literally thousands and thousands of people over the last four years. I've been into pretty near every community in this province meeting with people.

So I want to say to the department folks, they do a great job, each and every one of them — the 400-and-some-odd people that work for the Department of Rural Development do a fine job and I'm very, very proud of them. I believe the people of Saskatchewan are proud of them, both through our rural service centre network and the way they deliver the service. Each and every one of them are people, they're professional people, they do a very, very fine job and I hope that the members opposite, as well as the members on this side, appreciate the job that's done by those kinds of people who certainly are the front-line people who take the flak from the individual if there's a problem, and get very, very little credit for when something really turns out good. So to them I want to say thank you, and to the member

opposite for his questions. I've done the best I can to answer them. Thank you very much.

Mr. Koskie: — Mr. Chairman, in looking through, I note the minister says again, I'm fighting and I'm writing to save rural post offices — oh boy — I mean what hypocrisy. What you stand for is privatization, and your Tory buddies in Ottawa, so get off the horse that you're fighting, because you both believe in it. Don't come in here again and try to deceive the public. I'm sick and tired of hearing it. Come clean for once and say, I believe in it too and I support it, as you do. Don't give us your half-truths.

Mr. Chairman, I'm prepared to proceed with the item-by-item account of the expenditures in the department, and although I don't agree with the \$2.2 million cut in the budget, and he alluded to the tough times, and I agree with him. There's an expression that Tory times are tough times. Boy, have we found that out.

But I can agree, Mr. Chairman, and Mr. Minister, with one cut in the budget, and that's item 19, the member of the Executive Council went down from 44.4 over and above your MLA's salary, to 36.6. Other than that, Mr. Minister, I oppose the freezing since '87-88 of the grants to the rural municipalities, because I think that's where the money should be spent. I think that you waste a lot of money in the department in respect to high-faluting advertising and all kinds of seminars on how to use the open exchange and destroy the wheat board and orderly marketing. That's a part of the old Tory game again.

But in any event, Mr. Chairman, I'm prepared at this time, although reluctantly — because they say when a guy is down you should, if you're a good boxer, you keep him down — but in view of time I have to move on. And accordingly, I'm prepared to deal with the individual items.

Mr. Chairman: — Did the minister care to respond or not?

Item 1 agreed to.

Items 2 to 18 inclusive agreed to.

Item 19 — Statutory.

Vote 43 agreed to.

**Consolidated Fund Budgetary Expenditure
Rural Development
Capital Expenditure — Vote 67**

Items 1 and 2 agreed to.

Vote 67 agreed to.

**Consolidated Fund Budgetary Expenditure
Economic Diversification and Investment Fund
Vote 66
Rural Development**

Items 9 and 10 agreed to.

**Saskatchewan Heritage Fund Budgetary Expenditure
Rural Development
Ordinary Expenditure — Vote 51**

Item 1 agreed to.

Vote 51 agreed to.

**Saskatchewan Heritage Fund
Loans, Advances and Investments
Agricultural Division
Rural Development
Vote 61**

Item 1 agreed to.

Vote 61 agreed to.

Mr. Chairman: — That concludes our estimates on Rural Development, and I wonder if the minister would like to thank his officials before we close.

Hon. Mr. Hardy: — Thank you, Mr. Chairman. Yes I'd like to take this opportunity to thank my officials, not only for doing the estimates here, but during the season. As I said earlier, they do a fine job. I'm very proud of the work they do and the work they do for the people of Saskatchewan. I would also like to thank the opposition for their questions. I know that it's always tough to ask questions. A lot of questions are very relevant. I appreciate those questions. I know some of the comments are always made in whatever form, but certainly the questions were very relevant. The member from Humboldt and the rest, the member from Quill Lakes, I want to thank you for the questions.

Mr. Upshall: — Thank you, Mr. Chairman. On behalf of my colleague from Quill Lakes and myself and others who were involved in these estimates, I would like to thank the minister for his co-operation and the officials for their replies. Thank you.

(1530)

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

Mr. Chairman: — I'd ask the Minister of Rural Development to introduce his officials, please.

Hon. Mr. Hardy: — Thank you, Mr. Chairman. I'd like to introduce the vice-president of administration, Jim Walters, over here on our left. Next to me here is Blair Harris, a research analyst. Directly behind me here is Geoff Bartlam, manager of field operations. And right behind me is George Hill, supervisor of agents.

Item 1

Mr. Upshall: — Thank you, Mr. Chairman. Mr. Minister, several items I want to cover in the estimates under crop insurance corporation. I would like to begin by talking about the multi-year disaster program over which there is some concern, and that is putting it mildly.

The multi-year disaster program, although farmers were paying for that benefit, you and I both know that there were some problems with farmers collecting after the fact that they paid their premiums.

But just before I get into that detail, Mr. Minister, I want to ask you for your opinion or for your analysis of what happened when Manitoba and Alberta were paid out three or four weeks or more before Saskatchewan was paid out under the multi-year disaster program. If you could just tell me in your words exactly the process that you went through and why you were late in getting your information into Ottawa.

Hon. Mr. Hardy: — In regards to why we'd be longer than Manitoba or Alberta in sending our estimate of loss to the federal government was a couple reasons. One, we had about 85,000 claims to go through, which we have to go through, have to have all the claims in, even to be able to determine if that RM was in a claim position.

Second, the way we do our claims. We had the variable price option which made a different way of figuring out the exact amount of coverage, and Manitoba didn't have. And also the way they figure out their percentage of claim, they do it at the start of the year. Ours is loaded in after the claim.

So those two reasons would make it a little bit longer. But mostly Manitoba would have about, I don't know, 10 or 12,000 claims, in that neighbourhood. Correct? And we had about 85,000 claims to go through and some of it we went through twice.

Mr. Upshall: — Mr. Minister, the federal Minister of Agriculture said that the reason . . . of course, you'll know that the claims were held up was just simply because Saskatchewan did not get their figures in. And I understand that there are a number of claims in Saskatchewan quite substantially above the Alberta and Manitoba figures.

But have you, Mr. Minister, explored the possibility or thought about the fact that you could possibly improve the length of time between the time that all the premiums come into your office, all the results come into your office, using maybe the Manitoba formula to speed up the turnaround time for the department?

I know since the corporation moved to Melville there has been a couple of years where the payments have been very, very late in relationship to what they were before. Have you made any moves, are you making moves to ensure that the turnaround time in your office is increased or that farmers can get their cash as soon as possible because of the great cash flow shortage that they have?

Hon. Mr. Hardy: — We've certainly had a few problems, whether we just moved to Melville or whether it was the amount of claims. You know, '85, and it started with some pretty tough years, and then '88 was just a terrible year. Every year we've had a substantive amount of claims except for 1988. That was the only year that . . . or 1987, I believe, was the only year that we weren't into that position. So that certainly added to the load.

We have made some changes. We started last year doing the hail claims right in the local 32 . . . well actually 52 offices when we get done, but the 32 offices now would have right there for their hail claims. This year we're extending that. Last year we had a few problems. As we said, we didn't know what the premium was; we weren't on line with the computers. We didn't know what the premiums was, so we had to deduct the amount of premium from the cheque, and if they'd paid it, it created us a few problems. This year we're all on line. Not only will we be able to pay the hail payment in full, with the premium, whether it's been paid or not, we'll know immediately.

But we'll also be able to pay all risk claims right directly from the 32 customer offices, paid for by the customer service office manager or whoever is designated in that office as the payee. And they will do the final cheques, or they'll do all the analysis of the claim, go through crop insurance on computers through the head office, get the amount of premiums that need to be paid, deduct it from the amount, and issue the cheque. We believe, unless we have a major problem in one area, that most cheques will be issued within seven days and that's a pretty decent turnaround time.

Mr. Upshall: — Mr. Minister, I have in my hands the crop insurance brochure, 1990 Program it's called. And on looking through this program, I see no mention of the multi-year disaster coverage. And I have also looked through several other brochures and pamphlets and literature that came out from the crop insurance and there is very little mention of the multi-year disaster program with regards to explaining the program.

Mr. Minister, you will know from contacts from farmers in rural Saskatchewan that there was great confusion as to exactly how the multi-year disaster program was going to be put forward. In fact there was confusion after you put out the rules. Before that, most farmers that I've talked to, in fact all farmers that I talked to, understood that the multi-year disaster program would be in effect — because they paid the premium, they would be entitled to the benefit. But they found out that that was not true.

Mr. Minister, can you tell me exactly when you decided, or the process that you went through to decide what the regulations were for the multi-year disaster program, and when the decision was made to have the 80 per cent individual coverage holders not qualify for the program? Let's just start with that one.

Mr. Chairman: — Order. Order, please. Why is the member on his feet?

Mr. Saxinger: — I would ask leave to introduce some guests, Mr. Chairman.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Saxinger: — Thank you, Mr. Chairman. I'd like to introduce to you, and through you to the members of this Assembly, some 26 students from the Pilger School. They are accompanied by their teachers, Ed Thoms and

Gordon Doecker. They're also quite unique. They have nine parents with them. I think it's quite an honour for them that they can have interest to come with their kids and accompany them to Regina.

I look forward of meeting with them for pictures at 4 o'clock or shortly after, and for refreshments, and also answer some of the questions they may have. And I would ask the members to please welcome this group to Regina.

Hon. Members: Hear, hear!

COMMITTEE OF FINANCE

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

Item 1 (continued)

Hon. Mr. Hardy: — Mr. Chairman, in answering the member from Humboldt's question, the 80 per cent level of coverage has always been in effect because the federal regulation states that no producer shall be paid more than 80 per cent of his actual yield — or not actual yield, 80 per cent of his amount of insurance that he's insured for. So that's always been in place. And that's a federal regulation which is now being changed or will be, proposed to be changed, under the new regulations or legislation, to allow us to go as high as 90 per cent.

Mr. Upshall: — Well, Mr. Minister, in talking to some farmers around in the country who had actually called into crop insurance offices last fall, asking about whether or not they would qualify for the 10 per cent increase, they were in fact informed that they would. Now there seems to be some discrepancy in your answer and what the farmers were receiving from the offices.

So, Mr. Minister, again can you tell me more specifically, due to the fact that there were some people informed that they would be eligible for the 10 per cent increase over the 80 per cent — there must have been some confusion somewhere — can you tell me exactly when you put the word out to your offices, the 52 offices around the country, that those farmers under 80 per cent individual coverage would not qualify?

Hon. Mr. Hardy: — Mr. Chairman, to the best of our knowledge, it was always at the offices' level. They always knew that the regulations which were brought in in 1985, I believe, they've always been available. And to the best of my knowledge, the staff would know about those regulations. Most of those customer service personnel managers there have been there for a long time and they would in most cases, I believe, should have known.

I suppose like anybody else, some way it could have slipped somebody's mind, but I would think most of them would have known and should have known. But 1985, that's when it was brought in, and I do have a copy of those regulations at that time.

Mr. Upshall: — Mr. Minister, in one particular case, the office that was called had to get back to the particular

person involved, and there were others. They called Melville, the head office, and the call came back to the farmers involved, saying that they indeed qualified at that particular time. It was not until much later that they were informed that indeed they would not qualify.

Are you telling me, Mr. Minister, that you have no knowledge of some misunderstanding put forward out of Melville to some crop insurance district offices that would lead farmers to believe that they were actually entitled to that program?

Hon. Mr. Hardy: — The only area that . . . the only way that the staff here believe that it could have been misinterpreted, even by the customer service manager who would have known these basic rules, that when the phone call came in they may have thought that they . . . they just took it for granted they were in area coverage, because there wasn't that many individual coverage contracts out there. There's only a total of 1,100 altogether this year, so there was only 1,100 out there. They may not have thought about it or may have thought they were on area coverage or just never really separated the two out when they made that statement.

(1545)

Mr. Upshall: — Well, Mr. Minister, the problem lies in the fact that . . . It proves my point that this is one area where there was confusion in the multi-year disaster program.

Mr. Minister, there has been a resolution passed by the SARM (Saskatchewan Association of Rural Municipalities), and I'll just set the resolution out before you and I'll just read into the record:

Whereas a multi-year disaster benefit has been approved in 95 municipalities for payments totalling \$58 million to some 12,000 eligible area producers and designated RMs; and

Whereas this benefit has added to crop insurance insurance program in 1986 and is funded by a factor from 1 to 4 per cent, depending on the risk area; and

Whereas there are approximately 700 individual coverage producers in the designated RMs who will receive no benefit from the multi-year disaster benefit because of federal regulations allowing 80 per cent maximum coverage, (which they pay for through their premiums); and

Whereas producers who changed their policies in 1989 from area average to individual coverage should be granted some consideration because of the two-year nature of the benefit for which they paid premiums in 1987, 1988, and 1986;

Therefore be it resolved that the SARM press authorities in charge of crop insurance to allow for a 5 per cent addition to base coverage for individual producers who change their contracts from area average to individual coverage for 1989 crop year.

Mr. Minister, are you familiar with this resolution, and if you are, can you tell us whether you're considering any changes?

Hon. Mr. Hardy: — Mr. Chairman, we have already dealt with that. It was already loaded into the computer. Those who had had any, had paid it all into the area based yields in the past and had had the two losses, '88 and '89, or had switched from '88 to '89, from area coverage to individual coverage in '89. It was loaded into the computer and about 600 producers received payments proportionate to the amount that they had paid into it over them previous years. So it was already loaded in. They've already received their cheques in the last week or so.

Mr. Upshall: — So, Mr. Minister, you're saying that there is now no discrepancy for a person who took individual coverage in 1989 and had area coverage in 1988; you're saying that over that two years, where the average would be 75 per cent, that because you took into account the premiums paid in the previous years, that has been added into the actual dollars received by those people?

Hon. Mr. Hardy: — I want to be absolutely sure that I was saying it right. For those who switch from '88 area coverage to '89 individual yield coverage, it was loaded in to bring the amount of '88 up to 80 per cent . . . based on it because they both had two years losses, and of course they had paid in previous years. So it could come up 5 per cent, 3 per cent, 6 per cent; it depends how much the '88 loss was in comparison. So it would vary a bit. It would be an average of close to 5 per cent. Close. It would vary a little bit according to how much crop they had in '88. So it's based on the '88 loss. Because they had to have two consecutive years loss, it went back on that and then brought it up.

So there was about 600 producers have already received a cheque based on that, which was proportionate to what their real loss was, because in 1989 they were on 80 per cent coverage. If they had a loss, they did receive it. So they got paid for the '88; they already got paid for the '89.

Mr. Upshall: — Mr. Minister, were those separate cheques or were they included in the one cheque that the farmers received?

Hon. Mr. Hardy: — If they had received a cheque earlier because of a claim, then this would be a separate cheque. If the claim was still there from previous, from their claim, then it was included in the same cheque. But it was made . . . notation was on the cheque stub to tell them what it was.

Mr. Upshall: — So, Mr. Minister, you're saying that all those people who took out individual contracts in 1989 — about 600 people I think I heard you say — all those people would be eligible for that additional payment based on the way you lowered your computer for the 1988 year?

Hon. Mr. Hardy: — Again I want to make sure this is correct. Those who took their 10-year yield in for 1989 did not receive a cheque because they had their 10-year yield and they would have got full benefits in. If they took

an area average in, which is 70 per cent, and carried it forward in, because they split the year which 600 of them did, then they would have got a cheque proportionate to their loss based on, through the computer — and I'm not just sure how that works exactly — based on the '88-89 loss year.

Mr. Upshall: — And what happened to those people who took their 10-year average in? What was the process that they had to go through?

Hon. Mr. Hardy: — The ones that took their 10-year average in would not have got a cheque because they already got paid if they had a claim in 1989. That's the only way you'd trigger this. They already got their 80 per cent total net.

Mr. Upshall: — Well, Mr. Minister, are you aware of any producers receiving more than the 80 per cent that you said is the maximum in the federal-provincial agreement — more than 80 per cent coverage?

Hon. Mr. Hardy: — No.

Mr. Upshall: — Well, Mr. Minister, if a producer on the 80 per cent coverage had no 10-year history and they were based on the area average yield data, even though I'm hearing some reports that even though they were at the 80 per cent coverage level, in some instances they were actually receiving more than 80 per cent because they didn't have their 10-year history in. So you're saying you're not aware of any producers who may have received more than 80 per cent because of the way the criteria was handled?

Hon. Mr. Hardy: — All those who came in under area average yield at 70 per cent, we increased it to 80 per cent. And that's exactly what we done. Now remember, I want to make it clear too that if you took 10 per cent of 70 it would be 77 per cent. But we said you can go high as 80 per cent. So it's not 10 per cent of 70; it's actually truly an additional 10 per cent added to your coverage to take you to 80 per cent.

So there would be some confusion there that somebody might have said, I got 13 per cent, but really they didn't because they got an additional 10 per cent added to the 70. They went from 70 per cent coverage to 80 per cent coverage of the area average yield.

Mr. Upshall: — Well, Mr. Minister, I think that many of the questions that I've been asking today are exactly the questions that a lot of farmers have been asking. And these questions simply come up because you didn't explain the program to the people.

As I said, in the 1999 program there's no mention — and you may have the regulations and, by the way, I would appreciate you sending them over to me — but the problem is that we were into the second year of drought in many areas and the farmers didn't know the program.

Now you can blame the farmers for not knowing the program if you like, or whatever reasons you have, but the fact of the matter is that it was your department who was responsible for putting out clear guide-lines so that

individual producers would know exactly where they stood when it come to the crop insurance program to avoid the confusion, to avoid the hassles that farmers are having to go through in understanding the program, and to avoid the fact that many people think that they do not, did not receive the maximum benefit from that program.

So, Mr. Minister, that is just one aspect of the multi-year disaster program that you've really botched up. And I think that, you know, in the future I would really encourage you to put forward clear guide-lines for your programs.

I want to just go into another aspect of the multi-year disaster program, Mr. Minister, and that is the areas that had drought in two consecutive years but did not qualify. Mr. Minister, did you . . . when did you decide that the regulations or the formula would include a block of four RMs adjoining, and when did you decide that the formula would be 20 per cent of the liabilities in those areas, paid in indemnities in two consecutive years? Can you give me the date that that decision was made on?

Hon. Mr. Hardy: — Mr. Chairman, the regulations were brought in . . . the federal regulation was brought in in 1986, and I have a copy. I only have the one; I'll get a copy made up and send it over to him.

They were brought in then. That was the agreement that was put together, federal-provincial. And certainly provincially it cost us money, because usually when there's a reinsurance, and most case is reinsurance, right in the last few years it cost money to the provincial government.

And I won't go into the whole details of how that works, but it certainly can cost us money. It may not; there may be money in the fund. But the last few years of drought have certainly drained every penny from that fund. Especially in the last five years, since '85, we've paid out almost 1.3 billions of dollars through crop insurance payment to the producers of Saskatchewan.

I just want to make mention, under the multi-year disaster, and I think the member raises a good point, that I don't think we advertised it well enough or that the farmer knew it well enough, that it was even there. A lot of people . . . We did a lot in 1985 and '86 about advertising and about talking about it; in '87 it was in the brochure. But because it was sort of a long-range, long-term disaster fund, it wasn't . . . I don't think we carried it saying this might be available to you this year. We hadn't had a major disaster. It has to be two years in a row before it would ever trigger.

But I'm just going to read the letter that was sent to every producer in this province on September 14 from the office in Melville, 1989. The content of the letter is:

The multi-year disaster benefit provides enhanced crop insurance coverage to producers in areas that suffer two consecutive disaster years. An additional 10 per cent base coverage, up to a maximum of 80 per cent of an area average yield, is provided to producers in eligible areas. An area of at least four rural municipalities in size is

eligible for this enhanced coverage if more than 20 per cent of liability is paid out in two consecutive years.

As a result of the 1988 drought, many areas of the province are potentially eligible for this additional coverage in 1989. Land in the municipalities listed below will be eligible for the additional 10 per cent coverage if they are part of a four-RM block suffering a loss of more than 20 per cent of liability in 1989.

Eligibility for an area will be determined once the 1989 claims have been processed. If you have had land in one of the listed municipalities, you are encouraged to register a claim if the additional 10 per cent coverage would put you in a claim position.

You may receive an indemnity payment if your municipality subsequently provides eligibility for enhanced coverage under the multi-year disaster benefit. Enhanced coverage is not applicable to spot loss hail, unseeded acreage, reseeding establishment, or livestock feed claim.

For further information, please contact your local customer service office.

Now that was sent to every customer in this province, and all the RMs were listed on the same sheet that you might be in. If one of those RMs suffered loss in 1988 and you were in that kind of a position, a claim position, I would encourage you to file a claim.

And as you know, we announced several times, and a lot of times, and run it in the paper . . . I shouldn't say run it in the paper. We announced several times; I believe we did advertise in the paper that there would be no charge if you just did it, because we wanted to know if you had a claim or not.

There was 229 RMs that had a crop that had the 20 per cent loss in 1988 that may have been eligible for if it had a loss again in 1989. I just want to bring that out because it did go out to all the producers on September 14, 1989. So I think that covers the two areas that he was asking.

(1600)

Mr. Upshall: — Well, Mr. Minister, I also have a letter from yourself on March 20, 1989, and in that letter you say that a total of 230 municipalities will be eligible for additional coverage this year if 1989 is another disaster year.

Well 1989 was another disaster year, Mr. Minister, but the fact remains that while you were telling farmers that 230 municipalities would be eligible to qualify if they had another drought, the fact of the matter is that only 95 qualified at the end of the day. And only 95 qualified, Mr. Minister, because of the four-RM block. Now you can talk about the program as much as you want, but the fact of the matter remains, you advertised this as a coverage for loss in two consecutive years. And if you wanted to tell me that the farmers got that and they should have known,

well that's fine. But you admit yourself that it wasn't advertised well enough.

I think it wasn't advertised well enough and you didn't promote it because you knew what the result would be. You knew the result would be many RMs and individual farmers left out of this program, and that would save you and your government some money. And I think that's why it wasn't advertised, Mr. Minister, and many of the farmers agree with me on that one.

The whole problem with you and this department in the crop insurance is the fact that even though . . . And I have another little note here from crop insurance, and this is interesting. It says, "The multi-year disaster benefit program . . ." This is March, 1990 as well:

The multi-year disaster benefit program is part of the ongoing commitment of Saskatchewan Crop Insurance Corporation to provide world-class programming and service for farm producers.

Well I'll tell you, Mr. Minister, there are hundreds of people out there who don't really agree that this is a world-class program, because I have had people call me with droughts for more than three years. Mr. Minister, can you tell me why, when a person has had a drought in two consecutive years, and in some cases three consecutive years or more, that they did not qualify for this program? I mean, you put the guide-lines in place; you knew what the result would be. Tell me and tell the farmers of Saskatchewan why, when they have suffered drought in two consecutive years and they were led to believe that this program would kick in some extra funds, tell me, tell them why they don't qualify.

Hon. Mr. Hardy: — Well, Mr. Chairman, first of all I explained why, how the program works, explained the regulations. That was certainly lots of talk about it back in '85 and '86. It was designed as a disaster mechanism, not an individual coverage mechanism which was always available to the farmer. It was designed as a disaster mechanism where you had a large block of land that had . . . (inaudible interjection) . . . that you had a large block of land that would have a major disaster.

Now the member from Quill Lakes says that it could be on one farm, and that's absolutely true. But we do have individual coverage which would allow them to go up to that on a year-over-year basis to cover that. And some of the things that we've changed this year has encouraged greatly the individual coverage and it has enhanced the coverage and has enhanced the opportunity to do exactly what the multi-year disaster benefit could do if you wanted it covered. And also the multi-year disaster benefit would still . . . and could be available in some cases.

He made mention that I said it was eligible in March of 1989 in a letter to him. I think he may have missed the word "may" be eligible. Because I'm sure that I would not have known in March 1989 whether there was going to be a disaster or not for 1989. So what we're referring to was 1988 where there was a large number of RMs, I said I think it's 229, actually qualified when we got done — I may have said 230; it was approximate. But certainly

that's how it would be.

I want to make one other mention, the premium that was loaded in, the premium that was loaded into the multi-year disaster benefit was based on the risk of the area. And so the higher the risk area, the higher the premium was loaded in. It was not loaded in to the individual coverage. Individual coverage was based on one farmer's operation. It could have been on his 10-year average that he was using or it could have been on the area average that he took in and then worked from the 10-year average from there.

But it was based anywhere from 1 per cent to 4 per cent based on risk which was cost shared, which meant it was a half a per cent to 2 per cent. And in some cases where the farmer would have had earned a price discount or a premium discount, it could have been up to 50 per cent and you can get that high in some areas. He may have only been paying a quarter of one per cent to 1 per cent. So it's those kinds of opportunities were there.

It was a very, very low premium type of a program because the risk was based on one in 20 years that felt that it would be any kind of a major loss. That has not happened. We've continued with the very, very dry years and the drought has this year triggered 95 RMs into that.

Mr. Upshall: — Mr. Minister, I know that the rules were laid down by your government and I know that you stand in your place and you say we're doing all we can as you said in Rural Development estimates, as the minister, the Premier would say: we're doing all we can for rural Saskatchewan.

Do you think it's fair, Mr. Minister, that people who have had years of consecutive drought, especially in areas where by your program, you may have a block of four RMs where they qualify because they have had 20 per cent of their liabilities paid out in indemnities in two consecutive years. One of those RMs may have had a very good crop and three maybe had a terrible crop. And then the next block of four RMs, the opposite could be true, whereby one RM may have had or two may have had terrible crops but the other two brought the average so that the indemnity would not be high enough.

Do you think that's fair, Mr. Minister? When you developed this program with your federal counterparts, did you not take into consideration the possibility that there would be these inequities? Especially after the payments that have come out from Ottawa; especially the drought payment of last year where it was based on production. And we saw areas like the Red River Valley and some other areas, some in Saskatchewan where the production had been very high over the last period of years, so they got the majority of the payment.

Mr. Minister, I ask you: do you think the method of four RM blocks with the formula is a fair one?

Hon. Mr. Hardy: — Mr. Chairman, it was broke down into the two opportunities for the farmers. One, you could have stayed on your area average and you would pay into the disaster program. And if it was a major, major loss, like we had this year in many areas, two years in a row --

it had to be two years in a row — then you would receive the additional 10 per cent benefits.

Then there was the individual farm benefit — a farm that you could insure under individual coverage. So you could actually insure it by the farm size for an additional 10 per cent, which was available to you and took you from 70 to 80, or you could go to a large disaster area, pay a very low premium, and then if there was a disaster in that whole area, you would then have the opportunity to collect an additional 10 per cent.

It was based on risk. All insurance is based on the amount of risk. The amount of risk on a farm size is based, and that's how the Premier based, the premiums are based on a big, large risk area so they're very, very low. Like, it could be as low, with a premium discount, as a quarter of one per cent. They could go as high as 4 per cent if you had no premium discount and a very high risk area.

Those were the kinds of . . . the two alternatives that they had back in the last years. This year, for 1990, we brought a much wider, a much more enhanced individual coverage program into place. And I could explain it if you like. About 80 to 90 per cent of all farmers are taking individual coverage right now because of the enhanced coverage, because they'd be able to select from 50 to 80 per cent, because we've got somebody out there explaining the program to them one on one.

An Hon. Member: — Tories.

Hon. Mr. Hardy: — And it has worked very, very well.

I heard the member over there say, Tories. I think they're very, very competent people that's doing it, and I'm sure that in his area, I'm sure that he would know who's out there.

I would say that, Mr. Chairman, that the people who are the agents out there, the hundred that we have selected so far, that they're doing an excellent job. They have for the first time that they've come to the farm gate for the farmer to explain the program to him, she or him, and they have explained it to him so that they understand what they're buying. It's the first time anybody ever took the time to go to their farm gate and explain to them what is available to them, the opportunities that are available to them, the different types of enhanced coverage.

In many cases when they explained to the farmer, he said, you know, when I had a hail claim last year I could also have made a claim on my area of risk, and he didn't realize that, or she didn't realize that. For the first time they understand what they're buying, what it's going to cost them, and what the coverage is for.

So although we . . . and I grant you, when we go back to the multi-year disaster, we may not have advertised it enough because who knows when it would trigger in. But we did in '85, it did in '86, and we did in '87 advertise it.

What we're doing now is exactly that. We're going out and explaining all the programs to the farmers so that he or she would know if they want to stay in the area coverage, knowing that disaster is part of the plan.

They're paying into it. They know what they're paying into it. It's the first time you really know, as a farmer, exactly what you're buying and how much it's going to cost you.

Mr. Upshall: — Well thank you for that, Mr. Minister, but my question was, do you think it's fair that there's many scenarios around this province whereby a large area has had two or more consecutive droughts, but because of your formula they do not qualify, and in other instances, areas that had decent crops do qualify. My question, and I would like an answer, Mr. Minister, is: do you think that is fair?

Hon. Mr. Hardy: — Well, Mr. Chairman, whether I think it's fair or not is not the point; it's not the point at all. The point is that under federal regulations, under federal regulations this is how it's set out. It was set out back in 1985 and brought into force in 1986 to do exactly what I said. At the same time, individual coverage is brought in to give you the individual farm coverage. So there was the two alternatives there. Now if you didn't want to pay into the large disaster area of benefits, then you could have took the individual coverage and had the 80 per cent too.

Those were two alternatives. One was more riskier than the other because you had to have a bigger loss. But that's the way it was set out. This year, as I mentioned a moment ago, we have brought in a very much enhanced individual coverage that I believe will serve the farmer very, very well out there for the amount of coverage he or she needs for their farming operation. And whether I think it's fair or not is totally irrelevant right now. What is relevant is that that's the law, and we've got to abide by the regulations that are put into place.

Mr. Upshall: — Well, Mr. Minister, I totally disagree with you, because if you think it's a fair system, then obviously you're not going to do anything about it. But if you think it's an unfair system — and the legacy of you and your pirates opposite have a long history of unfairness when it comes to the people of Saskatchewan, and this is simply another example. So it is very important whether you think it is fair, because if you don't think it's fair, then you could undertake to do something about it.

So, Mr. Minister, I think obviously from your answer that you do think it's a fair system and you're not going to do a thing about it. But I ask you, on behalf of those people who have been treated unfairly under the multi-year disaster program through crop insurance, are you undertaking or will you undertake to put some equity in the system whereby through negotiations with the federal government, those people who did not qualify because of the regulations will be able to be compensated for moneys that they have paid for through their premiums, so they can be compensated in the near future to have their level brought up to the 10 per cent extra that other people received in the program?

Hon. Mr. Hardy: — Well, Mr. Chairman, I explained, it's the federal regulations. We can lobby all we want. We can do what we want, but that's the agreement that has been signed by the producers, by the federal government. That's the agreement that's been put into place. Provincially, we're not funding that. We only fund the

reinsurance if there's a claim on it. That's all we do — and only a part of it.

We do the administration, and we've done that. We went out and we've done 85,000 claims to see if the farmers would qualify under the federal and producer regulations. The producer and the federal government are the . . . who pay the premiums on this. So all we do is abide by the rules that's set out for the farmer by the federal government's regulations and the insurance coverage that they bought.

Now I said there was two options at that time. There was individual farm, individual coverage which would take you to 80 per cent automatically, or you could stay in the area average and the disaster would trigger in only under these conditions. Very tough to trigger in but it was there. Now since then we looked at individual coverage and said, can we enhance that to give a much broader base to do that? We have done that.

(1615)

You can go from 50 per cent all the way up to 80 per cent in two percentage increments, all the way up the ladder. That's available to you. So if you want to take out 60 per cent or 70 per cent or 80 per cent, your premium's loaded accordingly. So you decide on how much you want, based on the amount of premium. The premium is based on the risk. At 50 per cent the risk is low, so the premium is much lower, again cost-shared by the governments and by the farmer. And the administration is all picked up by the government, so those are there.

We've done other things, enhanced other ways in crop insurance, but under that individual coverage I believe that the option there is much better than it was. I believe it could have been better before, but it's certainly a lot better now, and I think it fits the producer's needs very, very well.

In regards to whether I would lobby or not, we have made representation to the folks in the federal government in regards to that. They go by and abide by two things: one, the regulations that's in place, that governs the insurance that's out in place; and second, that the insurance was covered under an insurance plan as it's designed, and the design was done under regulations.

Mr. Upshall: — Well I'll tell you, Mr. Minister, all your excuses won't help the farmers of Saskatchewan pay their bills, and that's the point that we have to understand here. And you now pay 25 per cent of the cost of crop insurance, so therefore you must have some say now into what happens. So, Mr. Minister, will you be undertaking to correct the inequity in the multi-year disaster program, retroactively if necessary. But will you undertake to try on behalf of the farmers?

You have had letters from rural municipalities; in fact I have a copy of a letter to you from the Rural Municipality of Humboldt asking that you would look into this on behalf of farmers; look into why their RM didn't qualify. And I know that you'll use all these statistics and all the numbers to tell them why they didn't qualify. But the fact remains, Mr. Minister, that you have an obligation

through crop insurance to ensure that farmers insured under the program are covered and get what they deserve.

Mr. Minister, will you undertake to look into it and to possibly change the program so that farmers in areas who did not qualify, even though they had two years of drought in that area, to make sure that they will qualify?

Hon. Mr. Hardy: — In regards to the RM of Humboldt, we have calculated the indemnities in the area, we've calculated the liabilities in the area, in that four-RM block, and they haven't qualified if that's the way it is. The regulations govern that; we don't have any choice. I mean, we only follow the law. I mean, that's the law and that's the insurance law.

We can go back and attempt to have the federal government go back and change their regulations and allow it for different things. It would change the base of insurance. Certainly it changes the risk. You'd have to go back to everybody in the province for more insurance. I mean, you couldn't just . . . because it would have to . . . because you changed the amount of insurance risk.

I don't know if it's even feasible or possible to do it. I mean, we have asked them just to forget the thing and forget the amount of premiums you'd have to collect, the insurance risk, and allow us to go back and pay some of these producers who had — not producers, RMs — who'd had the losses. They have said no. They said that because of all the reasons I give you here — the risk — the insurance premiums were based on the risk of how it's set up here.

Do you want to talk about . . . you're saying that we'd be paying part of the insurance premiums for 1990. It could be true. We're still in final negotiations.

We have brought in a much enhanced crop insurance for 1990, and I could get into all the different things we've changed in it — accessibility to it; direct payment from the claim centres; enhanced individual coverage, individual forage coverage; enhanced honey coverage.

We brought in such things as organic foods are now insurable. A whole series of those things we have brought in that was never there before, enhanced many of the programs greatly. So we've done some things, I believe, that are very, very positive for 1990.

Mr. Upshall: — Will the multi-year disaster benefit continue in future years?

Hon. Mr. Hardy: — The multi-year disaster benefit on the area coverage will continue as long as we have area coverage. We have said that we are going to encourage individual coverage over the next three years. This year going from something like 2 per cent of folks in the individual coverage to in excess of 80 per cent in one year is a very major step forward.

But the multi-year disaster will stay in place for the area coverage farmers for 1990 and as long as area coverage is there.

Mr. Upshall: — Mr. Minister, is there any level of individual coverage holders that . . . is there any magic number over a certain number that you will delete the area coverage?

Hon. Mr. Hardy: — Just so we put it in its perspective, the area coverage, we would assume, would gradually phase out for a couple reasons. One, they can take 70 per cent coverage under the individual coverage and the price is just a little bit lower because the multi-year disaster is not triggered into the 70 per cent coverage. So therefore you would eliminate . . . if you take individual coverage and take 70 per cent, it's the same as the area coverage less the multi-year disaster, whatever is loaded in from that. And it loads in, like I said, from 1 per cent to 4 cost-shared and depends on your premium discounts. That's taken out of the 70 per cent. Now when you go to the 80 per cent, certainly it's more because you've got a lot higher coverage.

It would appear that they're better off, really, or at least as well off, taking the 70 per cent coverage if they don't feel they're going . . . particularly if they don't feel they're going to be in a disaster area. And if they haven't been in a disaster area in '89, most of them are then going to the individual coverage because they can pick their level from 50 to 80, whatever they feel comfortable. And we're going to extend that with the new regulations; we hope to extend it as high as 85 or 90 per cent. And so they'll have lots of option there.

Mr. Upshall: — Well, Mr. Minister, you say that the multi-year disaster will stay in place for the area coverage even though that there are many going to individual. Will you be undertaking to try to rectify some of the problems that we have seen this year?

As I said, you are now paying, or possibly will be paying, 25 per cent — it's assumed that you will be. Will you be making representation and negotiations with the federal government that you will be changing the program to ensure that these terrible inequities do not happen again for those people under area coverage, or are you just going to leave it the same and allow the unfairness to continue?

Hon. Mr. Hardy: — Mr. Chairman, because of what we're doing — talking to each farmer individually, explaining the program — the farmer's now making the decision which is best for him. To stay on the area coverage with the disaster mechanism loaded in, which he knows is very difficult to trigger — and he understands it very, very well, particularly after this year, particularly after we're explaining it to him.

They're now making the decision; they're making the decision, a financial decision based on that. So if they make that decision, that's the farmer's decision, knowing exactly what would trigger in the disaster mechanism — it's very low cost premiums into that — and they're making that decision.

So now the farmer does understand and he does have it explained to him and he does have the two choices — distinctly has two choices. He can go to individual coverage at any level he wants from 50 to 80 or he can go

to the area coverage at 60 or 70 with the area loaded into the additional 10 per cent. He can do that. He pays his premium accordingly. He's making a financial decision, an individual financial decision based on full knowledge of what he's buying. So no, there probably would be no changes to the regulations as it stands today.

Mr. Upshall: — Mr. Minister, I think that this whole multi-year disaster program has been a disaster for you and your government, because despite what you say about all the rules and regulations, you know yourself that there are some terrible inequities in this system. You know that many farmers were led to believe that they would qualify and that now they don't qualify. You have the opportunity to change that. You have the opportunity to ensure and go back over this program and rectify the problems.

You yourself admit that you did not advertise the program properly, and as a result of that, farmers are now being penalized. And you can blame farmers for not understanding the program if you wish, but I think it's incumbent upon the corporation to clearly explain the details of any program and to let them know that ramifications of being involved in individual coverage or area coverage.

You did not do that. What you have done is hung many farmers out to dry because of your lack of advertising the program properly.

So, Mr. Minister, I just would like to say that all your excuses don't pay the bills. And this is typical of your government's incompetence in handling any program that they put forward. You say that you're going to be standing up and working hard and doing all you can. Well in this case, Mr. Minister, I don't think you did. I think you misled the farmers and I think that you're going to pay for it in the end.

Hon. Mr. Hardy: — Mr. Chairman, since the program has come into place . . . Oh, this year only, this year only.

Mr. Chairman, we collect in about \$5 million in premiums, cost-shared, federal-provincial. Under MYDB (multi-year disaster benefit) program this year, we've collected in somewhere in the neighbourhood of \$12 million altogether. We paid out this year alone around 60 millions of dollars. I would say that's a reasonable return to anybody on a program.

The program was based on a large-risk area, and that's . . . Whoever anticipated so many farmers in the province would have that kind of drought. It's nice to say in hindsight you could have made it much different and loaded the premiums much different and everything else that would accommodate for that. You can't go back. The premiums were loaded very low because it was considered that the area was big enough that the risk would be very low and that we had individual coverage for the farm size for those who wanted to not go into the disaster area risk or the area coverage. And those two were there so we paid out something . . . we've taken in something like 12 millions of dollars since it was brought into place, paid out \$60 million this year, in the proximity.

(1630)

Mr. Koskie: — Thank you, Mr. Chairman. You may have explained this, Mr. Minister, but I want to get it clear. You indicated in respect to the multi-year disaster that it's four adjoining RMs. Is it in fact . . . and you indicate it has to be the 20 per cent liability paid in indemnity over two years in a row.

I guess the question I ask you: is that established over that whole block area of four RMs, or does each individual RM has to qualify for the 20 per cent indemnity of liability?

Hon. Mr. Hardy: — Mr. Chairman, it's what we call a weighted average of the four RMs. There should be some below, some above. But as we put those four RMs together, it's the weighted average of the four-RM block.

Mr. Koskie: — That's what I was led to believe. And so exactly what can transpire here then is that you can have three RMs with considerable drought having received, you know, and putting in the amount that has to be paid out over the two years. But is it not also true that you could have then, another RM which is sizeably over? In other words, it hasn't taken the 20 per cent because it's the weighted average over the whole area. And so what I'm really saying is that you could have one of those RMs qualifying, but having significantly better crops and not being required to get the full amount of 20 per cent indemnity, liability paid in the indemnity. It seems to me what has happened in this program is just that. I know in my area there is one RM that has been brought in, I was advised, that on its own did not qualify but as a result of the other ones were brought in.

But on the other hand, I have the RM of Big Quill, and particularly the west side of it, as you know, Mr. Minister, because you met with a number of farmers when you were down opening up the rural service centre, who came up to 19 — I think they said, I have the figures in my office — but it was 19.84 of the liability paid in indemnity for two years in succession. Now that's an instance there, they disqualify. And if you take the RM of Big Quill, on the east side they had a relatively good crop. On the west side they had much the same as Prairie Rose — same type of land, exactly the same; it's in the flats. And that whole area on the west side, and I can't believe that you wouldn't have provided some provision for adjustments in extreme cases. How could a minister not negotiate to allow in extreme cases?

Let me give you an example, Mr. Minister. When you had the drought program, the federal-provincial drought program in respect to feed for cattle, you had an appeal mechanism. And in circumstances when a portion of a municipality qualified, you could go in and indicate that they should qualify. And precisely that happened. The west side of the municipality of Big Quill Lake was allowed, under the appeal, to qualify.

But now, here they are. They advise me, over 19 per cent of liability paid in indemnity, of the indemnity in Big Quill. And what they have happens to them is they sit on the sidelines and get no benefits. No provision for

adjustment with a good portion of an RM is excluded. What a provision.

And on the other hand, I got the situation where I got an RM that doesn't qualify, doesn't even reach 19 per cent, and they are included in the package. And this is the anomaly that is been set up.

And I would have thought, Mr. Minister, that some provision would have at least been provided whereby a portion Prairie Rose is covered. Surely to heavens, if it's the same based land and two years of drought on the west side of Big Quill, there should have been at least a provision to allow them to enter in and tag on to Prairie Rose and the four RMs. Whereas in another situation, as I said, an RM that wouldn't have qualified except by the virtue of the three other adjoining ones, qualified, and basically did not need it to the extent of say, the west side of Big Quill.

That's the anomaly and unfairness that the farmers see. Because I've talked to farmers in the Big Quill, and that's their contention. And similarly I've talked to farmers that have qualified, and they said yes, they were pulled in as a result of three other municipalities.

And then of course I have the other RM of Lakeside and I know there they . . . I don't think the farmers would be wanting to meet with you if they had known the basis of the regulations. I think that they weren't informed as well as they might have been by your department.

But don't you see the anomalies that exist here? Right in my constituency I have one RM that is pulled into it, and I got Big Quill, which you said to them when you met with them as I'm advised, is oh, I would like to do it on an individual basis, but the federal government makes the regulations and there's nothing I can do about it.

Well, Mr. Minister, there is something you can do about it. You could act on behalf of the farmers and negotiate. Do you think those birds down in Ottawa know what would best be applicable here to the farmers of Saskatchewan? And certainly you could have had an appeal provision for at least a portion of a municipality adjacent to one that qualifies, could have at least petitioned or appealed to be included into the coverage of multi-year disaster. I just want you to explain that anomaly that exists because it's perfectly evident in my riding.

Hon. Mr. Hardy: — Well, Mr. Chairman, any time we draw a line, it's always a problem. That's why we moved to individual coverage at that time and that's why we're really enhancing individual coverage now.

There's no doubt about it. A farmer has a loss and he needs to have the coverage. And I think I appreciate that as the member does. I have met with those folks out there and the one RM, we were looking for the maps or we didn't have them, but I remember the one RM in particular that they told me that one-half of it got a lot of rain and the other half didn't get any and it was almost like a magic line. I went through there where the rains went and they didn't. That was on the east side of Wynyard in that area there . . .

An Hon. Member: — West side.

Hon. Mr. Hardy: — I could be wrong — west side, whatever. You could be right there.

They explained that to me and I know, what we hoped to do, what the regulations . . . or the way they were drawn up was supposed to work and it works, I supposed, to some degree, was that when you have a four RM moving block, it moves, it shifts around, so any combination of four RMs can trigger it. Normally, they would trigger that in. If an RM, like you said . . . and there was one RM I understand, or maybe two in the province that would have got triggered in as you said, even when they were above or less than the 20 per cent liability or claims.

But in those RMs you must remember the producer too had to qualify, he had to have a loss, he had to have a claim in there. And then those RMs, I don't know, but I would imagine it would be very small claim there in that RM. That doesn't say there isn't inequities; there is. Any time you draw a line, and you and I both know it very well, it's just about impossible to draw a line however you do it. The four RM moving block was part of the risk insurance that was put in. The individual coverage was part that was encouraged and encouraged a great deal. Nobody seemed to want to take it up. We've changed it now. I know you can't . . . you say that after the fact, and it's probably true, but it's certainly been enhanced.

I guess that's about all I can say is that basically the regulations are here. And I could read the regulations in. They're in place. The insurance is based, as you know, all insurance is based on risk. You can't go back on insurance because you've got to go back to all the producers that were involved in it.

We've tried; we've been trying for two months. I don't believe the federal government intends to move. They're bringing in a whole new legislation that says that anything in the past has to be re-signed and renegotiated. We're trying, but I'm not . . . retroactive, I sincerely don't believe that anybody can get them to move, and we've been trying.

Mr. Koskie: — I was wondering if you could indicate what were the four adjoining municipalities including Prairie Rose that constituted the four municipalities there. What I really should do is ask you to send over a map of it. I have seen it, I think, in *The Western Producer*, but just to familiarize myself with it.

And the problem is, you see, if you have, say, the municipality of Leroy, you have the municipality of Prairie Rose, Osborne, and Wolverine as a block of four, but how do you choose competing municipalities? How do you choose?

Let's say we have to choose between the RM of Prairie Rose and Big Quill. Could they qualify? I mean, how do you choose those four municipalities? Because I can tell you that in the RM of Big Quill it was almost up to the 20 per cent, and when they phoned in to Melville, they said, don't feel bad having 19.84, I believe it was, liability, having paid out an indemnity, because there's one other

RM in Saskatchewan that was higher and didn't qualify.

So I guess . . . Do they have to be in a square block? Can they be the municipalities that touch? How do you choose, say, between those municipalities which . . . which composes of the four? That's what I want to know.

And so what I really want to know from you is, you give me the rating for each of the municipalities that I mentioned. Will you give me the block that includes Prairie Rose and Leroy and I suspect Usborne and I suspect Wolverine were the block of four.

What I want you to do is to give me the individual rating of the liability paid in each of those municipalities which made the block of four, I suspect, as compared to the rating of Big Quill, which was excluded. That's what I want to know. Or do you pick your areas for a particular political reason?

(1645)

Hon. Mr. Hardy: — Mr. Chairman, I may have a copy of the area that when they were out there. I tried to find the map that we had that we gave the producers out there and this isn't it. This is one that was for another area.

We're not sure what the RM numbers are — what Prairie Rose is, and Leroy and Usborne and Wolverine. I'm not sure. We have the numbers here, if we knew how they relate — what's the RM that relates to the number. Is it 308, 309, 310? We got all the numbers here and all the individual losses for each RM. But we can get — I got a map in my office I'll bring back after supper, like this here for you, which shows it all together and then I wouldn't have to . . . Would that be all right?

An Hon. Member: — Yes, that would be terrific.

Hon. Mr. Hardy: — All right, we'll just do that then.

Mr. Koskie: — So, Mr. Minister, then I want the . . . if you can provide not only a map, but I want the individual levels that each of those municipalities were calculated as having received. That's what I have to have.

And my colleague indicates that in establishing this that you had some moving blocks. In other words, you shifted around — is that correct? — in establishing the 20 per cent liability in that block? And I want to know whether or not Big Quill was considered in the formulation of qualifying for coverage under the multi-year disaster or whether it was excluded, because I can tell you I can think of some reasons why it might be, and I hate to suggest it here. And therefore I need that information and I'll continue on with that after supper, Mr. Minister, when I receive that particular information.

Hon. Mr. Hardy: — I guess I thought we were going to do it after supper, but I can say that . . . how it qualifies. There is a four-RM moving block, and it moves and it takes the four RM . . . it's a four-RM moving block and it takes the worst case scenario of any combination of those four RMs. So however it moves, and it's based on an RM loss, based on a four-RM average, and then . . . but it's a worst case scenario, so if any way you could make them four

RMs fit under with the 20 per cent loss or greater, then it would trigger them in.

Mr. Upshall: — Well, Mr. Minister, I understand how that works, but you must admit that there are, as we have pointed out, several instances where RMs who have had droughts don't qualify. And I just think, and I won't prolong this section any further, but I just think that that is a terrible injustice to those people. Even the blocks that came up to 19 or 18 per cent, I mean you know, you know that they've had a drought in large areas of that block.

Before we quit, Mr. Minister, several of the RMs are saying that the percentage came up to nineteen, nineteen and one-half, or nineteen point eight four, as the case with Big Quill. Can you tell me how many of the blocks came up to within 1 per cent of your 20 per cent figure?

Hon. Mr. Hardy: — There's 10 RMs fell between the 19 and the 20 per cent range.

Mr. Upshall: — So 10 RMs have had droughts. They have had obviously poor crops in two consecutive years, but they are not entitled, Mr. Minister, because you laid down the rules of 20 per cent in a four RM block. And I can think of no other reason why you would do that except to save money, and you can blame the federal government or whatever you want.

So, Mr. Minister, would you name those 10 RMs, please? Could you send the list of the 10 RMs and the percentage of liabilities paid and indemnities in two consecutive years?

Hon. Mr. Hardy: — Mr. Chairman, I'll just read it in because I've got some other stuff on here with it as well. I've done some writing on it here. I was talking about the member from Quill Lakes on here. I didn't want to send it over to him.

I want to say first of all that . . . remember that those who had 20 per cent or less of loss, that they were in the 80 per cent plus of an average crop for that area. So I'm not saying it's good or bad, but that's the 80 per cent. That's why it's there.

Here's the RMs that had between 19 and 20 per cent losses, and I'll read them off to you and the amount: RM of 167 had 19.8. No, 19.8, right? That's right, RM of 167; the RM of 313 had 19.8; the RM of 343 had 19.8; the RM of 282 had 19.5; the RM of 308 had 19.4; the RM of 278 had 19.4; the RM of 225 had 19.2; the RM of 344 had 19; the RM of 157 had 19 and the RM of 156 had 19.

An Hon. Member: — That's 156?

Hon. Mr. Hardy: — That's correct, yes.

Mr. Upshall: — Well, Mr. Minister, we see the list of 10 RMs so close to qualifying, obviously having a drought, and you're telling us that you're not going to do anything to try to increase the amount of moneys that they received through crop insurance. And I say that that program that you have in place, you knew that this was going to happen when it was set up.

Why did you not attempt to do something to try to encourage . . . or try to rectify the situation whereby RMs that have had droughts, instead of misleading them and letting them think that they were going to be qualifying, and three of them came within .2 of 1 per cent, obviously having severe droughts?

Mr. Minister, how do you justify that in light of the severe crisis we have in agriculture when they have come so close, and because you've put down a magic number that they won't qualify? How do you justify that, Mr. Minister? And I ask you again: do you think that is fair?

Hon. Mr. Hardy: — I think I said before, Mr. Chairman, whether I believe it's fair or not isn't the point. The point is that this is the way the program was set up. The program was set up as a risk program. It's an insurance program.

We did encourage, as you know, did a lot of encouraging trying to get those to go to individual coverage where they would have had a full 80 per cent coverage all the way through. Now they are going to that, and it's good because I believe that's the way it should be, and it gives them the coverage that they need, whether it's 50, 60, 70, or any range in between there.

I just want to make the other comment that some of these areas on the average certainly . . . well it figures out to about 85 per cent of your crop production or your area coverage is what it is, because it's 81 per cent of the area coverage. So those factors are in there. So there was 85 per cent of a crop on the average in those RMs. That's not good, but it's not a total disaster, I guess is what I'm saying. You've got to draw a line some place.

We could go back and say there was some that come within 2 per cent, there was some that come within 3 per cent, there was some more come within 4 per cent. Any time you draw a line — and we talked about it earlier — it's tough to do. So that's the way the regulations were set up. They were set up back in 1986. We're bound because that's the federal regulations. They, them, and the farmer were the premium payers based on risk.

Mr. Koskie: — Mr. Minister, the point that I am making — and I want this clarified — the point that I am making and I find it almost impossible to believe that your . . . in my example of what I gave you of Leroy, Prairie Rose, Usborne, and Wolverine, if that's the four, I suspect it is, I find it almost impossible to believe from what the representatives of the RM of Big Quill who met with you and who spoke to me as their representative and said that you apologized for not being able to change the regulation. But if their figures are right and they dealt with the crop insurance at Melville and they indicated that in Big Quill was 19.84, liability paid indemnity for two years.

Now what you would have to be saying is that every other municipality, every other municipality in that block were under 19.84 — that's what you'd have to conclude — or you'd have to say that every municipality in the block that I'm talking about, none of them were higher than 19.84. And my understanding is that is not correct. My understanding is that one of the municipalities in that block didn't qualify with the 20 per cent indemnity paid

over two years, in that block that I'm talking about.

And at the same time we have another municipality of Big Quill, which they got the statistic from crop insurance, indicating 19.84. So that's the position that you have to justify to me. And I'll tell you, I'm going to be checking that. Because I'll tell you, you'd better not be politics played in this. I'll tell you that.

Because if there is a shifting of boundaries on the basis of politics, I'll tell you, you're finished. And I have a suspicion that there is — 19.84 in Big Quill. And you're saying, therefore, that every other municipality was under that.

But at the same time representatives from some of the RMs within the block, which I suspect are the four that I indicate, indicate that in fact they didn't qualify, that they were under the 20 per cent.

Now they have to have been even higher than 19.84, but I'll tell you that better be the facts, mister. And I want to see the calculations that . . . how you arrived at it. Because I'll tell you one thing, there is going to be no politics played with the lives of the farmers just because . . . on a political basis.

Some Hon. Members: Hear, hear!

Mr. Koskie: — So I want you to bring back the statistics of your calculations for each of the RMs that I put into that block. I want you to give me how you calculated it and I want you to compare and I'm going to be comparing also in respect to the RM of Big Quill. Because I have a suspicion that they were excluded unjustifiably, perhaps on political grounds.

Mr. Chairman: — It being 5 o'clock this committee will recess until 7 o'clock tonight.

The Assembly recessed until 7 p.m.