

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**June 1, 1992**

The Assembly met at 1:30 p.m.

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

Prayers

**ROUTINE PROCEEDINGS**

**PRESENTING PETITIONS**

**Clerk:** — The following petitions are hereby presented and laid on the Table being petitions for private Bills:

By Mr. Solomon of the Saskatchewan Co-operative Credit Society Limited and the Saskatchewan Co-operative Financial Services Limited both of the city of Regina in the Province of Saskatchewan; and

By Mr. Swenson of Briercrest Bible College of Caronport in the Province of Saskatchewan.

**INTRODUCTION OF GUESTS**

**Hon. Mr. Shillington:** — Thank you very much, Mr. Speaker. It gives me pleasure to introduce to you and to the Assembly 65 adult students who are studying at the SIAST (Saskatchewan Institute of Applied Science and Technology) campus at R.J. Davidson school.

I trust these adults will enjoy the question period, and I shall be meeting with them afterwards to get their comments.

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

**Mr. Swenson:** — Thank you, Mr. Speaker. It's a pleasure for me today to introduce to you, and through you to all members of the Assembly, 13 grade 12 students from the Central Butte High School in Central Butte. They are accompanied today by their teacher, Mr. Ron Wostradowski, and bus driver, Brenda Berry.

They are doing a tour of the legislature today, and I will be meeting with them afterwards to discuss what they see here in the Chamber during question period and any other concerns that they might have.

It's always nice to see the school from Central Butte, and they come every year and have a very active interest in the politics of this province. Would all members please help me welcome the students from Central Butte.

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

**Mr. Johnson:** — Mr. Speaker, to you and through you to the House, I would like to introduce to the Assembly 29 grade 8 students who are in the west side. They're from the Turtleford School. They're here for a tour of the legislature. I hope that they find the afternoon, the time they spend here this afternoon educational.

They are accompanied by their teachers, Colleen Roper and Jaccee Gerwing; two chaperons, Sheila Taves and Judy Wilkinson; and the bus driver, Margaret Rookes. I will be meeting with them later for pictures and some refreshments to follow and answer the questions that they may have.

**STATEMENTS BY MEMBERS**

**Mr. Serby:** — Thank you, Mr. Speaker. I'm very pleased to rise today, Mr. Speaker, to extend through this Assembly a congratulatory message to the executive and participants of the national Short Film & Video Festival that concluded its screenings and awards in Yorkton this past weekend.

Mr. Speaker, this event represents the longest running film festival in Canada, this being its 44th year. This year's festival included 397 entries from all across Canada, from which 110 productions, 38 awards were chosen.

Mr. Speaker, Saskatchewan's entry entitled, the Marsh, was classified as the best documentary film produced. The film was produced in the Balgonie area. The overall major award winner was a film about the biography of Elizabeth Smart, directed by Maya Gallus.

Mr. Speaker, this Yorkton Short Film & Video Festival is a major event in the film industry in this country, bringing together and recognizing independent filmmakers from across Canada.

On behalf of this Assembly, congratulations, Mr. Speaker, to all of the Golden Sheaf winners this year. And a special thanks to the people of Yorkton and the executive committee for hosting yet another prestigious event for the community of Yorkton and the province of Saskatchewan.

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

**Mr. Carlson:** — Thank you, Mr. Speaker. Today, Mr. Speaker, I'd like to talk about transportation and in particular about the CNR (Canadian National Railway Company). Mr. Speaker, there has been a constant conflict between the workers and CN about the hours and duties as it relates to their mandatory rest period.

After the Hinton train wreck, Mr. Speaker, a federal inquiry recommended that there must a mandatory rest period for train crews after they've been on duty for a certain period of time. Well the conflict arose around the company's refusal of the acknowledge of the preparation time as extra duty time for their work as on duty. And a great deal of these duties are a direct result of staff reductions over the years.

The underlying agenda, Mr. Speaker, is to justify train movements between greater distances by the same crews. And that, Mr. Speaker, would not only result in a loss of jobs in Melville and Saskatchewan as a whole, but would dramatically compromise safety. We do not want to see another disaster such as the Hinton wreck.

Mr. Speaker, I'm happy to announce that on Friday, CN issued a bulletin stating that all time will be recognized as time on duty. So that, Mr. Speaker, is one small battle won that will show up on the CN's attempt to rationalize the system.

But, Mr. Speaker, the issue still remains. The CN would like to run two divisions . . .

**The Speaker:** — Order, order.

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

**Mr. Goohsen:** — Thank you, Mr. Speaker. I'm happy to report to you, Mr. Speaker, and through you to the Assembly that this week the Agricultural Employment Services of Canada will be holding their national conference in Saskatoon. As a member of one of the local agricultural employment boards at Swift Current, I will be attending this conference.

The purpose of the service of course is to bring people together, first of all those who want jobs with those people who have work to be done in the agricultural sector. And this ranges all the way from British Columbia where you may be picking cherries, to Saskatchewan where you would be doing grain farming, all the way to tobacco production in Ontario, and potatoes in Prince Edward Island.

The purpose of the national conference is to bring people together from all across Canada to share ideas, experiences, and to plan for the future. And I'll be happy to let you know how the conference turns out at the end of the week.

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

**Ms. Bradley:** — Mr. Speaker, I wish to congratulate Saskatchewan's entry in the Canadian fine food show in Toronto. This show is the largest of its kind in Canada and has international appeal as well as international competition. The Saskatchewan display, sponsored by Saskatchewan Economic Diversification and Trade, won the award of excellence as best large display.

Seven Saskatchewan food processors participated in Saskatchewan's entry. These participants were from all parts of Saskatchewan including Classic Promotions, Saskatoon; Riverbend Plantation, Saskatoon; Gramma Bep's Gourmet Foods, Swift Current; Harvest Pie/Owl's Nest, Pangman; Riese's Canadian Lake Wild Rice, La Ronge; the Bonny Garden, Wynyard; and Wapos, Swift Current.

The Saskatchewan company I am most familiar with, as it's in my constituency of Bengough-Milestone, is Owl's Nest, a home-based food company started in 1986 by Peter and Candace Sotropa of the Pangman district. Their business, like many others in this province, started small with one product but has now successfully expanded and diversified into production and marketing of jams, jellies, pie fillings and varieties of mustard.

Congratulations to Peter and Candace Sotropa and to all of the participants in the show. Saskatchewan's quality of food products is becoming recognized nationally and internationally, and this type of co-operative marketing has increased sales for Saskatchewan products. This is proof that Saskatchewan entrepreneurs can compete with the best. Thank you.

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

**Mr. Trew:** — Thank you, Mr. Speaker. Mr. Speaker, today I have more good news from Saskatchewan Transportation Company.

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

**Mr. Trew:** — On Thursday, May 28, I spoke of more than one and a half million dollars saved by cleaning up and managing the existing computer instead of buying a new computer.

Today I'm pleased to report a further savings of \$448,000, Mr. Speaker. A new Saskatchewan Transportation Company head office was in the works on October 20, 1991. The reason was to house the new computer, to provide more room for some staff, and as an incidental, it was intended it might improve the staff morale.

When the significant change happened on October 20, Mr. Speaker, staff was then consulted and asked: do you want a new head office? Is it needed? The response was no. What we need is to provide a black bottom-line for STC (Saskatchewan Transportation Company). We don't need a new head office.

As a result, the new head office was shelved, so to speak. Thanks to the dedicated staff at STC and their efforts, they have got their statements out on time now. They're operating out of their existing wholly owned head office building. And for the coming year, the savings . . . the debt will be reduced to 4.7 million instead of 6.1 million as projected.

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

**Mr. Harper:** — Thank you, Mr. Speaker. Today I'd like to acknowledge the people from the Norquay and district. Norquay is a community in the northern part of my constituency, Mr. Speaker.

About three years ago a group of farmers, small-business people, and representatives from the two Indian bands from the reserves of Cote and The Key formed a group which is called Norquay Alfalfa Processors Ltd. I acknowledge these people for having the foresight and desire to maintain their community through local industry.

And, Mr. Speaker, this group has gone out and over the last three years sold over a million dollars worth of shares to local people. And the funding for this project all came together January when they were able to receive a \$1.8 million loan from SEDCO (Saskatchewan Economic Development Corporation).

Mr. Speaker, I had the opportunity this weekend of touring part of the facilities. The facilities are three-quarters to 90 per cent built, and the committee tells me that they will be in position to start harvesting alfalfa on June 25.

Mr. Speaker, this particular project will not only be of economic benefit to the farmers of my constituency, but it

will also create 13 to 15 full-time jobs as well as additional 30 part-time jobs. Thank you.

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

## ORAL QUESTIONS

### Cancellation of FeedGAP Program

**Ms. Haverstock:** — Thank you, Mr. Speaker. My question is for the Minister of Agriculture. Mr. Minister, one farmer who phoned my office said that your decision to scrap the FeedGAP (feed grain adjustment program) program not only forced him to discard plans for expanding his enterprise by 25 per cent, but also forced him to find an additional \$27,000 to replace money that he's going to lose as a result of the cancellation of this program.

Will you tell this Assembly the results of the study that you must have done to result in the effect of your decision on hog farmers, individual hog and beef livestock producers in this province in their communities?

**Hon. Mr. Wiens:** — Mr. Speaker, I was meeting with the livestock industry this morning. And while they continue to have concerns about that issue, they respect the difficulty the province is in and are willing to work with us in seeking solutions that will result in the healthiest industry here.

Farmers, whether they are ranchers or hog producers, are amongst the most rational, business-minded people on earth and they know that a province cannot go on affording to pay subsidies to input costs for ever. And they know that they are willing to make the adjustments necessary to produce livestock in this province that are based on our competitive advantage and our ability to produce better than anywhere else in the world, and our farmers will work with us in continuing to expand the industry.

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

**Ms. Haverstock:** — To the same minister, let's just talk about what your decisions have really meant, okay? In a business where profits are based on pennies per pound, your decision, sir, to price hog and beef producers out of the market-place by as much as 5 cents on a pound on beef, \$4 a head on hogs, is going to be able to kill the entire market in the province of Saskatchewan. Just exactly what happened in Manitoba when they did exactly the same thing, not to support their producers.

Now how can you justify creating a gap so large as to risk the destruction of the whole feeder cattle industry and the hog industry in Saskatchewan?

**Hon. Mr. Wiens:** — Mr. Speaker, I find the comments of the member opposite interesting in the light of her otherwise stated position that we haven't done enough cuts, we should reduce taxes, we should . . . that our deficit is still too high.

The fact is that the livestock producers and farmers in this province know the tough circumstances we're in. They have . . . they are willing to struggle with the reality that's

here. The fact is that our livestock producers are amongst the best in the world, and they will deal with these realities and we will continue to work with them in establishing a continuing, sound base for agricultural policy here in Saskatchewan.

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

**Ms. Haverstock:** — Thank you, Mr. Speaker. You're absolutely correct, member opposite, when you talk about what my interests are as far as economic development for the province are concerned, regarding tax reform, regarding the things that are required for true economic development.

A national agriculture reporter for *The Western Producer* stated that the people of Saskatchewan elected an NDP (New Democratic Party) government for ideas and not for their ability to point their index fingers east. Now will your government quit blaming everyone else and finally show and table today your strategic plan for agriculture for the province of Saskatchewan?

**Hon. Mr. Wiens:** — Mr. Speaker, I can find it acceptable for other members who have to rely on other people's background statements for their follow-up questions, but I didn't recall actually pointing any fingers this morning . . . or this afternoon. The fact is that what I have said often, and continue to know, is that our livestock sector and our farmers in Saskatchewan are competitive, adaptable, ambitious, and willing to take the difficult with the good. And they will work with us in designing a continuing, healthy agricultural base to our economy here in Saskatchewan.

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

**Ms. Haverstock:** — Thank you, Mr. Speaker. To the Minister of Agriculture. You know Moose Jaw isn't all that far from Regina and whether you're there this morning, what you say there can actually be heard in Regina.

If the minister cares about the future of livestock and processing industries in this province I want you to tell me your logic. You explain the following: on the one hand, you publicly support the Crow method of payment which discourages Saskatchewan value added, and then you go and remove the FeedGAP program, which encourages value added by keeping our livestock at home. Where do you get your advice?

**Hon. Mr. Wiens:** — May I ask the member opposite what position she has on the Crow if she in fact has one? The fact is that the farmers across Saskatchewan have spoken out very strongly in favour of maintaining the method of payment on this historic question for national policy, and until someone displaces that stability with another stability, they will continue to stand behind that kind of position.

The fact is that the livestock sector has followed normal business cycles in Saskatchewan over the whole time that Crow policy has been in place. And they have done very well in this province over the years and they continue to be willing to adjust to the realities that are here. And sometime when we have a little time, maybe we can get

into a little more depth and the Speaker might permit this discussion to carry on a little longer.

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

**Ms. Haverstock:** — Thank you very much, Mr. Speaker. It's most interesting when we look at your decisions about the GRIP (gross revenue insurance program) program which in all intents and purposes was definitely flawed, but you made your decision absolutely apart from what was going on in Alberta and Manitoba, okay?

And what resulted is, now that we have people who are our competition in Europe and the United States, we now have our neighbouring province as our competition, which is exactly what you've done here with the FeedGAP program. I want to know how many more meat packing plants are going to have to close besides the one that already has since you've come into power. All the things that are happening since you've come into power, when are you going to start co-operating with your counterparts in Alberta and otherwise, so they don't become our competition?

**Hon. Mr. Wiens:** — Mr. Speaker, the member opposite needs to decide which rationale she wants to use for the policy she's describing. Is it the Crow benefit or is it the game playing in neighbouring provinces with respect to buying business for their province in a country where we have a national policy, which suggests maybe we should try and have a level playing-field.

The fact is that the Alberta government is now beginning to indulge in the folly that the members beside you and opposite began in the early '80s. This year they're going into debt between 2.1 and \$2.3 billion. Next year they're intending to go into debt about \$3.1 billion. Maybe the Alberta people ought to be coming to Saskatchewan, find out what the pain is like when you try to deal with the irresponsibility after the fun is over.

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

### Downgrading of Provincial Credit Rating

**Mr. Swenson:** — Thank you, Mr. Speaker. My question is to the Minister of Finance. Mr. Minister, once again your credit rating has been down-rated. Mr. Minister, Mr. Minister, your . . .

**The Speaker:** — Order, order, order. Let everybody have their laugh and then we'll let the member ask his question.

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

**Mr. Swenson:** — Thank you, Mr. Speaker. Mr. Speaker, the minister's defence that, for credit rating drops all the time is that the agencies didn't know what the state of the province's finances were. Therefore, Mr. Minister, you're either saying that Donald Gass is incompetent or made a false report to you, or you're claiming that Standard and Poor's are incompetent and too stupid to know their own business.

And I quote to you, Mr. Minister, as I've done many times

in this chamber, from CKCK-TV of February 18, '92 where Mr. Gass said the books were open all along to credit agencies or anyone else who was interested.

Mr. Minister, if your defence is based on the fact that the finances were unknown, would you have us believe that Don Gass, Standard and Poor's or anyone else that has commented . . . Or is it simply the fact that we have a minister who doesn't look after his job that is the real reason — is the real reason, sir — for the downgrade in the province's finances today.

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

**Hon. Mr. Tchorzewski:** — Mr. Speaker, let me make something very clear. The only group that's incompetent in this House, Mr. Speaker, is the members opposite . . .

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

**Hon. Mr. Tchorzewski:** — The members opposite whose record of mismanagement and waste in the 10 years have brought about the credit rating drop to a EEE plus by the Standard and Poor's credit rating agency which is an indictment — an indictment. This rating drop is an indictment of what this former government, the member from Estevan, did in Saskatchewan when he was in the premier's chair for the last 10 years creating a debt in Saskatchewan greater than any other province in all of Canada. That's why we're here today, Mr. Speaker.

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

**Mr. Swenson:** — Thank you, Mr. Speaker. Question to the same minister. Mr. Minister, you spent so much time running around this province tearing down what came before that I think you're failing to recognize some real truths here.

Mr. Minister, you had a choice to proceed with nuclear agreements in this province. You chose to avoid the future. Mr. Minister . . .

**The Speaker:** — Order, order. Could we have both sides please settle down. Yes, both sides.

**Mr. Swenson:** — Thank you, Mr. Speaker. Mr. Minister, you had a choice of whether or not to issue shares in TransGas. You had that choice and you decided to avoid the future. Mr. Minister, you had a choice of whether to not to seek equity investments in SGI (Saskatchewan Government Insurance). Instead you chose to avoid the future and used taxpayers' money instead.

Mr. Minister, you've had dozens of choices presented to you in the last seven months, clear choices of how to secure the future of this province. Instead you quickly run back to the past, back to the '70s.

Mr. Minister, will you not accept any responsibility for the choices you have made, and continue to make, that have resulted in this assault on Saskatchewan's credit rating? Will you do that, sir?

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

**Hon. Mr. Tchorzewski:** — Mr. Speaker, let me quote for the member opposite what Standard and Poor's said in their release today:

The adjustment reflects the province's high debt burden, budgetary pressures stemming in part from past unsuccessful off-budget investment projects . . .

And on and on and on, Mr. Speaker. And in spite of that, the member opposite says the way to solve this problem is borrow another billion dollars, and so does the Liberal member seated over there say that.

That, Mr. Speaker, is not responsible. That is the approach that those members opposite took in the last 10 years. That is why our credit rating has dropped to a BBB plus, Mr. Speaker. And also I might add the measures that this government has taken is addressing that, and Standard and Poor's recognize and acknowledge that in their statement today. And it's time that the members opposite began to realize the mistakes they've made in the past and quit trying to urge this government to make the same mistakes as they did.

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

**Mr. Swenson:** — Thank you, Mr. Speaker. A new question to the minister. Mr. Minister, it's exactly that attitude, your refusal to look at the future, by concentrating so much on your narrow, political, mean agenda, that is causing this province the problems it experiences today. You've added hundreds of millions of dollars in paper write-downs to the province of Saskatchewan's general debt. You could have left those write-downs and managed them in different manners, Mr. Minister.

Mr. Minister, do you believe that the credit agencies will accept a write-up? When the economy turns around and it's politically expedient for you to do so, will they allow you to magically upgrade as they have magically allowed you to downgrade in this province? Will you do that, Mr. Minister?

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

**Hon. Mr. Tchorzewski:** — Mr. Speaker, this is a strange and almost unbelievable defence by the member opposite of the mismanagement of that group of Tories when they were on the government side of the House.

I want to say to you, Mr. Speaker, in response to the member opposite, what Standard and Poor's said about the steps this government has taken. They said that:

. . . the New Democratic Party (NDP) government is strongly committed to deficit reduction, as evidenced by the measures taken in the current budget year . . .

Mr. Speaker, that is the approach that's necessary today to bring the financial crisis, which those members opposite created, under control in Saskatchewan. That is what this government is committed to doing. Everybody in Saskatchewan supports that. And everybody in

Saskatchewan is growing angrier by the day about what those members left for them when they were turfed out of office in October 1991.

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

**Mr. Swenson:** — Thank you, Mr. Speaker. A question to the same minister. Mr. Minister, you know absolutely that there was no cash involved in the paper write-downs associated with the Potash Corporation and Cameco. In fact the last time you were Minister of Finance in this Assembly you had attached unrealistic numbers to those two corporations to hide the fact from Saskatchewan people that there was no Heritage Fund in this province. No cash at all, Mr. Minister.

Regarding SPMC's (Saskatchewan Property Management Corporation) debt, your own minister, your associate toy minister over here, said the actual cash-in costs were only 4.5 million, not the hundreds of millions that you have said publicly. You also know, Mr. Minister, that you gave up \$200 million in harmonization. In fact the chamber of commerce have written you again and said, harmonize.

Mr. Minister, the people know the truth on these matters. Mr. Minister, is it not true that the private sector each and every day are urging you to change the line that you put down in the budget of Saskatchewan and go back to some tried methods?

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

**Hon. Mr. Tchorzewski:** — Mr. Speaker, if the member is asking whether we're prepared to go to the tried methods of the members opposite when they were in the government, I can say the answer is an absolute, uncategorical no.

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

**Hon. Mr. Tchorzewski:** — The tried method that the member from Thunder Creek talks about has brought about what Standard and Poor's says the "debt that must be serviced by the province now totals almost 180% of annual budget revenues."

I say to the member opposite: show a little shame; show a little humility; admit to your mistakes and don't try to convince anybody that your tried methods are the methods that are necessary in Saskatchewan today.

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

**Mr. Swenson:** — Thank you, Mr. Speaker. New question to the same minister.

This lecture from a minister who runs around the province of Saskatchewan giving inflated deficit numbers, mixing and matching his accounting numbers to satisfy his political whims, taking paper write-offs that he knows full well were inflated in the first place into the Consolidated Fund, it's no wonder that this minister is being given a failing grade, Mr. Speaker.

He's got a political agenda; there's no question about that. He broke every last promise made to Saskatchewan

voters a short seven months ago. He has a political agenda.

Will the minister now admit that his political meddling in the books of Saskatchewan have resulted in a further downgrade of Saskatchewan's credit rating and a real hardship for all Saskatchewan families?

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

**Hon. Mr. Tchorzewski:** — Mr. Speaker, the member is right. I have been the minister of Finance before. And the last time that I stood up as the minister of Finance in this House, Mr. Speaker, and spoke to the credit rating agencies, the credit rating agencies raised our credit rating to an AA plus, the second highest in Canada.

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

**Hon. Mr. Tchorzewski:** — That was, Mr. Speaker, because of good management.

**The Speaker:** — Order. Does the Leader of the Opposition have a question? I'll recognize you when you get up on your feet. I recognize the Minister of Finance now.

**Hon. Mr. Tchorzewski:** — That was because, Mr. Speaker . . .

**The Speaker:** — Order. Is the member from Moosomin questioning my decision? I've called the Leader of the Opposition to order and asked him if he has a question to get up on his feet and I'll recognize him. I've recognized the Minister of Finance.

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

**Hon. Mr. Tchorzewski:** — Mr. Speaker, that was the last time we had a AA plus rating, the second-highest rating in Canada, and that was because of good, wise management by a New Democratic government at that time.

But I can tell the House, Mr. Speaker, that that is exactly what we intend to do during this term and in the years ahead in order to begin to restore the credit rating of this province and rebuild the province from the destruction that those members opposite brought about during their term of office, Mr. Speaker.

I say to the member finally, this: everybody has confirmed what the debt of this province is — the Gass Commission, Ernst & Young, and now Standard and Poor's. And for him to stand up and try to pretend that this debt which they've created doesn't exist is the best evidence I can think of of why we got here in the first place, Mr. Speaker.

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

**Mr. Swenson:** — Thank you, Mr. Speaker. Alice just fell down the rabbit hole. We have the Minister of Finance claiming that international commodity prices of the '70s were all his doing. Well if the member from Regina Dewdney is so good at raising international commodity prices, why don't you go poof and do it again, sir?

Mr. Minister, the Conference Board of Canada, Standard and Poor's, rating agencies all around who rated the province last year, who knew what the province's books were last year because Donald Gass says they do, all gave better projections, sir, for this province than what they give today after your disastrous budget. The numbers are there. Everyone knows them.

Will you not do the right thing now, sir? Listen to the people in the private sector, listen to those around our province that are giving you sound advice and follow the directions as set down and change these ways. Put your political rhetoric to bed and get on with governing this province.

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

**Hon. Mr. Tchorzewski:** — Mr. Speaker, this time the member opposite is correct. The numbers are there. The numbers are there, Mr. Speaker, and the numbers as S&P has said are that the debt that must be serviced by the province now totals almost 180 per cent of annual budget revenues. Those are the numbers, Mr. Speaker. They are not good numbers. Our debt in this province is too high, and the debt that this province has was created by the member from Thunder Creek and the member from Estevan. And we are not going to follow the same kind of approach that they did. We're going to fix this mess and we're going to restore confidence and hope for the people of Saskatchewan into the future.

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

**Mr. Devine:** — Thank you, Mr. Speaker. My question is to the Minister of Finance. And I will say to the minister, I talked to the Saskatchewan Stock Growers this morning and I also listened. And they clearly say, Mr. Minister, if they had any idea of the kind of policies that you were going to implement, you wouldn't have been elected. And that's a fact.

All the things that you're doing; you have the chamber of commerce and the boards of trade in the province of Saskatchewan saying, harmonize because it stimulates economic activity and helps you balance the budget. You've got SUMA (Saskatchewan Urban Municipalities Association) and SARM (Saskatchewan Association of Rural Municipalities) almost unanimously pass due energy agreements and create economic growth. You've got pensioners who are saying, protect women. You have farmers across the province that say, don't do the GRIP thing, give us some protection. On and on and on people are saying, do it this way.

My question to the Minister of Finance: your political ratings are following the credit rating institution's view of you. They're falling down and down and down and down. Why do you think you're smarter than the farmers, the chamber of commerce, SUMA, SARM, pensioners, and people right across the province? Why don't you admit the responsibility for this BBB credit rating is now in your lap because of your choices and your lack of vision in the province of Saskatchewan?

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

**Hon. Mr. Romanow:** — Mr. Speaker, it's my pleasure to try to answer the question of the former premier, and I do so, Mr. Speaker, by reading directly from the Standard and Poor's report which says the following:

... debt that must be serviced by the province now totals almost 180% of annual budget revenues (180 per cent of annual budget revenues, they say). This burden is substantially higher than for other Canadian provinces and is a function of large budgetary deficits in recent years as well as sizeable provincial investments in several projects intended to diversify the economy.

When the Leader of the Opposition says, what do we say with respect to the demands of the pensioners and the farmers and the other people that are involved, I say that when 180 per cent of the annual revenues are to service the debt collected and raised by that former premier, he is the one responsible. The budget we had to implement reflects the fact that Standard and Poor's says you bankrupted this province, sir. Shame on you.

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

**Mr. Devine:** — Mr. Speaker, I'm really happy that the Premier decided that he'd get into this because obviously he has bearing some of the responsibility for the view the rest of the world has on the NDP administration.

Let me point out, Mr. Speaker, as well, this morning I find out that when the NDP Minister of Agriculture, the Minister of Finance, and the Premier tried to take credit for the 1970s, it doesn't wash. The price of wheat and the price of oil and the price of beef and the price of potash that put billions in the Heritage Fund in Alberta and pittance here wasn't the cause ... or it's something that the Minister of Finance did. And, Mr. Minister, and Mr. Premier, you know when wheat's \$2 and there's drought and you've got 18 or 20 per cent interest rates, somebody had to help.

My question to the Premier is this: Mr. Premier, the people of Saskatchewan said you have choices to deal with this. You can harmonize. You can replace debt with equity. You can encourage investment. Why do you think you're smarter than the chamber of commerce, the farm organizations, SARM, SUMA, pensioners, and everybody else in the province who said you're wrong-headed; you have a political agenda. In fact if you'd followed that agenda, you wouldn't have been elected. Why don't you listen to the people, Mr. Premier?

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

**Hon. Mr. Romanow:** — Mr. Speaker, I have answered this question many times before, and I'll answer it one more time or other times as required to the former premier. We campaigned on a document that said let's do it the Saskatchewan way. And we said at the very beginning: first things first, open the books, review all the PC (Progressive Conservative) privatization deals, and then work to a balanced budget in the four years. That's what we said. And then we said, new directions as funds become available.

Now the member opposite said, why don't you listen. And if we listened to him and if we listened to the Leader of the Liberal Party, we'd have this kind of economic policy: we'd have no tax increases because they're attacking us for that. We'd have no deficit reductions because they don't want some of the programs cut back, the expenditure reductions.

In fact the Leader of the Liberal Party in her question today wants us not to do anything with respect to FeedGAP. If we listen to the Liberal leader and to the PC leader, we'd spend over \$1.2 billion on a new CANDU 3 (Canadian deuterium uranium) at the same time and to balance the deficit.

I say if there is anything more cockeyed and more ridiculous — and the people of Saskatchewan know it — it's that prescription of economic folly. That's why we're not doing it, because the people elected us to get the finances of this province in order, and by golly, sir, we're going to do it ... (inaudible) ... hope and freedom.

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

**The Speaker:** — Order. Why is the ... order. Order. Why is the member on his feet?

**Mr. Calvert:** — I beg leave, Mr. Speaker, to introduce guests.

Leave granted.

## INTRODUCTION OF GUESTS

**Mr. Calvert:** — Mr. Speaker, since the beginning of question period, we have been joined by a number of very special guests and very special students from the SIAST Palliser campus in Moose Jaw — 10 students. They've sat in through question period. They have, I hope, enjoyed a tour of the Legislative Assembly. And I and hopefully the member from Moose Jaw Palliser look forward to meeting them in a few moments on the steps and then later for questions and pictures.

Mr. Speaker, these students today are accompanied by Verna Nicholl, Paula Green and Bonnie Kuntz. I would ask all members to join these special guests who are in the west gallery.

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

## MINISTERIAL STATEMENTS

**Hon. Ms. Carson:** — Mr. Speaker, I would like to rise and ask all members of this Assembly to recognize the occasion, the importance of Environment Week, June 1-7. Throughout Saskatchewan, community groups, schools, non-profit organizations, businesses, and governments at all levels are undertaking new activities to protect their environment and to strengthen our interest in and knowledge about the environment.

Mr. Speaker, I'm proud to recognize just a few of these groups. I ask that all members of this Assembly join me in congratulating them for their initiative and their

leadership.

This week, for example, the Saskatchewan Waste Reduction Council begins a corporate challenge among four Zellers stores in Regina, Saskatoon, Yorkton, and Prince Albert to see who can reduce the waste the most this week. Residents of McLean, Denare Beach, and Elbow start reducing waste going to landfills this week by using their town's new recycling bins.

Rosetown's Central High School Environment Group is giving a presentation on the greenhouse effect this week. Transit authorities in Regina and Moose Jaw are offering special Enviropasses for bus transportation this week.

There are environment fairs in Maple Creek and Milestone this week. And Prince Albert National Park is offering a week of special interpretive events, tours, and presentations.

Once again volunteers are holding the Regina Environment Walkabout, including tours of composting demonstrations, recycling facilities, and nature spots.

Saskatoon's Meewasin Valley Authority is hosting a whole week of activities, including nature workshops and tours. Moose Jaw's local nine green line and students of Central Collegiate are collecting plastic bags for recycling. In Indian Head and Humboldt local environmental groups, Environment Canada, and my department, Environment and Public Safety, are sponsoring workshops for municipalities and community groups that would like to set up household hazardous waste collection depots.

Mr. Speaker, as I said, these are only a few of the many special events and activities Saskatchewan people are undertaking this week to protect, create awareness of, and to celebrate the wonders of our environment. On behalf of the Government of Saskatchewan I commend and congratulate them all for their efforts.

Mr. Speaker, the government too finds Environment Week an appropriate time to demonstrate its leadership and commitment to the environment. My department has recently published a new education and environment poster series, the first of its kind ever in Saskatchewan. The posters will be distributed to every school in the province and to key stakeholders during this week.

(1415)

It is also fitting, Mr. Speaker, that the Saskatchewan Round Table on the Environment and the Economy will release its conservation strategy for the province. I'll be speaking more about this later this week. Also during Environment Week, Mr. Speaker, I'll be introducing the charter of environmental rights and responsibilities for Saskatchewan.

Mr. Speaker, in the months ahead this government will continue to take positive steps to protect our environment. Right now I would like to join all members in the spirit of Environment Week and take personal action, personal commitment to help all Saskatchewan to a healthier environment. Thank you, Mr. Speaker.

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

**Mr. D'Autremont:** — Thank you, Mr. Speaker. I would like to join with the minister in supporting Environment Week in this province, and I would also like to compliment all those groups that are working to reduce waste in our environment.

It's also appropriate this week, that being Environment Week, that we recognize that an environmental conference is taking place in Rio de Janeiro, the earth's summit conference, sponsored by the UN (United Nations). I join with the minister in supporting Environment Week. Thank you, Mr. Speaker.

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

## INTRODUCTION OF BILLS

### Bill No. 36 — An Act to amend The Parks Act

**Hon. Mr. Lingenfelter:** — Mr. Speaker, I move first reading of a Bill to amend The Parks Act.

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

### Bill No. 37 — An Act to amend The Automobile Accident Insurance Act

**Hon. Mr. Lingenfelter:** — Mr. Speaker I move first reading of a Bill to amend The Automobile Accident Insurance Act.

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

### Bill No. 38 — An Act to amend The Pest Control Products (Saskatchewan) Act

**Hon. Mr. Wiens:** — Mr. Speaker, I move that a Bill to amend the Pest Control Products (Saskatchewan) Act be now introduced and read the first time.

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

### Bill No. 39 — An Act to amend The Pest Control Act and to enact a consequential amendment related to the enactment of this Act

**Hon. Mr. Wiens:** — Mr. Speaker, I move that a Bill to amend The Pest Control Act and to enact the consequential amendment related to the enactment of this Act be now introduced and read the first time.

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

### Bill No. 40 — An Act to amend The Highway Traffic Act

**Hon. Mr. Wiens:** — Mr. Speaker, I move that a Bill to amend The Highway Traffic Act be now introduced and read the first time.

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

## ORDERS OF THE DAY

### GOVERNMENT ORDERS

#### COMMITTEE OF FINANCE

##### Motions for Interim Supply

**The Chair:** — Order. The business before the committee is interim supply and the motion of the minister:

Resolved that a sum not exceeding \$469,935,000 be granted to Her Majesty on account for the 12 months ending March 31, 1993.

**Mr. Muirhead:** — Thank you, Mr. Chairman. Mr. Minister, that display we had in question period was the most disgraceful display I've ever heard . . . (inaudible interjection) . . . It's got a lot to do with it. And the first question I want to ask you, Mr. Minister, on October 21, 1991, what was the credit rating given to this Government of Saskatchewan?

**Hon. Mr. Tchorzewski:** — Mr. Chairman, I'll respond to the member. I don't think this has got anything to do with interim supply, but for the benefit of the member opposite, I can say that Standard and Poor's, on October 31, credit rating was an A minus — or an A — as a result of the fact that the former government misled the credit rating agencies and misled the public and said that the deficit was going to be \$265 million, and it ended up being \$960 million.

The credit rating agency, Standard and Poor, lowered the credit rating to an A minus and put us on credit watch, and now have lowered it to a AA plus. And the reasons they outline in their statement, if the member were to read it, was because of the huge debt burden that was created in Saskatchewan in the last 10 years.

**Mr. Muirhead:** — What was your answer, an A or a minus A? I didn't catch it, Mr. Minister?

**Hon. Mr. Tchorzewski:** — A.

**Mr. Muirhead:** — All right, and you just finished saying that now you're at a AAA. Did you mean a BBB, I'm sure, did you?

**An Hon. Member:** — No, B plus.

**Mr. Muirhead:** — B plus, all right. And you say that what's this got to do with interim supply? Well I'll tell you that we'll decide over here what the questions are. You won't decide. And don't go laughing, because I happen to be around here for quite a few years and listened to the questions you used to ask and we answered every detail, everything you wanted to know.

What was the credit rating in November 21, 1991?

**Hon. Mr. Tchorzewski:** — Just to save the member the time, Mr. Chairman, I will give him the whole scenario.

In 1976 the credit rating by Standard and Poor's in Saskatchewan was AA. In 1981, after five years of an NDP government, the credit rating was an AA plus. Now in 1982 there was the unfortunate election of a Conservative government, so that in 1986 in January the credit rating was then reduced to AA, after the deception of the 1986 deficit which was said to be \$365 million and ended up being \$1.2 billion because those members opposite misled the Saskatchewan public.

Then in 1987 the deficit was again reduced to a AA minus; in 1990 it was an A; in 1991 it was an A minus; and now it is a BB plus, Mr. Speaker. And Standard and Poor gave very clear reasons why it was reduced to a AA plus. They said that:

The adjustment reflects the province's high debt burden, budgetary pressures stemming in part from the past unsuccessful off-budget investment projects, and the difficulties inherent in adhering to a deficit reduction plan in a resource-dependent economy.

Mr. Speaker, that is why we are at a BBB plus, because of the legacy that was left here by the members opposite when they were the government. And I should remember the member from Arm River, he was part of that. He was on the treasury benches during that time when they wasted money on GigaText, when they wasted money on Supercart, when they wasted money on all kinds of politically motivated initiatives which created the highest per capita debt in Canada. And it's because of that highest per capita debt in Canada that the credit rating has been reduced to a BBB plus.

**Mr. Muirhead:** — Mr. Minister, you're saying that in October of '91 that this government misrepresented the officials, or whatever that does the credit rating, that they absolutely misrepresented. Now tell me how they could do that. You're Minister of Finance, tell me how that could happen. How come that you would know more than they would know. Just explain to me that, Mr. Minister. How that they would ever know that and you know more than they do.

**Hon. Mr. Tchorzewski:** — Well, Mr. Chairman, let me read from Standard and Poor's. They talk about the misspent . . . or bad judgements made by the government opposite in some of the investments they made in certain megaprojects.

And here is what they said, and I quote:

While Standard and Poor has never viewed these megaprojects as self-supporting, the province's recent financial review has made clear that there are virtually no revenues supporting several of them.

Now, Mr. Speaker, anyone who meets with these people or talks to financial institutions around this country, it does not take long to understand that they have been, in the last 10 years, surprised on a number of occasions because the PC government that sat on this side of the House would say one thing at budget time and bring

about something different before that fiscal year was out. It got to the point, Mr. Chairman, where the members opposite were no longer believed. Not only by people outside of this province, they were no longer believed by the people in this province.

And that's why on October 21 there was probably the most devastating defeat of any government in this province in any election because of the kind of deception and misleading that took place which brought us to the position where we faced the kind of debt that we have today. What the PC government did, Mr. Chairman, was brought this province to the cliff, the edge of the cliff of bankruptcy. That has created the financial crisis that we face.

But I'm telling you, Mr. Chairman, that is not . . . although that is in some ways reason to be angry — and I am angry about it on behalf of my children and their friends and the children of this province into the future — I think the fact that the people of Saskatchewan in their wisdom brought about a change in government is also a reason to be optimistic because we now have a government which is being recognized for being prepared to make the hard decisions and the right choices to begin to turn this thing around and bring a promising future for the people of Saskatchewan.

**Mr. Muirhead:** — Mr. Chairman and Mr. Minister, you stand there and you make these accusations that this is the way the people in the province of Saskatchewan looked at the political scene in Saskatchewan in October 1991. Let it be so. Now, let's take a look at what the people are saying today out there. If you want to talk politics instead of interim supply, we'll talk a little politics. You made it so broad; we can talk about anything now.

Mr. Minister, do you think in your wisdom, that you're . . . well, do you think — now I'm going to be fair, Mr. Minister — do you think that the things you've done to hurt people in this province in this last budget, do you think that you're not hurting people more than I've ever seen hurt since I've been born and raised in this province, ever in history, since the '30s? The only group of people, Mr. Minister, that you haven't hurt is the group you haven't met yet. That's the only people you didn't turn off.

You going to tell me that I can talk to NDP people right in my towns and cities and on the streets, and they're disgusted with you. The premier, or the past premier brought it up in question period today, Mr. Minister. He brought it up today that you've turned off every group, and you sit there and you laughed. You have. You're not listening to these people.

And you can say, how can I tie this into the interim supply? When you're asking for half a billion dollars and you haven't got a clue where you're going to put it, and we're going to get into a series of questions where this half a billion dollars is really going and why and why. Well the Minister of Agriculture shouldn't do any chirping from his seat because there isn't a farmer, a farmer in this province, that would vote for him today.

(1430)

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

**Mr. Muirhead:** — He wouldn't even get his . . . the Minister of Agriculture wouldn't even get his deposit back in Rosetown-Elrose today.

Now, Mr. Minister of Finance, let's face the facts: you said that in October 21 that we were rated an A, the credit ratings rated an A, and that the people that do the credit rating didn't know the facts at that time. Well then, what's different — you never really answer my questions — what's different that they know now that they didn't know then?

Are you telling me that the past minister of Finance and the same people that are in Finance — who are sitting right around you today, some of those advisors are right there — are you telling me that your advisors sitting with you today, and some of them they're the same, whether they're with you or they're still in that department, that they lied to the, that they lied to the, that they lied to the group . . . (inaudible interjection) . . . Aw, Mr. Chairman, nothing.

**Hon. Mr. Tchorzewski:** — Point of order, Mr. Chairman. My point of order is that it is quite inappropriate, and I think it says a lot about the low level of the member opposite and his approach and the kind of shame that they face because of what they created to this province, that he would talk about officials who are unable to defend themselves, Mr. Chairman. I ask you to address that and I ask you to get the member to withdraw his comments and make an apology to this House for that.

**The Chair:** — Order. Order. Why is the member on his feet?

**Mr. Neudorf:** — Mr. Chairman, I would like to address the point of order.

**The Chair:** — Go ahead. Proceed.

**Mr. Neudorf:** — Thank you, Mr. Chairman. I think the outburst that we just witnessed by the Minister of Finance proves beyond a shadow of a doubt that not only does he not know how to run the Department of Finance, but he would also not make a very good House Leader.

He would not make a very good House Leader, Mr. Chairman, because obviously the rules of this legislature prohibits members from this legislature from using terminology addressed to fellow MLAs (Member of the Legislative Assembly), and as such of course all MLAs must be held as being honourable gentlemen and treated as such.

The member, my colleague here, was not making reference to any member within this legislature at all, and so therefore obviously the terminology and the point of order raised by the Minister of Finance is not well taken.

**The Chair:** — I've listened to the members and it's the opinion of the Chair that the member for Arm River should retract the words that he used and be careful in his use of language.

This is a place to ask questions, to obtain answers, and we should avoid the use of words which create more heat than light, and therefore I encourage the member now to retract the word that he used.

**Mr. Muirhead:** — Mr. Chairman, until I get a clarification, I'm not prepared just . . . because I did not call anybody a liar, I said: did they lie? And he didn't have to go into an outburst, Mr. Chairman. My words: did they lie?

**The Chair:** — Order, order, order, order, order, order. Again I ask the member to . . . the member used the word "lied", and I ask the member to retract that word. It's not a word that suits us in debates in these proceedings and I ask the member to retract. I ask the member to retract that word.

**Mr. Muirhead:** — Mr. Chairman, can I ask a question to you, Mr. Chairman? Is the word "lied" never allowed to be used in this House?

**The Chair:** — The member indicated that some people had lied, and I asked the member to retract that word.

**Mr. Muirhead:** — Mr. Chairman, I ask you before you make a ruling to read the *Hansard* because I did not indicate anybody lied. I said: did they lie? I said: did they lie?

**The Chair:** — The member has indicated that he's not prepared to retract. I heard the member say that officials had lied. If there's any concern about that then we'll check the verbatim on that and come back with a subsequent ruling. But having said that, I ask the members to choose carefully the words that they use in debate in these chambers. We should not seek to throw confusion and heat, we should look for light. And so we'll check the verbatims on this before coming down with a further ruling.

**Mr. Muirhead:** — Thank you, Mr. Chairman. Mr. Minister . . .

**An Hon. Member:** — Clean up your act.

**Mr. Muirhead:** — Nobody better be saying to me to clean up my act with the things that's been happening in this province in the last six months. Mr. Minister . . . (inaudible interjection) . . . we'll know for sure what I said when we read the verbatim, but I'll change it around a little bit and said, are you saying that people in the department that's working for you now, that were working for us, that someone in that department misrepresented the people that do the credit rating for this province? Are you saying that that happened?

**Hon. Mr. Tchorzewski:** — Mr. Chairman, I ask the Chair — I will respond to the member opposite — but I ask the Chair and I ask the officials of the Legislative Assembly Office to check the rules and see whether it is appropriate for members of this House to make those kinds of accusations or insinuations about officials who come here to provide information to ministers. You may take some time to do that, Mr. Chairman, but I ask the Chair to look into that.

And I want to now respond to the member opposite. Mr. Chairman, officials don't speak for the government. Officials of the departments never speak for the government. Cabinet ministers speak for the government.

And, Mr. Chairman, the former minister of Finance of the Tory government said the deficit was going to be \$265 million. That was his speech. That was his speech delivered on behalf of the PC government of the day. It turned out, Mr. Chairman, that that was not correct what he said. It was a misleading statement, the statement that the deficit was \$265 million. It turned out that the deficit was indeed \$960 million.

That was not a statement of any officials, Mr. Chairman. That was a statement of the minister of Finance of the former Progressive Conservative government who misled the public of Saskatchewan.

Now I'll go further, Mr. Chairman. In 1986 there was another cabinet minister. His name was Mr. Lane. He's now a judge, appointed by himself to the judgeship. And at that time that minister of Finance on behalf of the Progressive Conservative government said that the deficit was \$365 million just before an election. And it so turned out that that deficit was \$1.2 billion.

Those were not statements of officials, who never make those kind of statements. Those were statements by the Conservative politicians, ministers of the cabinet who deliberately misled the public of Saskatchewan.

The member said opposite, who's getting hurt? I want to tell you, Mr. Chairman, about hurt. Who hurt the people of Saskatchewan? The former PC government has hurt the people of Saskatchewan by their mismanagement which accumulated a debt that is hurting the people of Saskatchewan. A debt that is so huge that it is the highest per capita debt of any province in Canada and has caused the Standard and Poor's credit rating agency to reduce the rating for the province of Saskatchewan to a BBB plus.

It is the PC government's legacy that is hurting the people of Saskatchewan, Mr. Chairman. And it is the leadership of this government, this new New Democratic Party government, that is beginning to address that hurt and is beginning to restore the hope that the people of Saskatchewan deserve to have for the future of this province — restore the hope because we're dealing with that devastating debt, Mr. Member from Rosthern, which you helped to create and which you misled the people of Saskatchewan about.

**Mr. Muirhead:** — Mr. Chairman, the minister goes on to all his figures and all his accusations about people outside this House, Mr. Lane and everybody deliberately misleading this here province. You're just trying to get me off the questions that I asked.

Did you, Mr. Minister, then, do you solely give all the figures and put them all together that gives the figures to whoever does the rating? Do you solely do that? And if you solely did it, then maybe Mr. Hepworth and Mr. Lane did. Who does it? Who gives you your advice? Or do you sit down and do all the figuring yourself and give the figures that gives us the credit rating in this province?

**Hon. Mr. Tchorzewski:** — Mr. Chairman, we had a process which we promised to do during the election campaign. We said to the people of Saskatchewan that as soon as we were elected, if they chose to elect us as the government, that we would open the books, and we did.

And we opened the books so that the people of this province for the first time in 10 years could know exactly what the financial state of this province was, Mr. Speaker. And we consulted the Department of Finance. And we appointed an independent Financial Management Review Commission totally removed from the government, the Gass Commission, which confirmed what we found and in fact found more than what we had found because of its independence. And we also had an independent review of the Crown Investment Corporation which found that there the members opposite had hidden a debt of \$2.9 billion.

That's where we got our advice, Mr. Chairman, from independent sources which made it very clear, when they opened the books of Saskatchewan, how bad the mismanagement by the members opposite had been which has brought us to the verge of financial crisis which we as a government are having to deal with today.

**Mr. Muirhead:** — Mr. Minister, we'll be dealing with some of the tracks that you tried to lead me off to. I asked you a question. Who sits down and does all the figuring to give the statements to whoever does the credit rating? You, Mr. Minister of Finance, or the people in your department? Don't try to lead me off that statement because you've got a great habit, Mr. Minister, of never answering questions. You're a good politician. You know how to skate around the questions.

I remember when you were the minister of Finance back in 1982 when you brought in a deficit budget when that government went flying out the window. So now see if you can stand at your feet now, when you've been appointed the new Minister of Finance, and answer me that question without any grandstanding around. Who puts the figures together and gives them to whoever does the credit rating in this province — you or the department?

(1445)

**Hon. Mr. Tchorzewski:** — Mr. Chairman, these are the estimates and this is the budget speech with all the supporting documents. All of the information that's in here is provided to the people of Saskatchewan so they know where they're at. This is provided to anybody else who is interested, including the members opposite. This is complied by the economists and other people in the Government of Saskatchewan. But we also, in order to come forward with this open and honest budget for the first time in 10 years, Mr. Chairman, consulted independent sources such as the Gass Commission, Ernst & Young, and others, to make sure that we had a balanced and independent view.

I am proud of the officials of the Government of Saskatchewan, Mr. Speaker, who advise us, because they are good people. They know what they say. If only the

members opposite had done the same and paid attention to some of the advice that they got, we wouldn't be in the situation that we face today, Mr. Chairman.

And if I find it, I want to give you an example of how the members opposite ignored the advice that they got. And the member from Arm River might want to respond to this. This comes from the Gass Commission report, page 81, and it says the following. It's with regard to the sales of the Potash Corporation of Saskatchewan where, I might add, the government opposite lost \$442 million for which there are no assets left because they sold off the corporation — \$442 million of debt that the taxpayer has to pay. Well was it a logical, well planned, good economic decision, Mr. Chairman, and did they follow the advice that was given to them? Well let's see. Here's the quote:

The timing of the sale of the Province's shares in the Potash Corporation of Saskatchewan was contrary to advice provided by the Crown Management Board's external advisors (whose evaluation used an earnings-capitalization methodology). Unless an argument is mounted that the assets of the company were overstated, we have concluded that the timing of the issue resulted in a loss to the Province.

Now, Mr. Chairman, do you know why the members opposite engaged an outside consultant to give them the advice? Because their own advisors in the Crown Management Board and the Department of Finance had advised them that it was the wrong thing to do.

Rather than accepting that advice, Mr. Chair, they engaged an outside consultant, hoping that that would give them the message and the advice that they wanted. But because they engaged a responsible consultant, they were advised the same thing as their internal advisors had given them. They chose to ignore it. They chose to mismanage. They chose to waste. And they sold off the Potash Corporation of Saskatchewan for straight ideological reasons, and lost the people of Saskatchewan \$442 million, which today is part of the accumulated debt which they have to pay the interest on and eventually will have to pay off to the bond dealers.

**Mr. Muirhead:** — Thank you, Mr. Chairman. Mr. Minister, you give all these figures about the losses and whatnot and profits and losses in the Potash Corporation, and will you table the documents you had in your hand plus all other documents to prove that statement? Because I do believe, Mr. Minister, that you're misleading — that you're giving misleading statements to this House.

**Hon. Mr. Tchorzewski:** — Mr. Chairman, I tell the member opposite to take a look at the Gass Commission report, page 81; that's where I was quoting from. He's got that report. It's been around for months and all he has to do is take the trouble, for the first time read it, and it may teach him something about how badly his colleagues and he mismanaged this province in the 1980s.

**Mr. Muirhead:** — Mr. Chairman, Mr. Minister, I don't know what you're reading from. You're just saying that. So if that's a fact that you're reading from that certain page

— page 81 in the Gass report — then table it so I can see that, and other documents proving all that.

**Hon. Mr. Tchorzewski:** — I'll do better than that, Mr. Chairman. In case the member from Arm River hasn't yet had the opportunity to look at the Gass Commission report, I will give him that opportunity today, remind him that he should look at page 81. He can read it for himself.

I won't only give him a copy of the page, I'll give him the whole report for his benefit. I will table it, please.

**Mr. Muirhead:** — Mr. Chairman, the minister is just playing games when he says, have I read the Gass Report. I probably read it as soon as you did.

Mr. Minister, what we've done is you've led it off track again. I'm going back. And you've never even come close to answering the question: who puts the figures together for you as Minister of Finance, for Mr. Hepworth as minister of Finance, and Mr. Lane as minister of Finance — who puts all the figures together that goes to the personnel that gives the credit rating to the province of Saskatchewan?

**Hon. Mr. Tchorzewski:** — Mr. Chairman, the numbers that are put together in the budget are put together by the Department of Finance and by the Crown Management Board and by all of the departments of government who present their submissions for the budget. In the final analysis, the Minister of Finance presents the budget. And I take full responsibility for that budget and I take full responsibility for the numbers that are in that budget, Mr. Chairman, prepared by the officials in the Department of Finance.

And I want to further add, Mr. Chairman, that when the credit agencies in the last seven months have wanted to speak to the Government of Saskatchewan, they do not only speak to the officials who give them the correct information; they also speak to the minister.

The problem in the past, Mr. Chairman, is this — if the member from Arm River would pay attention — the problem in the past has been that the government under the PC administration would provide the numbers and table a budget. But at the end of the fiscal year none of that would come out the way that it was originally tabled because they would make decisions mid-year and make so many changes that you couldn't possibly meet the numbers that were displayed in the budget in the first place.

The responsibility for the deception that was created for the people of Saskatchewan rests with the cabinet, with the politicians, and with the premier, the former premier, the member from Estevan, who year after year and time after time did not carry out any of the commitments that he made with respect to the budget or the deficit, and that's why we have a debt of almost \$15 billion in the province of Saskatchewan, the highest per capita debt in Canada of any province today.

**Mr. Muirhead:** — Mr. Minister, you said now, the statement you made when you were up there before you got into the rhetoric at the end, but the very beginning you

said that the personnel in Department of Finance are the people that put these figures together. Is that correct, Mr. Minister? Is that what you said?

**Hon. Mr. Tchorzewski:** — The budget is printed in the Department of Finance, of course.

**Mr. Muirhead:** — I didn't say the budget, Mr. Speaker; you said that. My question was . . . that prepares the figures that go to the people that does the credit rating.

**Hon. Mr. Tchorzewski:** — Mr. Chairman, the Department of Finance is interviewed by these credit rating agencies, as is the Minister of Finance, and we present them . . . and the Department of Finance presents them the numbers. And the credit rating agencies have also had access to the Gass Commission report. They were very interested in it. They have also had the information provided in the Ernst & Young report, and they've also had access to the history of the last 10 years.

**Mr. Muirhead:** — All right, Mr. Minister. Can you tell me in the department how many personnel would be involved in Department of Finance in any type of these figures whatsoever? How many people involved that supply these here figures and information to the credit rating personnel?

**Hon. Mr. Tchorzewski:** — Directly, probably about 10 people would be involved in dealing with the credit rating agencies or financial institutions. Indirectly, probably about 100.

**Mr. Muirhead:** — Mr. Chairman, and Mr. Minister, thank you. You're saying approximately 100. Could you tell me, of that 100 people, how many of that 100 would be working for government in October 21, 1991, and how many changes since that date?

**Hon. Mr. Tchorzewski:** — Ninety-nine were working for the government. There's been one change, which comes to the 100.

**Mr. Muirhead:** — Well that's very interesting, Mr. Minister, because that's exactly what caused you and I to get into a little bit of an argument for this last almost three-quarters of an hour that we shouldn't have. Because you went off on a tangent blaming everybody but . . . You were trying to blame it onto Lorne Hepworth, blame it onto Gary Lane, you want to blame it onto . . . and you want to blame it onto yourselves?

Now you just finished . . . And I said are you saying — and that's what I'm going to come back again, but we're going to use the word misrepresent — are you saying these 99 out of 100 people misrepresented the people, the personnel that done the credit rating for the province of Saskatchewan? Did they give them misleading statements back up until October 21, 1991?

**Hon. Mr. Tchorzewski:** — The answer, Mr. Chairman, no they did not. The officials of the Department of Finance provided the factual information. The government of the day made decisions irrespective of the recommendations and the advice of the Department of Finance on many occasions — irrespective, as I pointed out on page 81 of

the Gass Commission Report, of any advice that they got; never consulted the officials.

And the politicians, Mr. Chairman, and Mr. Member from Arm River, again and again and again misled the people of Saskatchewan with the numbers that they provided for them, basing them more on their political needs than rather the advice which they received during that time.

**Mr. Muirhead:** — Mr. Chairman, Mr. Minister, you know now that I have backed you into a corner and I'm not going to let you out because this all started in the first place, Mr. Minister, is you were blaming the improper information as to why we even had an A or an A plus whatever on October 21, because that was my first question.

So you're believing, the same as I believe, Mr. Minister, that the department officials will be giving the correct information because I believe that. But because that commotion and we got into points of orders with the Chairman and whatnot is what I said, do you — I'm going to use the word mislead — do you believe that they misled?

So now we're getting some place. It's not the Minister. It's not Mr. Lane. It's not Mr. Hepworth and it's not yourself, you just admitted, that the people, the 99 people or 100, they give the information. The Minister is not . . . you're not capable of it and neither is Mr. Lane and neither is Mr. Hepworth to sit down without some advisors. You're not capable of it, Mr. Minister. Why should you be? You have to have your financial experts to put the figures together which the Department of Finance must have did prior to October 21, 1991.

And so what I'm saying to you, that the credit rating at October 21 was a right and proper credit rating, and you tried to get me off blaming it was improper then. So if you're saying it's an improper credit rating on October 21, 1991, then you're saying that the hundred officials gave the wrong information. Now will you explain that, Mr. Minister?

**Hon. Mr. Tchorzewski:** — Well, Mr. Chairman, let me just remind the member opposite what the true events were. And first of all, let me say to the member opposite, please don't put me into the same category as former Finance ministers of the former PC administration. You can speak for them, but I can tell you that although you may think that they were not able to know what the facts were, I think that this Minister of Finance knows what the facts are better than they ever wanted to pretend that they knew, Mr. Chairman.

Now, Mr. Member from Arm River, the credit rating on October 21 or prior to that was one thing, but what happened since the budget was introduced late in 1991, Mr. Chairman, is a lot of intervening things which the members opposite did not tell the people of Saskatchewan they would do. And so the credit rating was based on the budget.

But then what happened? During the middle of an election campaign, scorched earth policy, the members opposite sold PCS (Potash Corporation of Saskatchewan

Inc.) shares at a loss. During the election campaign the former Conservative government sold Cameco shares at a loss since that credit rating that he talks about was put into place.

During the period of time from when the Tory's last budget was introduced there were all kinds of questionable political projects that were funded under something called the Saskatchewan Diversification Corporation, a secret corporation in which the member from Estevan and the member from Thunder Creek were members of the board. Never told anybody in Saskatchewan that this even existed, but gave monies and spent millions of dollars without informing the people of Saskatchewan what they were spending on.

There were losses in SEDCO that occurred because of commitments that the members opposite approved for political reasons rather than good economic reasons. All of those things became public after the election, after the Tory budget, which they never passed.

Now, Mr. Chairman, there has been a long debate about why the former government opposite never passed that budget. Well the member from Arm River reminds us all now why they never passed that budget. They never passed that budget or allowed this legislature to scrutinize it because they knew that they could never defend that budget because of all of these things which they weren't saying publicly to the people of Saskatchewan. After the election the books were opened and all of this became public knowledge.

And therefore then, Mr. Chairman, there was a reconsideration of the credit rating because of the mismanagement and . . . I won't use some harsher words, but they would apply here, and there are certain charges being laid in Saskatchewan today because of that. But because of that mismanagement which has become public and has been revealed as it should be in a democratic system of government, we are where we are today.

(1500)

**Mr. Muirhead:** — Mr. Minister, how many budgets have you brought down in your career as a politician? You stand at your place here and you've said you are so much smarter, Mr. Minister. You won't put yourself in the same category as Mr. Lane and Mr. Hepworth and Mr. Andrew. You won't put yourself in the same category. No, you don't want to be. But how many deficit budgets did Mr. Andrew bring down, how many deficit budgets did Mr. Lane bring down, and how many did you bring down?

And you keep saying, oh, we never passed the budget and we were scared to pass the budget in 1991. Did you pass your budget, Mr. Smart Minister, in 1982? You brought a budget down in April, 1982 and you didn't pass it. You went to the people on it. And you lost.

Your budget couldn't have been so bright. You couldn't have been the smartest man in the world, Mr. Minister, because you were the Minister of Finance that replaced Mr. Smishek who brought down so many leaky budgets that Mr. Blakeney had to get rid of him. And they brought

in the smart minister of Finance who I have got a lot of respect for — and I say this with great respect. As an individual I have a lot of respect for you, Mr. Minister . . . (inaudible interjection) . . . Well I do, as an individual. And I do.

But I want you to be honest and honourable, Mr. Minister, and not blow yourself up too much because you make accusations for the people in viewers' land to listen to this here, the terrible budget the Tories bring down in 1991 and we didn't pass it. But you . . . Did you or did you not, Mr. Minister, bring down your budget in 1982? Did you or did you not get it passed?

**Hon. Mr. Tchorzewski:** — Mr. Chairman, I think the member from Arm River should stop and contemplate for a moment what he is saying. In 1982 there was a budget and there was immediately an election. That's quite appropriate to have the people pass judgement. They passed judgement and they elected a different government. That's democracy.

In 1991, Mr. Chairman, there was a budget — there was no election. The government could have continued the legislative session and members in the opposition, who were then New Democratic Party members, could have asked the government questions about that budget. The government chose to abdicate its responsibility, to go into retreat because the house leader of the day, the member from Melfort, resigned out of disgust with the kind of shenanigans that that former government was carrying out. They ran away from this House. And they didn't call an election — they adjourned this House in June without consideration of the estimates and did not call an election until October 21.

That's the difference, Mr. Chairman, and that's the difference, Mr. Member from Arm River. You ran from this legislature and you ran from the public of Saskatchewan. You would not be accountable, not even during through the process of an election campaign, and that's what made your approach wrong and undemocratic.

And that's why, Mr. Member from Arm River, you are only one of 10 lonely souls who are over there from what used to be the government of the day prior to that election campaign.

**Mr. Muirhead:** — Mr. Chairman, Mr. Minister, I understand what you're saying. And I knew that's what you'd come back with; that when Mr. Blakeney called the election 1982, prorogued the House and called an election just shortly after the budget came down; I understand that.

And that we brought a budget down, and two or three months later we adjourned the House because many people on that side of the House, you said you were going to make this your province ungovernable, that you would not let it be governed.

You used to ring bells and you used to stall the House. And if you think for one minute that we're going to do over here on interim supply Bill — hold this up for days and days and days and weeks like you did over here —

we're not going to do that. We're going to be responsible to the people of the province of Saskatchewan, and when we get some reasonable answers we'll be letting this go, because we're not going to do what you people did.

And this is what you did: you stalled and you stalled and you stalled and we couldn't even table our last legislation because it was unmanageable. And you said you would make it unmanageable. So it was an entire different situation.

And you said you went out to the people and you did go out to the people and you won, but you won by misleading every person and individual in the province of Saskatchewan.

And don't tell me you didn't mislead them because where was the promises from you, Mr. Minister, and from everyone on that front row, that we will balance the budgets, lower the taxes, create jobs, save all the farmers, go to Ottawa and get the money?

And you broke every one, because your Premier also at the end of those speeches in Outlook, Saskatchewan and I think it's been recorded 22, 23 different places in the province of Saskatchewan, after he made those speeches he was asked, the Tories' essential services are too high and what are you going to do about it, Mr. Premier? And in every single case . . .

**An Hon. Member:** — I'm not the Premier, by the way.

**Mr. Muirhead:** — Thank goodness.

Mr. Minister, in every single case where the now Premier was asked about the essential services, he said: my promise will be to hold or to lower. Now if that isn't the most blatant breaking of a promise I've ever heard in my life, in my political career or prior, that every essential services — SaskPower, SaskTel, Energy, SGI, and deterrent fees in Health — you broke them all. You said you wouldn't do it.

You don't want to even look me in the face when I'm saying this to you, because you can't. You cannot look, you cannot look your own people in the face out there when you've broke every promise. I've never seen a government that broke promises as fast as you can.

When the member from Estevan as the new premier in 1982 said at midnight tonight we will drop the gas tax in this province, he did it. And at least he kept it there for seven years when conditions in the economy . . . he had to put it back on. You guys couldn't keep your promises for 24 hours — for 24 hours.

Now Mr. Chairman must be wondering why we aren't leading this to interim supply. I admit, Mr. Minister, that we've lost an hour over what we've been talking about. And what, I've come to the conclusion, that you have admitted, you have admitted, is exactly what I wanted you to admit and hoped you would and knew you would have to, if you were going to be half honourable at all. You stalled and stalled for a long time. That is, the hundred people in the Department of Finance that does the advising for all the figures. And so that means that my

point was right in the first place, that that information would be given to the personnel who does the credit rating in October '91, and also do it in June 1992. So don't tell me that our government was a BBB in October; this government is.

And I will not believe and I will not have you go around this province and mislead. And I'm saying, you are misleading the people in the province of Saskatchewan when you're saying it's all the Tories' fault. It's all the Tories' fault. And I told you when I spoke here a while ago in the budget speech that I am sick and tired of this here being the Tories' fault.

We're going to get into it later on, maybe around 8 or 9 or 10 o'clock tonight we'll get into the Gass Commission and his report. We'll talk about it all right. And you'll find out what the member from Arm River knows about it, and he knows lots. Because I think he digested it better than you. All you've done, Mr. Minister, is believe what you wanted to believe out of that report.

And I will admit there's many things in that report, Mr. Minister, that I wasn't real proud of that the past government did, but I'll admit we made mistakes. But I also, saying that, believe what our then premier said: that my treasury will be on the line for the people of the province of Saskatchewan, and that is farmers and agriculture. And he did it and he did it with his heart. And he believed it.

But you people are not doing that. You're going to spend a half a billion dollars. You're asking this House to approve a half a billion dollars — almost a half a billion. And I think when you're as loose as a goose with your money, the way you've been this last while, and you don't know what you're doing . . . you cut back on farmers here, and you said you were going to save them. You've had deterrent fees on health care. You've hit people. I don't know who you haven't hit. As I said a while ago, the only group of people you haven't hurt is the group you haven't met yet. You've hurt everybody.

Now, Mr. Minister, I have some questions, and this is important. Because these accusations . . . We don't have many chances to get the facts from you. Because we get into estimates, we'll go on and on for weeks and we won't get nothing out of you. We'll just be grandstanding around.

So you must know this — and being the minister of Finance in 1982, you should be able to jump to your feet without even asking your officials — what was the deficit in 1982 of the departments and the Crowns and the departments and Crowns together? What was the total deficit?

**Hon. Mr. Tchorzewski:** — Thank you for asking that question. Mr. Chairman, I want to say to the member opposite, first of all before I respond to his question, a number of things. That yes, his premier, the member from Estevan, the Conservative premier for 10 years, did a number of things, politically motivated, never thinking about the financial impact of what he did would have on the future of this province and on the future of our children and their grandchildren.

What motivated him, Mr. Chairman, was . . . And I remember and the people of Saskatchewan will remember for generations to come, his statement to the investors and the business community in New York in about 1983 or 1984, when that former premier said to them: this province has so much going for it that you can mismanage it and still break even. And then he took it upon himself to mismanage this province to the point where he did not break even. He brought it to the verge of financial bankruptcy.

Now, Mr. Chairman, he may have governed by his heart. It's too bad he forgot to use his head and make the kind of decisions that were important for the future of the province of Saskatchewan.

The member opposite asks, the member opposite . . . yes, the member from Regina says: what kind of a heart was that? It doesn't take much of a heart to create the kind of financial crisis which this province faces today because of mismanagement and waste and corruption which is causing now the decisions that have to be made, which in fact create some difficulty for people. It didn't take much of a heart to do that; it took bad judgement. It took bad judgement, it took political blindness, to do those kinds of things.

And so that, Mr. Member from Arm River, Mr. Chairman, when the member from Arm River found that he had to move to the other side of the House, he found that he — and he should not be proud of it — was part of a government that left this province with a debt accumulated of almost \$15 billion, left this province so that this year, in this budget, the taxpayers of Saskatchewan have to pay \$760 million in interest charges alone that's going out of the province of Saskatchewan and can help nobody in the province of Saskatchewan. That's the legacy that the member from Arm River has left behind, and if he can stand up in this House and say that he can be proud of that, I challenge him to do that today.

I am proud of the legacy we left behind in 1982. And the member can say if I said . . . if the member from Arm River will stand up and say if I say what we left behind on the deficit, then somehow it's not accurate so I won't say. I won't say it. I won't use statements and documents that have been audited, that were presented in this legislature by one Hon. Gary Lane, minister of Finance, in July, 1986.

What did he say about the member's question? What did he say about the deficit that was left behind in 1982? Well he said, Mr. Chairman, that there wasn't a deficit in 1982. He said in fact, that for the year ended March 31, 1982 there was a surplus of \$139.288 million — the last time there was a surplus or a balanced budget in 1982.

Not my figures, not my statements, but the audited statement of a former Progressive Conservative cabinet minister who found that when he had to face the auditors, he had to tell the honest truth, and he did, and the surplus was \$139 million, Mr. Chairman.

**Mr. Muirhead:** — Just as we went through this round for

an hour before, you still would not answer the question — what the total deficit was in the department, in the Crowns, and any liabilities, and the total of all three together.

You are just great, Mr. Minister, to stand up and just say that . . . make these big speeches. But we're not going to get any place if you . . . we'll just be that much longer passing interim supply if you're going to make these long speeches.

I'm asking you direct questions and you, as Minister of Finance, shouldn't have to even ask anybody because if I was minister of Finance and put a budget together in 1982 and the government falls on it, I would have dreamt those figures for at least the next four years. I would never would have forgot them. I'll remember until I would die. You should know right to the penny . . . (inaudible interjection) . . . Thank you.

(1515)

**Hon. Mr. Tchorzewski:** — I can give it to you right now. Mr. Chairman, for the information of the member opposite: 1982, the total Crown corporations' debt, self-liquidating, not in any way a burden on the Saskatchewan taxpayer because the Crown corporations' earned income . . . They charge power rates and telephone rates and they paid the loans that were provided to them. But the Crown corporation debt was \$3.397 billion.

Now, Mr. Chairman, on the Consolidated Fund, which is the government side, taxpayer supported debt, do you know what it was, Mr. Chairman? A hundred and ninety million dollars — \$190 million. Do you know what it is today, Mr. Chairman? It's almost \$9 billion after 10 years of the good and wise management of the member from Arm River.

All told, when you consider the sinking funds which are provided, and the member will know what that's all about, the gross debt for the province of Saskatchewan in 1982 was \$3.5 billion. The interest on the public debt, Mr. Chairman, was far less than it was today. Three point five billion dollars was the gross debt. Today the gross debt, if you calculate into that the guaranteed debt, is \$15 billion. And most of it now is not on the Crown side and self-liquidating; most of it is on the Consolidated Fund and has to be supported by taxes.

**Mr. Muirhead:** — Mr. Chairman, Mr. Minister, how could you stand there and say that Mr. Lane said that there was a balanced budget in 1982 and then turn around and tell us now that there is a \$3.5 billion that was the debt?

Now if you're good at figures, Mr. Minister, take \$3.5 billion deficit in 1982, let's just go back and take . . . and see if you had a thousand dollars debt in your personal . . . your own personal debt was a thousand dollars in 1982, and see what it would be today if you — in 1992 — with not paying any of it off. What would it be? It would be accumulated a lot; it would have turned over at least twice.

That money would have to be \$15 billion; 3.5 billion

today would be a total of your \$15 billion. If you had \$3.5 billion in 1982, it would turn over twice in those 10 years.

But you've said the figure today of \$13 billion, \$15 billion. Can you tell me now because what I'm trying to do is get exactly from you . . . And we've got it — 3.5 billion; it's very clear. That's the total deficit in this province. And where do we get the figures? Why are we told in 1982 when the election was on that there's no debt in this province? Why did you misrepresent, as Minister of Finance, why did you misrepresent and leave a legacy of \$3.5 billion?

You have now admitted . . . My colleagues and everyone in this legislature, you've heard the Minister of Finance say that he left us a deficit, total deficit of the departments and the Crowns and liabilities of 3.5 billion. And I take his word that that has to be correct. Now you're saying there's 15 billion today. What was the deficit on October 21, 1991, a total of the Crowns, departments, and liabilities?

**Hon. Mr. Tchorzewski:** — Mr. Chairman, I think the member opposite should read some of the budget documents from 1982. He will find that the total debt of the province in 1982 was published. There was nothing secret about it; there was nothing hidden about it; the public knew where they stood. The total debt of the province was \$3.5 billion, and almost all of that was self-liquidating. It had assets that paid for the debt in the Crown corporations. That was the debt of 1982, Mr. Chairman.

The debt today is not \$3.5 billion. It's \$15 billion if you assume into that the guaranteed debt which exists. And the guaranteed debt is a potential liability. That's the difference between 1982 and 1992, Mr. Chairman.

The member can look at this year's budget. He will find that in this year's budget on page 43 there is a clear statement of the debt in 1982, documents that can be supported. The Provincial Auditor will be looking at them, and he will see that in 1982 the total debt was \$3.5 billion and that in 1993 it's \$14.98 billion or almost \$15 billion.

**Mr. Muirhead:** — Mr. Minister, I'm not a finance man; you know that. I never was a minister of Finance. I never would be and I never had the capabilities of being one.

But I've got some pretty good knowledge in my head. And I don't care where the debt is, whether it's in the Crowns or the department or wherever it is. If any business has got a debt, if any business has got a debt, you take your total debt and that's what your total debt was — \$3.5 billion. Now that's a figure that people in the province of Saskatchewan didn't know was there.

You misled the people in the province of Saskatchewan in 1982 and you're saying we misled in 1991, but we did not. Because . . . I'm going to ask you the question now: did or did not the Gass Commission report state very clearly that the leader, the now Premier, and yourself knew exactly what the debt was? Does the commission say that or does it not say that?

**Hon. Mr. Tchorzewski:** — No, Mr. Chairman, the Gass Commission does not say that.

**Mr. Muirhead:** — What did Mr. Gass say about it? What did Mr. Gass say?

**Hon. Mr. Tchorzewski:** — Mr. Chairman, I've tabled the report of the Gass Commission for the benefit of the member opposite. He can read it and find out what's there.

The Gass Commission opened the books, said a lot about the bad deals that were made, put the bottom line of what the deficit was to October 31, 1991. It is very clear. It speaks for itself. All the member has to do is read it.

**Mr. Muirhead:** — Mr. Minister, you just don't want to admit, but you know that the Gass Commission said it very clearly. It came from the Gass Commission. It's been on television. Mr. Gass has been on, and he said that the NDP knew what the deficit was.

Now you know that he knew it. You knew the books were open. He said the books were open. The commission said the books were open to the public of Saskatchewan. And you've tried to mislead the people in the province of Saskatchewan for all these months, for close to a year now, about this hidden deficit. Open the books.

And you talk about all this extravagant spending. Well certainly there was spending done. But let's talk about real spending. Let's go back into this 1970s when you spent \$600 million on uranium development for goodness sakes. Talk about . . . You spent money like drunken sailors, you people did over there, when money should have been saved.

Alberta put a war chest together. You didn't. We didn't inherit a war chest from you in 1982. You know we didn't. But you know that you've been playing politics with the people of the province of Saskatchewan by standing and saying continually . . . Now will you stand up as minister and say under oath, that you have to in this here Chamber, and say that you did not know the finances of the province of Saskatchewan in October 21, 1982, that you had no idea that things were so bad, that you didn't know the figures.

**Hon. Mr. Tchorzewski:** — I may have missed the member's question. But if the member is asking did the public and did the NDP opposition know the full extent of the debt in the province of Saskatchewan, the answer is a categorical no. No one knew. No one knew except the PC politicians on the Treasury Board benches of the government.

Now it so happened that the member from Arm River had, by that time, been turfed out of the cabinet and was no longer on the Treasury Board benches. And that's why he is asking these questions because he probably didn't even know, rather than two or three of the members opposite who were on the treasury benches and knew and could not stand in this House and say otherwise.

**Mr. Muirhead:** — Mr. Minister, you know that is not correct. You know that it was made very clearly that . . .

Since last October till now, you've been talking about opening the books and how bad the situation is. The books got opened. It is nothing different than we all knew. I knew. You knew.

And my question to you: did you know personally . . . Because it's easy for you to say that blanket answer like you as a politician always give. Yes the NDP caucus and the NDP people and the people of Saskatchewan knew. I asked you, as minister under oath, did you know the figures of the debt of this province including the departments, the Crowns, and the liabilities in October 1991?

**Hon. Mr. Tchorzewski:** — Answer to the question, Mr. Chairman: no, we did not know. And no, I did not know. And all the evidence is there to be able to tell the member opposite. The Provincial Auditor has said time and time again that he could only report on 50 per cent of the expenditures of the former government because the former government would not give him the information on the other 50 per cent. There is no way anybody could have known, Mr. Chairman. And it is beyond me why the member continues to pursue that line of questioning. He knows that the former government hid information. The Provincial Auditor, a servant of this legislature, made that very clear.

The people of Saskatchewan were so suspicious that they changed the government in 1991 and elected a government that made a very important commitment, made the commitment to open, honest, accountable government. That's what they're getting in 1992, and that's what they're going to get for many, many, more years to come.

**Mr. Muirhead:** — Mr. Minister, okay, you've said that you didn't know. But maybe you didn't want to know so you could stand here and say this. Because the Gass Commission does say it very clearly, that you knew and the books were open.

But we're going to have to get off of this. We'll get back onto it and some of my colleagues will get back onto it later today.

Mr. Minister, I want to ask you some questions in the Department of Agriculture. This is very important — that your interim supply is for half a billion dollars. And I want to know . . . firstly, your department must know how many farmers there are in the province of Saskatchewan.

**Hon. Mr. Tchorzewski:** — Mr. Chairman, the member is now getting into specific questions related to the Department of Agriculture. That's a general question which almost anybody in Saskatchewan knows, but there's approximately 65,000 farmers in Saskatchewan and the member from Arm River, I'm sure, is aware of that.

**Mr. Muirhead:** — I know it's getting into the departments a little bit, but it's important, Mr. Minister. How many businesses, total businesses — and that's not a department — that's total businesses in the province of Saskatchewan?

**Hon. Mr. Tchorzewski:** — About 35,000.

**Mr. Muirhead:** — So we're talking about approximately 100,000 between farmers and businesses. And of those 35,000 businesses, how many would be directly connected, or connected with rural agriculture?

**Hon. Mr. Tchorzewski:** — There's no way we would know that in an interim supply Bill, Mr. Chairman.

**Mr. Muirhead:** — All right, I appreciate that. I can understand that.

Mr. Minister, your government decided — and I said before in this House, I think, on three different occasions — that you, Mr. Minister of Finance, and your colleagues in the front row, the upper echelon of your party, has directed the Minister of Agriculture to change the GRIP program in this province. And it could be no other reason than this, and I'm going to explain to you, Mr. Minister. Under the last year's GRIP program they were guaranteed on an average crop \$3.2 billion.

Mr. Minister, under the GRIP program in 1991, the farmers were guaranteed 3.2 or three — I might be a little out on the million — but it was \$3-point-some billion, around 2 to 4 million, three point million. That's an average crop and wheat at a low price.

Now there was an excellent crop in the province, Mr. Minister, an excellent crop, above average. The price of wheat went up a little bit, and I understand it's around . . . I've been told from Crop Insurance it's about that 8 or \$900 million perhaps that GRIP will be paying out last year. But the farmers get the guarantee with their wheat and the GRIP together, of that 3-point-some billion.

But if we had have had a 1988 crop — a poor crop, one of the poorest crops we've had since the '30s, in 1988 — that would have cost this province . . . that would have cost GRIP, I'm saying, Mr. Minister, in that 2 to \$3 billion range. And I am sure, Mr. Minister, what you said in your cabinet room and in your caucus room and to your Minister of Agriculture, that program's too rich; we can't afford it because I've promised out there I'm going to balance the budget over the next four or five years. I'm going to balance it.

(1530)

**An Hon. Member:** — Is that bad?

**Mr. Muirhead:** — No, it's not bad, but you're going to do it on the backs of whom? He's almost admitting it from his seat, Mr. Chairman. Is that bad? Of course it's bad if you have to do it on the backs of the farmers because under the new GRIP program you wanted to protect yourself. The farmers will be covered for X amount of dollars and cents this year under the GRIP. Can you tell me, Mr. Minister, can you tell me, Mr. Minister, what the saving to this government is going to be from the 1992 GRIP program compared to the 1991 GRIP program?

**Hon. Mr. Tchorzewski:** — Mr. Chairman, that is a very specific question dealing with the Department of Agriculture. I have not the specific knowledge there.

We're dealing with an interim supply Bill. I think the member will be much better served and will get much more accurate information if he questions the Minister of Agriculture when that estimates comes to this Committee of Finance.

**Mr. Muirhead:** — Mr. Chairman, you're not going to get away that easy with that because that's a very important thing. That's the biggest step this government's ever made since they've been in government. One of the biggest things that they've done is bring in two things under this government is a six-year lease program and change the GRIP. That's all they've done for farmers. And they haven't done it yet.

And if you're going to take a half a billion dollars and be approved here and you don't have any idea what the GRIP program is going to cost you . . . because some of that half billion dollars may have to be going to farmers tomorrow. Farmers that are hailed out tomorrow, that are completely hailed out or destroyed or their crop don't come up, will be putting in for claims to Crop Insurance. And there has to be some work done. You have to have figures because some of that interim supply will be directly involved with the GRIP program. So please, Mr. Minister, try to give me some kind of a figure on that.

**Hon. Mr. Tchorzewski:** — Mr. Chairman, if the member from Arm River would look at the estimates which he has available — and I'm dealing here with the global numbers, as the Minister of Finance should do — he will find that on page 19, the funding for 1992-93 under the gross revenue insurance program is \$127.2 million. It's there for everybody to see, including the member from Arm River.

**Mr. Muirhead:** — That's exactly what I wanted you to say, Mr. Minister. Because can you tell me, when they haven't even set a price for grain yet, we don't even have any idea what the crop is going to be like, where you got that figure from?

**Hon. Mr. Tchorzewski:** — Mr. Chairman, we got that figure from the Department of Agriculture and the Minister of Agriculture. And if the member wants to find out how that figure was arrived at, he'll have to ask the Minister of Agriculture when that minister appears before this Committee of Finance.

**Mr. Muirhead:** — All right, I guess that's all we can do. You've estimated that that's going to cost a hundred and some million dollars, whatever . . . 127 million did you say? All right. You said that's what it's going to cost. Well there's no way that anybody would know. It's like somebody just threw some figures in a hat and drew them out, because no farmer in this province can find out what their revenue insurance is going to be until after all the crop reports are in. They don't know.

**An Hon. Member:** — That's why it's called an estimate, Gerry.

**Mr. Muirhead:** — Okay. You've called it an estimate and we'll have to get into the details. All right.

Now the FeedGAP program that you just cancelled in the

budget, how much is that going to save so you didn't have to ask for more than half a billion dollars? How much did it save this government? Because that must have affected, Mr. Minister, your interim supply request.

**Hon. Mr. Tchorzewski:** — Mr. Chairman, we're not here to answer questions on specific programs in the government. That's what the specific departments have to do; that's what the specific minister has to do. And the member knows that he's going to have to wait. We've got lots of time in this session. We can stay here as long as the members of the opposition like. That when the Minister of Agriculture is here, he will get the answers to all of his questions to the fullest extent that he desires.

**The Chair:** — Order. I have examined *Hansard* carefully and the words used by the member for Arm River. I have concluded and interpreted that the member's words were spoken in the form of a question as to whether the officials had lied. Upon reflection, I therefore conclude that the context in which the words were used did not make them unparliamentary even if they tended to be inflammatory.

I remind members that such language tends to be inflammatory and may not be temperate and worthy of being spoken in this place, and urge members to exercise stricter discretion on the use of such language. I further refer members to Beauchesne's, 6th Edition, at page 155, page 151 sections 493(3) and 493(4):

(3) The Speaker has traditionally protected from attack a group of individuals commonly referred to as "those of high official station". The extent of this group has never been defined. Over the years it has covered senior public servants . . .

(4) The Speaker has cautioned Members to exercise great care in making statements about persons who are outside the House and unable to reply.

**Mr. Muirhead:** — Thank you, Mr. Chairman. I was quite sure that I didn't put it in those words and I thank you for getting *Hansard* out so quickly. And I just want to put it on the record that if anybody thought that I had any intentions of defaming anybody, that was not my intentions . . . (inaudible interjection) . . . Well I said . . . It came out very clearly. It did . . . (inaudible interjection) . . . Mr. Chairman, there goes the minister again.

**The Chair:** — Order. I ask the member not to reflect on the rulings of the Chair. If the member has a question, put the question.

**Mr. Muirhead:** — Thank you, Mr. Chairman. The Minister of Finance, he seems to think he doesn't have to answer any questions at all about where this money's going. What's the sense of having an interim supply Bill and a half a billion dollars and you can't tell us some of the key savings?

You going to tell me that if you hadn't cut back in Health, if you hadn't cut back in Agriculture, if you hadn't cut back in Education, if you hadn't cut back in Social Services, if you hadn't cut back on Environment, you would have had to ask for more money. And all I'm asking

is, your cut-backs that you had, if you'd never had the cut-backs, how much money would you have had to ask for in this interim supply Bill? Your officials would have to know that answer.

**Hon. Mr. Tchorzewski:** — Well, Mr. Chairman, if we hadn't made the decisions that we made, then this budget would have had a deficit of \$1.2 billion.

The member wants to know how much savings there have been in total terms, which is what I'm prepared to discuss here and not specifics of any particular department. He should know that under the directions established prior to the election and prior to November 1, this province would have had a deficit of \$1.2 billion.

Because of the decisions we made and the hard choices that we made because of our commitment to good, sound financial management, we've reduced that deficit to \$517 million. And it will be substantially lower next year until we bring a balanced budget in in four to five years, which is what the people of Saskatchewan elected us to do.

**Mr. Muirhead:** — I never asked you that, Mr. Minister. My question was, you've asked for half a billion dollars for interim supply, or \$469 million. Why did you put the . . . where did that figure come from? Why have you got that particular figure on there?

**Hon. Mr. Tchorzewski:** — Mr. Chairman, the member was not here when this all was debated the other day and I really do not think it's a good use of the time of this House to ask exactly the same questions which were asked on Thursday and again on Friday, simply to kill time at taxpayers' expense. And further to that, Mr. Speaker, as the members already have done, because we're past the time, delay grant monies to school divisions and municipalities and hospital boards who will not be able to pay some of their bills because of the tactics of the members opposite.

The answer I gave on Thursday and on Friday, and which I will give to the member now that he's here, is this: that this calculation is determined by one-twelfth of the total budget appropriation provided plus some additional expenditures clearly identified, which have been presented to the members opposite in printed form, which bring it to the figure that they are.

But it's the traditional one-twelfth, as is done with any interim supply Bill except during times when it becomes two-twelfths — and that's been known to happen under the former government and under the government before that — but it's basically one-twelfth — traditional — so that the government can be accountable on a month-by-month basis until the budget is considered in the estimates of each of the departments and the Department of Finance before this session is over.

**Mr. Muirhead:** — As usual, Mr. Minister, you get up there with all your rhetoric and try to make the people think that I didn't know what questions were asked. And this question I ask was not asked before. It's just the way you answered. The question I asked was: you ask for \$469 million interim supply. If you had have had no cut-backs,

if you had left the Department of Agriculture as is, the Department of Health, and all the departments, if it had have been on with no cut-backs, how much interim supply would you be asking for? It would have to be a different figure.

Now don't say that question was asked before, because it wasn't.

**Hon. Mr. Tchorzewski:** — Well, Mr. Chairman, we don't have that information. We don't base the budget on what it might have been. We could only know what the deficit would have been overall. I can tell the member the facts; we're dealing here with the facts. And the facts are that we're asking for one-twelfth plus whatever additional expenditures, which have been explained to the members opposite already because this is an interim supply Bill.

**Mr. Muirhead:** — Normally, Mr. Minister, this wouldn't be so important. But when you've upset the whole province by having deterrent fees and cut-backs in health, we've got people that can't pay their bills out there, we've got diabetics that don't know where they're getting their money from, we've got farmers that have been charged another 60 cents a gallon for their gasoline, they've got the FeedGAP program gone — you've just hit everybody out there, as I said before. And there has to be some figure in mind how you derived at the 469 million.

You can say, oh well, that's because it's one-twelfth of the total budget. Mr. Minister, if you had never cut back, what would the figures you would have had to ask for? That's what I'm asking you.

**Hon. Mr. Tchorzewski:** — Well, Mr. Chairman, we don't know that because we don't know what we would have decided . . . what the government would have been decided that it could afford if the circumstances were different. So I can't answer the member's question because there is no answer for it, because we're dealing with what is presented for the House today.

But I can tell the member opposite something very important. That the reason we're not running a \$1.2 billion deficit, as the PC government had they been re-elected would have done because that was their policy, is because of what Standard & Poor's said to everybody who cared to pay attention today. And they said, and I quote, and they talked about the debt:

. . . debt that must be serviced by the province now totals almost 180 per cent of annual budget revenues. This burden is substantially higher than for other Canadian provinces and is a function of large budgetary deficits in recent years . . .

"Large budgetary deficit in recent years" — and everybody knows who was the government in those recent years. He goes on to say:

. . . as well as sizeable provincial investments in several projects intended to diversify the economy.

And then it goes on to say that Standard and Poor's never

viewed these projects as being self-supporting.

It's because of that kind of financial situation in Saskatchewan that we have had to make some very difficult decisions and have come to a budget this year which will be in total voted \$4.2 billion in expenditures on the . . . And as a result, for the interim supply, we're asking for one-twelfth of that plus some additional money because of conditions that the member well knows, such as quarterly payments to municipalities, payments to school boards, which will reach six-twelfths by the end of the month of June and so on.

**Mr. Muirhead:** — Mr. Minister, your officials would have to be able to tell you right to the penny. You're just holding these back because . . . this one-twelfth, this interim supply, that you don't want to get off that. They'd have to be able to tell you what the saving was for all your cut-backs. And you're just not giving that information.

Now that's nothing that's too much to ask a Minister of Finance. That we've had the biggest cut-backs that this province has ever known or probably any province in this country's ever known.

I want to make a remark or two because I'm going to let . . . one of my other colleagues are going to start asking some question. You keep talking about this horrible Saskatchewan that had this great big deficit. Mr. Minister, a year ago . . . well it's in the summer of 1990, I went into the United States of America and I went into 21 states that I was never into before. And I make it a habit of stopping to talk to many people to learn. And I wanted to find out what the feeling is in other states and provinces as I'd had in my trip.

And, Mr. Minister, in the state of Alabama, the state of Texas, the state of . . . the Carolines, and all those states, in Virginia, you could stop and talk to people. And I don't remember who was a Democrat or a Republican governor, but this is the kind of feeling you would get from them: oh, we got a deficit; the economy's so bad we got a deficit, and if we could just get rid of that Democrat governor, it would be all right.

The next state would say, if we could just get rid of that Republican governor, we would be all right. And we got a deficit, deficit. Every state I asked had a deficit. There was nobody running in the blue.

All right, I get back to Saskatchewan. They said the same thing here, that oh if we could just get rid of the member from Estevan and get rid of the member from . . . the Prime Minister of Canada we'd be all right. It's all over North America they're saying the same thing. But now they're saying, we would never have voted NDP if we had have known you were going to do this. You've just thrown the people right off stride. It's the talk of every coffee row in this country. And our past premier brought it up today, the member of Estevan, very clearly to you and to the Premier — very, very clearly — that why aren't you listening to people out there.

(1545)

You sit there so smug, you people in that front row, and

think that you can get away with this. Well I'm actually . . . as a politician I should say I'm happy because you're going to defeat yourself, but I'm not that way. I feel sorry for the province of Saskatchewan what you're doing to them. Because you're going to defeat yourself; you haven't got a chance.

You have 51 or 52 per cent of the polls and you wouldn't be more than about 42 now, and you are finished because you're not listening to the people. You're not listening to the people. You can stand up here and say you are but you're not.

Now, Mr. Minister, I'm going to turn it over to one of my other members to ask some questions.

**Mr. Swenson:** — Thank you, Mr. Chairman. Mr. Chairman, I want to deal with a couple of issues that the member from Arm River raised earlier in the debate and that the minister was giving some answers to.

Mr. Minister, you told the Assembly a short while ago that the accumulated deficit in the province of Saskatchewan in April 1982 is about \$3.5 billion, and that included the Crown side and the Consolidated Fund. And I do agree with you, Mr. Minister, because in December 1982 the minister from Churchill Downs confirmed those figures in Public Accounts. He broke it down approximately \$3 billion on the Crown side, and your deficit on the consolidated side wasn't the surplus that had been predicted, but it was in fact about \$300 million on the debt side.

And as we know the natural resource numbers that you predicted in 1982 didn't exactly come through, they were somewhat less, and that's excusable. It was only about a \$400 million mistake but it was . . . that happens when international commodity prices drop. So that confirmation by yourself today is important because it says that the debt of the province at that time was about three and a half billion dollars.

In discussing this with people in the financial community they tell me that you will — given the interest rates, the government interest rates of the past decade — that you would double that number every seven and a half years. And I think your Minister of Finance could . . . your staff would confirm that. So let's be kind and say that even though 10 years have passed, it simply doubled.

Mr. Minister, in this same committee last year when the member from Elphinstone was questioning the Minister of Finance about the remaining \$7.9 billion in his terms, he asked the minister for a list of where the money went. And the minister — and I presume relying on numbers given to him by his officials — went through the list for the member from Elphinstone.

And I'll just remind you of what the verbatim said at that time. It was broken down in this way in the response to the member from Elphinstone, and these are rounded off numbers: \$717 million in the Agricultural Credit Corporation; Crown Investment Corporation of Saskatchewan, \$2.6 billion; Municipal Financing Corporation about \$120 million; Saskatchewan Crop Insurance, \$202 million; Saskatchewan Economic

Development Corporation, about \$175 million; Saskatchewan Housing Corporation, \$317 million; Saskatchewan Power Corporation, about \$1.9 billion which would include the debt of SaskEnergy and the power side; Saskatchewan Property Management Corporation, about \$750 million; Saskatchewan Telecommunications, SaskTel in other words, \$775 million; and Saskatchewan Water Corporation, about \$198 million. The minister was forthcoming with those figures, as provided by his officials to the member from Elphinstone.

Mr. Minister, when you add those numbers up in conjunction with what debt there was — and those numbers were provided, by the way, in 1991 dollars — wouldn't you agree, Mr. Minister, that in 1992 dollars that your deficit today amounts to about seven and a half billion dollars prior to 1982 and about seven and a half billion dollars since 1982? Would you confirm that?

**Hon. Mr. Tchorzewski:** — No I would not confirm that, because the member knows that in calculating that you'd have to have an inflation rate of about 7 per cent CPI (consumer price index) and it was never that over that period of time.

**Mr. Swenson:** — Mr. Minister, I was giving you the benefit of the doubt. The financial people are telling me seven and a half years is the amount of time it would take to double that amount of money given the interest rates that applied during that decade.

I said I'm giving you the benefit of the doubt of 10 years. So you can take your CPI or whatever number you want to throw to it and you're going to come up with a doubling of that number since 1982.

And I sat through enough budget briefings, Mr. Minister. I saw the officials from the Department of Finance provide numbers on how things grow in this country to realize that over a 10-year period of time you would have had it doubling.

And I think the questions the member from Arm River were asking you in discussing this interim supply, it's important that you put those in 1992 dollars. Not 1982; 1992 dollars, Mr. Minister. Given that it's ten years instead of seven and a half, won't you agree that three and a half billion dollars would double?

**Hon. Mr. Tchorzewski:** — Mr. Chairman, that's assuming that you want to use the same kind of logic and the same kind of mathematics and the same kind of approach as the members did when they were on this side of the House as a government.

Some of the debt that was there in 1982 was repaid during the period of those 10 years because it came due. And therefore money that was borrowed at particular interest rates prior to that time would have been repaid and refinanced by the former government in newer dollars. So you can't just take a straight number and apply it, whether it's consumer price index or interest rates, and come up with that kind of a figure. And the member opposite knows that, or if he doesn't know that then he's obviously been consulting some of the same kind of people that he

consulted when he was on the treasury benches which created the situation which we face today.

Let me put it into perspective, Mr. Chairman. For 75 years in the province of Saskatchewan, in 75 years this province built two universities, built the most extensive road and highway system in all of Canada — more extensive than any other province — built schools and hospitals, built all kinds of infrastructure, electrified Saskatchewan and rural Saskatchewan, provided telephone service to almost every place in the province of Saskatchewan. And you know, Mr. Chairman, we accumulated during that period of time of 75 years, an accumulated debt of \$3.5 billion.

In 10 years, the members opposite built nothing. They sold off the Potash Corporation of Saskatchewan at a loss, they sold off Cameco shares at a loss, they paid former colleagues and cabinet ministers exorbitant salaries as patronage by working for the government, and in that period of time of 10 years, raised the debt from \$3.5 billion to \$15 billion. That's the perspective in which one has to consider this.

And the reason the member for Morse is so animated — because he doesn't like to hear these facts. And if I were him, if I were him knowing that I had been on this side of the House when all of that horrible mismanagement took place, I would be irritated, too, because I would not want to show my face to the public anywhere in Saskatchewan as long as they remembered what the Conservative government did to Saskatchewan.

**Mr. Swenson:** — Well, Mr. Chairman, it's interesting listening to the response from the Finance minister today. At no point in the discussion will he convert those numbers to 1992 dollars. If it's not 7.1 or \$7.2 billion, then tell us what it is.

But it's interesting, you know, that we had an expansion at the Lanigan potash mine that that minister and his government started. It ended up costing the Saskatchewan taxpayer \$600 million by the time it was done. And I can bet you that some of the evaluation put on the shares of PCS prior to 1982 had that expansion built in. The minister always likes to talk about his capital assets and how much they were worth to the people of Saskatchewan.

When all got said and done, Lanigan cost the taxpayer of Saskatchewan a tonne of money in a falling potash market. Those numbers are in there, that debt that the minister doesn't want to put in 1992 dollars. Every dime spent on the Lanigan expansion is a credit to that minister there and his government — every dime.

Because what do you do, Mr. Chairman, with a half-finished shaft at a potash mine? You got two choices: you can either fill it in, fill it full of garbage from around the mine, or you complete it. You don't have any other choice.

So an expansion in a falling market, when the province of Saskatchewan didn't need any more potash on, had to be completed. Just as the same as the minister today is completing projects started by the former government.

But a project of the same magnitude as Saskferco, a project of the same magnitude, bigger than Millar Western, a project of the same magnitude as the paper mill at Weyerhaeuser, and yet the minister roundly criticizes . . . he falls back on Standard and Poor's. Standard and Poor's says these are questionable projects.

Well there isn't one of those projects that when Donald Gass was reviewing them — Saskferco, for sure — said was a good investment, that that project will return to the Saskatchewan taxpayer in a very short time its initial investment.

Matter of fact, the minister's own economic review in December '91 singled out almost every one of those large capital projects as being the only growth factor in the provincial economy in 1992; that the jobs associated with them, that the income tax associated with them, that the spin-offs identified with all of those capital projects were the only reason that Saskatchewan would have a growth rate, at that time predicted by the minister of around 2 per cent, were the only reason that it would occur. Hardly any of them have had an opportunity to have a finished project come out of them yet.

Very similar to the Lanigan expansion, large commitments of taxpayers' dollars. Lanigan is producing potash today, producing it at a far less price than what the minister projected. I believe the figure he used in the 1982 budget was \$180 a tonne and he can confirm that if he would like. In fact potash today probably is around \$108 a tonne. In his projections of '82 on basis of the Lanigan expansion, it was nearly double that.

Mr. Minister, what you're going to have to do to put this committee moving ahead is start putting your numbers in 1992 and come clean with the committee and the people that half the debt in the province of Saskatchewan today was tied to debt prior to 1982 and that much of the debt in the province today, much of the debt in the province today is indeed tied to capital projects — capital projects that haven't had an opportunity to produce any finished product to make a return to Saskatchewan taxpayers. Is that not correct, Mr. Minister?

**Hon. Mr. Tchorzewski:** — No, Mr. Chairman, it is not correct. What the member says opposite has no bearing on fact whatsoever. I want to just correct him on some fact, and I will have in this House for the next little while some documentation which will support what I've got to say.

The decision on phase 2 expansion of the potash mine at Lanigan was made by the former PC government. They made that decision in spite of the advice that they were given not to proceed. That's well documented. As a matter of fact the minister of the day is . . .

**An Hon. Member:** — What advice did you get?

**Hon. Mr. Tchorzewski:** — Well the member from Morse is excited again, Mr. Speaker, because he doesn't like the truth, because he's embarrassed once again by the truth which he was a part of.

But the Potash Corporation expansion at Lanigan, Mr.

Chairman, was a decision of the former government contrary to the advice that they got, advice which said that was not the right time to proceed. The annual report tabled by the former government right after that boasted about this decision which they made to expand the PCS mine at Lanigan at an inappropriate time. Their responsibility, another example of the kind of mismanagement that they perpetrated on the people of Saskatchewan in 10 years.

I also want to say something else, that today PCS is producing at one-half of its capacity. Why is it producing at one-half of its capacity, Mr. Chairman? Because the members opposite privatized the Potash Corporation of Saskatchewan, turned it over to interests in the United States which are running the Potash Corporation in the interests of mines in New Mexico which are higher-cost producing mines, are setting up the Potash Corporation in such a way to allow those mines and produce and creating extra competition. The private sector mines are going three-quarter to 100 per cent capacity, even in Saskatchewan, but PCS is producing at one-half capacity because of decisions that the members opposite made.

(1600)

Is today's debt . . . was the prior-to-1982 debt one-half of today's debt? Absolutely not, Mr. Chairman. The debt in 1982 was \$3.5 billion accumulated, almost all of it self-liquidating, not a burden on the taxpayer. Today we have a debt which is \$13.5 billion, and if you add the interest . . . the guaranteed debt, it is \$15 billion, almost all of that . . . all of that accumulated — other than the 3.5 billion that was there in 1982 — accumulated in the last 10 years.

Even using the member from Thunder Creek's strange logic, where he's not prepared to accept the fact that some of the debt from '82 would have rolled over . . . In fact most of it or a lot of it would have been paid off because the bonds would have been due. Even if you use the simplistic arithmetic that he uses, the most that you could — if you convert it into 1992 dollars — the most it could amount to would be about \$5.5 billion.

But you can't make that kind of a conversion because a lot of it would not have been a debt from that period of time. It would've been new debt which would've had to be refinanced during the period of time when the member opposite was on the treasury benches.

**Mr. Swenson:** — Well, Mr. Chairman, we're making progress. We've got the minister to 5.5 billion now.

Mr. Chairman, there is no denying that the unfunded pension liabilities that exist in this province — in 1982 dollars and according to the member from Churchill Downs in December 1982 said — were \$2.9 billion, okay, total on that side.

Now those unfunded liabilities have grown. Some of the members of the current government are in that category. We know that the member from Riversdale alone has an unfunded pension liability of one and a half million dollars — one and a half million. And the reason that is so large is because that over time that money every seven

years compounds. That's a fact of life.

If the member from Riversdale can stay in this legislature for another quarter of a century, I suspect it'll be about \$3 million because that's the way the pension fund works. Okay. Now he may do that. I don't know. But the Minister of Finance knows that. His own pension is tied to that old plan, and it will go up like that. If he stays here long enough, maybe his will get that big too. I don't know.

But there's some simple facts, Mr. Minister, that those things grow. A lot of it was there prior too. And you can't get around that. So I'm glad you've come to the point of 5.5, and I'm sure if you do a little more conferring you'll find that it's even larger than that.

And that's the problem, Mr. Minister, we've had in this whole debate. Last year when the minister of Finance went through the numbers for the member from Elphinstone and said where the money was, in many of these areas now you have chosen to take any debt attached to a particular area as outlined by the member from Weyburn. You have pulled all that debt into the Consolidated Fund, all into the Consolidated Fund and attached it to '91-92.

A lot of this debt was ongoing. You have chosen, as was pointed out today in question period, to assume all of that debt in the current account of government. And by doing so, you have incurred debt costs that are very large.

Now, Mr. Minister, we're going to need you — before we're said and done in this committee, as we asked you on Friday, as we asked you earlier in committee — to convert those debt costs from back before to 1992 dollars, to show this committee exactly what you've done. And if you have incurred a whole bunch of more debt costs in that particular year to service that debt, then we need to know about it. And we believe that in this interim supply Bill, that by doing that you have changed numbers dramatically the government works with. And that's why we're asking these questions, Mr. Minister.

**Hon. Mr. Tchorzewski:** — Mr. Chairman, this interim supply Bill changes no numbers. This interim supply Bill deals only with expenditures the departments are required to expend in the month of June, nothing else. They deal nothing with the debt; they deal nothing with the interest on the debt, and therefore those questions that the members opposite are asking do not apply on the interim supply Bill because this Bill does not apply.

Here is what the interim supply Bill deals with, Mr. Chairman. And I want the public of Saskatchewan to take note. And they have already started to take note because we already are getting telephone calls from Social Services agencies and from Education divisions throughout Saskatchewan who are being forced to access their lines of credit at great expense because of the delays that the member opposite have brought about on this interim supply Bill, for no reason other than to put in time because they're not ready to consider any of the other business of the House. Because the members opposite have not spent the time to prepare themselves for the Bills which are before the House or for the various estimates of the various departments where they should be asking

these specific questions.

They are delaying of this House; they're delaying this interim supply Bill. And what they have done is this. School boards should have been receiving their funding by around May 31. Already some school boards are having to access lines of credit which is going to cost them interest dollars which they can sorely afford during times of restraint. There is something in the area of 200 funded agencies that receive funds from the province by contractual obligation from the Department of Social Services. They should be getting those funds on June 1 which I believe is today. When they can't receive those funds because of the tactics of the members opposite in delaying the interim supply Bill, those 200 Social Services agencies are going to have to go and access some money or stop the services which they are delivering to people in need.

And be it on the heads of the member opposite who for no good reason are delaying this interim supply Bill when those results are making an impact on people who receive the services and the taxpayers in their constituencies who are going to have to shell out more money because their school divisions are now going to have to borrow money in order to operate because the member from Arm River and the member from Thunder Creek have not allowed them to get paid because they have not allowed this interim supply Bill to proceed.

**Mr. Swenson:** — Well, Mr. Chairman, it's very interesting. The member, the Minister of Finance, is now trying to blame his fiscal mismanagement on the members of the legislature. We're asking questions far, far broader than what the members of that party asked in the same committee.

May 6 is the verbatim that I'm working off of, Mr. Chairman. Even in the long list of items that the minister of Finance provided to the then member from Elphinstone, even went on to include things like the land bank land that the member from Morse was asking about yesterday, the \$185 million that seems to have disappeared off the books of Saskatchewan. Capital grants, University of Saskatchewan, \$2.2 million; Saskatchewan municipalities, 4.495 million. These were the kind of numbers that the minister of Finance was providing to questioning in interim supply last year at this same time.

So I think members of the House on this side are quite legitimate in asking them and we certainly haven't had the responses from the Minister of Finance that the member from Weyburn was even giving last year to members. At least the minister of Finance last year was itemizing all of the issues, itemizing all of the areas, doing it in 1991 dollars for the member, not 1982 dollars, and giving some straight answers.

And we can't even get that out of the member. So I think it's a little poor for the member to stand and say that these people are keeping the poor of the province, they're keeping our various infrastructural areas from getting their money.

I am sure, Mr. Minister, that your officials, knowing them as well as I do, have salted away a little bit for the rainy

day that might come along that I'm sure, given . . . And the thing, Mr. Minister, I think that you should provide the House, seeing as we're dealing with nearly a third of the province's expenditures without a budget, that we should have exactly the amount that was garnered in the two special warrants, the dates that they were issued on, the dates that they were issued on, they in conjunction with this particular interim supply Bill, what the total is, so that we know exactly what those three items add up to.

**Hon. Mr. Tchorzewski:** — Just enough to hold up the House, Mr. Chairman. We've got that. We'll get it right away. I'll give you the number of each of the special warrants as soon as my staff has identified it.

**Mr. Swenson:** — Thank you, Mr. Minister. That will be appreciated.

Now, Mr. Minister, as I was saying earlier in my remarks, the total debt of the province was very important to this committee last year, and we think it's very important for the committee this year because of some extraordinary things that you have done in your capacity as Finance minister by taking the debt from every conceivable area, rolling it into '91-92, showing it now in the consolidated side rather than in any of the Crown corporations.

And I think, Mr. Minister, that even though everyone in Canada is now looking at changing their accounting systems to move to a new style of government, if you will, that you have been less than honest with Saskatchewan taxpayers by mixing and matching your numbers all the time.

And that's why we would like you to put those numbers in 1992 dollars — your debt from prior to 1982, debt that occurred since then but was accounted in the old way — and put it in perspective for us in this committee so that we can view the entire package using one accounting system or the other. Not mixing and matching all the time like you want to do.

**Hon. Mr. Tchorzewski:** — Mr. Chairman, the debt hasn't changed. The member and the House knows that the debt hasn't changed. It doesn't matter where the debt is; it still is a debt. It's an obligation. It has to be serviced with interest charges, and it has to be repaid.

So no matter how and where the debt may be written off . . . Because it's now written down in the appropriate places, there's no more hiding of that debt. The debt in 1992, June 1, is the same as it was a month from now because the total debt does not change, and it has not changed.

There is a full and complete explanation of the Consolidated Fund statement of debt on page 61 of the budget speech. It's clear. It's precise. It's presented in the form that the former government probably never provided it because they did not like to disclose to the Saskatchewan public what the full extent of the debt was.

This statement shows where the debt is in the Crown corporations, by each of the Crown corporations, from Agricultural Credit Corporation to SaskEnergy. This statement on page 61 shows the debt on the Consolidated Fund. And it shows that the accumulated debt, the gross

debt, less sinking funds, plus the guaranteed interest is \$14.979 billion — almost \$15 billion.

One cannot be more clear than that. It's there for all to see. That debt was there prior to this budget, that debt was there prior to November 1 when the government changed, and that debt is still there. That hasn't changed, and I think the member opposite knows that.

(1615)

**Mr. Swenson:** — The minister, Mr. Chairman, still refuses to skate around, still refuses to answer the question that we've been asking all along, to put all of those numbers . . . And I go back again, December 1, 1982, Public Accounts, where Mr. Sawchuk is answering questions in the committee. And he's talking about the teachers' unfunded liability. He's talking about \$911 million — nearly a billion dollars. And in his statements he says that there might be 20 million in there now — there might be 20 — but basically there is no real money in the fund.

Well, Mr. Chairman, that liability that was talked about here has doubled by now. There is no question. Because the practice of government until about 1986-87 was to simply meet the current year's demands on that account. Then there was an attempt to build up a surplus in the account which would look after some of that liability.

Mr. Minister, because of numbers like this that everyone knows are around, we are saying that you have to put these debt numbers in a better perspective for people than what you have done. Because what you have done, for instance, taking an equity investment and then in turn calling it a write-down simply isn't an accurate way, I don't think, Mr. Minister, of reflecting the debt of the province.

You have an equity investment in the Bi-Provincial upgrader. You're saying that that equity investment is now a debt liability. And I don't think, Mr. Minister, that by what you're doing by taking all of those write-downs in one particular year is in the best interests of the province of Saskatchewan. It may be in your best political interest. It's in your best political interest because it accentuates the arguments that you make all the time, and it also allows you later down the road to make significant capital gains.

I mean if you were going to take the process further, I suppose you might as well have written off the equity investment in Saskferco so that every tonne of fertilizer sold from now till eternity has a clear profit built into it for you. Because that's what in effect you're doing. You've taken your write-down on Cameco Corporation, you've taken your write-down on PCS, paper numbers that were based, I submit, on numbers designed by the former NDP government basis a number of things: basis projected prices for potash, basis projected ongoing costs of the PCS corporation, basis capital investments on buildings and infrastructure and mines and that type of thing.

And at the end of the day you came up with a share value, a share value that I would submit to you, Mr. Minister, if the same evaluation process had been used during the 1980s instead of the 1970s would've resulted in a far

different share value than what you had on the books attributed to the Potash Corporation, because you didn't have potash prices as high. You didn't have newly acquired mines to attach value to.

And, Mr. Minister, there are a lot of people out there that claim that you got taken to the cleaners when you purchased those mines, that that capital value that you attached to those mines was overinflated because you got taken to the cleaners when that asset was bought. And by doing that, you attached a figure to it, a paper figure, a book value figure that you're now basing a write-down on; a book value figure that was inflated; that if it'd been done in the 1980s would've come nowhere close to that number.

And yet you take a write-down; you load it all up into one particular year. By doing that you incur debt costs to the province of Saskatchewan, because you've taken all of those write-downs in one particular year. You'll have debt costs attached to service that debt.

And it's no wonder, Mr. Minister, that you have a downgrade in your credit rating, because many people out there — the same agencies, the very same agencies that review these things — have said that those debt write-downs weren't necessary. And I'm sure at the time that you bought those mines and you assigned capital value to much of PCS probably said that you have bought an inflated price. You have bought an inflated investment. And you can't attach the value that you did to it. And that's why, Mr. Minister, it's important for us to know these numbers.

**Hon. Mr. Tchorzewski:** — Well, Mr. Chairman, in order to respond to a question the member asked earlier, we now have the information that the special warrant in April was \$316.925 million. The special warrant in May was \$360.882 million. That's the answer to the question.

I just want to correct the member opposite, because either he is confused or he is deliberately trying to confuse the issue. I'm not going to speculate on that. But he keeps coming back to somehow that the accounting changes have changed the debt. I want the member from Thunder Creek to listen. And for the information of the member for Thunder Creek, the accounting rules have not changed in the treatment of the overall debt of the province. There has been absolutely no change in the accounting rules as they apply to the treatment of the overall debt, so there is no change in the overall debt. It is the same as it would have been under any kind of circumstances.

Now one other thing that the member should know, or some first-year accounting student ought to be able to tell him, that he talks about somehow equity is not debt. Well I want to say to the House and the member from Thunder Creek, that to make an equity investment, you have to have the money. To make an equity investment, you have to have the money to put into this equity investment.

Now because the government under the Conservative administration blew all their money, to complicate things even more they had to borrow the money to make the equity investment. Now, Mr. Chairman, that is a debt. Because those investments are not paying a return,

interest on that borrowed money has to be paid. The taxpayer is paying the interest. Ultimately the money that was borrowed has to be repaid when the bonds come due, or refinanced. That is a debt. But the rules have not changed, as the accounting rules have not changed as to how the debt is reported, so nothing is changed.

The member uses some comment about being taken to the cleaners. Yes, there was a taking to the cleaners in PCS. But the people of Saskatchewan were taken to the cleaners when the PCS was privatized and the former government for straight political, ideological reasons sold PCS at a loss of \$442 million. That has been documented by auditors, that has been documented by Gass in his commission report, that has been documented by Ernst & Young, and those statements and numbers cannot be refuted. That's when the people of Saskatchewan were taken to the cleaners, Mr. Chairman.

**Mr. Swenson:** — Well, Mr. Chairman, I admit that I am not a graduate of the school of Administration or Commerce. But there are a few things that are fairly basic in Saskatchewan. What the minister is saying is that every farmer in this province who ever went out and borrowed money to buy a tractor or a piece of land should have done it with cash, and not borrowed money. That that equity investment that I make each and every year on my farm doesn't have the potential to return a profit to my farming operation down the road.

When the point was made to the minister earlier on in debate that a number of the areas in which he has taken a write-down have not yet even had the opportunity to produce a product means that in the future . . . the same as the farmer buys a piece of equipment or a business man invests in a piece of infrastructure that returns investment sometimes many fold over back into that business at a later day.

The Minister of Finance can't stand here and tell us today in this legislature that the former NDP government bought the potash mines without any borrowed money. You wouldn't have had unfunded liabilities in the pension plans, in the formula plan, if they hadn't been out there borrowing money to buy potash mines.

**An Hon. Member:** — Borrowed from New York.

**Mr. Swenson:** — Borrowed from New York, as my colleague says. But they borrowed the money in the belief that they would buy all of these mines, and I submit at an inflated value, that that money would go into the hands of various American corporations, in fact flee our country. The only money of that borrowed money that was used in Canada was to build a potash mine in the province of New Brunswick.

The money was taken . . . It was borrowed in this province, it was taken out of this country, and then it was reinvested back in the province of New Brunswick to a mine that fully produces 8 per cent of the world's potash today — is what that mine in New Brunswick does.

And that is built with money paid to that company by the province of Saskatchewan — borrowed money. So the minister doesn't need to lecture this side on the use of

borrowed money and capital investments.

What this minister is saying is that the capital investments of the former government, which he has now written down, written off, will never return a dime to the taxpayer of this province; that if the shares of Cameco Corporation go to 18 or \$19 that the Government of Saskatchewan, on its remaining shares, will not receive a capital gain. That's what the minister is saying.

I find that very hard to believe. Because if you've written off all the debt, at some point you have a debt-free operation. The same as if somebody were to write off my tractor that I borrowed money for. If I'd borrowed money from a finance agency or the equipment company to buy that tractor and then somebody writes it off, that that tractor won't produce profits for me down the road. Because that's why every farmer goes out and uses borrowed money — to buy capital assets that he in turn depreciates over time; and while he's depreciating that asset, makes money on his farm or hopes to make money on his farm.

And the minister is saying the government doesn't work like that at all. The government should never do that. When in fact their own past history is that they have done that. They've gone out and borrowed money to buy capital assets in the belief that they would make a profit in the future.

**Hon. Mr. Tchorzewski:** — Mr. Chairman, let me try to help the House in coming to grips with this strange line of logic and this strange line of question. I want to ask the member opposite, since he wants to talk about his debt and his government's debt, how does he think that \$3.5 million that was invested in GigaText is going to get a return to the Saskatchewan public? The member may want to comment on that.

I want to ask the member from Thunder Creek how the \$8 million which he lost and his government lost in Supercart International because of nice cushy little political manoeuvrings is going to bring a return on the investment? I want to ask the member opposite if he doesn't mind commenting on Joytec, the failure which cost the Saskatchewan taxpayers \$5.2 million. What of return can we, the taxpayers, expect on this marvellous investment by the former PC government? Or High R Doors which lost half a million dollars? Or Austrak Machinery Corporation which lost \$700,000? Or Pro-Star Mills Limited which lost \$490,000? Or Nardei Fabricators Limited which was officially opened six days before the provincial election in 1986 and shut down four days after the election after the government had pumped in \$600,000?

These are the kinds of investments, Mr. Chairman, that have caused the need to write off some of this huge amount of debt which has in no way the capacity to repay the investment.

I refer the House and you, Mr. Chairman, to the Crown Investments Corporation annual report, 1991. Now here's a great story of the Saskatchewan Diversification Corporation. There was \$450,000 into Trinitel International, \$250,000 into Contact Technologies Inc.,

\$150,000 into Redvers Agriboard Industrial Ltd., and goes on and on and on. Where in heavens name is there going to be a return on any of this since all of those outfits have gone broke? Marvellous investments that were brought about by the members opposite.

And I don't know whether the member for Thunder Creek was the minister in charge of SEDCO or not — something tells me that he was for a while. And he was one of those who'd made a decision on some of those investments. No wonder he's so defensive here today, because he knows that when the Crown Corporations considers SEDCO, which he was the minister of, there will be an amazing story of mismanagement and decisions made by he, as the minister, contrary to the advice of the management which said, don't lend the money; this is a bad deal. And he and his board said, we're going to give the money because these are good guys; they hold Progressive Conservative membership cards.

(1630)

Now, Mr. Speaker, there were other things that can be shown in the Crown Investments Corporation of Saskatchewan annual report. There was a loss of investment in Cameco, 189 million; write-down of investment in Bi-Provincial upgrader, a joint venture, 63 million; grant to MLPLP (Meadow Lake Pulp Limited Partnership), 50 million; write-down to debenture from Weyerhaeuser Canada Ltd., \$47 million.

Now I want to comment about that one. We have written off, the province has written off, \$47 million, \$47,316,000, because of the privatization deal that the members opposite made where Weyerhaeuser on a debenture of \$236 million, a debenture at a subsidized interest rate of eight and three-quarters per cent, not one single penny of that investment has yet been repaid — that loan — not one single penny. And because of the deal that they wrote into that contract, the company does not even have to pay the interest charges unless it makes a fairly significant profit, which has cost the province on top of all that a write-off of \$47 million. And the list goes on and on.

Mr. Chairman, if you look at the budget speech document again, you will see all of the write-offs that have had to be provided. Let me say this about those write-offs. They are write-offs because each and every one of them has no asset. Each of those write-offs has no asset which has the earning capacity to repay the debt; can't pay the interest, can't pay the debt because there is no asset to do it with.

So what is supposed to be done? Are we supposed to in this legislature pretend that it doesn't exist? Well we can't do that because the former Conservative government went out and borrowed the money. We have this debt that they borrowed the money for, but we have absolutely no assets with any capacity to earn any income, not so much to pay the capital, but not even the capacity to pay the interest on the capital that was borrowed. So there are no assets to support any of this and that's why, as you would do in any business enterprise, you have to write it off. It then becomes a liability of the Consolidated Fund and it becomes part of the accumulated debt, which the taxpayer has to pay.

And it was caused by the members opposite. They made these decisions. They squandered the taxpayers' money. They made deals with all kinds of special-interest groups closely connected to the premier and to the member from Thunder Creek and to the member from Rosthern. People who were friends of theirs were given tens and hundreds of millions of dollars which they knew would not return anything to the Saskatchewan people, but it was a way of rewarding their friends. And because of that, Mr. Chairman, the Saskatchewan taxpayer today has to pay a price. And the price is a debt of \$15 billion. The price is interest on the debt this year of \$760 million.

So just think, Mr. Chairman, think what we could do with \$760 million if we didn't have to pay it on interest on the debt — \$760 million.

**An Hon. Member:** — Buy some more potash mines.

**Hon. Mr. Tchorzewski:** — The member from Kindersley says buy some more potash mines. Well I'll tell you, Mr. Chairman, we'd be far better off with a potash corporation that's paying dividends to the province of Saskatchewan than we are with a potash corporation which was sold and has left a debt, with no assets for the taxpayer, of \$442 million, which is your decision.

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

**Hon. Mr. Tchorzewski:** — Yes, absolutely we'd be better off than we are today. There is no denying that. But I say to the member from Kindersley to contemplate for a while, contemplate for a while, contemplate what we could do with \$760 million which we now have to pay as interest on the public debt. For one thing we wouldn't have had a \$516 million deficit; we would have had a \$242 million surplus. That's one thing.

It's right here for the member to read. And if he has trouble with that, he can find any of his colleagues to help him out. With \$760 million which we paid in interest on the public debt, Mr. Chairman, we could have provided more money to our education system. We could have provided more money to our health care system. The government could have provided more money in revenue sharing to municipalities. Why is it not possible to provide additional money beyond what's here?

Because this province is almost broke. Why is it broke? Because we have to pay an interest this year of \$760 million, almost every cent of it created by the Tory government in 10 years when they wasted their way away on this side of the House, on the treasury benches in keeping with the former premier, the member from Estevan's philosophy when he said in New York: this province has so much going for it we can afford to mismanage it and still break even.

And I say to you, Mr. Chairman, I will never forget those words, and I will repeat them for many, many days and years because the people of Saskatchewan know it was that kind of mismanagement, that kind of irresponsible attitude, that brought us to where we are today. And those members, the 10 of them that are there temporarily, better remember that because three or four years from now

when the next provincial election is on, the people of Saskatchewan will still be talking about it, and they will remember.

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

**Mr. Swenson:** — Thank you, Mr. Chairman. Well it's interesting to receive a lecture from the former minister of Finance prior to 1982. And the minister's right. I was the minister of SEDCO. Unfortunately I did have about \$58 million on my books of bad debt from the previous administration that I couldn't do much about, but I didn't write it all off in one particular year.

Many of the things that SEDCO was involved with, many of the things that SEDCO is involved with, are trying to create jobs, particularly in rural Saskatchewan. And I do know quite a bit about some of the projects that he talks about. I do know about the attempts to start a business in Redvers that would take straw and make particle board that could be used in the home industry. Whether it works or whether it doesn't, Mr. Chairman, is no different than the long list that I have before me from the previous government.

You know I can go through areas where the former government also wasted the taxpayers' money. And some of them were written off because there was nothing else you could do with it. You had SGI's reinsurance debacle. And I will put my numbers in '92 dollars, Mr. Minister, even though you won't. And these you can check. I'm sure your officials can take and do a little multiplication. Forty-seven point six million dollars on that little ditty.

Rogers Lumber, \$4.2 million in '91 dollars; Fibre Form, \$2.1 million. Do you remember some of these, Mr. Minister? Shane Industries, 245,000; Pro Star Mills, 5.6 million; Prairie Malt, 39 million; Snoasis, 840,000; Golden Acres Motel, 305,000.

You know, Mr. Minister, I can go through the same type of lists. We ended up having to write down some of these because they simply, as you say, weren't going to work. And I suspect that there will be some . . . there will be some come along, some that will come along between 1982 and 1992 that you're still going to have to write off because something will change out there and those particular companies and industries . . . the dreams many times of Saskatchewan people, will not work. And they won't work for a number of reasons. But they aren't all tied to how well government necessarily manages.

You know it's interesting, Mr. Minister, you make comments about the Potash Corporation, how wonderful it was. The international accounting firm of Arthur Anderson examined the performance of this company from 1975 to 1987. Arthur Anderson's report showed that by paying too much for the mines and through poor management the potash adventure had cost Saskatchewan people over \$1.13 billion in '91 dollars.

So there's no question, Mr. Minister — no question, Mr. Minister — that when you finally do put something on the market that you should have never owned in the first place, and you allow the market to put a true evaluation on what the asset is worth, then you might come up with a

divergent figure.

But I'll say to you, Mr. Minister, if there's a paper write-down associated with what you're doing, your government bears full responsibility for it because you padded the numbers in the first place. Arthur Anderson's accounting firm isn't here in the province of Saskatchewan. That was an independent analysis.

And you can talk about PAPCO (Prince Albert Pulp Company) all you want, but PAPCO was losing \$91,000 a day. You want to put that in '91 dollars. Between 1985, that totalled \$204 million down the tube. And you know what? There's another thousand people working there.

Now I don't know what the average wage is up there these days, Mr. Minister, but I suspect after the last budget you're probably picking their pockets for around 10 to \$15,000 apiece. Every one of those thousand good, unionized jobs are probably up there in that 18 to \$20 an hour range — be lots of them. And I suspect you're picking their pocket plenty after the last budget. And all that money's going into the Saskatchewan economy, every last job in that paper mill.

And before that it was simply going down a drain. It was gone, because your investment there between '81 and '85 had already cost Saskatchewan taxpayers \$204 million.

Now I'm saying you went out and you bought shares in Agra Industries in the '70s, and by the time it was all said and done you had lost a million six on Agra Industries. And you went out and you bought shares in Intercon, and by all the time said and done we're down \$7.2 million. I mean you went out and you bought into a whole bunch of things that you shouldn't have been in. You overvalued the shares as always. And all of a sudden there's a big loss.

I have no doubt in my mind, Mr. Minister, that there was a loss, a paper loss, associated with potash.

**An Hon. Member:** — A paper loss?

**Mr. Swenson:** — A paper loss because according to Arthur Anderson you had a billion point one three messed up in there, and there's a big difference between what you're writing off, Mr. Minister.

So I can go on and on and on about the follies of the NDP administration of the '70s. And I suspect there's probably, I don't know, 150 million \$200 million that was lost on various projects. You've said that we lost some money, and I admit we did. I admit we did, Mr. Minister. No question about it. No question about it. We did. But I suppose you can take the Nabus and you take the GigaTexts and you stack them up one by each, and all you can do is try not to make the same mistake twice on stuff like that. And I hope you take that attitude, that you don't make the same mistake twice.

But I'm saying, Mr. Minister, there was a ton of debt out there; a ton of debt that could be attributed to the former government. And this committee needs you to take those numbers and put them in '92 numbers so that we get a true perspective on it, because that's the only way we're

going to be able to go through these interim supply Bills. And my guess is there's going to be another one before all is said and done. And you will have spent over a third of the budget for this year before there's a budget passed in this House.

And, Mr. Minister, by taking all of these write-downs, by piling all that debt up in one particular year for your political ends, we aren't going to know exactly where this province's finances are until you come clean with those numbers. And I think you're going to have to do that, Mr. Minister.

**Mr. Martens:** — I think, Mr. Chairman, I'd like to hear a response from the minister about the observations that were made from the member from Thunder Creek. I want, first of all, for him to acknowledge that there were those kinds of things that he did as the minister of Finance in the '70s.

I believe that that's what we have to establish. He wants to assume that all of the debt that was ever accumulated was accumulated in the last 10 years. We have *Public Accounts* records that indicate . . . And these are people who worked in the Public Service Commission superannuation. We have documents here. We'll provide that to you. You'll know where they are. But they will show that there was \$5 billion worth of debt in the unfunded liabilities.

And you said that that really has no meaning for the people of the province of Saskatchewan — that doesn't expand itself. I'd like to hear your response to what you think about your teachers' superannuation fund that you are a part of and that is unfunded by you.

(1645)

**Hon. Mr. Tchorzewski:** — Well my response is this, Mr. Chairman — that in 1976 or 1978, 1976, the former government, not the former PC government but the New Democratic Party government, took steps to address the pension situation in Saskatchewan and introduced both for teachers and in the public sector, the public service, a fully funded, money purchased plan so that what's left are people who are long-standing employees. And the numbers there are reducing there every year as they superannuate. Steps were taken in 1978, I believe it was, to address that situation. It was taken by an NDP government, and that's why we are far better off than we would have been had we not taken those steps.

Now the unfortunate thing that happened, that until 1987 there was an accumulation of surpluses in that pension plan. One of the members opposite there mentioned that, and that was okay. What wasn't okay, that the member from Morse and his colleagues in 1987 and each year after began to plunder those accumulated surpluses and use that money for the purposes of the Consolidated Fund expenditures and made the situation even worse.

Now I didn't respond to the member from Thunder Creek because I didn't think he said anything particularly important. And he certainly didn't have a question. And I'm here to ask questions . . . to answer questions. But since the member from Morse raised the issue, I will

respond.

I want to say this, and I want to refer back to page 81 of the Gass Commission report, the Saskatchewan Financial Management Review Commission. And here is what Mr. Gass and his commission said about the squandering of \$442 million in the privatization of the Potash Corporation of Saskatchewan, said the following. This is part of good business and good management is timing. You do things because it's of greatest benefit rather than doing things because it's politically appropriate.

And what the commission said was that:

The timing of the sale of the Province's shares in the Potash Corporation of Saskatchewan was contrary to the advice provided by the Crown Management Board's external advisors . . . we have concluded that the timing of the issue resulted in a loss to the Province. We were unable to find any documentation to support the Government's reasons for overriding the recommendations of its advisors.

That kind of political decision making, contrary to economic and financial advice, caused the loss of \$442 million which is now part of the public debt.

Mr. Chairman, the government opposite sold PCS shares at \$18. Today they're valued at \$25. Their timing was dead wrong. And they did it not because it was good for Saskatchewan. It hasn't increased potash production. It has actually reduced the PCS's potash production so that potash mines in PCS are operating at 50 per cent of capacity. But we have the \$442 million debt, and we don't have the asset. The asset is owned by others rather than the people of Saskatchewan. The board of directors in PCS is almost exclusively, not totally, but almost exclusive American citizens. And what have we got to show for it? We have got to show for it a debt of \$442 million.

The same kind of decision was made on Cameco. The Cameco warrants which sold at \$14.75, today they're at \$16. Timing. The timing was politics, not good economics and not good finances. And if anybody wants to know on the other side of the House why we are where we are today is because that former Conservative government day in and day out was never motivated by the good interests of the province of Saskatchewan. They were motivated by greed. They were motivated by partisan politics. They were motivated by rewarding close partisan friends.

I can read the lists if the member wants me to. There's a long list. And it goes from Larry Birkbeck to Eric Berntson, right down the line. This senator who, after he was a senator, was paid \$19,000 by the PC government for doing some work for them. They were at the public trough, Mr. Chairman, like never in the history of Saskatchewan has anybody been at the public trough.

And I say, Mr. Chairman, if the members opposite want to contribute anything to this debate, they should each and every one, at least those who were — not the new ones, they're innocent here and that's why they're quiet here —

but every one of them should stand up in the House and apologize to the people of Saskatchewan for taking this province from a total debt situation of \$3.5 billion and bringing us to a debt situation in 10 years of 10 billion . . . \$15 billion. They should stand up and apologize and at least show some humility, rather than trying to confuse and mislead even when they are in opposition.

Mr. Speaker, I could argue and give you all of the arguments that I could give. My colleagues could do the same. But we don't have to do that because others have done it for us. Others have done it for us. The Gass Commission has done it for us. I just gave you a quote of the kind of decision-making process that was used in squandering \$442 million in PCS. The Ernst & Young report, I have it right here. The Ernst & Young report — independent audit by a credible international firm — which showed what happened to the Crown Management Board, the Crown Investments Corporation, and how money was squandered and wasted and politically decided upon while the member from Morse was in the cabinet, sitting in cabinet. And I don't know whether the member from Morse was a member of the Crown Management Board in 1990 and 1991.

**An Hon. Member:** — He never ever was.

**Hon. Mr. Tchorzewski:** — Well it's a good thing he wasn't. But the member from Thunder Creek was. The member from Thunder Creek was. In fact the member from Thunder Creek was the minister of SEDCO.

And I want to tell you, Mr. Chairman, that it was while the member from Thunder Creek was a member of the Crown Management Board, that the Crown Management Board decided in 1992 to say that . . . or 1990, that the Crown Management Board was supposed to pay a dividend to the Saskatchewan Consolidated Fund; money which they didn't have.

And the Crown Management Board management — the minutes are there to be seen — recommended that they should not take a dividend because it would mean taking all of the retained earnings out of the Crown corporations. And not only that, because the Crown corporations would not even have sufficient money in that to pay the dividend, they would have to borrow money to pay a dividend to the treasury, creating a greater debt over there.

All of that is exposed in Ernst & Young. All of that is exposed by Deloitte & Touche and the study that they did in December. And now, Mr. Chairman, it is all confirmed, it is all confirmed. Not by Saskatchewan agencies but by Standard and Poor's in New York.

Standard and Poor's did something that none of us would have hoped ever happen to the province of Saskatchewan. Standard and Poor's looked at the legacy that the former government left behind and said, the debt of the province of Saskatchewan is just too high. And they said that they're going to lower our credit rating to a BBB plus. Well what does that mean?

Mr. Chairman, that means that today when the province of Saskatchewan goes to borrow money it's going to have

to pay a premium. We're going to have to pay up to a quarter of a per cent more in interest charges because of the downgrade of our credit rating caused by the members opposite when they were in the government.

So if the province of Saskatchewan goes out and borrows a billion dollars, it's going to cost an additional two and a half million dollars in interest charges.

That's not the worst of the problem, Mr. Chairman. The worst of the problem is that the Saskatchewan government has to borrow huge amounts of money. Why do we have to borrow huge amounts of money? We borrow huge amounts of money because of the debt that the members opposite created, and it has to be serviced.

Now, Mr. Chairman, what that means, that with a BBB rating, many of the investors who used to invest in Saskatchewan will now not invest in Saskatchewan. It is going to be more difficult to borrow the money. It is going to be more . . .

**An Hon. Member:** — You'd better believe it.

**Hon. Mr. Tchorzewski:** — And the member from Morse says, you'd better believe it. All I can say to the member from Morse, I wish he had believed that between 1982 and 1992 when he was on the government side of the House.

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

**Hon. Mr. Tchorzewski:** — He may believe it now. I say to him, where was his integrity back in the 1980s when he should have believed it and he should have said to his premier, the member from Estevan, this is wrong. Where were you, member from Morse?

It's funny and it's so interesting how somehow you have this new-found integrity today when you're on that side of the House, after you have created this crisis in Saskatchewan, but you couldn't find it when you were in the treasury benches and in a position to make a difference.

Well, Mr. Chairman, I don't have to give the arguments. The arguments are made. The arguments are made by Standard and Poor's. And I am going to read the statement of Standard and Poor's for the record of this House and for the viewers who are watching on television so that they can tell their friends and their neighbours and so that they can talk about this for many generations to come and then we won't have another PC government in this Saskatchewan for another 30 or 40 years or 60 years.

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

**Hon. Mr. Tchorzewski:** — Because the good people of this province deserve better. And they're going to get better under this administration.

What did Standard and Poor's say? Well here's what Standard and Poor's said, "Saskatchewan Long-Term Debt Lowered to BBB+."

And then they went on to say, and I quote:

About \$2.3 billion of rated debt is affected.

The adjustment reflects the province's high debt burden, budgetary pressures stemming in part from past unsuccessful off-budget investment projects, and the difficulties inherent in adhering to a deficit reduction plan in a resource-dependent economy.

And then it recognized what this government was doing, and it went on to say:

While the New Democratic Party government is strongly committed to deficit reduction, as evidenced by the measures taken in the current budget year, increasingly difficult choices may have to be made to sustain this effort.

And I can tell you for the record, Mr. Chairman, that this government will show the leadership and make the choices that are necessary as we have showed the leadership already to guarantee a future for this province and guarantee a future for our children and our grandchildren. That's what we're elected for, and that's what we're going to do.

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

**Hon. Mr. Tchorzewski:** — Now some of the more devastating numbers that the Progressive Conservative government created — that the member from Rosthern and the member from Morse and the member from Thunder Creek and the member from Estevan and the member from Souris-Cannington — some of the things that they created are further stated in the S&P report when they say that:

Saskatchewan's tax-supported debt rose to 55% of provincial gross domestic product (GDP) on March 31, 1992, from 50% at a year earlier, and is expected to reach 57% in 1993. Moreover, debt that must be serviced by the province now totals almost 180% of annual budget revenues. This burden is substantially higher than for other Canadian provinces and is a function of large budgetary deficits in recent years as well as sizeable provincial investments in several projects intended to diversify the economy.

Which Standard and Poor says were questionable and they believed never could be supported. Mr. Chairman, the members opposite, when we return at 7, should stand each and every one and apologize to the people of Saskatchewan for bringing this about, into this province, and causing the crisis which we face today.

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

**The Chair:** — Order. It being 5 o'clock this committee stands recessed until 7 o'clock p.m.

The Assembly recessed until 7 p.m.