

The Assembly met at 2 p.m.

**Clerk:** — I wish to inform the Assembly that Mr. Speaker will not be present to open this sitting.

Prayers

**ROUTINE PROCEEDINGS**

**PRESENTING REPORTS BY STANDING, SELECT, AND  
SPECIAL COMMITTEES**

**Standing Committee on Crown Corporations**

**Clerk Assistant:** --

Mr. Gardner, chairman of the Standing Committee on Crown Corporations, presents the fifth report of the said committee which is as follows:

Since the committee's last report on April 5, 1990, your committee held 24 meetings during this fourth session of the 21st legislature.

Your committee has completed its consideration of the following reports of corporations:

Agricultural Credit Corporation, 1988-89; Agricultural Development Corporation of Saskatchewan, 1988 and 1989; Crown Investments Corporation of Saskatchewan, 1988 and 1989; Municipal Financing Corporation, 1989; New Careers Corporation, 1988-89; Potash Corporation of Saskatchewan, 1988 and 1989;

Saskatchewan Communications Advanced Network, 1989; Saskatchewan Computer Utility Corporation, 1988 and 1989; Saskatchewan Crop Insurance, 1988-89; Saskatchewan Development Fund Corporation, 1989; Saskatchewan Government Growth Fund Corporation, 1989; Saskatchewan Economic Development Corporation, 1988 and 1989; Saskatchewan Forest Products Corporation, 1988-89;

Saskatchewan Government Insurance, general insurance operations, 1987, 1988, and 1989; Saskatchewan Government Insurance, auto fund, 1988; Saskatchewan Government Insurance, general insurance operations, 1989; Saskatchewan Government Insurance, auto fund, 1989; Saskatchewan Government Printing, 1989; Saskatchewan Grain Car Corporation, 1989; Saskatchewan Housing Corporation, 1989;

Saskatchewan Minerals, 1989; Saskatchewan Mining Development Corporation, 1988 and 1989; Saskatchewan Power Corporation, 1988 and 1989; Saskatchewan Property Management Corporation, 1988 and 1989; Saskatchewan Telecommunications, 1988 and 1989; Saskatchewan Water Corporation, 1989; Souris Basin Development Authority,

1988 and 1989; the Future Corporation, 1988-89.

Your committee has not completed its review of the following corporation: Saskatchewan Transportation Company, 1988-89.

**Mr. Gardner:** — Mr. Speaker, I would move, seconded by the member from Regina North West:

That the fifth report on the Standing Committee on Crown Corporations be now concurred in.

**Mr. Solomon:** — Thank you, Mr. Speaker. Prior to concurring in this report I want to raise with you in this Assembly some major frustrations that the opposition has experienced with this government's lack of accountability, its waste and its mismanagement, and its total lack of openness with respect to the Crown Corporations Committee.

Mr. Speaker, the opposition has a lack of confidence in the government's capability in providing useful information, which is absolutely necessary in order for us as an opposition to do the job that is required by the taxpayers of Saskatchewan. We have seen during the course of our committee meetings, Mr. Speaker, and review of the Crown corporation annual reports, seven major problems with this government and their approach with respect to their openness and their accountability.

We have seen, number one, Mr. Speaker, massive disorganization in arranging simple meetings. They are unable, Mr. Speaker, to get meetings together, organize them beyond one or two days in advance and to fulfil those schedules that they have committed to.

Number two, Mr. Speaker, we have seen this government be very reluctant to review major corporations on a timely basis. We see them organizing some of the minor corporations in advance of the major corporations and holding back the review of corporations like the Sask Power Corporation, SGI (Saskatchewan Government Insurance) and others, until the last possible moment. By that time the annual report information, Mr. Speaker, is two and three years old, and therefore less pertinent to the taxpayers and this Assembly.

Number three, Mr. Speaker, we have seen a delay in tabling annual reports as required by the Legislative Assembly Rules and Procedures. The auditor in his report confirms this in many instances. The government, who have been guilty of this practice for the last nine years, now in this Assembly, Mr. Speaker, introduce a Bill which calls for a timely tabling of annual reports.

Number four, Mr. Speaker, we have seen unnecessary delays in responding to questions asked by members of the committee to the minister and the minister's officials. For example, the latest example we have, which is typical of almost every corporation, is with respect to the Saskatchewan Transportation Company.

We reviewed the annual report of the Saskatchewan Transportation Company which, by the way, is not in this

motion of the member from Pelly today because we have not completed review of the corporation. We reviewed it in November. Letters were sent from the member of the committee from Regina North, requesting answers to the questions that the minister responsible for the transportation corporation said he'd provide in a matter of days. Letters were sent in March on two occasions, and finally we received a response from the minister dated March 11, 1991, fully four months after the original review of the corporation, and it says:

Dear Mr. Trew: (Preamble, and one of the paragraphs says) Unfortunately, due to continuing legal proceedings with regard to certain individuals, some of the information requested is not included in this package.

And this brings us, Mr. Speaker, to the fifth point. We've had the government opposite, in reviewing Crown corporation annual reports, refuse to answer questions entirely that are pertinent to the taxpayers and pertinent to a number of issues. For example, with STC (Saskatchewan Transportation Company) their typical response is: the matter is before the courts. Or in other matters in other corporations: it's not in the year under review.

We've seen the review of SEDCO (Saskatchewan Economic Development Corporation), Mr. Speaker, where we are witnessing in this province the build up of a massive debt that is so high that we do not know the precise amount. And it's totally unacceptable, Mr. Speaker, with respect to accountability. It's unacceptable to the accountability of the Crown Corporations Committee and to this Legislative Assembly and to the taxpayers of Saskatchewan.

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

**Mr. Solomon:** — In the matter of SEDCO, the government refuses to discuss deals. With respect to GigaText we know the amount of money they lost there. They refused to divulge details on GigaText. They refused to respond to questions concerning High R Doors in North Battleford. They refused to discuss the Canapharm issue out in the constituency formerly held by Graham Taylor.

We believe there are some very serious problems with those corporations and those business deals. They refused, Mr. Speaker, to provide information concerning Northern Lights game farm, which had struck a loan with Graham Taylor's son when he was chairman of SEDCO. They refused, Mr. Speaker, to provide any information with regard to their arrangements with Westank-Willock, and we can go on but these are a few samplings.

And, Mr. Speaker, number six, the government in some instances has refused to table annual reports of Crown corporations entirely, for example, the SaskEnergy report. I ask the government today and the Premier: where is the SaskEnergy annual report for 1989? It still hasn't appeared before the committee.

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

**Mr. Solomon:** — It is now fully two years and four months

old; we haven't seen the report.

And number seven, Mr. Speaker, we have seen the government refuse to allow the legislature or the Crown Corporations Committee to even question ministers and officials on major Crown investments. For example, the NewGrade Energy, the Potash Corporation of Saskatchewan, Cameco, and WESTBRIDGE, they refuse to bring these reports and their officials to the Crown Corporations Committee so that we on behalf of the taxpayers can determine where the money has gone. And we don't know where it has gone, Mr. Speaker.

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

**Mr. Solomon:** — And finally, Mr. Speaker, I raise these points on the basis of where we see the province going right now. We have seen the Potash Corporation of Saskatchewan privatized. We have seen Saskoil privatized. We've seen the Saskatchewan Mining Development Corporation privatized. We've seen SaskCOMP privatized and Sask Minerals and natural gas reserves and coal mines of the SPC (Saskatchewan Power Corporation) privatized.

It's hard to believe, Mr. Speaker, that all of the major profitable corporations that have been privatized have not resulted in a lower Crown corporation capital debt. In 1982 when this government took over, by their own confessions and their own documents they say the Crown corporation capital debt was \$2.3 billion, which was self-liquidating.

We have sold off all of these Crown corporations, Mr. Speaker, without review by the Crown Corporations Committee, and the total Crown corporation capital debt is over \$9 billion, Mr. Speaker — \$9 billion, Mr. Speaker, which the auditor has said has not been reviewed by the Crown Corporations Committee or has not been accounted for by the members opposite.

And I end my remarks, Mr. Speaker, with a quote from the auditor in his chapter 3, Accountability Process. And I quote:

A basic principle of our parliamentary system of government is that the Executive government shall not collect revenue, make expenditures, or incur debt without the permission of the Assembly.

Accountability (Mr. Speaker, it goes on to say) means to give reasons for and explanations of one's actions.

And, Mr. Speaker, the opposition do not believe that this government has been held accountable. They have not given explanations with respect to their actions and we believe that the taxpayers of this province will decide on how open this government really is come the next election.

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

**Mr. Toth:** — Thank you, Mr. Deputy Speaker. Mr. Deputy Speaker, just before we pass this motion that is being presented to the House, I would just like to make a couple

of comments.

First of all, I find it interesting the motion was presented as having been concurred in and agreed with by members of the opposition. But again we see grandstanding by opposition members which stand up, first of all one minute they're concurring and agreeing with a motion, and the next minute, Mr. Speaker, they turn around and all of a sudden they've found so many faults and failures and disagreements. And it appears to be the normal process of the members opposite.

And having been involved in this committee for the last four years, I think, Mr. Speaker, what we have with the Crown Corporations Committee . . . first of all Public Accounts Committee used to have officials there representing or speaking on behalf of the Public Accounts, whereas the Crown Corporations has had ministers come in, and ministers, Mr. Speaker, which I must add, have been very faithful in attending committee meetings and responding as frugally as they can to the questions, in fact very openly to the questions that have been presented.

We also have here, Mr. Speaker, the fact that the motion presented this afternoon indicates that all of the Crown corporations except one have been reviewed to date and have been passed and agreed with by the opposition.

I would have to indicate, Mr. Speaker, that I believe this committee, the Crown Corporations Committee, has been very frugal in the way they have addressed the questions, have addressed them and sat and agreed together. We've had good co-operation, a lot less than what's been presented by the members opposite even this afternoon. And I would have to suggest that the report that's presented today has been presented very forthrightly and I would commend the committee for their work and the chairman for his work in chairing the committee.

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

Motion agreed to.

## INTRODUCTION OF GUESTS

**Mr. Rolfes:** — Thank you, Mr. Deputy Speaker. Mr. Deputy Speaker, it is my distinct pleasure today to introduce 38 grade 7 and 8 students from St. Philip's School which is in the centre of my constituency. And it's also my parish church that I attend, so many of the students are very familiar to me and so are their parents. It's my pleasure that they are here today. I will meet with them, Mr. Deputy Speaker, after question period and answer any questions that they might have.

The students are accompanied by their teacher, Mr. Greg Siepp. They also have some chaperons, parents chaperoning them. They are Maureen Shebelski, Kay Gilchrist, Marilyn Pollock, Corrine Giesbrecht, and the bus driver, Carey Jarolson. I welcome the students here today.

I hope they have a very entertaining and enjoyable and worthwhile trip. It will be my pleasure meeting with you

after, and I hope that you'll enjoy the question period here today. I ask all members to join me and welcome the students, the parents, the teacher, and the bus driver here today.

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

**Hon. Mr. Schmidt:** — Thank you, Mr. Deputy Speaker. I'd like to introduce to you, Mr. Deputy Speaker, and through you to this Assembly, 33 grade 8 students from St. Henry School in Melville, Saskatchewan. It is a school in which I attended grade 9, so I am quite familiar with it. I would also like to welcome with the students their teacher, Garth Gleisinger, their bus driver, Mr. Bill Leik. They're in the west gallery. I hope they have an educational stay here today. I will be meeting with them at 2:30 to discuss today's proceeding, and I want the House to please welcome the students from Melville, St. Henry School.

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

**Ms. Atkinson:** — Thank you very much, Mr. Deputy Speaker. I want to join my colleague, the member from Saskatoon South, in welcoming the students from St. Philip's School. Many of these young people reside in the constituency that I represent, and I hope that they find today's proceedings most educational and enjoyable. Welcome.

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

**Hon. Mr. Meiklejohn:** — Thank you, Mr. Deputy Speaker. I too would like to welcome all of the students from St. Philip's and St. Henry schools here today. But as well it's an extreme pleasure for me this afternoon to introduce to you and other members of the Assembly, a group of 48 grade 8 students from Lawson Heights Elementary School, my neighbourhood school, and where two of my children attend. They are accompanied today by the principal, Mr. Gordon Taylor; and teacher Gary McKenzie; and Mrs. Hazell.

I'm sure that the students will enjoy their trip to Regina, not only the visit here to the legislature but I'm sure other features of Regina that they will be visiting today as well.

I look forward to meeting with the students and the chaperons later on this afternoon and discussing what they have witnessed here in the chambers.

I think, Mr. Deputy Speaker, it's also worthy of note that when we consider the students that are here from St. Philip school in Saskatoon and those students from Lawson Heights, that these are two of the schools in Saskatoon which provide services for special needs students. The Learning Assistance Centre has been located at St. Philip's School for many, many years where learning disabled children are serviced. And as well we have excellent programs at Lawson Heights Elementary School for deaf and hearing impaired children and I think an excellent example of how children with these types of problems can be addressed within the regular school systems in this province, Mr. Deputy Speaker.

So with that I would ask you and all the members of the

Assembly to welcome the students here from Lawson Heights Elementary School this afternoon.

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

## ORAL QUESTIONS

### Auditors' Report on STC

**Mr. Trew:** — Thank you, Mr. Speaker. My question is directed today to the Premier. Mr. Premier, the Provincial Auditor has said that he cannot do his job of auditing the Saskatchewan Transportation Company because he needs the Ernst & Young report that's being withheld by your minister.

Mr. Premier, given your commitment of June 1989 that all of your ministers in your government will co-operate fully with the Provincial Auditor, will you, sir, instruct the Deputy Premier to turn that report over to the Provincial Auditor and to the public of Saskatchewan today.

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

**Hon. Mr. McLeod:** — Mr. Speaker, let me make it very clear to the hon. member. No member of the government, I as Deputy Premier and as minister responsible for STC, or anyone else in the government, has access to or has a copy or has seen a copy of the Ernst & Young report — make that very clear to the hon. member.

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

**Mr. Trew:** — New question to the Premier, who is responsible for his government and his ministers. Mr. Premier, I want to point out there's no question here of interfering with the judicial process or any of that.

The public prosecutions division of the Department of Justice has told the auditor that release of the report would not prejudice Mr. Castle's nor Mr. Lowry's right to a fair trial. Neither Mr. Castle nor Mr. Lowry have asked you to protect their rights by withholding that document from public scrutiny. If neither the accused nor the prosecution feel that the report will interfere with the process of any criminal matters currently before the courts, in whose interest do you act by withholding this document, Mr. Premier. Is it the interests of the PC (Progressive Conservative) Party?

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

**Hon. Mr. McLeod:** — Mr. Speaker, let me make it very, very clear to the hon. member, and I've said this to him before and to others and to the public. At the time that Ernst & Young was asked to conduct an investigation into STC and the workings of STC, and subsequent to that, when that report of Ernst & Young was directed to Mr. Justice Brownridge who was asked to do an inquiry, was commissioned to do an inquiry by the Minister of Justice, all the time, and I've said publicly throughout all of that process, that it is in the interest of the public to have the report and to know all of this as soon as possible.

I stand by it; I believe that; I'd like to see it out there. But I want to make it very clear as well, what the hon. member

alleges here — and in his first question and says the same — and he's saying to the Premier: tell your minister — I think to use his words, or to paraphrase certainly — tell your minister to release the report. Let me make it very, very clear, Mr. Speaker, no minister in this government, no member of the government, nobody in any of the departments of government has the Ernst & Young report.

There has been an argument advanced to the Department of Justice subsequent to the statement of the Provincial Auditor — been an argument advanced by legal counsel to STC. An argument advanced to the Minister of Justice that it might be in contempt of court for any of this report to come out. And I want to make it very clear and I refer to my ... (inaudible interjections) ...

You listen, Mr. Deputy Speaker. You'll hear them chirping over there. And I refer to my notes very specifically here to know that. As I said to you yesterday, I have never pretended to be a lawyer. But I would say to you that that argument has been advanced. The Department of Justice lawyers and the legal counsel to STC are looking at this now. The case that I believe is being referred to when those legal arguments are advanced is what's known as the Patty Starr case in Ontario where there was a commission of inquiry commissioned by the former government of Ontario.

That's all I know about it. But I will give the assurance — absolute assurance — that nobody in the government, this minister, nobody in the department, or nobody in STC has a copy of the Ernst & Young report. And so it is not right for that member to ask for us ...

**The Deputy Speaker:** — Order.

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

**Mr. Trew:** — Thank you, Mr. Speaker. I again direct my question to the Premier. Mr. Premier, this is your responsibility ultimately. Mr. Premier, Ernst & Young are not asking you to withhold this report. The public prosecutors are not asking you to withhold this report. The people on trial are not asking you to withhold this report. The opposition and the people of Saskatchewan are not asking you to withhold this report. The only ones asking you to withhold that report is your own government.

My question, Mr. Premier, directed to you, sir: Mr. Premier, what is in the Ernst & Young report that has you and your government so spooked? Why don't you come clean and table it?

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

**Hon. Mr. McLeod:** — Mr. Deputy Speaker, I was very clear in my other answer. I believe I was very clear in saying to the hon. member that there has been an argument advanced by legal counsel to STC to the Department of Justice and Department of Justice lawyers. And the legal counsel at STC are reviewing this. The Department of Justice lawyers have not given authorization for the Ernst & Young report to be released, based on this further argument that's been advanced that I've just mentioned from STC legal counsel.

Now that, Mr. Deputy Speaker, is the circumstance. The hon. member will stand there and say, what's in the report that you're trying to hide, or whatever it is that he said. Now, Mr. Deputy Speaker, I have said no one in the government has seen the report. That's the case. So I don't know what's in the report. I do know I would like to have the report public. I was the minister who commissioned the report in the first place, or on behalf of the public of Saskatchewan and I would like to see it public. It will be public in due course I would think.

**Mr. Trew:** — A new question, Mr. Speaker, directed this time to the minister responsible for STC. And, Minister, I want to refer you to the report of the Provincial Auditor where in February, and I quote:

In February 1991, Ernst & Young was informed that Public Prosecutions Division had removed their objection to the release of the report. (Then later in the paragraph it says) Subsequently, Ernst & Young wrote to the Minister (you, sir) to the Minister responsible for STC, seeking permission to release their report to us. As of March 8, 1991 we have not received their report.

You have not seen the report, by your own admission. How could you base a decision that they cannot release the report that you haven't even seen? Why would you deny them the ability to table that report?

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

**Hon. Mr. McLeod:** — Mr. Speaker, once again we have, once again we have members of the opposition, reading selective paragraphs to suit their own political ends. He quotes from page 132 of the Provincial Auditor's report, I believe sub .06. I would just go one further. The next paragraph, Mr. Deputy Speaker, clarifies what I have said in my earlier answer — .07, here's what the provincial Auditor says and I quote:

Subsequently, we were advised that the Company's lawyer had raised objections with the Department of Justice and Ernst and Young concerning the legality of the release of the report. These objections are under review.

Now if the hon. member would care to read all of what the Provincial Auditor said in carrying out his duties, he would at least be able to give somewhat of a balanced view. He does not present a balanced view of what the Auditor said. Mr. Speaker, I believe that's clarification for what I said earlier.

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

**Mr. Trew:** — New question to the minister responsible for STC. Minister, that lawyer is your lawyer, sir; acts on your directions. My question to you is: will you table the legal opinion stating that this should not be released?

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

**Hon. Mr. McLeod:** — My understanding is that legal opinions have not, have never been tabled in the

legislature, and that is the case. I asked that question very specifically within the Department of Justice. I asked the question very specifically because as far . . .

**The Deputy Speaker:** — Order, order. Allow the minister . . . Order, order. Allow the minister to answer the question.

**Hon. Mr. McLeod:** — Mr. Speaker, I understand that legal opinions have never been tabled in the legislature, as it relates to it. Now I'm going to say to the hon. member, now I'm going to say to the hon. members, I asked the question very specifically about that. Because I have nothing to hide in this matter. I have nothing to hide in this matter, and the legal opinion that has been advanced by Robertson Stromberg, the firm which is the legal counsel to STC, is being reviewed — as the Provincial Auditor notes — is being reviewed with legal counsel in the Department of Justice.

I've said that to the House, to the hon. members, I've said that to the wide public, and I don't know what more I could add to it, Mr. Speaker.

### Sale of Silver Lake Farm

**Mr. Anguish:** — Thank you, Mr. Speaker. My question is to the Minister of Agriculture, and it involves a land deal that the Minister of Agriculture would be familiar with. It's a deal concerning the Silver Lake farm near Green Lake. Your department, sir, called for proposals for the sale of the farm back in early 1989. And part of the proposal call, and I quote, Mr. Minister: "The proposals must (1) include at least a portion of the land base."

Well, Mr. Speaker, the question that we want to put to the minister is one of ownership of this property now. Since the time of the sale to the new owners, they've sold off all of the livestock. And this weekend, on April 20, they're going to have an equipment auction to sell all the rest of the non-fixed assets. Now, Mr. Minister, at this point in time, over one year later, there's been no transfer of title to the new owners.

Now can the minister explain to us why very clearly in the proposal the land must have been included in the sale, and why to date, a year later, the title has still not been transferred? Can you answer that, Mr. Minister?

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

**Hon. Mr. Martens:** — Mr. Speaker, I think we need to clarify a point here or two. I want to just lay before the Assembly some of the incidents that happened in relation to the sale agreement that we reached with the individuals from around Prince Albert. And they dealt with an agreement of sale around May 8, 1989, subject to the capacity of the land to have clear title. The land had a caveat placed on it a week later, and that caveat has been asked by this government and the Queen's Bench court have ruled on it twice, and have upheld the decision to take the caveat off. However it is now before the Court of Appeal, and we are not going to answer any further questions as it relates to that.

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

**Mr. Anguish:** — A new question to the Minister of Agriculture. It's quite interesting. Everything seems to be before an investigation or an appeal or something and you can't answer the questions we ask of you.

I would like to point out to the minister, Mr. Speaker, he knows very well that the caveat does not in itself stop the transfer of the title. In fact, you have never created title for the land. The land over a year later still stands as unpatented Crown land and you've never made any effort to serve the title and transfer the title to the new owners.

Mr. Minister, my question to you would be this: what proof of ownership is there that allows the new owners to sell off all the non-fixed assets when there is no clear proof of ownership, Mr. Minister?

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

**Hon. Mr. Martens:** — The agreement had three specific parts, Mr. Speaker. The agreement had a part dealing with machinery; the agreement had a part dealing with the livestock and the feed; and those were dealt with and the payment was received by the provincial government. The agreement for sale on the portion of the land is now before the Court of Appeal and it will stay there until the decision by the court to release it. And at that time then we'll be making a decision on it.

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

**Mr. Anguish:** — New question to the same minister, Mr. Speaker. I find it very strange that the new owners can dump all of the non-fixed assets of the farming operation, but yet you can't answer questions because you say it's before the courts.

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

**Mr. Anguish:** — Mr. Minister, I would like to ask you, one, why you did not sell the farming operation to the highest bidder. There are newspaper reports that it did not go to the highest bidder. I would point out to you in addition to that, that one of the bidders were the people who filed the caveat. The village of Green Lake filed a caveat but they were also a bidder. Now what are you trying to cover up? Why did you not retender this if they didn't include the land, so the village of Green Lake could have got the land that rightfully should have been theirs. What was wrong with the Green Lake bid, Mr. Minister?

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

**Hon. Mr. Martens:** — Number one, I want to point out to the Assembly that the bid that was accepted was the second bid. That's the first point. The first bid was not able to come up with the funds to match their bid. So they were excluded from the bidding process. The bid that was accepted was the highest bid that could come up with the money to do that.

**Mr. Anguish:** — New question to the minister. Let's put the other part of that question to you. How can you refuse to answer questions because it's before the courts? There's some dispute over ownership of this property

obviously. Mr. Minister, how can the new owners sell off the assets, and have those assets been held in trust — the disbursements, the receipts from the sale of the cattle — have they been held in trust until the court case is concluded?

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

**Hon. Mr. Martens:** — As I pointed out earlier, the bid that was accepted was the second bid. The first bid could not match the money that they had selectively decided that the place was worth. The second point I want to make is that the assets, as it related to the machinery and to the cattle and the feed, were sold to the individuals and they have subsequently paid for that. The matter of the land is before the court because of the caveat and it will be dealt with when that caveat is removed.

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

**Mr. Anguish:** — New question to the same minister, Mr. Speaker. I would ask the minister, in terms of the details of the payment, the real Minister of Agriculture, who's far too busy to answer questions, has been asked how much was paid for the Silver Lake farm at Green Lake.

So could you tell us today, since you have all this new information you're willing to divulge to us, how much was paid for the land, how much was paid for the livestock, and how much was paid for the other non-fixed assets of the Silver Lake farm? And when was the land, the machinery, and the livestock paid for to the Government of Saskatchewan?

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

**Hon. Mr. Martens:** — Mr. Speaker, the machinery and the equipment value as I have been told by staff is valued at \$145,000. That was paid for by the people who bought it. The livestock and the feed was valued at \$720,000 and that was also paid for by the people who purchased it. The land is up for question and that's why I will not refer to the land because of its relationship to the court.

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

**Mr. Anguish:** — I have one final question, I believe, to the minister, and that is that we feel that you have something that you are trying to cover up behind the courts, in using that for yet another excuse. We've heard that excuse already from a second minister today in this Assembly.

I would point out to you, Mr. Minister, that within days of the new owners taking over, trucks had moved in and were moving out all the livestock. They were moving out all the livestock within days of taking over the Silver Lake farm.

I would like to ask you, Mr. Minister, whether or not the sale of the livestock, those receipts were used to actually pay the Government of Saskatchewan. Can you tell us the date that the money was actually paid to the province of Saskatchewan for the livestock, Mr. Minister?

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

**Hon. Mr. Martens:** — Mr. Speaker, I don't have that information on hand but I will take notice of that question.

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

**Mr. Thompson:** — Thank you very much, Mr. Deputy Speaker. I direct my question to the Premier, the Minister of Agriculture. Mr. Minister, the local residents of Green Lake who wanted to purchase this farm had every intention of keeping it running as a protective farm. It was indicated by your minister that they did not have the money. Well I say to you in all fairness, Mr. Premier, you made money available to Millar Western and Weyerhaeuser to purchase other assets in this province; that could have also applied to Green Lake.

That's what the proposal you put out in 1988 said, that your government wanted the new owners to do, to keep it as a viable operation of the town of Green Lake. Why then did you ignore the local residents and instead sell it to a group of investors from Prince Albert who obviously were only looking for a quick resale of assets for a quick profit?

Mr. Minister, will you today assure the residents of Green lake that you will take all appropriate steps to halt the huge weekend auction of equipment until the matter of the sale conditions has been cleared up?

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

**Hon. Mr. Martens:** — As I said to the Assembly earlier, Mr. Deputy Speaker, the assets that relate to the land and . . . or the machinery and the livestock, are theirs to do what they wish with. And it is not my responsibility to take goods and chattels that belong to them and determine whether they should have a sale or whether they should not have a sale.

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

**Mr. Thompson:** — New question, Mr. Deputy Speaker, and I direct my question to the Premier, the Minister of Agriculture. Your 1989 call for proposals said that the purchaser of the Silver Lake farm at Green Lake had to have a plan in place for the protection of the employees on that farm. Thirteen families, Mr. Premier, are involved in this — 13 families. It doesn't look like any such protection exists today.

Would you tell this House what the purchaser's plan was to protect employees, and how you intend to enforce that plan?

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

**Hon. Mr. Martens:** — I think in order for us all to understand the validity of a caveat against the property, if members of the opposition had a piece of property they were going to provide for sale and there was a caveat against it, you would have to eliminate that caveat before the other individual would buy it. And that is precisely the point that is being made by the government in relation to the court, and that is the reason why we're not answering questions regarding the land. The goods and the chattels and the livestock, they are theirs and they can do with it

whatever they wish.

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

### Funding for Education

**Ms. Atkinson:** — My question is to the Minister of Education. Last year, Mr. Minister, the Minister of Finance in his budget address said, and I quote:

Education is the key to our children's future and the future of our communities and our province.

School boards across Saskatchewan are in the process of cutting over 300 teaching positions and more than 109 teaching positions, Mr. Minister. In view of the fact that over 400 people are going to lose their jobs delivering educational services to our young people, how does your government have the audacity to claim that education is your government's priority?

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

(1445)

**Hon. Mr. Meiklejohn:** — Well, Mr. Deputy Speaker, I would point out to the member opposite that in a report that was put together by the SSTA (Saskatchewan School Trustees Association) that the feeling is that Saskatchewan enjoys one of the most admired school systems in Canada and indeed the world. And I don't have any doubt that today we can be as proud of our school system in this province as ever. In so far as the priority of education in this province, education does remain a very high priority of this government.

When you talk about some of the changes that are taking place across this province, we understand that there are some schools closing because of lower enrolments. But in fact the number of schools that are closing today is no higher, in fact it's probably lower than when the NDP (New Democratic Party) were in power. This is a reality in rural Saskatchewan, Mr. Deputy Speaker, that enrolments are going down.

When she suggests, when the member opposite suggests that there will be some 360 teachers losing their job, Mr. Deputy Speaker, that figure is highly questionable. We know that there will be some teaching positions that will not be there this next year, but to suggest 360 is just totally inaccurate.

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

**Ms. Atkinson:** — Mr. Minister, more than 400 people are going to lose their jobs in our smaller communities in this province. Your government, on one hand, claims it will bring thousands of government jobs to rural Saskatchewan, and on the other hand you're busy terminating those jobs that are already out there.

Instead of spending \$50 million of taxpayers' money for your politically oriented government decentralization plan, why not spend some of that money to protect our education system and protect our jobs that already out there. Why won't you do that?

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

**Hon. Mr. Meiklejohn:** — Well, Mr. Deputy Speaker, the member opposite is really playing fast and loose with figures this afternoon. I mean, talking about \$50 million for decentralization is just another example.

It's interesting, Mr. Deputy Speaker, that the executive director of the Saskatchewan Teachers' Federation feels in fact that an increase of 3.5 per cent to the operating grant for schools this year is a reasonable amount in view of the economic situation in this province, Mr. Speaker.

So when we determine how much money is going to be allotted for education, we have to consider the fact that the money comes from the taxpayers. And the amount of money that's available for education, in the same way it's available for other areas of service in this province, is largely dependent on the ability of the taxpayers to pay.

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

## MINISTERIAL STATEMENTS

### Law Day in Canada

**Hon. Mr. Lane:** — Thank you, Mr. Speaker. April 17 is Law Day in Canada. The Canadian Bar Association has set aside this day to recognize the importance of the preservation of the rule of law in our society. The Canadian Charter of Rights and Freedoms was proclaimed on this day in 1982. This guarantees all persons in this country protection of the basic rights of life, liberty, and security of person.

To recognize the privileges afforded by Canadian citizenship, the week of April 14th to the 20th has also been declared Citizenship Week. Law Day is an opportunity for the legal profession to provide citizens with information about the legal system in this country and the services provided by the legal profession.

In many communities lawyers will be conducting various activities to mark Law Day. In both Regina and Saskatoon, for example, lawyers are volunteering their time for a 'no bills day' providing free consultation to members of the public.

Lawyers in Regina have also volunteered time this week to speak to high school classes about various legal issues. In addition, a citizenship court is being held today in Regina at which time 30 people will receive their Canadian citizenship.

As citizens in so many other parts of the world continue to struggle for basic freedoms, the pride and the joy expressed by individuals who are not born Canadians but have chosen to become our citizens is a powerful tribute to the rights and privileges we sometimes take for granted.

The legal community in Saskatoon is also marking Law Day with a mock small claims trial to inform the public about Small Claims Court procedures. Tours of the Provincial and Queen's Bench court houses in Saskatoon are being offered. Activities involving students, including mock non-jury criminal trials are being conducted for

elementary school students; and a mock trial tournament for Saskatoon high school students in which students enact defence, prosecution, and witness roles to experience a provincial court trial.

These special activities are an extension of the public education activities routinely undertaken by members of the legal profession. Mr. Speaker, I know the interruption, the hon. member, but this is of some interest to at least some members of the public. And my remarks are certainly not of a partisan nature, intending to bring to the attention of the Assembly what I think to be a day to be recognized.

The Lawyer Referral Service of the law society assists members of the public who need assistance in determining which legal services would best meet their needs. Seminars and information are provided by the Public Legal Education Association all year long to inform the public about legal issues that affect them.

As Minister of Justice and Attorney General for the province of Saskatchewan, I ask all colleagues in this Assembly and the people of this province to take a few moments during Law Day to recall the many advantages we enjoy as citizens of Saskatchewan and Canada, and to recognize the significant role played by members of the legal profession.

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

## MOTIONS FOR RETURNS (Not Debatable)

**Hon. Mr. Neudorf:** — Mr. Speaker, I refer you to page 2 on motions for returns, and indicate that items 1, 2 and 3 will be converted to notices of motions for returns (debatable).

## ORDERS OF THE DAY

### GOVERNMENT ORDERS

### SECOND READINGS

#### Bill No. 55 — An Act respecting Programs to Stabilize the Income of Agricultural Producers

**Hon. Mr. Martens:** — Thank you, Mr. Speaker. It's an honour for me to rise today to propose second readings to introduce the Bill dealing with the agriculture safety nets. The legislation will provide a framework for Saskatchewan to enter into a provincial-federal agreement that deals with two programs that will provide financing to producers: gross revenue insurance program known as GRIP; the second one is the net income stabilization account known as NISA.

In discussing this legislation, I would like to address the current situation as we find it today in agriculture, and go back for a while in time to refer to a number of items, I believe, that reflect on why it's important for the introduction of The Agricultural Safety Net Act and the reasons — and show it to the legislature here and to the public — the reasons behind the introduction of this Bill and this program.



It became, in my view, apparent in the '80s that, as it related to a farm safety net program, it was very important to agriculture in Saskatchewan to have some stability, some income stabilities to deal with the shortfalls that there were in the prices of grains and oilseeds.

What happened in the '70s was that the provincial government — at that time the opposition — were of a mode to say to the people of Saskatchewan, move out of the livestock industry and back into the grain because grain or wheat is king. And that was a saying that went around the province here, initiated by the then minister of Agriculture. The process became one of seeding everything to wheat and moving out of the livestock business when it was the beef, the pork, or anything related to the production of those two items.

And that's when, Mr. Speaker, in my view, the policy and plans of the then Minister of Agriculture were really very, very short-sighted. They didn't deal with an overall strategy to move into an area that diversified Saskatchewan but rather it moved into a program that isolated it more and more into the grain side. And that's where the government of the day, they just went to sleep. They didn't understand it, number one; and they didn't do anything about it, number two.

What happened as the '70s moved into the '80s is that we had interest rates at extremely high percentage points. The movement in the Canadian government to set aside the opportunity for only farm credit to borrow, to lend money to farmers, for farmers to borrow from farm credit, moved into a mode where the banks were allowed to lend them money. In that process the banks and the economy drove the interest rates higher and higher and higher. And we have from 1978 until 1983 a high interest rate in relation to the economy because the economy wasn't driving the . . . the agriculture economy wasn't in a place to drive the interest rates down nor were they in a position to raise it. So what we had at the time was increased costs to producers.

While this all happened, farmers were in an inflation mode, and when they were buying land the banks were giving them more money. The interest rates were going up; it was just moving everything up in its price and its impact into their cash flow. While this was all happened, nothing was happening as it related to the provincial government at the time.

And so when we came into power, we said, is there a way to give interest relief in relation to that? And we did that. That was at the beginning of the '80s.

When we come to the time of 1985 — as I said the other day in discussion, about the motion that we presented to the Assembly — the 1985, the U.S. farm Bill came into place, and that U.S. farm Bill just put a sharp decline in the capacity of agricultural products to be marketed in the world to gain an acceptable price.

And at that time, the province of Saskatchewan together with the federal government provided to the people of Saskatchewan in the neighbourhood of \$600 million. And that was there because of the vision of our Premier; it was there because of the need to become involved in

agriculture.

In 1986 the grain prices continued to fall. We had a net farm income minus \$166 million. If the federal government hadn't have come in to help the economy in 1986, we would have had an extreme shortfall in the cash flow. And that, Mr. Speaker, is how we had **ad hoc** programs come into place.

In 1987, the same thing happened. Farmers said, we don't want **ad hoc** programs any more. We want to have an opportunity to say that I want to have a plan and I want to have an income . . . my income addressed as a way to give me some security over the long term.

And in '88 the Premier, together with the Minister of Agriculture of the day from Ottawa, Mr. Mazankowski, met in Prince Albert to begin the process of putting together two components that dealt with the income shortfall.

I think the Assembly needs to understand that in that basis, or the basis we use to begin the process to move forward in a program, we took some components that already existed. We took the component of yield, which is in crop insurance, and a price-setting mechanism that is related to the price of grain in the initial price plus the final price that the Canadian Wheat Board establishes. In that, we set up a process to move that building block, if you will, in agriculture — that safety net that they had at the time — of the yield component, which was roughly 70-80 per cent, dependent upon what you wanted to buy, and a price . . . a high option price and a low option price.

We, together with the other ministers of Agriculture from across Canada, met in Ottawa in 1989, in December, to talk about what should be done. There were farm leaders from all across Canada at that meeting in Ottawa. And Mr. Mazankowski at that point said, there are a number of things that I want to take a look at; I'm going to look at. I'm going to set up committees that deal with finance in agriculture, environment in agriculture, competitiveness in agriculture, efficiencies in agriculture. And one of those programs that he put into place with a committee was to deal with the farm, the long-term farm safety net process to deal with how to function so that you get security of income over the long term. And that's what the committee, then appointed, was asked to do.

(1500)

I want to point out some very important things that need to be addressed as a part of this. So many times people have said: well, agriculture is getting a big hand-out. Agriculture is getting a big hand-out. I just want to make a point to the members of this Assembly and to the people of Saskatchewan.

This program, as it has been budgeted for by the Minister of Finance, is going to cost the people of this province some money. Granted. I just want to point out one very important thing: that value of that cost is \$4 an acre — \$4 for every cultivated acre in the province of Saskatchewan. That's what the cost is going to be in relation to this program.

I want to point out to the Assembly too, that not only is it a \$4 per acre cost, but if we were to take and translate that into a tax dollar component, let's say for the Department of Health or the Department of Education, we could come up with a number. And that number, Mr. Speaker, is, for Department of Health, an equivalent to the \$4 an acre that we are budgeting for agriculture. If we translated into medical dollars, we are paying \$32 an acre for every acre cultivated in Saskatchewan for medicare.

I agree with medicare, but we have to think about how that translates. We pay \$32 an acre every year for medicare. We pay \$22 a cultivated acre every year for education. You add those two up, Mr. Deputy Speaker, and you have \$54 a cultivated acre in the province of Saskatchewan that is spent on those two items alone. And I'm in favour of them. However, I want to point out to the rest of the people in the province of Saskatchewan that this program will translate into \$4 a cultivated acre in the province of Saskatchewan.

This program is also addressing a concern that supplies probably 40 per cent of our production capacity in gross national product to the province of Saskatchewan. The industry is going to get \$4 an acre. And I think that's reasonable. I think it's reasonable to consider it. And I think as a part of this Assembly's responsibility, I take a great deal of pride in being able to put that forward as an opportunity to have the people of Saskatchewan become involved in that.

The agriculture safety net programs that we have in place are called gross revenue income plan, dealing with two very important features. One is that the revenue portion deals with a price-setting mechanism for the involvement on the grain side. The other side is the yield protection which is 100 per cent of the individual farmer's yield. Those are two areas that the gross revenue income plan deals with.

The other one is called the net income stabilization account. This account, Mr. Speaker, is there to deal with some very important items. And I want to point out some of them to you. The net income stabilization account deals with the individual's capacity to put money away so that he can save it for a time when his income falls short of what his average is. And at those periods of time he's able to draw on that and then be able to substantially stabilize his own income. And that's the reason why it's important that the two work together.

The process that the Minister of Agriculture for Canada decided to take, together with the ministers of Agriculture from the provinces across Canada, was to set up a process whereby they would implement a program that had farmer influence. And the influence came from a committee that was set up by the federal government of 19 farmers, and these farmers represented farm organizations from across Canada. Six of those were from Saskatchewan.

Now in order to understand the complexity of this, you have to take into consideration the complexity of agriculture in Canada. You have daffodils growing in British Columbia; you have wheat and variety of crops in western Canada from canola to wheat to barley, durum;

in Ontario you have other commodities like corn; in Prince Edward Island you have potatoes; you have potatoes in British Columbia. Every one of these ministers felt a need to somehow become involved and have those producers from each of those provinces become involved, because of the kinds of things that were being done in their particular province as it related to agriculture.

The committee had extensive meetings for the greater part of 1990. They discussed various aspects. They put together, in a package, seven different kinds of stabilization plans that were available. These seven they modified and put together to get two very simple programs dealing with income and the relationship of the price, the yield, and the gross income plan. And the second one was for a long-term safety net that dealt with a person's being able to stabilize his own income.

Now the committee said that there are three things that you have to deal with. They said that there are three lines of defence in this process that we have to address. The first was to make sure that the individual farmer had a way of accomplishing, on his own farm and his own ranch, the opportunity to maximize his capacity to administrate, to manage, and to deliver the best possible income he could derive from that land or livestock that he had.

The second one was to set up, in addition to crop insurance and western grain stabilization, two other safety net programs, and those I've outlined to the Assembly as being called GRIP (gross revenue insurance plan) and NISA (net income stabilization account).

The third line of defence was set up to deal with exceptional circumstances. And in that recommendation that they provided to the ministers of the 10 provinces and to the federal government, they said we need to have each tier address itself . . . or each line of defence specify the kind of thing that they were going to deal with. One of the things that they said, they had to have a way of showing that diversification was a part of that capacity to deal with the way the program should work.

The second thing that it should never interfere with the opportunity to have further processing developed in the province and in the provinces of Canada.

The third thing it should do is it should be involved in providing and maximizing the greatest amount of training to agriculture, the participants in agriculture and to those people who are managing the companies that process and use the agriculture products.

The third thing that it addressed was to relate to the off-farm income that producers have and that producers are going about, in order to supply additional funding to support their agriculture process. Now when this whole process of the gross revenue income plan and net income stabilization account were presented to the ministers, it became important that the producers involved in the program could become a part of the development of the program. I think that that's very important to consider.

I think one of the things that is also important to consider is that the participants were from all across Canada. The

participants became involved in it because of their own relationship to agriculture that was unique to them.

It's important to consider all of these aspects, Mr. Deputy Speaker, because of the fact that the program was developed as an national strategy, and we're dealing here with a provincial complement to that national strategy as it relates to agriculture.

It's very important in another area. The other thing that's really . . . I think stands out in my mind is that the opportunity has been presented here in this program to give a balance of agriculture across Canada so that we can begin to use our relatively competitive natures, in dealing with the products that we produce, in relation to another part of Canada. We have had, especially on the west side of this province, the agriculture competing with agriculture in Saskatchewan on a different level. And the level is established because oil money flows into agriculture in Alberta, and we've developed the process and the volume of agriculture from the perspective of its being able to generate its own income.

In Alberta, for example, there is no level playing field between our producers and theirs. They get from the oil industry. They get subsidies as it relates to the fertilizer. They get subsidies as it relates to benefits on agriculture land. They get benefits as it relates to fuel rebates. All of those things, Mr. Speaker, and more, are reasons why it's important that we get a national plan to give us a level playing field, because I believe that the producers in this province are probably the most competitive and the most efficient that we have anywhere in the world. Because they have had to compete on that basis for so many years, they know how to do it.

The safety net committee developed a number of criteria that this safety net program should be measured against. They wanted adequacy of support. They needed a level of support that was reasonably adequate over the long term of the program. It had to be fair; that was another point that the committee said that should be there. It had to be predictable. It had to know . . . the people had to know the formula that was used to deliver the kinds of things that were there for making sure that people understood what was going on.

Another thing that was mentioned by the committee that they had to deal with was that it had to be targeted for the individual crops. One of the other things that they said it had to be was resource neutral. Resource neutrality, Mr. Speaker, is really probably, from my point of view, probably the most fundamental reasons why this is a good program.

I want to point out to members of this Assembly, and especially to the gentlemen on the other side of the House that . . . and I use the word loosely, Mr. Speaker. The people on the other side of the House, the members on the other side of the House, need to understand some very fundamental things. I understand that there's really only a couple of them that really know and understand agriculture. That's important. But they need to understand that agriculture is a fundamental, basic component of the community of Saskatchewan, and it's important that these people address it.

GRIP and NISA was to meet the following criteria for the following reasons. It had an agreed cost-sharing formula. Mr. Speaker, we've outlined in the Bill the relationship to the program, to the agreement that we have with the federal government. It points out the relationship of the province, the producer, and the federal government, and the cost-sharing formula that was agreed to by the three parties in dealing with how they should work out the cost benefits and also the cost in the premium.

Another thing that it did, it points to the fact that before a person goes to seed he knows exactly how much he's going to be guaranteed. That's extremely important to know that, Mr. Speaker. That's a floor price or a bottom line to what the individuals can earn.

Another thing that they pointed out, resource neutrality. Resource neutrality is a very important part. It deals with, not only the input side, but it also deals with the area of people being able to feed their grain on the farm, sell their feed grain to their neighbours, and not be penalized for having done that.

In the western grain stabilization plan, Mr. Deputy Speaker, what they had there was a process whereby if you didn't sell it through a brokered elevator or licensed elevator system, you were not credited for any kind of a sale. So that farm-fed grains were not considered as a part of production nor were farmer-to-farmer sales considered a part of production. And this program says that it's going to be able to be done on your own farm; it's going to be able to be done on a farm-to-farm basis. Resource neutrality. And it's very, very important for us to think about that.

(1515)

Not only that, I recall in 1988 when there was a shortfall in production, drought had gone through the whole province, that the people in the livestock industry had a hard time finding feed grain. And the reason for that was, Mr. Deputy Speaker, that the feed grains were there, however, people were going for the highest price. That was not bad.

The second thing is that they were wanting to have to sell it through the elevator so that they could make their payments on their western grain stabilization plan. They couldn't make it farmer to farmer, and therefore the benefit was lost to those people in the communities that they grew the feed grains in.

And so it was felt by the committee that it had to be resource neutral, had to be able to have the grain fed on the farms.

Another thing that it deals with in this Bill is that there is a resource neutrality between grains, and between grains and oilseeds. That's really an important part of why this is here.

Another thing that it does is it allows more commodities to be moved in. And that's really important if we get the context of what we can do for diversification in this province.

If we find out that there's people in the market gardening that are interested in this, we just have to go to Ontario or British Columbia and find out how their actuary works in order to deliver an opportunity for the people in the province of Saskatchewan to become involved.

How this works with potatoes is going to be an example of how we use it in potatoes in the Diefenbaker Lake area, where there's irrigation and an opportunity to grow seed potatoes. Excellent way to get the actuary to flow so that we have a balance — gives us a balance between the products being able to be grown in the province and being able to be competitive with those other provinces who grow them.

One of the key things I think that this program does is it deals with the individual farm. As I've travelled through the province in the last three months, I've heard this over and over again that this has to be targeted for the individual farm.

Mr. Deputy Speaker, there isn't a producer in the province of Saskatchewan that doesn't believe that he can't produce better than his neighbour, and that speaks for itself. It speaks to the kind of people that we have in the province; it speaks to the competitiveness that we have in the province.

However, in our programming until this point, we have not been able to do this on the basis of our own individual farms. And this program is targeted to the individual's farm being able to produce the kind of commodity he wants, the kind of production that he wants to have out of the farm and he can insure for that value. And that's what's important. You're not supporting your neighbour, you're supporting yourself, and that's the most important part of this Bill.

Since the program was announced in November and through the year as it related to the timing of when the information was available, a number of observations have been made about the program. Number one, should it or should it not include forages? The discussion took place as a part of the rationale behind the ministers deciding that for this year it was not likely that it should be done.

However, in the future it's very likely that forages will be included. And that's why it's important to note in the Bill that the Minister of Agriculture has the responsibility and has a duty to set up a committee that will review all of the changes that are to be made as a part of the process of evolving the kind of thing that agriculture wants to have in this kind of a program.

It will give an opportunity to . . . be given an opportunity to decide, is forage the right thing to put in? Is seeded grasses and legumes? Or are they the only ones that should be put in? Should we include a native pasture as a part of that? Is that a part of what this program was made for?

Another thing — is it an opportunity to address tripartite stabilization in the beef industry? Is it an opportunity for us to do that? The committee will be able to set that up and deliver an opportunity for us to discuss this in the

public, to give us an opportunity to talk to farm organizations about this.

In the meetings there were a number of things that were discussed. One of them was, are forages in or are they not? The second thing that I came across was, should there be offsets, price, yield, and all of those kinds of things? The information that I received back was very informative, and I think that it's a good time and a good place to have those kinds of discussions in that committee to deal with how we balance out the process.

In a new program it's very difficult to cover all the bases, and I want to point that out to the Assembly. It's difficult. We have worked hard and we have worked diligently, not only as a part of the government but as the committee dealing with this. I want to compliment them for the time that they took to deliver this because it's extremely important for the people of Saskatchewan.

I want to point out, too, that for the people who are listening in this Assembly, that the process of time has given us an opportunity to evaluate perhaps who would better benefit and who would feel more comfortable in being involved with this. But we have found out in talking to people that there were some concerns as it dealt with the cost of the premium. There were some concerns as to what all was covered. There were concerns that dealt with . . . should I become involved, and why put in four years when I'm in crop insurance and I only have it one year at a time. And, Mr. Speaker, each of these areas are concerns that are legitimate, and they need to be addressed and we have addressed them.

I'll give you an example. It was brought to our attention to why should this be a four year program. Western grain stabilization for example is 10 years. You're in it for 10 years, and farmers across this province signed up for a 10-year commitment to that. And so we said, if we want the program to work, let's give a reasonable time. One year is not reasonable enough to have the program flow. However, four years seems to be a reasonable time, and that's what we're proposing to do.

Another thing that was raised that I want to point out are concerns. The price of durum and the premium cost on durum was pointed out to us, and I saw it, too. The premium was really high, and I thought to myself, why is that? So I went back to check out how the person who developed the actuary related to that. And each of the methods of processing, each of the commodities that are in the safety net program — each of the commodities — was addressed on the same way and on the same basis by the actuary. And the person who was setting up to see whether this was fundamentally, fiscally accountable and sound . . . and that person said that you have to deal with each crop by itself, which we did, and each crop has to be dealt with exactly the same way. That's why it's resource neutral. It's not competitive one against the other in relations to its price and to its premium. So each has its own unit of actuarial soundness, if that's the way you want to say it. It deals with the capacity of that individual commodity to be reflecting positively in its own relationship to itself.

This year, Mr. Speaker, the premium on the revenue

insurance is going to be the same over the whole province. It's anticipated that for next year the program will have a process of reflecting the premium risk rate across the province to the areas that the risk is in. And that is important to think about too. What we have in the province is a way of taking the program and dealing with it in a precise kind of a way, in a way that's going to provide a benefit to all the people.

Once we pass the legislation dealing with this program, we will be signing the agreement with the federal government and it will be a three-year agreement dealing with the federal government's responsibility to us, with the federal government's responsibility to the producers of Saskatchewan.

A very important part — and I want to reiterate that or say it again — is that there will be people on the committee dealing with legislation. Let me rephrase that. There will be a committee set up so that the legislation can be reviewed and the regulations under the legislation can be reviewed so that the farmers have an understanding of it, and that they have the capacity to make changes that reflect positively on the program.

The review committee will be asked to review the programs itself and how it's implemented, how it's administered and all of those details. Any changes, any products that want to be added to it, will be a part of that committee's mandate to become involved with and to show us what they expect and how they plan and deliver.

I want to assure this Assembly that the individuals on that committee will be ones who reflect the agricultural communities and have a good grasp of where it's at and that they know what's going on.

Now, I want to just draw to the attention of the Assembly what I believe some very important parts of how we are proposing this to the province of Saskatchewan. This plan took a long time to build. It took a long time to bring into place. Some people have criticized that. When you take and do *ad hoc* programs as we did in 1984 and 1985, '86, '87, '88, '89, people were frustrated because there was no legitimate plan saying, I have income security for a long period of time.

We are now in the process of setting up a plan to deal with long-term security. This is very important. On the other side of the House, where is their agriculture plan? Where do they want to go? Do they want to go back to yesterday with land bank and wheat is king — all of those kinds of policies. We don't know what their policies are. They say, oh we've got them out there. But if they want to go to those that are out there, Mr. Deputy Speaker, they'd deal with things like land bank and with wheat is king.

Wheat is not king any more, Mr. Deputy Speaker. It's canola, it's livestock, it's barley, it's oats — it's all of those put together in the framework of the commodities that they have the capacity to produce. It isn't an individual crop; it's all of it together growing to become a part of a better Saskatchewan. That's the kind of thing that this program does.

We had all of the farm organizations in Saskatchewan

together. We've met with them many, many times over the past year. And we invited about 40 of them to come into the Assembly here to talk to us about the kinds of things that we ought to do.

Particularly, in October of last year, I asked these farm organizations to attend meetings in three locations in this province. We dealt with transportation; we dealt with farm finance; we dealt with income security or income shortfall. And in those discussions, Mr. Speaker, the key component that farmers said over and over again that they wanted to have, farm organizations said this over and over again — give us a sense of security for income and we will go with that.

And that, Mr. Speaker, is what we have done with this plan. They know, number one, what their capacity to produce will be before they go seeding in the spring; they will know what their premium rates are; they will know that it's their own farm; it's targeted to the capacity of the individual to produce on his own farm; and it's also based on a cost of production that is related to a 15-year average.

(1530)

All of those things, Mr. Speaker, are extremely important. It's targeted to the individual farm. This Bill says it's going to be for the individual farmer himself. Farmer A, farmer B, and myself as a producer, it's for me. It's for the member from Shaunavon; it's from the member from Arm River; it's for all of us. It's the capability of the individual to produce on his own farm and measure himself against himself. That's extremely important. You don't have to subsidize your neighbour; you don't have to subsidize the farmer 20 miles away; you don't have to do any of that. It's here for you and for yourself alone.

I want to just talk a little bit about the net income stabilization account, because there were a lot of people . . . a lot of the people in the meetings that I had throughout the province, dealt . . . asked questions about the net income stabilization account. And I think that I would like to put it this way. This is a program that allows an individual like myself or you, Mr. Deputy Speaker, it allows each one of us in agriculture to put some money away for retirement. It allows us to put some money away for stabilizing our income over that period of time where we worked. Those two things.

It's very important to think about them. One is that you stabilize your income and you get yourself an opportunity for your own kind of a pension. And, Mr. Deputy Speaker, if your father or my father would have had an opportunity to have a net income stabilization account over the last 75 years or the last 50 years, you and I, as producers in this province, would not have had to take and go to the bank or farm credit corporation or wherever and borrow all of that money to have equity so that your father and my father could go and buy a house in town and have something to retire on.

The net income stabilization account for the first time, Mr. Deputy Speaker, will provide an opportunity where the individual producer himself will be able to say: I am going to get a retirement opportunity so that I can benefit

for myself, work it out by myself, and develop a program to do that.

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

**Hon. Mr. Martens:** — The net income stabilization account is also available to stabilize your income. That's an extremely important part of this too. As I've gone through the meetings, I've touched base with a lot of people and I've said to myself: are there benefits that accrue to this account more to one group than the other?

And I would say, Mr. Deputy Speaker, those people who can access that account as a stabilizing factor in their farm are better off because of it. And those people who can access it as a retirement opportunity are much better off.

And so, Mr. Speaker, it's a pleasure for me to move this Act as a part of second reading. It's a historical day for me, Mr. Deputy Speaker. It's a historical day for me because of the fact that this is the very first time that I have done this, and that's a historical day for me.

And number two, it's a historical day when I can say to the people of Saskatchewan that I have provided an opportunity for you to use this, this window to put into place a plan that deals with a security as it relates to yield on your farm, price on your farm, and gives you an opportunity as a stabilizing factor for your income, and as it relates to your own pension plan.

So for me today to move second reading is a very important day. And I want to say to the Premier of the province, I want to say thank you for giving me the opportunity to do that here today.

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

**Mr. Upshall:** — Thank you, Mr. Deputy Speaker. Just before I start, Mr. Deputy Speaker, I just want to note for those who may be listening that the Premier and the part-time Minister of Agriculture chose not to give the major second reading speech, but chose to have his Deputy do it.

I don't suppose it could have anything to do with the fact that if he doesn't give it, the press doesn't come to the gallery and report that the Premier of the province is pushing this program. They know the farmers don't like the program basically but are going to be forced into taking it, so . . . (inaudible interjection) . . . I see they're sensitive on this issue, Mr. Speaker. I see they're very sensitive on this issue, Mr. Speaker, but it is important to note, important to note that this is how this Premier operates.

If this is such a good program, why doesn't he stand in his place and deliver it? I just want to say, Mr. Deputy Speaker, on behalf of the farmers of rural Saskatchewan, that these people seem to not be able to listen to these days. They do not think this is a great program.

I've had call after call and letter after letter. I've been at the meetings that the members opposite have been at that they sponsor to explain the program, and the farmers are not pleased with it.

The meetings all around Saskatchewan — I'm wondering why they're not having any more — but the meetings all around Saskatchewan which the members opposite thought were so popular, popular because they were getting good turnouts, good turnouts because the farmers wanted to know what the program was, because they're financially very strapped these days and they wanted to know if this program was going to be the program that could keep them on their feet predictably for a number of years to come in the future.

And you know what happened? They walked out of those meetings shaking their heads, because they were confused. And to even make it worse, Mr. Speaker, farmers that went to more than one meeting got more than one set of information — opposing information from a government at different meetings. No wonder, no wonder they're sceptical about this government and this program.

And then just look at the federal legislation. Vague — nothing substantial to tell us how the program is going to operate, that's enabling legislation. And yet, despite the fact that the farmers were confused coming out of the meetings . . . and if the minister from Weyburn would listen for one or two minutes, would consider the fact that farmers in this province are in desperate straits, he wouldn't be sitting there chirping from his seat. He'd be out there negotiating a better program.

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

**Mr. Upshall:** — Programs that confuse the farmers, legislation that doesn't set out anything but will be prescribed in regulations, enabling legislation. And yet as a farmer, I have to go into my crop insurance agent, and on the back page sign a document that says I understand the program.

And you wonder why farmers are sceptical. Is that any way, is that any way to put the . . . any position to put the farmers of this province in? And yet the member opposite, the associate minister, gives all the reasons that he thinks this is going to be such a great program.

Well, Mr. Speaker, this program simply has to be improved in order to be of any use. The first couple of years, there'll be payments. After that it's questionable. I mean there are a number of reasons, and the farm groups that came together to put this program forward to the government, along with the government — by the way, those groups had very little to do with this program after October of last year — since October of last year, the principles that were put forward by farmers and farm groups have been basic almost, almost destroyed because of the 80 to 100 changes in the program made by Progressive Conservative governments.

And yet the Premier will stand in his place, or the Associate Minister of Agriculture will stand in his place and say, well we have all these 19 farm groups involved in the process and they developed the program. Well I'll tell you, the farm groups are a little sick of trying to be hooked into this government. In fact you talk to the people and there's even a letter being sent out by the Saskatchewan Wheat Pool explaining that. And the

reason that is, is that this government tried to use those farm groups. They tried to use those people. And they don't like that.

Now, Mr. Speaker, I think basically the program unfortunately was designed to try to elect a government. It has fallen flat on its face and that's the one reason why the Premier won't stand up and defend it.

Some of the points that are concerning farmers are, first of all, they're saying there's no cost of production formula. The 15-year average . . . and let me tell you for a minute why they had a 15-year average, in my opinion, and I think it's pretty close.

Most of the other programs and the western grain stabilization was a 10-year average — if you look at the beef stabilization, a 10-year average — but in talking to people who were involved in the process, the message that I kept getting was that they got a program but we can't trigger it. That was the problem. All of a sudden we have a 15-year average. Because if based on a 10-year average, the program wouldn't trigger because we wouldn't have the high prices from the mid-'70s. So we make a 15-year average. The timing is very good, because by the time you move off of '75, '76, and '77, the prices start to go down. So you add on '91, '92, '93, the payments are going to taper off or stop. But conveniently, the payments will taper off or stop just after the provincial election here this year and the federal election next year. Don't know if it's any relationship to that, but I think one could draw that analogy.

So there's no cost to production formula built into it. And this cost of production — and there's formulas around, Quebec has a formula that works well — it has to be worked towards. And yet the government will say yes, there is a cost of production formula. The cost of production formula is in the index that constitutes 12 input products. And if those inputs . . . like for example, petroleum is 17 per cent of the 100 per cent index. So if fuel goes up 10 per cent, the index goes up 1.7. Mr. Deputy Speaker, my point is this: that does not reflect my cash cost as a farmer.

The other thing that they've done is they've omitted some of the cost. For example on the indexation, they've omitted interest rates. Now let's assume that the 12 input products to the farm, necessary to farm — fertilizer, fuel, seed, and the like — remain static and there's no increase. Therefore the indexing formula would not increase the return to farmers.

But let's assume that interest rates double. Interest rates double and because interest is not involved in this formula, then there is absolutely no way that the farmer can . . . that the formula will trigger and the farmer has to pay higher interest rates. And the result is that he is going to again be hit with greater costs. The formula is not working. So an actual cost of production formula is very necessary.

Another point is concerning the average size and farmer in Saskatchewan — most farmers in Saskatchewan are average size — is the fact that there's no cap. They're saying look, we want to keep our numbers out here. It's

important our rural communities keep as many people on the land as possible. This program has no cap. If you want to go out right now and rent 50 quarters of land or take over all the millions of acres that Farm Credit Corporation has taken away from farmers, if you want to rent that out, if you can get a hold of it, you'd go into this program and get paid for it.

Now farmers are saying that shouldn't be. There should be a cap. Average the number of dollars out amongst as many people as possible in this province and don't let some person go hog wild and get a payment and have the taxpayers pick it up.

Now one of the bigger problems is, is farmers feel they are being forced into this program. They have a program . . . because you have to ask yourself, what's left as far as support programs: western grain stabilization's gone; cash advances are gone; the farm fuel rebates are gone; the advantage of the two-price wheat is gone. There is nothing left but this program.

And as I have said before, I think that the uptake of the program will be quite high, not because farmers are running and rushing in because it's a great program, but because there is nothing else left and they are being forced into taking it. That again makes farmers very sceptical of the motives behind this government and the government in Ottawa. I mean, why force them into a program? Why force them into a program if it's a great program and if it's a great success?

But they're being forced in, Mr. Speaker, because this government knows that when you've got farmers on the ropes, that's where they want to keep them. That's where they want to keep them. Take away all the other programs, take away all the programs that have been there, and replace it with something that is not adequate, not adequate.

Another point, Mr. Speaker, is that . . . and this is a point that I've heard the Premier talk about at meetings and other members at meetings that really annoys me. The Premier says, well you know what you're going to get before you seed your grain; you can go to the end of the crop year. And if you don't want to sell your grain, you can hang on to it, and you're going to get all this money from this program.

Well did he ever ask himself that maybe there's one or two of us out in the country who have bills to pay and — we can't hang onto that grain and play the market like he'd like us all to — and would have to sell it right off the combine, as much as possible, in order to pay the bills to stop the interest rates from mounting.

But I don't think the Premier and this government opposite relate to those kinds of people, and there are thousands out there. I mean look at the statistics on foreclosures and foreclosure actions. Do you think that those people . . . the bank's going to say okay; it's okay if you don't sell your grain, we'll carry you for another few months until the price goes up. The contrary, they have to sell.

(1545)

So if I'm — I'll give you another example — if I'm a farmer and I'm forced into selling my flax off the combine at \$4 a bushel, the average price for that year is \$5 a bushel. And the Premier there may be able to grow flax. Because of the position he's in, he may be able to hold onto it and sell it for \$6 a bushel.

So what happens is the person — because the return is based on the average yearly price — the person who is forced into selling for \$4 loses a dollar. The person who can play the market and wait and get a higher price gains a dollar. Now is that a fair program? Is that a position to put people in in rural Saskatchewan? I realize this Premier would like to see us all playing the stock exchange with our commodities because that's where he comes from. That's the way he likes to operate.

But I'll tell you, Mr. Speaker, and again if the . . . The member from Weyburn seems to be very, very upset today, and I'll tell you he should be upset. He should be upset, Mr. Speaker, because this is a guy who's looking at a \$5 billion deficit. This is a guy who's run up the province's debt to \$13 billion. So I'm sure he must be upset about things like that.

Well, Mr. Speaker, as I said the average yearly price is going to help some people and hurt some people.

Well, Mr. Deputy Speaker, now I would like to just point out the politics and the attitude that comes out of this government and the government in Ottawa. You will remember a policy paper called policy pillars and principles for action, better known as the green paper that came out of Ottawa and supported by this government a year or so ago.

Now there were four basic principles in this green paper on agriculture: one was market responsiveness; two, greater self-reliance; three, recognizing regional diversity; and four, to be environmentally sound.

Well let's just have a look at the program that's come out a year after this great revelation of the policy pillars and principles for actions in agriculture. GRIP, is it market responsive? Well I say no. It's not market responsive because the actual price of a product or supplies of product have absolutely nothing to do with your seeding intentions. Nothing. I mean this is a year after they come out with . . .

Mr. Speaker, I'm getting pretty sick and tired of the member from Weyburn constantly yapping. I don't know if . . . I guess it's your judgement call, but I know other members speak periodically and then heckle, and that's accepted in this House. But I'm not sure who's making the speech here — if it's him or me. So, Mr. Speaker, if that's acceptable to you, Mr. Deputy Speaker, it certainly is not acceptable to me.

So I'll tell you, Mr. Speaker, market responsive. It's not market responsive because it doesn't matter . . . (inaudible) . . . it doesn't matter the amount of product in the country or the price a year after the agricultural plan.

Secondly . . .

**The Deputy Speaker:** — Order. I'd like members on both sides of the House to allow the member from Humboldt to make his comments.

**Mr. Upshall:** — Mr. Deputy Speaker, the second point of this great agricultural plan was self-reliance. Is the GRIP program self-reliant for farmers? I say no. It's not self-reliant because the payment from the program is far more important than the price received from the crop and flies in the face of this great government's plan a year after they put it forward.

Thirdly, does it recognize regional diversity? Well on this point I thought that recognizing regional diversity meant that in the regions of Canada, this region for example — sparse population, major grain-growing area, that benefits all of Canada — that regional diversity would mean that the rest of Canada would be responsible as its other programs to equalize things in the agricultural industry.

But no. Regional diversity means now off-loading all or a major portion of the federal debt . . . or a contribution to agriculture onto the backs of taxpayers in this province and other provinces, but in this province in particular. And I say that because the estimated cost per capita to Saskatchewan taxpayers is \$168. You compare that to Ontario at \$30 and Quebec at \$22. I say that this program does not recognize regional diversity as set out in the policy pillars and principle for action.

The off-loading, I just want to make another comment on that, Mr. Deputy Speaker. The off-loading aspect of the federal government and a practice that this provincial government uses to pass on debts down to municipalities is one that ultimately hurts the person who is . . . the farmer or the business person in rural Saskatchewan who has to pay the local taxes to keep the services going.

So Ottawa is dumping . . . And I want to take it one step further, Mr. Deputy Speaker. In Bill C-98, the federal GRIP Bill in Ottawa for the . . . I thought maybe the Minister of Finance of Saskatchewan would know the federal legislation that's going to affect him and cost this province a pile of money, I'll tell you. But that doesn't surprise me. Bill C-98 permits . . . (inaudible interjection) . . . I understand why they're sensitive because this is a program that's supposed to take them out of the wilderness and win them an election, and it's fallen flat on its face.

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

**Mr. Upshall:** — Well, Mr. Speaker, I want to say again, Bill C-98 in Ottawa permits the deficit, Mr. Speaker . . . Let me back up one step. We've been told all along that the western grain stabilization deficit was going to be consumed by the federal government, as it should be, and not rolled into the GRIP deficit. But the federal legislation allows the western grain stabilization debt — it was 1.1 billion before; we've had a \$158 million payment which is about a third of what we're to get, so let's say 1.4 billion — it allows that to be rolled into the GRIP deficit, or permits it to be rolled into the GRIP deficit. Did you know this, Mr. Finance Minister?



Secondly, it allows the federal crop insurance reinsurance program another \$471 million to be rolled into the GRIP deficit. So add that on, and you got about \$1.8 billion. Now that's federal responsibility.

Now here's the off-load. Mr. Deputy Speaker, the GRIP legislation says that the deficits in the program are going to be shared, how? — 65 per cent federal government, 35 per cent provincial government. Thirty-five per cent of \$1.8 billion is, we're looking close to another half a billion dollars of debt that this government in here has just quietly and calmly said to the federal government, sure we'll take it on. Close to half a billion dollars of new debt added on, Mr. Speaker, that the taxpayer of this province will have to pay.

And what are these people doing? They're not saying to Ottawa, no we're not going to accept this debt. This is an agriculture region that needs the support of all Canada, as the United States does; the federal government does it for the whole country, and other countries are done that way. But these people say no, it's okay, boy; we got an election to win and we don't want to make any noises; we just sort of hope to sneak this one through. So then they put on a 7 per cent provincial GST (goods and services tax) on kids' clothes, on restaurant meals, on books — down-loading everything onto the backs of the farmers and rural people of this province.

I say that's very hypocritical. That is very, very poor business when it comes to running this province.

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

**Mr. Upshall:** — As I say, Mr. Deputy Speaker, farmers are being forced into the program. It's the only game in town, the only thing they can go into.

I break it down this way. When I talk to people, the farmers who are . . . a lot of the farmers who are older are saying no, I'm not going to go into the program. Because, they say, I think I can see my way clear and I'm not going to get hooked into it for one reason. You know why they're not going to get hooked into it if they have a choice? It's because they don't trust this government. They simply don't trust them.

And I say, Mr. Speaker, when you sign in the program, you're in basically for four years. You don't know what the program is; the legislation doesn't tell you what the program is — this legislation doesn't tell you what the program is — but you're hooking yourself in for four years.

Why, Mr. Speaker, did this Premier of this province, the Minister of Agriculture, his associate ministers, and all the other people they have out there, tell Ottawa, let's have one open year? Let's have the first year of the program open. We'll run it as a trial year; we'll make the amendments at the end of the first year, Mr. Deputy Speaker. And then after the review process, the amendments are made, farmers have had a chance to analyse the program, then let the farmer decide whether or not he's going to sign on the dotted line to be hooked in for four years.

Was that even mentioned by these people? If they had spent a few minutes talking after some of their meetings instead of running out, and talking to farmers, that's what farmers were saying. Why hook us in, why hook us in the first year?

So, Mr. Speaker . . .

**The Deputy Speaker:** — Order. I'd ask the member for Weyburn, the Minister of Finance, to allow the member from Humboldt to finish his comments. You will have an opportunity to speak on this Bill at a later time.

**Mr. Upshall:** — Mr. Deputy Speaker, I almost feel embarrassed that . . . just think, one of the highest positions, one of the highest positions in the cabinet — Minister of Finance — if people could see the way he carries on. How . . .

**The Deputy Speaker:** — Why is the member on his feet?

**Hon. Mr. Hepworth:** — Would the hon. member permit a question? Would he perhaps table those farm group reports that purport to say that they should add one open year.

**The Deputy Speaker:** — Order. Would the member entertain the question?

**Mr. Upshall:** — Just for the benefit of the antics carried out by the minister. If he had've been listening instead of talking, I said farmers — not farm groups — farmers were saying, give us one open year. They're still saying it. And if he would be not so busy talking and a little busier listening, maybe we'd have a program that farmers could accept.

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

**Mr. Upshall:** — So, Mr. Deputy Speaker, this program, as I said, it's the only game in town. Farmers are going to be forced into it. They're being hooked in, signed in for four years. But with that, I think there's . . . I am in the process now, Mr. Deputy Speaker, of comparing the provincial legislation with the federal legislation, just to do a comparison and see if there's anything that I would want to bring up in a further speech.

So I have quite a few more things I'd like to say on this topic. But with that, I would move that we adjourn debate.

Debate adjourned.

#### **Bill No. 56 — An Act to amend The Farm Financial Stability Act**

**Hon. Mr. Martens:** — Thank you, Mr. Speaker. I want to bring to the Assembly today another Bill that deals with the amendments to The Farm Financial Stability Act, and I've asked the Assembly to provide an opportunity for second reading here today.

The Act has a number of amendments, and I want to point out what they do and how they relate to two separate

entities. One deals with amending the Act to deal with the counselling and assistance for farmers, the component that we have in relation to the guarantee program for farmers who are not able to get a guarantee or get a loan from the bank, who the province guarantees that loan to.

The second part of the amendment deals with a program that was set up by the Minister of Finance — now the Minister of Finance — the member for Weyburn when he was the minister of Agriculture, dealing with production associations. And these production associations are known out in the country as feeder associations, and they have provided a great deal of stability to the feeder industry.

(1600)

And we're going to make some amendments to the Act to provide an opportunity for that role to be expanded into an area of supplying reasonable funding at a reasonable rate of interest to people who are prepared to buy breeding stock.

I want to deal first of all, Mr. Deputy Speaker, on the counselling and assistance for farmers part of the amendments. The counselling and assistance for farmers was brought into place in about 1984, dealt with guaranteeing the loans that were made available to farmers who were not able to access on their own merit an opportunity with the lender of their choice.

And what we did through that period of time from 1984 on, we had an opportunity presented to the farmer to give them financing on an operating loan basis.

What the counselling and assistance for farmers did, is it took generally three people who were on a list that could be selected from five for each one of these producers who were having difficulty in obtaining operating capital. These people were then asked to select out of this five, three people who they would be comfortable with in dealing with the counselling and assistance that would give them a recommendation for a guarantee under this Act.

The farmer then would visit with the three people that he had selected from this group, and with that group then the recommendation would come from the committee to become involved with them as a guarantor for the province of Saskatchewan.

This program was renewed on an annual basis. It received its responsibility from the Lieutenant Governor in Council on an annual basis. And each year we have continued to add to that responsibility and we just kept going.

However the Act in setting it up, had a sunset clause, and in that sunset clause it gave December 31, 1991 as the termination of the program. So what we are doing to realign the Act is to change it to the place where it will be renewed or able to be renewed until December 31, 1993, I think it is. I'll come to that later on.

Anyhow, the role of the counselling and assistance for farmers is to provide operating loans to farmers in the province. We have at this point, or to this point,

guaranteed \$265 million in operating loans to producers in the province. I think that's significant. Counselling and assistance for farmers has handled 65,000 applications from 3,800 different farmers, and I think that's significant.

We have paid out in guarantees of this \$265 million operating loans . . . we have had to pay out \$44 million in guarantees to 640 farmers. The majority of this money is recoverable. And CAFF (counselling and assistance for farmers program) is working with these farmers to recover the money that they have been required to produce the guarantees on.

And I would say that the counselling and assistance for farmers has been a successful program. It's been a success, I believe, from two aspects. One is that farmers are allowed to speak to their peers when they're asking advice on what they should do as it relates to the financing and the management on their farms. That's an extremely important part.

And I have visited with these counsellors through the past few years. They have indicated to me that there is a very important component in having someone sit down at your kitchen table and say to you, what is your problem? How are you going to handle it? And then go through a management style interview on how the producer could realign his operating so that he could become more viable.

The committees are made up of farmers and farm wives, people who are acquainted with all of the details of agriculture. And what it is, is a peer counselling sessions for the producers.

The gross revenue income plan as it relates to what I said earlier this afternoon, is in a way a part of this guarantee. It will provide an opportunity whereby these individuals will be able to use their GRIP program to provide the guarantee.

The second thing that . . . and I think it's important to know it too, is the capacity for the counselling and assistance to counsel people at this point in time when there is a whole lot of stress in agriculture. It's very important to deal with this on the basis of its capacity to lend counselling service. And we are going to focus our attention, Mr. Deputy Speaker, on that capacity to do that.

As I said earlier, the CAFF program is going to be extended until December of 1993, and in that we will be able to allow for the cabinet to continue to roll this over, and it will provide an opportunity for the counsellors in this program and the people who provide the guarantee to continue to manage the program.

The second part of the amendment is to deal with the production association's loan program. There are two aspects to this program I think that are important to consider. One is the feeder association's loan guarantee program which was introduced in 1984, and now we have in addition to that the breeder's association loan guarantee program which we introduced in January of this year.

I want to point out that the initiative for this breeder association loan guarantee program came from producers themselves. The producers themselves, because of the way the feeder option program worked, saw in it an opportunity for them to band together to provide security and a basis of security for them to go into the feeding business.

And I would say, Mr. Deputy Speaker, that of all the programs that we have put in, that probably took the longest to develop. As we have gone on in this program, it has developed more and more confidence in the feeding program in this province. It has developed to the place where they had so much confidence in it that they wanted to do more of it. And that's why they asked us to put the cow side into the feeding program. And now they'll be able to use these cows as a part of the association's program. And that's why I think it's important.

The producers themselves wanted to have this. The producers themselves provide all of the self-governing aspect, the administration of this.

I want to point out to the Assembly and those that are listening that this program was introduced as a feeder program in 1984. It had been operating in Alberta for at least 30 years prior to that. Of those 30 years that Alberta had been using this program, the cattle on feed in Alberta were one-third of their production. And that one-third, Mr. Deputy Speaker, was greater than all of the feeding capacity that we had in Saskatchewan. And that in itself is the reason why it was brought into this province to do the kinds of things that it's doing.

Added to that, the capacity for this program to be self-governing because it provides a form of guarantee, the very reason that it was self-governing, disciplines itself so that the guarantee has never been used in Saskatchewan. Since 1984 we have not used this guarantee.

As a matter of fact, in the history of the feeder associations in Alberta they have had to guarantee \$2 million worth of losses, the reasons being that the people themselves govern themselves within the framework of the association. They are required under the feeder program to put a 5 per cent, what we call an assurance fund. And that 5 per cent assurance fund is put into a lump sum in an account in the bank and is basically held as a trust by the association that that individual will not back out on his loan.

What that has done, Mr. Deputy Speaker, is each of the associations have the control of all of that money in that assurance fund. And that assurance fund has to be accessed before government guarantees are accessed. And that's the reason, Mr. Deputy Speaker, that it's self-governing, self-regulating. It disciplines itself. And that's the important part of what these producers saw in setting up a program that would deal with the cow side and the production side in the livestock industry. I think it's a very important part of what the amendment will allow us to do.

On the feeder associations we have a 5 per cent assurance fund, and that value has to be placed in that

fund. When you've purchased your cattle you put that money into the fund. What we are going to do on the breeder side is to take and require that a 10 per cent assurance fund be put in so that 10 per cent of your value of your cow is going to have to be put into that assurance fund, and that in itself is going to be the way that it governs itself. It stabilizes itself. And I think that the process is going to be very valuable.

Since the program started in 1984, we have 69 of these feeder associations. Now 69 is not a big number, but when you consider that it's very close to 1,800 people that are involved in these feeder associations, you begin to recognize the volume of the impact that they are in the province. And as I go and talk to various organizations about different things, this program is discussed as one of the better things that we have done in the province. And the reason is because it governs itself.

The total capacity of these 69 feeder associations is . . . their capacity to borrow is \$71 million. So they're almost at a million dollars for every feeder association. Now 25 per cent of that is guaranteed.

So if all of the livestock in that association were bought that they had authority to buy, they would have roughly \$71 million worth of feeder cattle, and the government's guarantee would be 18 per cent. But of that 18 per cent \$1.4 million would be an assurance fund for these people to draw on before it became the responsibility of the government to supervise that loan.

Now I want to point out that to date on the breeder association side of it there have been nine associations that have already applied and received consent by the Lieutenant Governor in Council to deal with that. The value of their associations, guaranteed, would be \$5 million, and our portion of that is about 1.2. Of that 5 million the farmers have had to put into trust \$500,000 in order to just be able to use the program.

And so it's been an added asset to the livestock industry.

What it has also done, it has given an opportunity for the producers who belong to an association to go to various lenders and ask them to provide their best rate of interest in relation to what that borrowing of the association will be. And we have had ranges between a quarter over prime, half over prime, that kind of interest rate, which doesn't very often happen in agriculture. And it gives an excellent opportunity because the lenders know that it's guaranteed. The lenders know that there is an assurance fund that has to be accessed and therefore the risk is greatly reduced.

And they recognize it as a very important part of the program. As a matter of fact, the banks and credit unions were involved in setting this up to provide that kind of a basis for support. They agree with this program; the producers agree with this program. And what this amendment will do is it will allow us the capacity to handle that.

The amendments will also clarify another point that I want to bring to the attention of the Assembly. The amendments will clarify how the reporting is to be done

because the same association will have a ledger that deals with their feeder cattle and then you will have a ledger that deals with their breeding stock.

(1615)

And the two cannot be put together. You cannot manage the two with the same assurance fund volume; you cannot have them interrelating to each other. They will become completely separate. And because of that the reporting focus has to be kept separate and this will allow the lenders and the association to separate those accounts so that they can be made so that everything will be clearly done and clearly accounted for.

So on the basis that we have had farmer support for this, we have had a great deal of input from the lenders, from the producers themselves, I would ask the Assembly to please support the motion as it's presented here today. And I move second reading of this Bill.

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

**Mr. Upshall:** — Thank you, Mr. Deputy Speaker. My comments will be very brief on this Bill. Most of the parts of the Act, the amendment, are fairly straightforward.

I just want to make a point though and talk just for a minute, I think, about the CAFF program. There are many, many people — people who are involved in foreclosure actions, restructuring farm debt — who tell me that the CAFF program is not a good program, not a good program because basically . . . And in some instances — I'll qualify that — in some instances I've talked to people who've gone in who it has helped in the short term, to be fair.

But other than that, it guarantees the bank a payment by Saskatchewan taxpayers. It guarantees that a farmer's going to have all his assets rolled up in this program. And one of the important points I think to remember, if you look at the CAFF program, you will see that to run the program is tremendously expensive — like a lot of the actual value or dollars per approved applicant, the administration and the other costs are very, very high. There's been, you know, like I say, many pay-outs to the banks. And I think the CAFF program is one of the programs that has to be very seriously looked at and altered in order to make it worthwhile.

Just in a general comment, Mr. Deputy Speaker, the fact that we have a government in Saskatchewan today who has a Bill amending an Act to a Farm Financial Stability Act is a bit of a joke. They've had many, many years to try to prove that their preaching had some substance behind it. That is another point that I will be making in the Bill 55 debate.

But we have never in this province . . . I've never heard this government talk about balancing debt and income. Financially our income to agriculture has to be balanced off by the amount of debt that's out there. You've always done basically straight income. The big programs have all been straight income programs.

And the result of that is that farmers have a mounting debt, carried forward interest for years and years, and simply

can't service that debt because the debt restructuring has never been seriously looked at. And until that happens — provincially and federally, combination probably — until you've balanced the debt to farmers with their income, we will not go very far to solve the problem. And I'd just like to say that this government has never even attempted to do that, despite calls from ourselves for many years now, from farm groups, wheat pools, National Farmers Union and others, saying that there has to be a type of debt restructuring. They simply ignore it.

And unfortunately for them — fortunately for the rest of the people in the province — I think the next election time people will voice their opinion, kick them out, and get somebody in there who can do something. Thank you very much.

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

### **Bill No. 69 — An Act respecting Referendums and Plebiscites**

**Hon. Mr. Lane:** — Thank you, Mr. Deputy Speaker. I'm please to rise today to move second reading of The Referendum and Plebiscite Act. In keeping with this government's commitment to democratic reform, this Act will provide a mechanism for the direct input of the general public on major issues of the day.

The proposed legislation provides a binding referendum process and a non-binding plebiscite process through which the exact opinion of the electorate may be obtained in any matter of public interest or of concern.

Under the binding referendum process, the Lieutenant Governor in Council may order a referendum to be held on any matter of public concern at any time. Where such a referendum is held, it will be binding on the government which ordered the referendum to be held, where at least 50 per cent of the eligible electorate actually votes in the referendum, and of those who vote at least 60 per cent vote the same way in response to the question stated.

Where these conditions are met, Mr. Deputy Speaker, the government is required to take any such steps, including the introduction of a Bill in the Assembly at the next session of the legislature necessary to implement the stated intent of the electorate.

Under the plebiscite process, the Lieutenant Governor in Council may again order a plebiscite on any issue of public concern. In addition, any member of the public may initiate a plebiscite by filing with the minister responsible for this Act the public petition signed by at least 15 per cent of the electorate where the Chief Electoral Officer verifies the signature requirement has been met, and the minister is satisfied that the question proposed is clear in its intent, and that it is within the jurisdiction of the Government of Saskatchewan.

The minister shall direct that a plebiscite be held on that question within 12 months, or the minister is concerned that the question is not clear in its intent or that it may be outside the jurisdiction of the Government of Saskatchewan. He or she may apply to the Court of

Queen's Bench for a ruling on the question.

As well, the Assembly on a resolution of any member of the Assembly may direct the holding of a plebiscite at any time on any matter of public interest or concern. A referendum or plebiscite held pursuant to this Act will be conducted under the authority of the Chief Electoral Officer in a similar fashion to a provincial general election as possible.

It should be noted that as in a general election the government will be under advertising restrictions during the period of a referendum or plebiscite. In addition, where a referendum or plebiscite is held at the same time as a general election, any spending by a candidate or a political party to support or oppose that referendum or plebiscite will be included in the overall expense limits for a candidate or political party in the general election.

Mr. Deputy Speaker, this government has resolved to ensure that the Saskatchewan people continue to remain involved in the important decisions which this government is asked to make. The Referendum and Plebiscite Act will provide this access on an ongoing basis for all the people of Saskatchewan.

Mr. Speaker, this initiative to involve the people of Saskatchewan had its beginnings in Consensus Saskatchewan, one of a number of initiatives, Mr. Speaker, that Consensus Saskatchewan has recommended to the Government of Saskatchewan.

I would like to take the opportunity to thank those who participated in that, for their suggestions and ideas. And this is further evidence, Mr. Deputy Speaker, the government is acting on many of the recommendations and suggestions and concerns raised by Consensus Saskatchewan.

Mr. Speaker, I'm very pleased to move second reading of an Act Respecting Referendum and Plebiscites.

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

**Mr. Rolfes:** — Thank you, Mr. Deputy Speaker. Mr. Deputy Speaker, I would like to make a few comments on the Bill just introduced and seconded by the Minister of Justice.

Mr. Deputy Speaker, we have not had an opportunity to review this Bill in any detail or in any depth, and at the end of my . . . gave it to us yesterday . . . (inaudible interjection) . . . Yes, thanks a lot.

There again, if we were to count on the record of the Minister of Justice, if we were to count on the record of the Minister of Justice, Mr. Deputy Speaker, and his record on how well he has dealt with other Bills and budgets in this House, as the saying goes, it's not worth the paper it's written on. But I know this is his last hurrah, but he certainly didn't sound very enthusiastic as he was doing second reading of this particular Bill.

Mr. Deputy Speaker, we note that as the minister has indicated, it allows the cabinet to put forward binding referendum, and it also allows the public to put forward

non-binding plebiscites on questions that they may feel are of some import to that particular individual or group of individuals.

It is clear, Mr. Deputy Speaker, by what the minister has said, that the government is not . . . will not be bound by the outcome of the plebiscites, but only by those . . . by a referendum that they put forward.

And therefore all that the people will be really doing in plebiscites is to reflect to the government on that particular moment in time what they feel on a particular issue, and it does not indicate to us at all, does not indicate to us at all what that particular feeling may be six months hence. And so I think one has to be aware of this.

Mr. Speaker, we do know the record of this government and that it has ignored, it has ignored the wishes of the people in the past. One may need only to recall how this government, and this minister who introduced it, ignored petitions containing more than 100,000 signatures of people who were opposed to the dismantling of the health care in 1987. They totally ignored it. And as the Minister of Health indicated, we will find out how they stand on that particular issue.

But we know what the Minister of Health did when we had dental nurses and others who opposed it very vigorously, not only because of the worth of the program, but the devastation that it caused in many of the centres. And, Mr. Deputy Speaker, I'm sure that you are . . . you must have felt it well in your own constituency of how it devastated services that were second to none in the world, in dental care.

One may need only to recall how this government and the minister opposite also ignored well over a hundred thousand signatures on the privatization of SaskPower and SaskEnergy.

I think one has to be suspect of the Minister of Justice and the government opposite as to why this particular Bill is brought in at this time when you look at the record of this government. I would have thought that before the Minister of Justice would have introduced this Bill, he would have come to this House and said, I recognize that we made a very serious mistake; on behalf of my former colleague, I now move that we repeal Bill 5. But I didn't hear him say that, where he virtually, and the government virtually opposite took unto itself total powers in you know, and ignored the democratic right of elected people in this legislature.

Mr. Speaker, let's also have a look at what this government, how this government ignored other initiatives that it undertook, some very large economic megaprojects, for example, like Gainers and Cargill and NewGrade. Did they ask the people whether this is what the people wanted? Did they ask the people that they should invest millions of their dollars in some of these ventures?

When was the last time that this government sought the wishes of the people of Saskatchewan or their opinion or even their consent before committing millions of dollars? And we debated these issues many times, for example,

like GigaText and Supercart and Joytec. I think the people should have had an opportunity to voice their opinion in those.

(1630)

If this government was really serious of seeking the advice of the people of Saskatchewan, their consent, do you think that they would have gone ahead and sold off — many of them through privatization — Saskoil, SaskTel, SaskPower, and SMDC (Saskatchewan Mining Development Corporation)? If this government was really serious about involving the people, do you not believe that they would have consented with the people and would have asked their advice to whether or not they should proceed with these?

I think the public is well informed about the motives of this government and their record. And I think it's rather tough to accept that they are sincere about what they are doing now.

And one has to have a look at their motives. We all know that their term will run out within four or five or six months, and that their standing in the polls right now are very low, and their re-election is probably next to none. And therefore what have they got to lose in bringing in a Bill like this pretending to convince the people that they are now convinced of these democratic reforms. I think many people will see through your motives and will not accept the sincerity that you people are trying to portray.

I note by the Bill also that only the provincial government can initiate a binding referendum. This Bill contains no significant new provisions for bottom-up democracy from the people. Cabinet alone, cabinet alone will pick the issues that it will be bound by, not the people of Saskatchewan, but the Executive Council, the members of the Executive Council.

That to me again smacks of hypocrisy when they say that we really want to have participatory democracy and then they say to the people, but we will decide, we the cabinet will decide what we will be bound by, not you the people.

I think we in the opposition are sceptical that the government opposite will actually listen to the people and to those who are concerned about issues in Saskatchewan.

In closing, Mr. Speaker, I think a true interest of this government in democratic reform, as I said before, is highly suspect, highly suspect. In the past nine years, the Devine PC government, the government opposite . . .

**The Deputy Speaker:** — Order. Members are not to use other members' names during the speech.

**Mr. Rolfes:** — My apologies, Mr. Speaker. In the past nine years the Progressive Conservative government opposite has endangered many of the established democratic institutions and traditions of the province of Saskatchewan, not only this Assembly, but many, many others.

The current need for democratic reform stems directly from their appalling record. That is what has made the people so cynical out there. That is why the people are saying the politicians can't be trusted. It's their record. It is what they have done to democratic institutions. It is what they have done to the financial position of this province. And it is that minister in particular, the present Minister of Justice, who has to accept some of the major blame of the cynicism that exists in this province, that minister opposite, when he was the minister of Finance.

And I, Mr. Minister, do not believe for one second that the mistakes or the apparent mistakes that were made in the estimate of budgets that were presented in the past to this legislature were accidental. I don't believe that for one second. I believe that they were an attempt to be untruthful and dishonest with the people of Saskatchewan, and now the minister and the government opposite and all the people are reaping that cynicism from the people. I think it is time that politicians and all politicians become more honest and truthful with the people that they represent.

Mr. Deputy Speaker, let's just look at their appalling record. They had absolutely no regard or respect for petitioners. As I indicated, well over 200,000 petitioners who have said that they oppose the record and the actions, initiatives of this government.

And I have indicated to the members opposite, their financial accountability has been appalling, simply been appalling. All one has to do, Mr. Deputy Speaker, again is look at the Provincial Auditor's report. And this is only one of many that shows the lack of accountability and the lack of respect, Mr. Deputy Speaker, that those members opposite have for the law. All we have to do is look at this report and many others. They blamed it on the former provincial auditor, Willard Lutz. But Willard Lutz didn't write this report. This is a new Provincial Auditor. And his criticisms go even further than the former provincial auditor.

And I think we only need to look at how they treated, for example, last year servants of the legislature in this Assembly when the then minister of Justice, the former representative of the constituency of Kindersley, Bob Andrew, when he attacked the provincial auditor, unwarranted attacks. And the provincial auditor had to come to his own defence in correcting the selective excerpts that were taken by the then minister, with no apologies rendered whatsoever, even after it was shown that he was wrong in his accusations.

Mr. Deputy Speaker, we need only go a little further in by-elections, and these people say that they want to now safeguard democracy. They want to safeguard democracy. They want to give people . . . (inaudible interjection) . . . The Minister of Finance says, what does this have to do with this Bill? Well if you listen to the Minister of Justice, he said that he wanted people to participate in democracy. How can people participate in democracy if you don't allow them to have by-elections in those particular constituencies.

**An Hon. Member:** — Good point.

**Mr. Rolfes:** — The Minister of Finance says good point. I'm glad he finally has caught on; that in a democracy people have a right to elect their members and they have a right to be represented, and you have no right, you have no right to deny them that opportunity.

And we now have four, we have four constituencies, one or two of those not having been represented for at least 15 or 16 months. That, Mr. Deputy Speaker, is an injustice to those people. That is not upholding the right of individuals in a democracy.

Mr. Speaker, let me go one step further. Let me talk now also about the right of fair representation. When they brought into this legislature two years ago the constituency boundaries, what were they told, not only by members in the opposition, by groups out there? That their new representation or their new boundaries Bill that they brought in would not withstand the Charter of Rights.

And what did the minister say at that time? I remember well when he stood over there. He said — and is no longer with us — he said, I can foresee under this legislation, I can understand under this legislation that a party may only get 30 per cent of the vote and another party getting 70 per cent of the vote, and the party with 30 per cent getting elected.

Now, Mr. Deputy Speaker, I ask you, is that democracy? Of course the Bill was found unconstitutional. Of course it was, because it went against the principles of democracy. Let me, Mr. Speaker, also refer to . . . there are so many, so many that one can refer to this government, in how they tried to do away with the democratic principles. Access to government information, again. The Provincial Auditor says that he can't access 50 per cent of the expenditures of this government.

He also indicates, Mr. Deputy Speaker, that there are many agencies and Crown corporations that have not reported. The former provincial auditor — and I quoted this in the House yesterday, and I'll paraphrase — he says, I have been interfered with; I have been interfered with in the execution of my duties. And who was he referring to but the Executive Council opposite, when the Premier of this province instructed his ministers and his deputy ministers not to co-operate, not to co-operate and give information to the Provincial Auditor.

Mr. Speaker, one can refer to the tendering practices of this government, and just talk to business people out there. Talk to the business people about their unfair tendering processes. Well their patronage in hiring. As one individual said to me yesterday, when he talked to the . . . he talked to a minister about an individual not being hired. And the minister said to this individual: what constituency is he from? Oh, he said, Indian Head-Wolseley. Well of course he didn't get a job. He wasn't represented by an MLA.

Well what's the fairness of that? Because they won't call a by-election, he can't get a job because the minister says he's not represented by an MLA. Now that just doesn't make sense. But that's how they operate, Mr. Speaker. That's how they operate.

Mr. Speaker, let me also . . . the rules of this legislature — and I have already referred to Bill 5. — the rules of this legislature have been dramatically changed whereby they have taken away some of the privileges and rights and powers that individual members may have, and concentrated it in the hands of the Executive Council.

Mr. Deputy Speaker, the present government's attempt to regain credibility in the area of democratic reform can only be seen, in my opinion, as too little, too late. It's simply a deathbed repentance in the last few months that they are in power.

If the government wants the people of Saskatchewan to believe it has a commitment to getting people more involved with the decision-making process in this province, it could demonstrate this commitment very easily. It could announce that it will shelve the implementation of the new provincial GST tax and have it dealt with through a referendum.

And, Mr. Deputy Speaker, don't you think that would be a good idea? Why don't they simply withdraw the Bill and on the next ballot a few months from now say, all right, we'll let the people choose. Do you want the provincial GST? That would be a good first referendum.

I think that would be a true test. If these people opposite are sincere about this Bill — if they are sincere about this Bill — why don't they withdraw the Bill on the GST and say to the people of Saskatchewan, yes, we really believe in participatory democracy. We want you to tell us what you think of the GST. We'll give you a chance to vote on it in the next provincial election. If they are honest, if they are sincere, that's what they're going to do.

I think by so doing, they will demonstrate . . . and the member opposite from Regina South, he will also. I want him to stand up in his place later on. I want him to tell the people of Regina South that he will fight for the deletion of that GST Bill and he will fight for it being put on a ballot in the next provincial election. I want him to stand up in this House and say that. But I bet he won't. Oh no, he won't, because he won't have the courage to do so. He will know, he will know exactly what the answer will be.

(1645)

Mr. Deputy Speaker, we have a lot more that we would like to say about this particular Bill. I think we need to review the aspects of this Bill and I think I would personally like to review it and see what has happened in other jurisdictions where they have implemented some of these Bills . . .

**An Hon. Member:** — Haven't got any.

**Mr. Rolfes:** — Yes, they have. Oh yes, they have. And I would like to see what it has done to democracy there and how it may have handcuffed governments in being able to implement their programs.

So, Mr. Deputy Speaker, because I do want to review this Bill further, I beg leave to adjourn the debate.

Debate adjourned.

**Bill No. 61 — An Act to amend The Education and Health Tax Act**

**Hon. Mr. Hepworth:** — Mr. Speaker, I am pleased to move second reading of a Bill, Bill 61, An Act to amend The Education and Health Tax Act.

This is the first of three Bills which implement the first step towards the provincial sales tax. It is harmonized with the federal GST. But firstly, Mr. Speaker, I'd like to briefly explain the background of these Bills.

In May 1990 I established a provincial advisory committee on the GST which was comprised of individuals from all sectors of our economy. The role of the committee was to assess the impact of the GST on Saskatchewan and to recommend the best way of responding to federal sales tax reform.

In August 1990 the committee presented a thoughtful and thorough set of recommendations. First and foremost, Mr. Speaker, the committee recommended that we consider harmonizing our sales tax base and administration with the GST to reduce the confusion, duplication, and frustration that would result from two sales tax regimes.

The committee further recommended that we examine the feasibility of a joint or a single administration of the two taxes. The committee also recommended that we not include the GST in our provincial tax base. In presenting their recommendations, the committee emphasized the importance of acting decisively and quickly to counteract the economic effects of the GST.

Well, Mr. Deputy Speaker, this government has acted quickly and we have acted boldly in response to these recommendations. Saskatchewan has done more than any other province to minimize the disruptive effects of the GST on our province's business community and consumers. Mr. Deputy Speaker, this Bill provides the legislative authority to remove the GST from the education and health tax base, the side-by-side versus tax-on-tax approach, Mr. Deputy Speaker.

It also standardizes the provincial tax treatment of many administrative conditions, including late payment penalties, early payment discounts and volume discounts, to ensure consistency with the GST. These changes are retroactive to January 1, '91, the implementation date of the GST.

Mr. Deputy Speaker, this Bill also expands the education and health tax base to parallel the GST as it applies to most goods. Effective April 1, 1991, such things as clothing and footwear, reading materials, non-prescription drugs, snack foods, restaurant meals, residential electricity and natural gas consumed off the farm, tobacco products, and yard goods became subject to education and health tax.

These changes to the education and health tax will simplify sales tax administration in the province, as most retailers will be able to apply a common set of tax rules to a common sales tax base. The application of the education and health tax to a broader range of goods will

also provide the necessary financing for farm safety net programs.

While I appreciate that the expansion of the tax base has not been a popular initiative, the alternatives of either going further into debt or not injecting cash into our rural economy, not stabilizing our rural economy, Mr. Deputy Speaker, not revitalizing our rural economy, were simply not acceptable. The farm safety net programs will bring up to \$1.3 billion into the farm economy. This infusion of cash will not only help farmers and rural communities, but the benefits will spill over into the entire province and indeed help stabilize our entire provincial economy.

In summary, the introduction of the farm safety net programs is essential for all of us, Mr. Deputy Speaker.

Mr. Deputy Speaker, I move that Bill No. 61, An Act to amend The Education and Health Tax Act be now read a second time, Mr. Deputy Speaker.

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

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

**Mr. Shillington:** — Thank you very much. I want to say to the minister, and I want to say to anyone who is watching at this hour, that this Bill, Mr. Minister, this tax is unacceptable. It is unacceptable to the public and it is unacceptable to us, Mr. Minister.

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

**Mr. Shillington:** — Mr. Minister, this is undoubtedly going to be one of the overarching issues of this session, is this tax. Mr. Minister, the public reacted to this with a reaction of shock, disbelief, and then anger — real anger, Mr. Minister.

Mr. Minister, this particular Bill focuses so many of the public complaints about this government. This particular Bill has been a lightning rod for their anger over waste and mismanagement, their anger over your policy of high taxes, and their anger over your arrogance, your resolute refusal to listen to what they have to say.

It is so ironical, Mr. Minister, that this particular Bill follows a Bill on referendums. Supposedly that is supposed to inject some semblance of public input into public affairs. That's not an unreasonable demand by the public. This Bill, Mr. Minister, flies in the face of public opinion.

The public have made their position crystal clear. They want governments to deal with waste and mismanagement first, and they do not want you to react to every problem with higher taxes, which is what the Conservative governments, federally or provincially, have done.

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

**Mr. Shillington:** — Your record with respect to fiscal mismanagement, Mr. Minister, your government's record, is just simply unacceptable. If there is a single issue, Mr. Minister, which cuts across all party lines,



which affects people provincially and which affects them in urban, which angers them in rural areas equally — if there is a single issue upon which all Saskatchewan people agree, which even your dedicated attempts to drive a wedge between rural and urban Saskatchewan has not been able to sever, if there's a single issue upon which they agree — it is that your tax and fiscal policies are an outrage — nothing but an outrage.

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

**Mr. Shillington:** — Mr. Minister, I want to see if I can do something to eliminate the sense of humour with which you approach this Bill and these taxes. If you spent any time discussing these policies with the public, Mr. Minister, you'd be a lot less jovial than you are now. Because I'll tell you, the public aren't very jovial when it comes to your tax policies and your fiscal policies.

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

**Mr. Shillington:** — Mr. Minister, by your own admission, this Bill will raise approximately \$125 million in the first fiscal year. And given the fact that it is stage one of a two-stage rocket which will apparently propel us into a much different tax regime, Mr. Minister, this, Mr. Minister, will then raise \$186 million next year.

Mr. Minister, this is the largest tax increase in the history of the province, bar none. On that basis alone, it would be unacceptable; it would be an outrage. But, Mr. Minister, it is also by far and away the most regressive, the most regressive major tax change which this province has seen.

Mr. Minister, consumption taxes are by their very nature regressive. It is evident to anyone with any semblance of understanding of how our society works, and with any semblance of compassion. It is evident that consumption taxes hit hardest at those with lower incomes. It is patently obvious, Mr. Minister, that people with lower incomes spend a greater percentage of their income buying the goods which they need. And when you tax — as you have — children's clothing, you're hitting directly at a cost which hits families, and particularly young families, very hard.

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

**Mr. Shillington:** — Mr. Minister, it would be . . . if it were just the largest tax increase in the history of the province, this would be a day which every member of this Assembly should regret and particularly members on the government benches. But when it is also one of the more regressive tax changes in the history of the province, Mr. Minister, I do not see how you can in all conscience put this Bill forward.

Mr. Minister, your record with respect — your government's record — with respect to waste and mismanagement, Mr. Minister, is absolutely unacceptable. It is just unacceptable. Mr. Minister, you began, by your own admission, with a surplus of \$139 million in the operating budget of the previous year.

What have you got now? Gone is the \$139 million

surplus. Gone also is another \$4 billion which is . . . And I think many members on this side of the House would really like to believe it's only \$4 billion. We would really like to believe that we could place some trust, Mr. Minister, in the financial statements which you've presented.

If there is one thing, Mr. Minister, which the years in opposition have taught us, is that your financial statements must be the most unreliable in the length and breadth of Canada. There cannot be another government, Mr. Minister, which provides financial statements such as yours. Indeed, Mr. Minister, one could go so far as to say that the financial statements provided before the last election bordered on the fraudulent.

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

**Mr. Shillington:** — I recognize, Mr. Speaker, that that is strong language. But let us look at what the former Minister of Finance did when asked after the election how he could have been out by \$1.3 billion. He said, with a supercilious grin, oh, you know politicians.

Well, I want to say to the public of Saskatchewan that they do know Tory politicians. They have come to understand from Conservative politicians they can expect nothing but waste, mismanagement, deficits, and sharply higher taxes. Well I say, Mr. Minister, that these higher taxes are not acceptable to the public of Saskatchewan. These higher taxes are not acceptable to the public of Saskatchewan. The public of Saskatchewan have said they want you to deal with the horrendous mess that you have created.

Mr. Minister, I could go on. I could go on virtually endlessly describing the waste and mismanagement. And it is everywhere. It is in every department — it is in your department; it is in the department of other ministers; there is waste and mismanagement everywhere.

Mr. Minister, in the years that this government has been in office, you no doubt blame your difficulties on the recession. You say times have been hard and of course we've had a deficit.

Well again, another group of statistics might be interesting to you, Mr. Minister. During a period of time in which inflation has gone up by 48 per cent, your revenue — not your spending, but your revenue — has gone up by 61 per cent. Your revenue has gone up faster than the rate of inflation. But the key to your problem, Mr. Minister, is that your spending has gone up by 85 per cent. Mr. Minister, inflation has gone up by 48 per cent, revenue has gone up by 61 per cent, but your spending has gone up by 85 per cent. The spending of this government . . .

**The Deputy Speaker:** — Order, order. Being 5 o'clock, the Assembly is adjourned until 2 p.m. tomorrow.

The Assembly adjourned at 5 p.m.