

June 11, 1992

[Note: On June 11, 1992 a recorded vote was called on first reading of Bill No. 58. The division bells rang from June 11, 1992 until June 29, 1992.]

The Assembly met at 1:30 p.m.

Prayers

### NOTICES OF MOTIONS AND QUESTIONS

**Ms. Haverstock:** — Thank you, Mr. Speaker. I give notice that I shall on Monday next ask the government the following question:

Regarding the disclosure by the Financial Management Review Commission on page 92 of their report, that the provincial government provided a tax expenditure to a partner in one of its previous equity investments (and that is the previous provincial government; I shall ask the following):

(1) Who was the recipient of this tax break? (2) What amount of tax revenue did the government forgo as a result of this tax break? and (3) Why has the present government not yet made the details of this tax break agreement available?

### INTRODUCTION OF GUESTS

**Ms. Murray:** — Thank you, Mr. Speaker. I'm delighted to introduce to you and through you to this Assembly 20 grade 4 students from White City School, who are seated in your west gallery. They are accompanied by their teacher Ms. Noelle DeCorby and their chaperons Irene Temple and Carol Seipp.

I'm really looking forward to meeting with them later on after question period for photos and refreshments and no doubt to answer some questions they'll have on the proceedings of the House this afternoon.

Thank you.

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

**Ms. Hamilton:** — Thank you, Mr. Speaker. I would like to introduce to you and through you to all the members of the Assembly, first a school group that's with us this afternoon, and then a friend visiting from the United States.

The school tour group is a group of grade 4 students, 27 in number, from Wilfrid Walker School in our constituency. They are accompanied by their teacher, Mrs. Becker, and chaperons Margo Gerhardt and Mrs. Bolingbroke.

I'm looking forward to meeting with them for pictures after question period, and later on in the members' dining room — refreshments — and I'm sure a number of questions they'll have about the proceedings in the Assembly and their tour.

So I'm pleased to see them here today and would ask members to join me in greeting the 27 grade 4 students from Wilfrid Walker School in the west gallery.

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

**Ms. Hamilton:** — Mr. Speaker, my second guest that I

would like to introduce, thank you, that has already been introduced to you, Mr. Speaker, and you share some information in common. I believe you've been close to where this person comes from and share in-laws from the same place.

We have with us today in your gallery, Mr. Speaker, Esther Talsness from International Falls in Minnesota. Esther and I met earlier for lunch and I'm looking forward to again saying hello to her after question period and hopefully be able to join them for refreshments.

So I'd ask all members to join in welcoming Esther here, a good, warm friend from the United States.

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

**Mr. Jess:** — Thank you, Mr. Speaker. I would like to introduce to you and the rest of the Assembly, 19 students from Vawn Elementary School in Vawn. They are seated in your gallery. I will be meeting with them at 10 minutes to 3 outside. And also I'd like to introduce their teacher, Louise Baillargeon; chaperons, Dennis and Camille Jullion, Marilyn Russett, and bus driver, Shirley Godbout. And I would like to ask the Assembly to join with me in welcoming them.

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

**Mr. Devine:** — Thank you, Mr. Speaker. I want to take this opportunity to introduce through you and to you to the members of the legislature the president of the Farm Credit Corporation of Canada. As you know, Mr. Speaker, the Farm Credit Corporation in large part is moving to the province of Saskatchewan and the city of Regina. And seated in the Speaker's gallery is the president, Mr. Jim Hewitt.

We expect to see a lot more of him here in the province of Saskatchewan as a result of the co-operation between the federal government and the people of Saskatchewan in moving institutions out west. So would the members of the legislature please welcome the president of the Farm Credit Corporation, Mr. Jim Hewitt.

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

**Hon. Mr. Wiens:** — Mr. Speaker, I'd like to join the Leader of the Opposition in welcoming Mr. Hewitt to the House on behalf of the government. We've appreciated our dialogue over the last number of months over a number of issues and anticipate the continuing good relationship with the Farm Credit Corporation as we proceed to welcome you to the city of Regina, the province of Saskatchewan.

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

**Ms. Bradley:** — Thank you, Mr. Speaker. I would like to introduce to you and through you to the Assembly a group of students from Pangman School — there's 20 of them seated in the east gallery. They're accompanied today by their teachers, Dorothy Madigan and Delores Feltmate, who are colleagues of mine from Prairie View School Division; chaperons, Gail Howse, and bus driver,

Yvette Longley.

I'm looking forward to meeting with the students; they're grades 7 and 8 students. I'll be meeting with them afterwards for pictures and refreshments, and I'm sure a lot of good questions and answer period then too.

I'd like all members to join me in welcoming them here today.

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

**Mr. Harper:** — Thank you, Mr. Speaker. Mr. Speaker, I'd like to introduce to you and through a couple of constituents of mine that are seated up in your gallery, Mr. Speaker. Chester Olson and his daughter Corinne are in town here today on business. Chester is a business man from the town of Kamsack and also a very good friend of mine. And, Mr. Speaker, Chester has told me that when we get together later this evening, he'll be the one buying the refreshments.

Mr. Speaker, I'd like all the members to welcome Chester and his daughter.

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

**Ms. Hamilton:** — Mr. Speaker, I was remiss in my introductions today when I introduced the Wilfrid Walker School group. And I notice also that with them is a chaperon, Mr. Kapadia. And I'm sorry that I forgot to mention him. It's so good to see dads with the school tours, and I will look forward to meeting with him in the group after, for refreshments. Thank you.

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

**Hon. Mr. Lingenfelter:** — Mr. Speaker, it's my pleasure to introduce to you and to members of the Assembly the president of the Western Brewers Association, Mr. Jerry Kristianson, who's in the Speaker's gallery. Mr. Kristianson is here today for a reception later today at the Saskatchewan Hotel with members of the Assembly. And I'm sure many of us will be joining you later, Jerry.

One other thing I'd like to say is that Mr. Kristianson, who is now a consultant and also works as president of the Western Brewers Association, goes back a long way to a farm boy from the Shaunavon area many years ago when we were both much younger.

So welcome to the Assembly today, and we look forward to meeting with you later.

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

**Mr. Goohsen:** — Thank you, Mr. Speaker. On behalf of the opposition, we'd also like to welcome the president of the Western Brewers Association, and we hope that he has a nice stay here in Regina.

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

**Hon. Mr. Cunningham:** — Mr. Speaker, I would like to introduce to you and through you to the House, the legislature, a group of 22 grade 5 and 6 students from the

Theodore School. Theodore is a beautiful little town in my riding, and I'm glad to introduce the students here. They're accompanied today by their teacher Valerie Jeske; chaperons Dolores Anderson, Noella Kucheran, Marty Roebuck, Brenda Scheller, and Barry Kozak. And I'm looking forward to refreshments with them later. Thank you.

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

## STATEMENTS BY MEMBERS

**Mr. Thompson:** — Mr. Speaker, I'm happy to announce that an agreement has been signed today that will create the first nations forest-fire protection service. This agreement, Mr. Speaker, is an excellent example of co-operative federalism, an example that might be wisely followed in other areas. The Saskatchewan government through the Department of Natural Resources, the federal government through the Department of Indian Affairs and Northern Development, the Federation of Saskatchewan Indian Nations, three tribal councils, and 16 Indian bands are all participants in this agreement. And each level of government is contributing to the cost of the program.

This program will create employment and training for Indian bands across the North, and it will provide a well-trained pool of fire-fighters to help defend northern communities and forest resources from fire. When they are not engaged in forest-fire work, the six-member crews will work on community improvement projects under supervision of local Indian bands.

Mr. Speaker, I congratulate the Minister of Natural Resources and his department as well as the Indian leaders who have come together to protect this precious natural resource and to provide training and employment at the same time.

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

**Ms. Crofford:** — Thank you, Mr. Speaker. I wish to draw your attention and the attention of the Assembly to the Regina International Children's Festival in Regina from June 9 to 11 in Wascana Park near Darke Hall. I had the privilege of attending the opening ceremonies and was very impressed and well entertained. I was amazed at how good the entertainment was. There was international, Canadian, and Saskatchewan performers, including Juno award winners.

The festival is the result of hard work by a community board and staff and receives both public and substantial corporate funding. This is money well spent on behalf of high quality, high participation entertainment for families and children. And as the government works to enhance tourism in this province, the children's festival is a good example of a destination event. And I encourage families and the young at heart to make this their destination before Friday evening. Thank you.

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

**Ms. Haverstock:** — Thank you, Mr. Speaker. I'd like to take these few moments to commend the government and in particular the Minister of Social Services on her

prompt action and decisive commitment to creating a means by which children in our province can be heard and their interests well represented.

I hope that our province will not follow the lead of Alberta and the Government of Ontario, both of whom have their children's advocate reporting to the minister in charge. Instead it is the belief of those who have been involved in child advocacy that the individual should be responsible to the legislature, thereby ensuring far greater independence.

And what I wish to do at this time is to offer the assistance not only of the Saskatchewan Liberal Party but the Manitoba Liberal Party, who have a 250-page document and as we speak are filibustering on this topic, and the help and assistance of Reg Allcock who has worked with your deputy minister, and he has indicated today that he'd be more than willing to share this information with the government. Thank you.

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

**Mr. Renaud:** — Mr. Speaker, on Monday, June 8, I had the privilege along with some of my colleagues to meet with people in the Hudson Bay area. The people of Hudson Bay of course are very interested in the forest industry.

We had the opportunity to listen and to learn about concerns in regards to the depleting softwood, about the existing industry and about management of a mixed forest, a forest of both hardwood and softwood.

Mr. Speaker, business workers, farmers and professionals, many of them experienced in the forest industry, proposed a forest vision and outlined a strategy for this Hudson Bay forest area and for the local communities affected by this very important industry.

This vision, Mr. Speaker, has been forwarded to the caucus committee on the environment and resources for the information and future planning of the forest policy in Saskatchewan.

I would like to thank these fine people who took time from their very busy schedule to meet with us in regards to that vision for the forest industry in north-east Saskatchewan. The MLAs (Member of the Legislative Assembly) in attendance, MLAs from many different areas of Saskatchewan, enjoyed the learning experience and would like to revisit Hudson Bay in the very near future. Thank you, Mr. Speaker.

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

(1345)

**Mr. Britton:** — Thank you, Mr. Speaker. I would like to make a short report to you, Mr. Speaker, on a meeting that I attended in Macklin; that's a town in my constituency.

There was about 700 people at that meeting, Mr. Speaker, and they were there to discuss the cutting-off of funding for their new hospital, St. Joseph's Hospital in Macklin. And they were really concerned because the contract had

been written in 1990, and they felt that it was very unfair. And they certainly felt that it wasn't cost-effective when you take into consideration that they had spent in excess of \$200,000 getting ready — land and architectural fees and stuff like that, Mr. Speaker.

And while they agreed that in a recession there is some restraint needed, they felt that maybe the Department of Health was going too fast and too far in some of their cut-backs, when you realize that the hospital in Macklin was built in 1926 and it is totally ready for a new hospital. And the recommendation from the Department of Health to renovate the old hospital was less cost-effective, Mr. Speaker, than going ahead with a new one.

And they felt very concerned that what's happening in rural Saskatchewan in the health, Mr. Speaker . . .

**The Speaker:** — Order. The member's time has elapsed.

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

**Mr. Carlson:** — Mr. Speaker, I'd like to talk about an event that's going to be happening in Melville tomorrow. It's a sod-turning ceremony for Legion Manor project. It's close to the downtown core, Mr. Speaker, for accessibility for the seniors to shopping. It's an 18-unit project at about a cost of \$1.3 million.

Mr. Speaker, shelter is one of our basic needs of very importance to individuals and certainly to our seniors in the province of Saskatchewan.

I'd like to congratulate everybody involved in bringing this project forward. A lot of hard work and a lot of long hours were involved in it. I want to again, I'd just like to congratulate everybody involved.

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

**Mr. Keeping:** — Mr. Speaker, I had the pleasure this past Monday to attend the kick-off for the Northern Pike Festival. This festival has been going on now for 22 years and has been attracting fishermen and fisherwomen from all over Canada and across the United States to Tobin Lake. It now includes Codette Lake, the new lake that was created because of the hydro dam that's built right at the town of Nipawin.

During the past 22 years, record-size catches of northern pike and wall-eye, perch and goldeye have been recorded. And Monday was the kick-off or media day for the event which will last until mid-August. The local fishermen gave the media and myself, as the MLA for the area, a day that we will not soon forget. The weather was beautiful. The hospitality was excellent, and the fishing, Mr. Speaker, was almost unbelievable.

Mr. Speaker, the boat that I was in with the two other gentlemen that I met that morning, we caught well over 40 wall-eye in less than four hours. We caught and released them. And very many of these were large and impressive-sized fish — the biggest that I've ever had the pleasure of catching.

**An Hon. Member:** — Sounds like a fish story to me.

**Mr. Keeping:** — It is. It's a good one.

But the best part of the day, Mr. Speaker, is the people you meet as the day progresses and as you fish. As I mentioned, I met those men that morning in the boat, and as we shared the day as we fished, it's a very enjoyable experience.

**The Speaker:** — Order.

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

**Mr. Solomon:** — Mr. Speaker, on May 14, an important business development took place in my constituency, the one I represent, Regina North West. The official opening of the largest SAAN store in Canada took place, and I was there to participate on behalf of the provincial government. The SAAN store chain has 260 stores in Canada, and it is Canada's largest family clothing store chain with its head office in Winnipeg, Manitoba. While retail stores are closing throughout Canada, it is comforting and hopeful to see businesses like the SAAN store expand operations in Saskatchewan and particularly in Regina.

The SAAN store chain is owned by a successful Canadian company called Gendis Inc., which has investments as well in the oil and gas industry through Trimac Limited of Calgary, and in Sony, the Japanese electronics giant — and in fact they hold the Canada franchise for Sony products.

Gendis Inc. has invested \$1 million in this SAAN store in Regina North West and by doing so created 80 jobs during construction and has created 20 new jobs at the store, tripling the size of those people employed at the previous store.

The president of Gendis Inc., Mr. A.D. Cohen of Winnipeg, who is also a member of the Order of Canada, stated at the opening he sees this investment as a good business opportunity for his company, and he has great confidence in Regina's economy and Saskatchewan's economy. That is why they have made the substantial commitment to the province. I wish to acknowledge this company's investment and confidence in Saskatchewan and offer my best wishes for a successful venture.

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

## INTRODUCTION OF GUESTS

**Hon. Mr. Rolfes:** — I would like to ask leave of the members to revert back to question period, if I may, to introduce some guests. During the statements by members, I believe a school, St. John's school, came into the galleries. Is that correct? I think they're in the Speaker's gallery. St. John's grade 8 students, 31 in number, came into the Assembly during the statements by members. They are accompanied by Mrs. J. Block, Mrs. R. Zuk, and Mrs. M. Popoff.

I do want to take this opportunity to welcome the students to the Assembly. I hope you have enjoyed the proceedings so far and will enjoy question period which

will follow immediately after. I will be meeting with you approximately a quarter to three and I'll try and answer your questions at that time.

I ask all members to join with me in welcoming the students from St. John Lake.

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

**Hon. Mr. Rolfes:** — If I may make a correction, that is John Lake School.

**Mr. Neudorf:** — I would ask leave also, to make an introduction, Mr. Speaker.

Leave granted.

**Mr. Neudorf:** — Mr. Speaker, I would like to join you in welcoming your guests, one young gentleman in particular. His name is David Dyck. And the reason I'm introducing David particularly is because his mother is a special niece of mine.

And I know, David, that when your mom was still living in the Asquith area, your dad had a lot of potatoes, and your mom's reputation was quickly enhanced as being the fastest potato picker west of Vanscoy. And I'd like you to take that message back to her. And at the same time, David, when Mr. Speaker meets with you and hands out drinks, I would want you to ask him for an extra drink to take home for your mom. Thank you.

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

## ORAL QUESTIONS

### Government Action on Agriculture Crisis

**Mr. Devine:** — Thank you, Mr. Speaker. Mr. Speaker, we all know that there is a crisis in agriculture in the province of Saskatchewan. It is also common knowledge that the NDP (New Democratic Party) Premier is not particularly interested in agriculture or in economic problems.

Mr. Speaker, while the NDP Premier is completely consumed in the secret, tight-lipped constitutional dickerings that he's doing down East, his province and the people are demanding attention to our own problems. Farmers are going broke. The drought needs action. Economic deals are falling apart. Our credit rating is going down. And, Mr. Speaker, today in the newspaper we see Mr. Bob MacLeod of Synergy in Saskatoon saying, and I quote: "We are tired of the party line and partisan politics." And that:

Premier Roy Romanow should spend less time on the Constitution and more ... tending to the provincial economy.

Mr. Speaker, my question is to the Minister of Agriculture. Will the minister not admit that Mr. MacLeod of Saskatoon is absolutely right about his observations about the NDP Premier. And number two, will the minister now call the Premier home to deal with the drought and the agricultural conference? Away from the . . .

**The Speaker:** — Order, order. I think we'll let the minister answer.

**Hon. Mr. Wiens:** — Mr. Speaker, if the interest the member opposite has in Saskatchewan and our agriculture and all other elements of our economy are reflected in his frequency of attendance here, I suspect our Premier is in a much stronger . . . demonstrates much stronger support for all elements of Saskatchewan than the member opposite.

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

**Mr. Devine:** — Mr. Speaker, the complete disregard in which the Minister of Agriculture holds the farmers of Saskatchewan, the contempt that he holds for them by just trying to be smart alec in the legislature, is an indication, Mr. Speaker, of how he really feels.

Mr. MacLeod in Saskatoon said: Mr. Minister, you and your Premier should stop playing politics, stop with the partisanship and get on with dealing with economic activity, dealing with the rural crisis. Your Premier has his secret meetings down East. The NDP Premier is tight-lipped about all the things he's going to do about human rights and other rights.

Will you today agree to call him home and put his nose to the grindstone and deal with agriculture and economic and things that really matter in the province of Saskatchewan? Will you do that today?

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

**Hon. Mr. Wiens:** — Mr. Speaker, the people in Saskatchewan have a great faith in our Premier and they're quite fed up with the theatrics of the member opposite. They were fed up with it for nine and a half years and are fed up with it now. And I assure you that they have a very strong confidence in the leadership of our Premier, whether it's on constitutional matters which are of serious concern to all of us, or whether it's on the interest and the actions of an agriculture policy.

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

**Mr. Devine:** — Mr. Speaker, the media is recognized and it's in the newspapers, it's in magazines, the constitutional experts are saying these tight-lipped ideas of his aren't working. All we're asking him — and the people of Saskatoon and the people in rural Saskatchewan and southern Saskatchewan are saying — why don't you get your Premier home and deal with business? Why don't you stay here and help farmers?

We've got the head of the Farm Credit Corporation in here today, prepared to talk about helping farmers. We've got people across the province who say, stay home; deals are falling apart. The largest computer company that was manufacturing computers in the province of Saskatchewan just went belly-up. Deals are folding before our very eyes. And the Premier's somewhere between Montreal, New York, and Paris, saying he's got some tight-lipped ideas on saving the country.

Mr. Minister, won't you please ask him to come home

and deal with business here in the province of Saskatchewan.

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

**Hon. Mr. Wiens:** — Mr. Speaker, our Premier, our members, our cabinet ministers, are very concerned about farmers from every corner of the province. They, differently from you, decided to take a drive and visit with the farmers of the south-west to look at the serious situation there, introduce a motion in the House yesterday, to which your side responded by talking it out in a frivolous fashion rather than calling on the federal government to deal with the serious crisis we have there. I don't think anybody is fooled by the theatrics of the member opposite.

**The Speaker:** — Order. Order. I just want to tell the members that I will not allow question period to deteriorate to the extent that it is right now. I ask all members to please come to order, let the members ask their questions, and let the minister answer them.

**Mr. Devine:** — Thank you, Mr. Speaker. The fact is . . .

**The Speaker:** — Order. I've just asked members not to make those comments, and immediately we're having those comments made already. I'll ask the Leader of the Opposition to put his question.

**Mr. Devine:** — Thank you, Mr. Speaker. What happened, Mr. Minister, was yesterday you introduced a motion and then you left the House. Your Premier has left the province. The front row of this Legislative Assembly is nowhere to be found.

**The Speaker:** — Order, order, order. The Government House Leader had listened before. The Minister of Agriculture referred to his lack of attendance in the House. Well I think if we want the rules of the House to be obeyed, then both sides should abide by them.

**Mr. Devine:** — Mr. Speaker, my question is to the Minister of Agriculture and the House Leader or anybody else on the front row can address the question.

People are in a crisis in rural Saskatchewan. You've known about it since last fall because you campaigned on it. There's a drought that you apparently went to see. You need economic assistance, you need help from the federal government, you need farm organizations to come in here to deal with the problem.

We can't find the NDP Premier. We don't know where he is. Would you take the time to call him, whether he's in New York or Montreal or Paris or Ottawa or whatever he's doing, wherever he is, and would you ask him to come home today or as soon as possible to deal with the agricultural crisis. We have federal . . .

**The Speaker:** — Order, order, order. Order. I think the Leader of the Opposition knows full well that when I'm on my feet and call order, I want him to come to order.

**Hon. Mr. Wiens:** — Mr. Speaker, I don't know what the member opposite did when he flew over to Belgium in the

supposed interest of Saskatchewan farmers and Canadian farmers, but I know the level of success that he had. And I know he was not found. And if he pretends that our Premier acts in the same way, flitting around when there's business to be done, the member opposite is wrong.

The Premier is in daily contact, as you well know any responsible Premier would be, and is very much here in touch with the problems here and knows that the members on this side of the House and the cabinet ministers here are interested in the well-being of Saskatchewan and not interested in empty-headed statements like we've been hearing for the last 10 minutes.

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

**Mr. Devine:** — Mr. Speaker, as the public and the media well know, I am quoting the public in Saskatchewan who are asking where the NDP Premier is. Synergy in Saskatchewan, Mr. Bob MacLeod is saying: I don't know whether the Premier's afraid to attend to the Promavia activity or to Piper activity or the fact that you've got conflicting arguments between AECL (Atomic Energy of Canada Ltd.) and your provincial minister.

And you have nothing happening with respect to agriculture. And Mr. MacLeod says, well why doesn't the new NDP Premier stop the partisan politics and get home and deal with this?

Secondly, why does he think that all of a sudden he's really going to be relevant when he's using secret meetings down East, tight-lipped meetings? He criticized and you criticized and the House Leader criticized anybody for secret . . .

**The Speaker:** — Order.

**Hon. Mr. Wiens:** — Mr. Speaker, the Premier of Saskatchewan has demonstrated his concern and his constant attention to the matters of the province here. And the member opposite talks frivolously about matters that people know to be simply theatrics.

The actions of the federal government have appalled all of Saskatchewan citizens. Whether it's been the off-loading on to our agricultural sector, whether it's been the off-loading in health or education; whether it's been a tax on the province, relative to agreements, relative to the upgrader in Lloydminster, talks about cutting off Saskatchewan fuel stocks to the agreement; whether it's been on specific matters with respect to agriculture where in response to producer-oriented policy direction, the federal minister stands up and balks.

Mr. Member opposite, I want you to know that Saskatchewan knows who's beginning the politics and who's facing a federal election and what kind of game they're playing, and they're tired of it.

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

**Mr. Devine:** — Mr. Speaker, I'm going to ask the Minister of Agriculture if he anticipates the NDP Premier coming home with any money from Ottawa for farmers.

Yesterday, as recent as yesterday the government continued, the NDP government continued to lose its battle, its legal battle to destroy a co-operative program between the federal government and the provincial government.

Now all other governments in Canada are working in GRIP (gross revenue insurance program). Your Premier, the NDP Premier who doesn't understand agriculture, number one, wrecks GRIP. The court tells him that it's illegal. Now he's down East.

Can you tell the farmers of Saskatchewan whether the media and the public can line up at the airport when the NDP Premier comes home because he's coming home with money from Ottawa. Can you tell us that?

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

**Hon. Mr. Wiens:** — Mr. Speaker, the people of Saskatchewan are quite aware that we are addressing the serious questions of farm income and debt in Saskatchewan and they have had quite enough of members opposite sitting in their chairs squawking while we are working with farmers to develop policies which stabilize Saskatchewan agriculture.

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

**Mr. Devine:** — Mr. Speaker, new question to the Minister of Agriculture. And all his colleagues know, if you go to the University of Saskatchewan today and you ask them about your GRIP program, they'll say one of the biggest concerns that they have is that there just might be pockets of drought. And that's a fact. Because as you designed it in all of your wisdom and consultation, you forgot about why Saskatchewan's significant in agriculture — we have almost half the farm land in Canada.

Would you not admit your 1992 drought program, GRIP program addressing drought, when you cancelled it with the federal government, has removed a great deal of support and financial help from the federal government that would normally come into the province of Saskatchewan in case of drought?

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

**Hon. Mr. Wiens:** — Mr. Speaker, I think what needs to be brought to the attention of the member opposite is that over the last four or five years he has brought to Saskatchewan a debt in agriculture and a debt to the provincial economy that is virtually unfathomable. A \$15 billion provincial debt overall which cripples many aspects of good government policy.

But in addition to that, with respect to agricultural policy, in 1988 he made an agreement that committed the province to in excess of \$100 million on drought assistance. Then he took on half of the crop insurance contributions by the federal government, 40 to \$60 million. And then took from the western grain stabilization program onto the GRIP program on another 140 or \$150 million, and another 25 or 30 with respect to NISA (net income stabilization account).

Mr. Speaker, the members opposite have made agreements with the federal government in exchange for that which supposedly brought us third line of defence support. The second line was to cover the regular matters covered by GRIP and NISA. Third line was to be extraordinary support. Where has the member opposite been as his federal minister has continually said, we have no money. Even the Prime Minister recognizes Saskatchewan does not have the capacity to pay the bill, to give itself a blood transfusion when it's bleeding to death.

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

**Mr. Devine:** — Mr. Speaker, the minister knows that the public doesn't believe that and the media doesn't believe that. I want to quote the minister, Mr. Speaker. This is what you said. I think it was June 11, about the south-west drought:

Wiens told reporters later the 1992 version of GRIP will give farmers "some" drought protection (some). He admitted, however, the 1991 version would provide better protection "in the event of a crop failure or below-average production."

Now that's what you say. And you stand in your place, looking for your new NDP Premier saying, I don't have any money. The program that I just destroyed is going to remove the protection for drought. You've got federal people here prepared to co-operate with you.

I ask you again: in your knowledge and in Professor Furtan's admission and knowledge that the 1992 GRIP program doesn't help with respect to drought, will you give the farmers the option — now that the court has said you're haywire, we don't believe you, you broke the law — will you give them the option to go 1991 or 1992 so they can get the kind of protection they bought and paid for? Will you do that?

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

**Hon. Mr. Wiens:** — Mr. Speaker, the member opposite is well aware, even though he claims to not himself agree with the agreement he made. His counterpart in Manitoba very strongly came with us to Ottawa, while he would not, and confronted the federal government and said we had an agreement on third line of defence. You offered to pay extraordinary farm support. This is a Conservative colleague, a Minister of Agriculture from the province of Manitoba who stood up with Saskatchewan farmers, with Alberta farmers, and with Manitoba farmers and said, you promised us third line of defence when we made the agreement on second line, when we contributed \$140 million on GRIP and \$27 million on NISA. You made a commitment, now where is it? Where was the member opposite when that challenge was made to the federal government?

**Mr. Devine:** — Mr. Speaker, the NDP Premier, who admits that he doesn't understand agriculture and is not interested in it, has his hand-picked minister, his hand-picked minister and some farmers that go down to Ottawa, and what did you come home with? A bill to the

farmers for 150 or \$160,000. That's all you've ever got out of Ottawa using your tactics.

Now as a result of you wrecking GRIP, as a result of you breaking the law, will you now tell the farmers of Saskatchewan exactly what's going to be in the legislation that that House Leader, that new NDP House Leader, is going to bring in here and retroactively change history in the province of Saskatchewan? Will you tell us . . .

**The Speaker:** — Order, order. Let the minister answer.

**Hon. Mr. Wiens:** — Mr. Speaker, the member opposite not only did long-term damage to Saskatchewan but long-term damage to all other provinces with respect to agricultural funding across Canada. In the member opposite's haste . . .

**The Speaker:** — Order, order. Order. I think the Leader of the Opposition had ample time to ask his question. I wish now that he would listen to the answer.

**Hon. Mr. Wiens:** — In the member opposite's haste to introduce programs to fit a political agenda, he undermined not only Saskatchewan farmers but Alberta farmers and Manitoba farmers, took onto not only Saskatchewan taxpayers a huge debt but onto all other farmers a huge debt. I think the member opposite should be ashamed of his antics.

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

**Mr. Devine:** — Mr. Speaker, all those watching television or listening to this in the media know that you have not answered the question. You are the minister. There is a rural crisis. You are the minister. Those front benches have access to the kinds of things that could help farmers today. And all you do is point fingers at me or point fingers at Americans or point fingers at somebody else.

What are you going to do? And I'm asking you just a simple question. What do you have in mind in the legislation that you're going to bring into this House to change history and to overcome the fact that the court says that you illegally broke the GRIP contract and will hurt farmers that are suffering from drought? Please tell us, the taxpayers, what it is in that Bill so we know what to expect from the NDP in this province of Saskatchewan.

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

**Hon. Mr. Wiens:** — Mr. Speaker, the member opposite talks about these front benches having access to resources. Well I want to tell you about what you've done to Saskatchewan's resources over the last nine and a half years, if you were not awake enough to realize the damage you yourself were causing. People across Saskatchewan, the farmers in the south-west, the farmers at Orkney and Mankota, and Bengough, they know the situation Saskatchewan is in. They understand the tough times we're in and they know we have to take tough measures to address it.

The irresponsibility that you exercised for in excess of nine years is disrespected from one corner of this

province to the other. And we will work with the remaining resources to bring stability to the province and correct the ills that the member opposite brought here.

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

**Mr. Devine:** — Mr. Speaker, I hope the media records this well, that he has not answered a single question in this legislature. Mr. Minister, what are you afraid of? Mr. Minister of Agriculture, what is the NDP . . . what are you afraid, what's your Premier afraid of in answering the question? What's in the legislation? What's in . . .

**The Speaker:** — Order, order. I think the member has asked his question. Let the minister answer.

**Hon. Mr. Wiens:** — Mr. Speaker, I'm sure that the member opposite will have his curiosity satisfied when the Bill's introduced in the House.

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

**Mr. Devine:** — Mr. Speaker, that's not good enough. What are you afraid of, Mr. Minister? Would you agree, Mr. Minister, to hold the introduction of that legislation until the court proceeding is finished? Would you do that? Would you just sit on that legislation, as Draconian as it might be, as retroactive as it might be, as unfair as it might be, would you sit on it and hold it until the court proceedings are finished and let the farmers have their day in court? Would you do that for the people of Saskatchewan?

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

**Hon. Mr. Wiens:** — Mr. Speaker, the member opposite, like other members of his caucus, seem to have trouble deciding which way they want to go. One minute they want to see it and the next minute they don't. Our House Leader will make the decision when the legislation is introduced, I assure you.

**Mr. Devine:** — Mr. Speaker, again I call the media and the public's attention to this. Clearly the NDP Premier is afraid to face the farmers. Let's go to the country. Come on. The Minister of Agriculture is afraid to answer the questions.

**The Speaker:** — Order, order. I want to call the attention to the member from Cumberland that he is not to intercede and interrupt on the continuous basis he's done this this afternoon. And I ask him to please cease.

**Mr. Devine:** — Mr. Speaker, it's too bad question period wasn't at least three or four hours so that we could ask the same questions over and over as we will in estimates: when will you tell the farmers what you're going to do?

I've asked you, will you table the Bill? Will you just tell us what's in it? No response. I've asked you, will you then hold it and let the farmers go to court and let the court decide? No response. I've asked you how much money your NDP Premier's going to bring back to the province of Saskatchewan. No response.

I'm asking you today, Mr. Minister, why are you so afraid

of farmers that you won't answer those questions in the legislature today, and why won't you go and call your NDP Premier and bring him home and tell him to go to work in the province of Saskatchewan. Because in case you forgot . . .

**The Speaker:** — Order. Order.

**Hon. Mr. Wiens:** — Mr. Speaker, it's curious to me that the member opposite would talk about rural crisis as he sits here when our members have been out talking with farmers from one corner of the province to the other and listening to their concerns and listening to their solutions.

When the member opposite had the opportunity to meet with 7,000 farmers or 4,000 farmers last year in Rosetown, what did he do? He had a scheduling difficulty. Well let me tell you what farmers thought about that and what farmers think about the antics you're engaged in today.

Farmers know about reality and farmers know about the practical concerns that need to be addressed in a farm economy and in a provincial economy. And they will work with this government in bringing a brighter future to Saskatchewan.

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

**Mr. Devine:** — Mr. Speaker, now we see, Mr. Speaker, that the NDP Minister of Agriculture not only won't answer the questions, he has to revert back to the fall when he wouldn't tell the farmers the truth. If you'd have told them the truth, you wouldn't be here and you know it. You got less support than your counterparts did in years gone by. If you told the truth of what you were going to do, you wouldn't be here.

All right. I want you to tell the truth now. Be truthful now. Come clean, up front. Tell the farmers, tell the media what your plan is with respect to the court action and GRIP and the fact that you just might owe farmers, on average, \$27 or \$30 an acre. If you don't come clean and tell us what's happening, you just might owe them that.

Would you tell us . . . have you figured out the amount of money that you will owe farmers if in fact the court says, whoops, Mr. Minister, you've broken the law? You're going to have to give them the choice 1991-92. Would you tell this House how much you think farmers could expect to get if that happens?

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

**Hon. Mr. Wiens:** — Mr. Speaker, last year what we promised was that we would sit down with farmers and design farm policy that was appropriate for Saskatchewan under our circumstances — circumstances seriously altered by the members opposite in their irresponsibility for nine and a half years. Our first commitment to all the people of Saskatchewan was that we would clean up the financial mess so that we could create some kind of stability so that we can have programs that go on. We know it's going to cause pain for people across Saskatchewan to deal with the financial crises here. We did not create that financial crisis. The crisis is real and the



crisis is here, and the crisis is a result of the mess that you fellows made, and you ought to be ashamed of yourselves.

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

**Mr. Devine:** — Mr. Speaker, if the minister won't give the answers on the legislation that he's about to put in here and what he's going to do in court, then perhaps the public can begin to give him a little bit of the answers themselves.

Mr. Minister, is it not true that the only reason for your continued delays in the courts is that you know that you will lose without your retroactive legislation that rewrites history? Could you tell the people in this room and the media if your legal advice says: Mr. Minister, you're going to lose, and the only way you can protect yourself against the farmers and against the courts is to bring in retroactive legislation that has the NDP rewriting history because you will have deemed to have done the right thing for farmers.

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

**Hon. Mr. Wiens:** — Mr. Speaker, what our legal advice tells us is that the mess that was created not only in the program but in the legal constructing of it and the process of implementing it needed serious remedy — a mess in legality that's not different than the mess in finances that the members opposite left. I think the people of Saskatchewan have adequately observed the absolute mismanagement of the members opposite whether it was the financial matters of the province, the legal matters of the province, or the social matters of the province. And I think they're just delighted to have a new government to try and put some order into the province again.

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

**The Speaker:** — Order, order. Before I call the next order of business, I want to say I think the behaviour of the members in the House was disgraceful today in question period. I want to apologize to the . . . on both sides of the House, on both sides. I want to apologize to the people in the galleries and the people out in Saskatchewan on behalf of the members.

## INTRODUCTION OF BILLS

### Bill No. 54 — An Act to amend The Farm Financial Stability Act (No. 2)

**Hon. Mr. Wiens:** — Mr. Speaker, I move that a Bill to amend The Farm Financial Stability Act (No. 2) 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. 55 — An Act to amend The Farm Financial Stability Act (No. 3)

**Hon. Mr. Wiens:** — Mr. Speaker, I move that a Bill to amend The Farm Financial Stability Act (No. 3) 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. 56 — An Act to amend The Personal Property Security Act

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

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

### Bill No. 57 — An Act to amend The Saskatchewan Farm Security Act

**Hon. Mr. Wiens:** — Mr. Speaker, I move that a Bill to amend The Saskatchewan Farm Security 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

#### SECOND READINGS

### Bill No. 49 — An Act to amend The Mortgage Protection Act

**Hon. Mr. Shillington:** — Thank you very much, Mr. Speaker. I shall be relatively brief on this. It's I think neither complex nor terribly contentious. I'm rising . . . Of course at the end of my comments I will move second reading of this legislation.

The mortgage protection plan was introduced in 1986. The program basically subsidizes home mortgages down to an interest rate of thirteen and a quarter per cent, where I may say they have not been for some years. Because of the operation of the Bill, however, somewhat over a thousand mortgages are still receiving some subsidy. But there are only a thousand mortgages receiving subsidy. This Bill, Mr. Speaker, will effectively end the mortgage protection plan on June 30, 1992. Eligible home owners will continue to receive benefits until that day.

I want to say, Mr. Speaker, that the elimination of the mortgage protection plan was not an easy decision. However the fiscal crisis facing this province, brought on by a decade of mismanagement, makes it necessary to reduce expenditures wherever possible. The mortgage protection plan is thought by this government to be a program that can be eliminated without seriously affecting the right of people to own their homes or the security of those who already own them.

Saskatchewan housing prices are among the most affordable in Canada. Therefore, with a mortgage interest rate at a relatively low level, elimination of the program should affect an individual's decision to purchase a new home. Since one-year closed mortgages are currently available at rates under 8 per cent, a change will not have

any effect on Saskatchewan home owners negotiating new or renewed mortgages.

Mr. Speaker, I announced this . . . Mr. Speaker, my colleague, the Minister of Finance, announced this change in the May 7 budget address. By eliminating the program on July 1, 1992, home owners were given time to adjust to losing those benefits. As I said, somewhat in excess of 1,000 home owners — I believe about 1,500 in total will be losing an average . . . will benefit. The average monthly benefit, Mr. Speaker, is only \$18 a month, so it should not be thought to be crucial to anyone.

With those brief comments, Mr. Speaker, I move that An Act to amend The Mortgage Protection Act now be read a second time.

**Mr. Martens:** — Thank you, Mr. Speaker. I want to make a few observations, and then I will be adjourning the debate, Mr. Speaker. I just want to point out a number of things that I think are pertinent to the discussion.

Mr. Speaker, in question period today we dealt with a number of issues that related to the economy and to the provincial agriculture scene. Well, Mr. Speaker, at the time when this Bill was introduced, the people were paying upwards of seventeen and a quarter per cent interest. Mr. Speaker, and Mr. Minister, at that time the people of the province of Saskatchewan, when we introduced this legislation, were losing their homes. And that, Mr. Speaker, is the reason why that legislation was brought in. And that, Mr. Speaker, was an important part of the opportunity for people. It was a special opportunity for people in the province of Saskatchewan to take the capacity in and the opportunity to save their own homes.

And, Mr. Speaker, many, many people . . . the only reason they have their homes today is this very simple Act that is being repealed right here today. That, Mr. Minister, was the reason why that was brought in. And the only reason that you can take it out today without any people complaining about it is that the interest rates have gone down to 7 per cent.

And you know what, Mr. Speaker? The interest rate that this set the ceiling on was thirteen and a quarter. It was thirteen and a quarter, and people were paying upwards of 17 per cent, some as high as 24 per cent in the way that they dealt with their home mortgages. And that, Mr. Speaker . . . people were afraid of losing their homes. All across Saskatchewan, people were afraid of losing their homes.

And, Mr. Speaker, that was the opportunity that we gave back to the people of Saskatchewan, the freedom to own their own homes. And that, Mr. Speaker, I am proud of. We did that.

And you want to talk about waste and mismanagement. I'll tell you, Mr. Minister, that was the best waste and mismanagement, one of the best programs we've provided to the people of Saskatchewan. That waste and mismanagement was given to people who could provide for opportunity for their families to live in decency in their own homes. And that's what that Bill provided. And all of

you said that was waste and mismanagement, years and years of waste and mismanagement.

You wouldn't put the treasury of the province to the people of Saskatchewan for their benefit in the '70s, and your premier went and said — and I clearly remember this because I campaigned on it in 1981 and 1982 — and he says, oh we can't effectively change the interest rate because that's a national program. Well we heard all through question period about this national program. The involvement of those members opposite say that you can't deal with the changes in those cycles. And, Mr. Speaker, the government at the time did, they promised the people and they kept their promise.

And, Mr. Minister, the people of Saskatchewan have their homes today in a whole lot better position than they had in 1982 because of this Act. And, Mr. Speaker, it is because of this Act that the people of Saskatchewan have an opportunity to have saved their homes, because at 24 per cent interest, who could have kept it. And they, Mr. Speaker, had an opportunity to keep it. The member responsible for this will be having far more to say about it later and, therefore, Mr. Speaker, I move adjournment of debate.

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

Debate adjourned.

(1430)

#### **Bill No. 50 — An Act to amend The Financial Administration Act**

**Hon. Mr. Shillington:** — Mr. Speaker, this is another Act that I think is relatively . . . it is not routine in its import, I think it is relatively non-controversial, though. Mr. Speaker, this Bill is one of the many steps that the government is taking to act on the recommendations of the Financial Management Review Commission, or as it is more properly known, the Gass report.

As you know, Mr. Speaker, the Gass report was established to conduct an independent review and to suggest ways to improve accountability and control. I may say members opposite spent the month of December trying to defend themselves against the report they had not yet seen and continually attacked the independence of the members of the commission.

In fact they misjudged the report. This was not a litany of the financial shortcomings of the former administration — although that could be done and would be a relatively long report. Instead, the Gass report, Mr. Speaker, focused on the means and the method by which a repetition of the decade could be avoided. So, in fact, what the Gass Commission sought to do was not list all the shortcomings of the former administration, but to suggest ways to this government that such a thing could be avoided in the future.

The emphasis of the Gass report is on accountability. Stripped of all its complexity, and there's some 50 recommendations, if my memory serves me correct, the essence of the Gass report is that the only sure way of

avoiding a repetition of what happened under the former administration is to provide the public with full knowledge of what's going on and, more important, to provide their representatives in this Assembly — the members of the Assembly — with what's going on. That, I think, Mr. Speaker, is very much in accordance with modern, current-day thinking.

When I was campaigning in the last election, the public said to me time and time again, they complained of the lack of accountability. Most members of the public, Mr. Speaker, could relate to the comments by the editors of the *Maclean's* magazine who said that Canada, in at least in the minds of its citizens, has an elected dictatorship. You elect a government, and then for four years you have absolutely no control over them. They do whatever they want.

The public whom I met during the election repeated that and were able to relate to it. Mr. Gass and his commission, rather than pointing out all the shortcomings of the former administration, zeroed in on that problem. And what they said, Mr. Speaker, is the only means of avoiding that is to ensure that the public and their representatives are fully informed as to what's going on.

Accountants call it accountability, and I guess we do too — accountability of the Executive Council and the administration to this Assembly. And thus the report is all about accountability.

First, to improve accountability, the government proposes a deadline for the release of the *Public Accounts* of the province on October 31 following the end of the fiscal year, whether or not the legislature is in session. And that is an important change.

For many, many years, Mr. Speaker, *Public Accounts* were released regularly at the opening of the session. Then the former administration began to have some problems with that. I remember Paul Rousseau, then minister of Financial Services, I recall the name of the department, released the reports early, found people asking awkward questions about it, and said if they were going to “play politics” in Public Accounts, he wasn't going to release them any more. It really became the attitude of the former administration: if you're going to ask us nasty questions, we aren't going to give you any information.

This, Mr. Speaker, seeks to enshrine in legislation, the right of members of this Assembly to full knowledge. It seeks to enshrine in legislation accountability so that members of this Assembly may ask the questions and so that members of Executive Council will know that their actions will be fully scrutinized by an Assembly which has all the necessary information to do the scrutinizing.

Mr. Speaker, secondly, the government wishes to make more complete and understandable, the financial statements which are being released. As pointed out by the commission, one aspect of this would be to record provisions for losses and write-downs for a number of investments in Crown corporations including Sask Water, SEDCO (Saskatchewan Economic Development

Corporation), Saskatchewan Grain Car Corporation, Saskatchewan Diversification Corporation, Saskatchewan Property Management Corporation.

We propose, Mr. Speaker, that the Lieutenant Governor in Council have the ability to cancel — in whole or in part, amend or transfer — loans and advances between Crown and the Crown entities. This will result in more accurate financial statements for the province, thereby provide members of this Assembly with the tools they need to do the job for which they were elected.

Third, as pointed out by the Financial Management Review Commission, accountability is going to be improved by providing net operating losses for the Crown corporations. This was the subject, Mr. Speaker, of a great deal of criticism over many years by the Provincial Auditor who stated that the failure of the Crown corporations to provide separate annual reports made it impossible for him — and of course when it was impossible for him, it was impossible for members of the Assembly — to identify operating losses and to hold the ministers and those Crown corporations fully accountable either to this Assembly or to the Crown Corporations Committee.

The accountability is therefore going to be improved by providing for net operating losses of Crown corporations to be financed by appropriations from the Consolidated Fund. This will hold the Crown corporations accountable for their operating losses when the legislature is asked to finance the shortfall.

The amendment also proposes that the ... also proposes legislative authority be provided for the payment of grants to Crown corporations in the amount of their net operating losses. This Act, Mr. Speaker, is one of the many steps the government is taking to restore open, honest, and accountable government in this province.

Mr. Speaker, in many ways I think this is one of the more profound and important Bills to come before this Assembly. The inability of members of this Assembly to hold the former administration accountable for their losses and for their actions went to the very root of what went wrong in the '80s.

It wasn't so much, Mr. Speaker, that incompetent or dishonest people were in office, although that's been suggested, the real problem was they were not accountable to anyone. Because only they had the information, they were really accountable to no one. Someone said: power corrupts and absolute power corrupts absolutely.

Mr. Speaker, we seek to bring an end to that situation by providing that the government is going to be fully accountable to this legislature for all its actions and for the Crown corporations. I therefore, Mr. Speaker, take great pleasure in moving second reading of An Act to amend The Financial Administration Act.

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

**Mr. Neudorf:** — Thank you very much, Mr. Speaker. Just a few comments on behalf of my colleague, the critic for

Finance, from Thunder Creek. It's kind of scary, Mr. Speaker, when one hears the associate minister, the toy minister get up as he says, and try to talk about his government being fully accountable — fully accountable, open and honest to the people and with the people of Saskatchewan, where we just witnessed quite a charade during question period of exactly the opposite from the Minister of Agriculture from whom we're trying to elicit some very pertinent and some very significant and important information for the people of this province, and in particular the farmers of this province who are undergoing a great deal of stress, a great deal of financial difficulty.

And we simply want an accounting from the government so that we know what their plans are, what their actions are, and more importantly, what the future holds for the people of this province and in particular again, the farmers of this province.

So, Mr. Minister, for you to talk about accountability so glibly lacks, I think, some credibility from whence you come. And I just want to draw that to your attention.

I am glad, however, that you start talking about the Financial Review Commission and its desire for openness. And, Mr. Minister, we agree with you that there should be accountability, that there should be openness.

We're very pleased that the Gass Commission did come out with its report, and we're very pleased to see the tenor of its report which, Mr. Minister, I would contend that it exonerated the previous government from many of the accusations that you have been levying against it, in the fact that Mr. Donald Gass himself said yes, the books were open. The facts were there for anyone who had, number one, the intelligence and the desire to read it and had the understanding and the ability to interpret what was there for them.

So it was there. That was the contention that we have always made on this side of the House — that the information was there last fall for you folks to interpret what the financial position of this province was.

And you, sir, and your colleagues on that side of the House, said that is not significant at this point because the significant features that we're most predominantly interested in is to win the election. So we'll ignore that, and we will go on in spite of all the information that was available to you. You chose to ignore that and go on and then promise the people of Saskatchewan more for less, that you would spend more and you would have no taxes — no taxes, Mr. Minister.

We've used that quote on you in this House previously where you said, no tax increases for two years. And yet, Mr. Minister, you knew all this information. Donald Gass says you did. Your own commission said you did. And you ignored that and you got elected under false pretences, Mr. Minister.

So we are very glad that the commission has made its recommendations.

You say that it's going to be non-controversial. Well I

think it will be up to this side of the House to determine whether or not your steps are going to be controversial or whether they are not going to be controversial.

Our only objection primarily with the Gass Commission was initially the fact that you were rolling in — and we had a great fear of this — that you were going to roll in the Provincial Auditor, the Provincial Auditor into this to create some kind of credibility to your move which essentially — and I will repeat this — which essentially was motivated by political aspirations on your part as is evidenced, I believe, in the simple composition of the members of that Gass Commission. Certainly Donald Gass, a very respected accountant in the province. But the other three fellows and gals that were on that were blatant, political, patronage appointments. And I will repeat that: they were blatant, political, patronage appointments.

Now what further evidence do I have to support what I just said, that these were blatant, political, patronage appointments, something which your Minister of Justice has gone on record of saying that you will never do and that you have never done? That's what he said in this House. Yet what do we find out? Where is this one gal that was appointed by you to the commission? What appointment did she get? What appointment did she get, along with the former premier, the Hon. Allan Blakeney? Crass, political, patronage appointments, Mr. Minister. And I want to bring that out.

Those are the two points that we were most concerned about during the time when you appointed this Gass Commission. And I have to say again, we're very pleased with the results of it. And we're very pleased with the fact that you did it now in retrospect, and seeing what type of a report Mr. Donald Gass has come up with.

So, Mr. Minister, these are, I must admit, off-the-cuff remarks on my part on behalf of my colleague from Thunder Creek who has a lot, lot more to say on this issue. And to make sure that this debate will continue on on another day, Mr. Deputy Speaker, I now move the debate be adjourned.

Debate adjourned.

(1445)

**Bill No. 51 — An Act to repeal The Heritage Fund (Saskatchewan) Act, to provide for the Winding-up of the Saskatchewan Heritage Fund and the Farm Purchase Program Fund and to enact Consequential Amendments to Certain Acts and Regulations resulting from the repeal of that Act and the Winding-up of those Funds**

**Hon. Mr. Shillington:** — I want to make a few comments on this as well, Mr. Speaker. This Bill touches upon the same subject as the previous legislation did. If one were allowed more poetic licence in the naming of Bills, one might call this opportunity lost.

Mr. Speaker, during the 1970s the province was favoured with very high commodity prices. It was an era of very high inflation accompanied by, and indeed fed by, very high commodity prices. I think it's accurate to say that if

oil were to double in value today, it still wouldn't be as high as it was in 1975.

I do hope the members of this Assembly have the benefit of the comments from the member from Wilkie on his feet. I do hope he gets to his feet and drops these pearls of wisdom so that we may scramble for them. I cannot quite hear them and I think the world will be much poorer if they are simply lost to posterity. I do hope he gets to his feet in due course. I would also wish that he would be a little less boisterous from his seat. It's making the progress of this discussion difficult.

Mr. Speaker, we were favoured with very high commodity prices in the '70s. I was saying that oil could double in value and it still wouldn't be as high in real terms as it was in 1975. That's also true of potash. Potash could double in value today and it still wouldn't be as much in constant dollars as it was in 1975. Grain could quadruple in value and wouldn't be worth as much as it was in 1975. The '70s were a period of extremely high commodity prices.

In Saskatchewan we imposed what were admittedly very heavy taxes on the production of those commodity prices. There's no question but what our tax on oil, our tax on potash were by far the highest in Canada, bar none.

That money, Mr. Speaker . . . and here I'm coming to answer the question that was concerning the earnest member from Wilkie. Mr. Speaker, the member from Wilkie wanted to know what we did with the money. What we did with the money was put it into the Heritage Fund. The Heritage Fund, Mr. Speaker, was designed to preserve for posterity some of that wealth which we recognized at the time would not continue. That very high level of commodity prices was clearly an aberration and we sought to put some of that aside.

Now the member from Wilkie is so concerned about how it was that it was squandered. Frankly, Mr. Speaker, the Heritage Fund was squandered during the 1980s. The Heritage Fund was there in 1982. It was not quite in the form that they thought it was in. They thought it was a bank account. It was not in fact in the form of a bank account; it was invested. And in 1982, Mr. Speaker, the Heritage Fund had a surplus of between 1 and \$2 billion.

What happened, Mr. Speaker, during the 1980s was that a new administration took office. And they embarked upon a different agenda. Rather than preserve some of this wealth for future generations, they sought instant gratification. And that occurred in a number of ways. One of them was privatization.

The system for privatization as developed in England and as copied in this province was that assets were sold for considerably less than what they were worth. The theory was the shares would then rise on the market and the people who had bought them would become dedicated capitalists. Such was their system for selling their philosophy. It was done at taxpayers' expense.

It might have seemed innocuous at the time to be doing that, and perhaps to the general public it did seem innocuous. It certainly doesn't seem innocuous now. Mr.

Speaker, let me put that nonsense in its context. As a result of that kind of nonsense the taxpayer is now subsidizing the Crown corporations to the tune of \$131 million. Let me translate that into terms that even the members opposite could understand. It takes 2 cents on the sales tax to make up \$131 million.

So if the members opposite want to know what their privatization games and the losses which they incurred on the Crown corporations during the 1980s cost the taxpayers, it's a couple of cents on the sales tax. That's the extent of it.

It wasn't just privatization, Mr. Speaker, it was also the belief that it was somehow or other immoral for Crown corporations to operate in competition with the private sector. The Potash Corporation was thereby kept on a very tight rein. And of course market share dropped. And as market share dropped, profits plummeted and the Potash Corporation, having enjoyed enormous profits in the '70s, largely as a result of the management style of the members opposite began to incur very heavy losses. That came out of the Heritage Fund, as did the losses on privatization.

When PCS (Potash Corporation of Saskatchewan) was privatized in 1989 it was a loss of \$361 million. In addition, Mr. Speaker, there were debts incurred in funding one hare-brained scheme after another. No hare-brained scheme could come within shooting distance of this province but what these people didn't have to give it some money.

The most infamous example is GigaText, but it was by no means the largest, by no means the last, nor by any means the first. One dumb idea after another attracted huge gobs of money like a magnet being dragged through a pile of iron filings.

**An Hon. Member:** — Let's make a deal.

**Hon. Mr. Shillington:** — Let's make a deal, was their theory. And nothing has changed. Nothing has changed, Mr. Speaker. Let me just say that the folks across the way have not changed one iota.

Mr. Speaker, we evaluated the Piper deal. We decided what we thought it was worth. What's the approach of members opposite? The approach of members opposite is to pay whatever you have to to get it. That is not the approach of this government. We decide what something's worth and we don't pay any more. If we get it at a fair price, we get it; and if we don't, we let somebody else pay too much, but we're not going to. These people opposite, Mr. Speaker, haven't changed one iota.

Mr. Speaker, the government has examined all the aspects of the Heritage Fund. We decided to maintain two important Heritage Fund reserves in the Consolidated Fund for their intended purposes. These are the energy security reserve created to fund the development of energy resources, and the environmental protection reserve created to provide contingency funding to mitigate unforeseen environmental problems related to uranium mining. So that there will be those two reserves.

Although there's not . . . I may say there has not yet been a need to utilize the second reserve since its creation, it's certainly prudent to maintain it. Short-term reserves totalling \$82.8 million will continue to be set aside for the purpose of this reserve.

The Bill also proposes to wind up the farm purchase program. This fund collects lease revenue on agricultural land and receives appropriations from the Heritage Fund. I won't get into it in detail. Suffice it to say that its purpose has disappeared into history. All of its revenue will be paid to the Consolidated Fund. With the Heritage Fund wind up, it's more efficient for the Consolidated Fund to collect the lease revenue directly. The government proposes therefore that the Heritage Fund be wound up as indicated. The *Estimates* for 1992-93 have been prepared on this basis.

In closing therefore I say, Mr. Speaker, that the government in the '70s set up the Heritage Fund to preserve for future generations the excess revenue from very high commodity prices. The government opposite squandered it in the '80s. It's like a father who, having gone through hard times, is thrifty, some would call parsimonious, develops a good estate. Dies and leaves it to his children; never having seen the difficulties that the father went through to amass the estate, simply squander it without any thought for tomorrow. That is what has happened.

In a sense, Mr. Speaker, this government represents the third generation. The generation having lost the patrimony of the grandparents must now deal with the spendthrift habits of their parents. This Bill, as I said, Mr. Speaker, could well be called opportunity lost. It isn't. I will therefore, Mr. Speaker, without further ado move second reading of an Act to repeal The Heritage Fund (Saskatchewan) Act.

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

**Mr. Toth:** — Thank you, Mr. Speaker. Mr. Speaker, I've been listening with interest to the debate and the comments that have been made by the Associate Minister of Finance in the House regarding Bill 51, The Heritage Fund (Saskatchewan) Repeal Act. I would make a few comments and suggest that we will be looking a little more diligently into the Bill, the implications of the Bill, and therefore will be moving adjournment in a few seconds.

But, Mr. Deputy Speaker, as I've been listening to the minister and the minister has gone through a long liturgy of what the original reasoning behind the Heritage Fund and why it was put together. And on this side of the House and many members, I believe, will agree that there is nothing wrong in planning for a rainy day and certainly putting aside funds for a rainy day and planning for your future.

But, Mr. Deputy Speaker, the problem that we face in addressing the Bill today is the fact that prior to 1982, yes, there were . . . the government of the day led the people of Saskatchewan to believe that there was something like a million dollars-plus in the Heritage Fund — a million

dollars available in cash, that was available to the province of Saskatchewan — led Saskatchewan electorate to think that there was this nice little pot, nest-egg, that was being set aside. And yet, Mr. Deputy Speaker, once the election of 1982 was over and the former government of Mr. Blakeney was turfed and the new government had taken office, they found out that there wasn't this cash in the Heritage Fund.

And as much as the Associate Minister of Finance would lead us to believe that they had a lot of money set aside for a rainy day, when you begin to look at where the Heritage Fund was in 1982, Mr. Deputy Speaker, where was it sitting? It was sitting in resources. As the minister indicated, oil definitely was high and potash and our resources were bringing in a pretty good revenue in the 1970s. And certainly that was a time period in which money should have been set aside for a time when the economy would be facing more difficult times.

But what did the government of the day do, Mr. Deputy Speaker? The government went and invested in potash mines. If the government wanted to invest in potash, why didn't the government form a corporation and sink their own shaft rather than taking over from companies that were already paying royalties to the province and had employees?

And when the government bought up these potash mines, what did they use to purchase the mines? They used the money of our children. They used the so-called heritage funds, this money, Mr. Deputy Speaker. When you're investing in property, Mr. Deputy Speaker, any time you invest in property you know that it can either go up or it can go down.

And what happened over the past number of years? We've seen that all this money was put in assets, assets which have been losing value continuously. So it's no wonder that the Heritage Fund, Mr. Speaker, hasn't got anything in it. And we have to question the reasoning and the rationale that the former government took when they set up the Heritage Fund.

Mr. Deputy Speaker, if the former government would have let the potash companies of the province of Saskatchewan continue to pay royalties and taken that funds and indeed built a fund up instead of just buying out companies, certainly the Heritage Fund probably would have done something for this province.

Not only did they invest in potash mines, Mr. Deputy Speaker. They invested in land. They went and bought land from farmers. And then farmers became tenants in the province of Saskatchewan. And what has happened to the farm land? In fact, that money was used to drive up land — drive up land prices, land prices which reached values which was probably four and five and six times the productive value of that land.

And there's no doubt. And we all know what has happened in the farming sector since then, Mr. Deputy Speaker, with the fact that, yes, a lot of farmers have been facing difficulty — difficulty created because the government didn't care back in 1981, 1982, in the late '70s when they allowed interest rates to rise into that 18,

19, and 22 per cent. And when they took money and they invested in good projects that were already being utilized by companies . . . and companies that were indeed paying their taxes to the province of Saskatchewan, taxes which could have been used to pay for the education and the health care and the well-being of our province.

(1500)

And the associate minister also talked about the former government and investing in computer companies. Well, Mr. Speaker, what about the investment made by the former government of Mr. Blakeney prior to 1981 in the corporation called Nabu? Is that another example, Mr. Deputy Speaker?

I guess as we get into further debate on this Bill we will find, Mr. Deputy Speaker, that there are many other examples that we will be able to bring forward to show that first, when the Heritage Fund was originally set up, it was probably a good idea at the time. It's unfortunate it didn't have better managers in laying out the guidelines and plan with which they could set aside the appropriate funds and finances and, as the province of Alberta did, invest them properly in the investment community so that they could build for the future, Mr. Deputy Speaker.

So, Mr. Deputy Speaker, we do have a number of other comments we would like to make on the Bill, and therefore at this time I move to adjourn debate.

Debate adjourned.

**Hon. Mr. Lingenfelter:** — Mr. Speaker, I'd ask for leave to revert to introduction of Bills.

Leave granted.

## INTRODUCTION OF BILLS

### **Bill No. 58 — An Act respecting amendments to Certain Farm Income Insurance Legislation**

**Hon. Mr. Lingenfelter:** — Mr. Speaker, with leave — I guess I don't need leave — I would move to amend Certain Farm Income Insurance Legislation Act.

The division bells rang from 3:02 p.m. until 5 p.m.

**The Speaker:** — Order. Having received no indication that the House is prepared to vote prior to today's adjournment hour, in accordance with precedent I have ordered the bells to be shut off at the ordinary hour of daily adjournment. The bells will be suspended and the Chamber closed until the next normal sitting hours of the Assembly, as outlined in rule 3 of the *Rules and Procedures of the Legislative Assembly of Saskatchewan*.

Notwithstanding this action, I am prepared to resume at once the ringing of the bells outside the normal hours if the Chair is given at least two hours notice by the whips of a specific time when the vote shall take place.

The Chamber sittings are thus suspended.

The division bells rang Friday, June 12, 1992.

**The Deputy Speaker:** — It now being 1 o'clock p.m., this sitting is suspended until Monday at 1:30 o'clock p.m. unless recalled earlier, pursuant to the Speaker's statement from yesterday.

The division bells rang Monday, June 15, 1992.

The division bells rang Tuesday, June 16, 1992.

**The Speaker:** — Order. Since it does not appear that the Assembly is prepared to vote today, I have decided to suspend the sitting at 5 o'clock p.m. in keeping with our current practice regarding Tuesday night sittings.

However, should the members agree that a vote will take place this evening and give me two hours notice of such agreement, I will take the necessary measures to resume the sitting.

The division bells rang Wednesday, June 17 until Monday, June 22, 1992.

**The Speaker:** — Order. As it appears that the House is not disposed to proceed to the vote today, I have decided to shut down the Chamber at 5 o'clock p.m. There is no point in keeping some members at their desks this evening.

Proceedings will resume tomorrow at 1:30 p.m.; however, should both sides indicate that a vote will be taken prior to tomorrow's resumption, I will make all the necessary arrangements to resume the sitting within two hours of receipt of such notice.

The division bells then continued to ring until 2 p.m., Monday, June 29, 1992.

**The Speaker:** — Order. All members were informed last Friday through their respective House leaders of my intention to make a statement today at 2 p.m., which now I will make to the House.

On June 11, 1992, the Government House Leader obtained unanimous consent of the Assembly to revert to introduction of Bills for the purpose of moving first reading of a Bill respecting amendments to Certain Farm Income Insurance Legislation. When the motion for first reading of the Bill was put to a voice vote the Chair determined that a majority of the members present had voted in its favour. At this stage several members rose to request a recorded division. Accordingly, the bells were ordered to ring to summon the members to the vote. That was 18 days ago.

In the days that followed, negotiations were held between the contending parties to reach some kind of mutually satisfactory solution. During that same time the work of the legislature came to a complete halt. There was no opportunity for debate and consideration of the many other important issues confronting this province. This cannot continue indefinitely.

The Assembly is Saskatchewan's foremost political arena. Here we, as elected members, contend over any and all public issues that seek attention and demand decisions.

The current paralysis of the legislative process prevents members from fulfilling their important parliamentary responsibilities. All members share some blame for this situation.

Practices have developed in this Assembly in the past few years which have jeopardized the ability of this House to work. We have allowed partisan differences to subvert the legislative process and to cripple the work of this Assembly.

While heated political exchanges are certainly a common feature of our parliamentary system, it exceeds all tolerable limits when the Assembly itself becomes a casualty of the political strife between the parties. The very credibility of this institution in the public mind has been seriously undermined.

As a procedural tactic, prolonged bell-ringing lacks parliamentary legitimacy. Prolonged bells destroy the operating principles that are at the core of this institution. Prolonged bells have prevented any debate. The right of the majority to secure its business and that of the minority to be heard have been suppressed. The right of all citizens to have their views represented in this Assembly by their democratically elected members has been denied.

Opportunities to correct this unacceptable abuse have been put off or simply ignored. The Rules Committee has refused to come to grips with the critical problem. In no other jurisdiction in this country or throughout the whole Commonwealth does such an ill-designed practice continue. Indeed it is only in this country that the problem has ever existed at all, and only in Saskatchewan does the problem persist. Everywhere else in Canada the duration of bell-ringing has been limited. It can vary from a minimum of five minutes to a maximum of one hour depending on the province and the circumstances associated with the vote. What we have here in this Assembly is an extraordinary and unacceptable state of affairs.

As the member you elected to be your Speaker, I believe that the Chair has a special responsibility to find a means to commit the legislature to resume functioning. At this juncture there appears to be no alternative. Events taking place outside of this Assembly were cited during this present episode as the possible means by which it might be resolved. To date this has come to nothing and there is no real prospect that this will change. Therefore I have decided to intervene.

Before continuing, however, I want members from both sides of the Assembly to understand that I have come to this decision after much careful consideration of our precedents and the present situation. Of course my preference would have been for the members to have arrived at some sort of settlement. It was explained in the ruling dated June 12, 1991 that the primary responsibility for resolving differences and difficulties should lay with members. Under the present circumstances, however, much to my disappointment, this does not seem possible. In effect, the decision to intervene has been imposed upon me.

Let me say to those members with doubts as to whether

the Speaker has authority to intervene, that in recent times as well as throughout parliamentary history, Speakers have taken discretionary action in the best interest of the House. In the ruling of June 12, 1991, Speaker Tusa demonstrated that under certain conditions the Chair has authority to exercise discretion to intervene. I do not intend to repeat all what the parliamentary authorities and other Speakers have said on the subject but I do want to re-emphasize a number of points.

First of all, members should realize that as Speaker it is my responsibility to protect the majority against obstruction as much as it is to protect the minority against oppression. In dealing with both sides of the House, the Speaker must be for ever mindful of what is the best interest of the House as a parliamentary institution. Accordingly, the Speaker's primary interest is the parliamentary process and not the product of that process.

When rules and practices become the focus of political warfare, then the Speaker must become even more vigilant. On this subject I want to quote Josef Redlich's *Procedure of the House of Commons*, which is a standard parliamentary authority in Great Britain, and I quote:

(Parties and politicians) are giving the rules of procedure a fictitious importance, treating them as if they were political ends, instead of means only; they must take into account that thus they may be injuring, destroying, annihilating, those elements of the order of business which do exist for their own sake . . .

In Saskatchewan, Speakers have sometimes felt obliged sooner or later to intervene to prevent the rules and practices from being used purely for political ends. On March 21, 1986 Speaker Swan intervened to prevent the rules for the giving of oral notices of motions from being used for obstructionist purposes. Despite precedent, Speaker Tusa acted to end the use of presentation of petitions to be used for obstructionist purposes. Indeed, Beauchesne's, 6th Edition, paragraph 11 indicates that Speakers have used their authority to develop procedure, and I quote: "... regardless of conflicting precedents in the past."

Before going on, I want to add these comments made by Speaker Fraser in a ruling which ended a deadlock in the House of Commons in Ottawa April 14, 1987. He stated, and I quote:

Our rules were certainly never designed to permit the total frustration of one side or the other, the total stagnation of debate, or the total paralysis of the system . . . However, when negotiations fail there comes a time when the Chair is obliged to consider what its own responsibilities are. One of the functions of the Speaker is to ensure that the House is able to transact its business.

Speaker Fraser went on to explain that when the House is faced with an impasse it is unable to resolve for itself, the Chair has to face its responsibilities.

And he quotes, and I quote:



(when) the rules . . . provide no solution, the Chair must fall back on its discretion in the interests of the House and all its Members.

This might even require, as Speaker Fraser noted, that, and I quote, "the Chair modify or vary an earlier decision."

There is no doubt that the total paralysis of this Assembly for an indefinite period is an extraordinary situation. Certainly there is a difference between hindering a single measure and bringing the whole function of parliament to a standstill. I have not been informed of an imminent resolution to the impasse.

In light of the prevailing extraordinary circumstances, I feel that at this juncture the Speaker has no option but to use his discretion to intervene. Accordingly, all members have been informed that at 2 p.m. today I am reconvening the sitting and have ordered the bells to be turned off.

The recorded division on the Bill respecting amendments to Certain Farm Income Insurance Legislation is hereby suspended for the time being. The Bill will remain on the order paper with the notation that the vote on first reading is under suspension. This action will set aside for a time being the decision on the Bill under contention and will allow for a cooling-off period for all concerned to consider their options.

The vote on the GRIP Bill is thus suspended until I am informed that both the government and the opposition, the official opposition, are ready to proceed with the Bill or until the House itself makes a decision on the disposition of the Bill.

The most important result of this decision is that the Assembly will be able to continue with other business while settling matters respecting the GRIP Bill. Members will note that my ruling does not determine the question of the length of the bells, thus I have not exercised the full extent of the Chair's authority at this time. What this ruling does is give the House itself the opportunity to resolve both the procedural and the public policy issues involved in this case. At the same time it allows the Assembly to continue with other business.

As one of the first items of business, I urge the House to deal with establishing a solution to, in my view, the unacceptable practice of paralysing the House through bell-ringing. Press reports of recent days have indicated that representatives from all three parties have recognized that there is a need for a rule to be adopted to establish the maximum length the division bells may ring.

As chair of the Special Committee on Rules and Procedures, I will call a meeting of the committee at the earliest opportunity to enable the committee to consider the question of establishing time limits on division bells. I believe it is the duty of the Speaker to act in the best interest of the House and I make a commitment to continue to do so as the current problems are being resolved.

(1415)

## GOVERNMENT ORDERS

## COMMITTEE OF FINANCE

**The Chair:** — Order. I've been approached by members who have asked for leave to introduce guests. Is it agreed that we now do that?

Leave granted.

## INTRODUCTION OF GUESTS

**Mr. Flavel:** — Thank you, Mr. Chairman. I want to introduce to the Legislative Assembly today — the members of the Legislative Assembly — 29 grade 7 and 12 students from the Govan School, along with their teacher, Ian Kelln, and their other guardians that are with them today. I want to welcome them here today, and I'd ask the members to make them feel welcome.

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

## COMMITTEE OF FINANCE

### Motions for Interim Supply

**Hon. Mr. Tchorzewski:** — Mr. Chairman, before I move the required motion, I would like to first of all introduce the officials who are with me. And as members will know because we've been here before, John Wright, who is the deputy minister of Finance, is sitting on my right. Mr. Craig Dotson, the associate deputy minister of Finance, budget analysis division, is immediately behind Mr. Wright. And behind me is John Law, executive director, treasury board branch.

Mr. Chairman, as you know and as the House knows, that interim supply is a requirement or a request by the government when the House is in session for interim funding until the budget is passed by the Assembly. And the procedure is to ask either one-twelfth or two-twelfths supply for the following month. In this case it'll be for the month of July.

I am coming forward, as the Minister of Finance, to request one month's supply or one-twelfth. And in keeping with that, I move the following motion:

Resolved that a sum not exceeding \$365.428 million be granted to Her Majesty on account for the twelve months ending March 31, 1993.

**Mr. Swenson:** — Mr. Chairman, I wonder if . . .

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

**Hon. Mr. Wiens:** — With leave, to introduce a guest.

Leave granted.

## INTRODUCTION OF GUESTS

**Hon. Mr. Wiens:** — Mr. Speaker, it gives me great pleasure to introduce one of Saskatchewan and Canada's renowned farm leaders, presently a member of the Canadian Wheat Board advisory committee, Roy Atkinson, in the gallery opposite. Welcome on behalf of

all of us in the House, Roy.

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

## COMMITTEE OF FINANCE

### Motions for Interim Supply (continued)

**Mr. Swenson:** — Thank you, Mr. Chairman. Last time when the House dealt with interim supply, the minister forwarded a list over of the various departments because there were some areas that were more than one-twelfth. And I would like if the minister would send such a document across to us, if that would be possible.

**Hon. Mr. Tchorzewski:** — Thank you, Mr. Chairman. And I thank the member from Thunder Creek for the question. I actually was going to do this earlier but I thought we had to go through the formalities. I do have, for the benefit of the opposition, a copy of all of the information dealing with each department's request, department by department. I have also provided — because I remember the debate we had the last time we were here — detailed information about all of those cases wherein there is a request for more than one-twelfth and the reasons for it, so that the members opposite can have, and I . . . we should really get a copy of this because I think the Liberal member should get a copy of this as well. So if the pages don't mind making us a copy so I can have one for each. And I'm sorry we don't have two copies, we should have . . . I should have known that the staff would have two copies, here we are.

**Mr. Swenson:** — Thank you, Mr. Chairman. I appreciate the minister providing this. It should save some time in committee having this information up front.

Mr. Minister, since we last met on interim supply you have had the opportunity, and I'm not sure it was exactly a privilege, of visiting with some of the people that lend Saskatchewan money. We've had a further downgrading by some of the financial institutions in regard to our bond rating, that we certainly are in a different light than when we last met on this particular issue.

And I wonder if the minister could just inform the House as to some of those visitations and some of the economic forecast that he made to the people in the various rating agencies as to what he foresees into the next few months. Because it will have a direct impact on how we finance this interim supply Bill and how we may have to finance the next one if this House hasn't passed the budget by that time. And I wonder if the minister could just inform the House as to some of those deliberations.

**Hon. Mr. Tchorzewski:** — Mr. Chairman, I am pleased to respond to the member for Thunder Creek. Yes, both the Premier and I spent some time in Toronto and Montreal and New York, meeting with credit rating agencies as well as meeting with investors — both investors who invest by the way of purchasing the bonds which the province issues which is a way we borrow money, go out to the market, and also people who are interested in Saskatchewan as a province to make direct investments for business purposes.

The meetings we had were very positive. I was impressed by the — and I want to report this to the House — by the high level of interest and confidence that people we met with have in the future of the province of Saskatchewan. There obviously has been and continues to be an expression of concern about the high level of the debt which this province carries on a per capita basis and the ability of the province over the period of time to be able to finance that debt.

Our role and our purpose was to meet with the people we met with to explain to them the measures we have taken in this budget to begin to address the financial situation that we face. We explained to them how we have brought the deficit down to the level that it's there. We were able to, I believe, have some impact in that explanation on one of the major bond rating agencies, Moody's, bond rating agencies in New York which upheld our credit rating.

As the member from Thunder Creek will know, two others had reduced our credit rating before that. And Canadian bond rating agencies, although they reduced us, have kept us — which is another group we met with on our trip — kept us in the A category. They're doing that on the basis of . . . And I believe it is an expression of confidence that they feel that the government has a firm grip on the financial wheel of the province.

We have taken the initial correct steps. There's more that's going to have to be done. There's going to have to be a continuing decline of this deficit which is what we have said on the day we presented the budget. And in our meetings with the financial community in Toronto and New York in particular, we did the same thing. We were quite up front. We explained what the situation was and what our budget was doing.

The thing that's important for Saskatchewan people and members of the House to know, because we're all interested in the future of this province, was that although they recognized the financial difficulty we face and the high debt that we carry, and that is of concern, they are quite ready to listen to a discussion which we brought to them about the strong potential of this province in its resource base, in its agricultural potential.

And on those strengths we indicated that Saskatchewan is a good place to invest. I think we were able to carry the message on behalf of the province. There is that kind of interest. The recent move by a company, head office from Calgary to Saskatoon, which happened last week, I think is an example of the kind of confidence that investors are showing in this province and I think are showing in the institutions of government, and I include all of the legislature in that, in dealing with the situation that we face.

**Mr. Swenson:** — Mr. Chairman, well I thank the minister for that overview because I think that some of his observations are right on the money, that Saskatchewan indeed has a lot of potential. It's the question of whether this government will let that potential blossom and flourish that I suppose divides the members of this House.

And I would have loved to have been the fly on the wall in that meeting room, Mr. Chairman, to listen to how the

Finance minister and the Premier presented these opportunities to people that obviously, in my view, might not have the same philosophical bent as some of the Finance minister's colleagues when we pertain to certain issues in the province as far as investment.

And I, like the Minister of Finance, welcome the move of people like Minatco to our province because the uranium business is important to us. Another 2 or 300 hundred jobs in northern Saskatchewan is not something to sneeze at, and certainly the taxes and the royalties from a new uranium mine are something that this province does indeed need. And I'm sure that the people in New York and Toronto and Montreal would take some degree in confidence that those moves do bode well for the future.

By the same token, we've obviously had other problems associated with business leaving this province, with opportunities being missed. And I would just ask the minister, when you're visiting with those people, do they raise the question of nuclear development, AECL? Do they raise the questions associated with other value added industries that have obviously run into some difficulty because of the philosophical bent of your government?

Are they worried about the feeding industry of Saskatchewan? It's an industry that turns between 2 and \$300 million a year to our provincial treasury. Obviously a feeding industry that would lose that amount of potential because of recent budget moves . . . are they concerned that those things are happening and that there is nothing new coming to replace them? Obviously we're having problems with aircraft plants. We're having problems attracting other viable enterprises that could pick up the slack. Do they ask those sorts of questions and what your future plans are in some of these very large and significant areas to the province of Saskatchewan?

**Hon. Mr. Tchorzewski:** — Mr. Chairman, the one thing that one gets impressed with very quickly in this kind of important series of meetings is that good business and good investment doesn't look at the political stripe of a government in North America or the province of Saskatchewan. They look at the good business investment opportunity, and Saskatchewan is a good business investment opportunity.

There was no doubt about that message that was brought to us in our discussions that we had with the various people we spoke to.

What they're asking predominantly is the question of what is the financial state of the province. And that's a fair question. The reason they ask that question is because they know that continuing deficits and continuing accumulation of debt is not in the interest of the province, and it's not in the interest of those who might invest in the province because at some point in time this continuous accumulation of debt becomes a cost, as it is well known to members opposite, this year with a cost of \$760 million worth of interest charges which the taxpayers have to pay.

That was the main question which was asked of us — about where we are going with that — and we simply presented the budget to show where that was the case.

There were no specific questions of the kind that the member from Thunder Creek raises on specific projects.

Those were not addressed by the people we spoke to; they were mainly interested in one, what is the policy of the government with regard to financial management. And we explained what the policy was. And by and large, I believe they were quite satisfied with the direction that was being taken.

(1430)

**Mr. Swenson:** — Mr. Minister, I appreciate your comments on the diligence that the government is presenting to these folks as far as your deficit reduction figures and I would suspect that they did notice that we did have the second-highest deficit in our history in this latest budget.

But my experience . . . and I have had the opportunity to deal with these folks on a maybe not quite the same level as the minister but obviously in a roundabout way through various share offerings and privatizations and that type of thing that the former government was involved in, and that they were always interested in the . . . sort of the long-term view of our province.

Because something like the uranium industry doesn't stop and start on a daily basis. That many of the companies involved — Minatco, I'm sure, amongst them; Cameco — will make 10-year agreements with utilities. They will say, we are committed to X amount of pounds of uranium oxide over a given amount of time and that we want to have some confidence that we can fulfil those contracts down the road.

These people are very interested because we're talking about tens and hundreds of millions of dollars on a very, sort of, regular basis. And I would think that they would want some confidence from you in your long-term projections as you manage the deficit, as you make those long-term projections on how we're going to pay back our debts, that they would have some sense of security that these industries wouldn't simply up and leave for various reasons.

You're right. They probably take a long-term view at politics because politicians come and go — you and I come and go from cabinet portfolios. But there are some long-term philosophical directions in this province and I would think that they would want to know those things, Minister, about your view and your government's view of industries that obviously themselves have to borrow large amounts of money in the market-place from the very same investors. The same companies would be forwarding money either through share offerings or through borrowed capital to some very large concerns in our province who have to make long-term projections in order for them to pay their debts.

And I would have thought that they would have asked you those questions and I suspect that they did. I think everyone in this House, Minister, would expect that they did ask those questions. And I wonder if you just couldn't enlighten us a little bit further on some of those directions that I'm sure were discussed.

**Hon. Mr. Tchorzewski:** — Mr. Chairman, let me just . . . first of all, just so that the record of the House is clear that this is not the highest deficit or the second-highest deficit: the 1991-92 deficit was well in excess of \$800 million, the 1987 deficit was \$1.2 billion, and the 1988 deficit was \$542 million. I just wanted to make sure that that was on the record.

Mr. Chairman, further to . . . in response to the member from Thunder Creek, in our explanation of the budget and the financial direction which the province has taken under this government, two of the things that were important that we introduced from the point of view of providing some incentive and making our businesses more competitive, which we explained, which was welcomed by the people we spoke to, was the matter of the reduction of 1 per cent in the small business corporate income tax rate. And also the three-year phasing out of the education and health tax on agents used in processing and manufacturing processes.

This is a very positive step that will help to not only maintain the jobs that are existing now in the small-business sector and in the manufacturing and processing area and also help the small-business sector be more profitable, which will then will create new jobs, but also it will in this, Mr. Chairman, have an interest to those who may want to expand their businesses because as a sign of, an indication of, confidence in what they're doing. And this has indeed been the very welcome move that was introduced in the budget.

**Mr. Swenson:** — Thank you, Mr. Chairman. Mr. Minister, one of the areas that we were very curious about the last time that we were before the Assembly with interim supply — and at that time it was very soon after the budget was presented — was the whole area of taxation change. Obviously the projections that you're making here today as to your spending needs in the month of July and your projections for the year are predicated upon certain things happening. At that time we asked you, and maybe it was unreasonable at the time, to inform the House what your department has determined about the increases that have occurred with personal income tax, with raising of sales tax, with raising of gasoline taxes, with the raising of utility rates across the board, what impacts these have had on the various sectors of our society in enabling to meet your projections.

Obviously now after a month's time since the last interim supply Bill you must have some read as to those projections and how various parts of the economy are reacting. And I think it might be appropriate now, after this time period has gone by, for you to inform the Assembly about some of the analysis that was done in making those projections so that taxpayers in Saskatchewan can see if that analysis was indeed correct, and if we're on track as to the projections that you made in the past.

**Hon. Mr. Tchorzewski:** — Thank you, Mr. Chairman. Although it is yet not possible to give a complete and totally accurate analysis of where we are going and whether it is on track, I think there is reason to be quite confident that we are because of the lag time that is

involved. We only have the full numbers for the month of April which indicates that all of the projections that were made with regard to E&H (education and health) tax, fuel tax, and other revenues that are coming in are on track. So there are no unusual circumstances there. There has been no impact because of the tax measures, which some people may have thought there would be, which would have reduced the activity to such an extent it would have a negative impact on the revenues coming in. It has not happened and in fact they are holding their own and they're on track.

We will have very soon the final results from the month of May and we'll be able to give you and the House a better picture of where we're at. But I have reason to feel, on the basis of what we know, quite confident that everything is going okay, unless there are some unforeseen surprises that are going to happen in the future, which I don't know of any.

The projections that have been made by the Conference Board is much what the . . . and our own analysis showed. It showed that the value of GDP (gross domestic product) and the growth would this year be about stable. There is no great growth that we're expecting, but we expect it to be stable and everybody, including our projections, but all of the independent analysts, Conference Board and others, are projecting next year significant growth in the area of three to three and a half per cent. I don't want to be held to that because this is June of 1992 and things, a lot of things, might happen before 1993, but those are the projections now — partly because of some of the decisions that we made this year.

There is an indication, and we expected, that there would be a growth in employment this year — am I correct there? — there would be some modest growth in employment this year and there are some signs that that is in fact happening. So I think there is reason for the member from Thunder Creek and members of the House to be optimistic that we are doing well in Saskatchewan. We are doing better than some other provinces are. Mind you, places like British Columbia will do better because their economy is different. But we are in pretty good shape.

The moisture levels are reasonably good. Even in the south-west there has now been sufficient rain. There's some concern about some dryness as you get further north, but it's early in the year. So the bottom line is that we're on track.

**Mr. Swenson:** — Mr. Minister, I'm glad to hear that the optimism level is there. I've had an inch and eight-tenths of rain on my farm altogether this year. I can tell you that there is some need of rainfall in a lot of areas of this province before we're all said and done, but we will stay optimistic.

You mention the fact that your projections on employment are they're going to go up. I wonder if you would share with the House that analysis and what those sectors would be where you foresee a growth in the employment area.

**Hon. Mr. Tchorzewski:** — Thank you, Mr. Chairman.

The other things that the member from the part of the province he's close to will know is that the other promising things that have happened is that oil prices have firmed up. In fact, oil prices right now are higher than what we had projected they would be. That's a nice place for a Minister of Finance to find himself in. It's not usually . . . it often doesn't happen that way.

And uranium, based on sales volume — prices, oh yes we well know are soft — but based on sales volume, there seem to be indicators of an improvement in that market.

The employment, net increase in employment, we projected would be about 2,000. Now quite free to admit that had it not been for some of the measures in the budget that had to be taken to get the finances under control, that number might have, would probably no doubt have been higher than 2,000. But because of some of the measures that have been taken, it is less than it might have been. It's hard to predict what it would have been. One never knows for sure. But we still are going to have, according to the indicators that are there and our analysis and the independent analyses that have been done, a net increase of employment of a minimal of 2,000 Saskatchewan . . . and considering the kind of troubled times that the economy of this province has been in, that's not a bad achievement.

**Mr. Swenson:** — Are you saying, Mr. Minister, that the 2,000 jobs is pretty well predicated in the resource industry, that it'll be driven by uranium development and increased activity in the oil patch, natural gas areas? Is that sort of the area that this is going to happen in, or do you have other areas where you foresee modest increases? Obviously 2,000 jobs spread across the province isn't a great deal. It's better than nothing. Can you give us more of an idea of where those jobs are going to occur?

**Hon. Mr. Tchorzewski:** — Actually the one very positive thing about all of this is that it's broadly based and general across the piece, the service sector particularly. Members will have seen reports in the press about the fairly significant increase in housing starts in Saskatchewan. That drives a lot of the important factors and has spin-off effects in the retail side as well as the construction industry. So the service sector is playing a big role in this.

But there is no one particular place in which you can point and say, here is where the single element of the growth is in the big way. It's generally spread across the various sectors of the economy. It may be probably a little heavier on the service sector. I think that's a fair statement. But because it does have impact in other sectors that is a good sign.

There has, I think, been some increase in the optimism on the agriculture side because of the slow, much too slow, increase in the price of grain. Because of that and because of funding that's going to come in under the various safety net programs, it is anticipated by Canada that the net income, farm income in Saskatchewan this year, will be double what it was last year. Still far too low what it needs to be, but that's certainly some more cash flow that's around to be able to circulate in the economy and add to it in a positive way.

**Mr. Swenson:** — One of the things, Mr. Minister, that I would be interested in, given that we are a province that borrows quite heavily, is what your projections are for the average on the Bank of Canada rate will be say over the next six months of your borrowing. Sort of what figure that you are anticipating the Bank of Canada borrowing rate to be and what the inflation rate in Saskatchewan will be over this next short while.

(1445)

**Hon. Mr. Tchorzewski:** — The projections that we made in the budget were short-term interest rates at 8 per cent. They're lower than that now. We projected on the long-term rates at 10 per cent. They're lower than that now. The prime rate is at 7 per cent and that the Canada bank rate, the bank rate is below 6 per cent at the present time. All of those are below what our projections were.

I'm not sure that the Governor of the Bank of Canada would want to stand up before this committee and say that the interest rate will be X six months from now. And I'm certainly not going to be bolder than the Governor of the Bank of Canada who in fact goes and sets those rates. But all of the independent analysts who make reports . . . And if I have to rely on what the federal Minister of Finance tells me at the recent Finance ministers' meeting, there are indications that there will be a continuing but small reduction in the interest rate. I hope that's true.

But we are below what we were projecting the interest rates that they would be. There was no way to know that they were going to drop to the extent that they have dropped. The fact that they have dropped is having an impact on the finances of the province. There's a reduction in the borrowing that we do. There is cost saving on things like the home program and other programs for which we have money that has been borrowed which we have to pay interest on.

I am hopeful that this trend will continue throughout the year and that it will at least stabilize because it does add to the confidence of people who want to invest and confidence to small-business people and, maybe even more importantly or at least as importantly, to the confidence of the consumers who over a long period of time I think are beginning to feel that yes, this is the time to spend some money and maybe make a loan to buy something that they put off for some time. And that this once again is having a positive impact on the economy in Saskatchewan.

**Mr. Swenson:** — It would seem, Mr. Minister, that you're fairly well in agreement with the steps that the Governor of the Bank of Canada has been taking in direction here, and I must say that's slightly different than some of the rhetoric that I heard from the previous opposition at the time. But I know that when the shoe is on the other foot that things change, so I won't belabour the point.

But I do agree with you that the financial and fiscal policy of the federal government is obviously making some difference to the province of Saskatchewan, as they do at any time when they affect how we borrow money and how we do things in a fairly significant way. I don't

suppose that it will make up for the off-loading that has occurred in certain areas. It would have to be considerable to make up for that.

I'm wondering, Mr. Minister, given that these rates have shown some general trends, given the numbers that you projected in the budget . . . let's say you take a 1 per cent decrease across the board in those projections, what kind of money that would make as far as the province of Saskatchewan goes over your fiscal year.

**Hon. Mr. Tchorzewski:** — At the risk of being labelled as totally agreeing with the Governor of the Bank of Canada, let me make a point of clarification.

Although we're supportive and welcome some of the changes that have taken place, there is still a very serious problem, and that is that the real interest rate — and that is the difference between the rate, the Canada bank rate and inflation — is still too high. And there have been urgings by ministers of Finance of the provinces and by others in the investment and business community that that has to change. The real . . . the rate in the United States is far below what it is in Canada because of that spread between inflation and the bank rate.

So the real interest rate is still too high. It is lower than it was, and that has had a positive contribution, but that has to also have a significant reduction. And I have no way . . . and I would not want to guess because one shouldn't guess at these things, what's going to happen to that, but I'm hopeful that some of that will change as well.

Members will remember that in the budget I indicated that the province is going to have to borrow \$1.7 billion. Some of that is refinancing of old debt. Some of that is to pay for the deficit and for the purposes of Crown corporations in the capital works that they do. So if we borrow \$1.7 billion, a 1 per cent reduction would be a net gain of \$17 million. That's the kind of numbers you're looking at.

**Mr. Swenson:** — Thank you, Mr. Minister. That obviously doesn't solve all of the debt problems of the province but it's not penny ante change that we're talking about either, that there is the opportunity for the Government of Saskatchewan it seems in the current environment to reap some dividends.

It was interesting to read Mr. Crow's comments the other day in the newspaper as to what he foresaw in the future, that rates indeed probably would keep falling, that it appeared that the inflationary spiral would decrease even further, and in fact that Saskatchewan was probably the best off in Canada vis-a-vis the rate of inflation, that we were probably very close to zero, if not in a deflationary area in some regards. That bodes well for some of the things that I think people would like to do here.

I'm wondering, Mr. Minister, given that this is the sort of the regime that we face, if the government is intending on reversing some of the decisions made at budget time, very small amounts of money that in regard to, say a saving of 1 per cent on our borrowing rate. For instance, the FeedGAP (feed grain adjustment program) which I've mentioned earlier — a net return to the province

according to the independent analysis done by it of over \$200 million a year — that perhaps if we have some running room on some of our other things, that we don't need to put that sector in jeopardy perhaps as we have done, that the 5 to \$6 million that seems to stabilize several hundreds of jobs and a couple hundred million dollars worth of economic activity, doesn't deserve a second look because of some of the gains that we probably are going to make in the future. And that if Mr. Crow's projections stay on, if yours stay on, then certainly we can't leave the expectation with Saskatchewan people that we can't be there for them when they are in a difficult situation.

The reality of feeding cattle and hogs in our province this winter is going to be fairly grim, that for modest amounts of money we can maybe maintain those jobs. I would think that some of the dire projections that I've seen on the livestock side, both through direct and indirect employment, would pretty well blow your 2,000 jobs away pretty fast, if they come to pass. And if, maybe not today, maybe not tomorrow, maybe but two months from now if these general trends continue, that you wouldn't be willing to revisit some of those decisions, particularly where we have very large segments of our society in some jeopardy.

Certainly the prospect of Intercontinental Packers in Saskatoon having to lay off its people, or the two packing plants in Moose Jaw having to lay their people off or having feed lots like Poundmaker and Clavelle and others not fill their lots up with cattle this fall, is something that I don't think anyone wants to contemplate. And if these rates continue to drop, perhaps you do have a little bit of room in order to make sure that doesn't happen in the future.

**Hon. Mr. Tchorzewski:** — Well although we've been talking in some pretty positive terms here about what the prospects are, and I think they're correct, I think there's one thing we have to remember is that this is very, very early in this fiscal year and the projections that we have at the present time, and I made that point very clear in my first response to the first question, could change very quickly. And we have to watch that and monitor it.

I'm sure all members of the House would want the deficit not to be any higher than at least where it is projected. If only it were the case where we didn't have the deficit that we have, we'd have a considerable amount, the province would have a considerable amount, of flexibility in doing the kinds of things that the member opposite talks about or some other innovative initiatives that we might take.

The problem that we face, which we've discussed here at some length, is we are financially strapped by the huge debt and by, quite frankly, a deficit which is still too high, although we've made some significant gains on that deficit.

So it's far too early to be able to say that we're actually going to realize some of the gains because of lower interest rate that we spoke about, the lower inflation and so on. Actually the fact of the matter is that a lower interest rate does actually lose us some money because we do make some investments and the lower interest rate brings

us a lower return on those investments. So it's not all a net gain.

The member from Thunder Creek will remember that I indicated in the budget on May 7 that we will in November have a financial statement, a mid-term report, which is something we're bringing in as a new way of being accountable and a new way of making sure that we know as a government and the legislature knows and the public knows whether we are on target with the budget. When we are at that point, we'll be able to know more accurately where we sit as a province financially and then begin to look at the various expenditures that the government makes.

Does the government . . . will the government review various programs? We are continuously reviewing all of the programs of government. Frankly, I'm trying to very much change the process which was one of make some decisions, announce a budget, and then wait until the next budget. We have to continuously — particularly because of financial circumstances we face — monitor it very, very closely to make sure we stay on target. And so the reviews that the members opposite . . . are ongoing.

Can we make any decisions on those reviews? No we can't at this point of time because it's too early and we don't yet have a full grasp on where things are going. The forest fire season isn't over yet. We've been fortunate until now. But we may get — I hope not — a fairly significant, as sometimes happens in the early summer, rash of forest fires which will consume many, many millions of dollars.

It's not yet clear what the agricultural scene is out there. If we get some timely rains, we may get an exceptionally good crop. If it stops raining between now and September, we won't get much of a crop. So we have to be on top of those things on a continuous basis in order that mid-term we can make some of the decisions that we're going to have to make.

**Mr. Swenson:** — I appreciate your comments, Mr. Minister, because certainly those are very true facts in the province of Saskatchewan. We are very dependent on certain areas. And if those areas change, you can have your financial situation turn on you very rapidly, so they are considerations that I am glad that you take into consideration.

I guess one of the problems that we have in the opposition — and I'm sure some of the public do — in ascertaining the process is that we are into our second interim supply Bill, that we had special warrants before that. So we're still a ways away from our budget being passed, and indeed we may have to do this again before it is all said and done.

It gets very difficult as time goes on to totally sort of balance things off because we see it in small windows at a time rather than in a bigger picture. And I'm sure that my colleagues will be asking you about some more specific areas in how the numbers have changed from month to month.

(1500)

One area that I would like to ask you about that has struck sort of . . . Looking at your numbers here, why the appropriation in the health care area — going into the traditional, sort of, summer slow season, the time of lay-offs and that type of thing . . . when you're asking for one-twelfth in July, I see that from June the total appropriation has gone up. Why, when we're going into a sort of a down time — Education is down significantly from June — why the Health budget would have a rise in it?

**Hon. Mr. Tchorzewski:** — That's because many of the programs that are in the budget of the Department of Health don't have the kind of swings that the member speaks of — the drug plan doesn't have those kinds of swings; payments to physicians don't have those kinds of swings. So all of that is taken into account here in order to make sure that for the month of July there is sufficient money to pay for those costs which are incurred because of utilization to various programs and payments which have to be made.

**Mr. Swenson:** — Is the minister saying that if we went through this process every month — heaven forbid — for the next eight or nine, that we would see a continually increase in the level of the health care budget if we went through interim supply on a monthly basis? What is it that makes say July more significant than June or May or some other month?

**Hon. Mr. Tchorzewski:** — All we're trying to do is make sure that there is a sufficient amount of funding that's available. We're not trying to ask for any more than is required for the one-twelfth.

And I should have checked this earlier when I gave the member, Mr. Chairman, the answer earlier. But in the Department of Health it is actually a request for the one-twelfth. There's no . . . I know the member might have been looking at the one before that which is Highways and Transportation. But Health is the one-twelfth request. So it's simply a normal operation that is being requested for funding for it.

**Mr. Swenson:** — I guess I was just looking, Minister, at the total amount to be voted. Maybe I'm reading things wrong, but it did look like there was an increase. So that what you're . . . (inaudible interjection) . . . Okay, please do.

**Hon. Mr. Tchorzewski:** — If we're looking at the four columns, there is the first column, which is total to be voted — that's the full budget for the Department of Health, for the whole year.

And then the second column, which is what one-twelfth is, which is \$128,469,000. And that is what the request is in this interim supply — the full one-twelfth of the total amount that would be voted by the time the budget is all passed through this legislature.

**Mr. Swenson:** — So that figure is just a slight increase then from what the total you had projected in the previous month?

**Hon. Mr. Tchorzewski:** — . . . in the first interim supply I

believe, which was a month ago, I believe the amount was 149 million, in fact 149,847,000. Part of that was needed because of . . . I think there was some capital that was being expended at that time. This interim supply . . . And so the last time it was more than one-twelfth. This interim supply, it's precisely the one-twelfth, so it's actually less than what was requested in the interim supply that we passed in May.

**Mr. Swenson:** — Yes, you may be right, Minister. I was . . . (inaudible) . . . but that may be my error. So as far as you're concerned and your department's concerned, the Health budget for the year is right on track. That our projections into the future would be, if we'd stayed on this track, would be about 128 million-some-odd-thousand through.

**Hon. Mr. Tchorzewski:** — As far as . . . the best information I have until now is that the budget in the Department of Health is on track. Once again when we get the full one-quarter in and have had a time to take a look at that we'll have a better picture. But I'm advised by officials that as of now the budget is on track.

**Mr. Boyd:** — Mr. Chairman, I had a few questions with respect to the Saskatchewan Pension Plan, Mr. Minister. When you made the entire cut in the Pension Plan in the May budget there were provisions for the pay out of the money accumulated in the plan to the plan members. Can you explain now what the reinstatement of the plan will do with respect to the interim supply Bill?

**Hon. Mr. Tchorzewski:** — Just while we're looking up for any particular information, the announcement that was made — was it a week ago? — makes no changes on that whatsoever. The circumstances remain the same financially.

**Mr. Boyd:** — Well, Mr. Minister, initially though you said that the pay out would be made to the plan members. And the pay out was going to be made, I believe, in July or August, was it not? And therefore money must have been allocated at that point for that. How does that affect the interim supply now?

**Hon. Mr. Tchorzewski:** — It doesn't affect the budget whatsoever because the pay out would have been investments that were made by the members in the plan — the participants in the plan plus the government . . . or the public taxpayers' contributions into those investments. All that money is with the Saskatchewan Pension Plan organization invested through, I think, the Investment Corporation of Saskatchewan.

It has no impact on the budget whatsoever because the pay out simply would have been their money, the matching contributions which were already there, plus any interest that would have been accrued, would have not impacted on the budget whatsoever, and the changes that we announce continue not to have any impact on the budget at all. And so therefore there is no allocation necessary.

**Mr. Boyd:** — Mr. Minister, you mean to say that there was no wind-down costs at all to the Saskatchewan Pension Plan? Could you elaborate on that and tell us what kind of

wind-down costs there were and how it affects this Bill?

**Hon. Mr. Tchorzewski:** — Sorry, that's different than the pay out, I guess, and maybe I misunderstood the question. But we had in the budget, wind-down costs. You can find that on page 43 in the *Estimates*. But we had in the budget wind-down costs of \$930,000 because of the change in the approach. Obviously some of that money will not be necessary because there won't be a wind-down. The pension will continue to exist although there will be no government contributions made to it. We won't utilize a portion of that wind-down money, and therefore it will be available for other purposes. Or in case there are overexpenditures somewhere else, it will be available to help make sure the deficit stays on track.

**Mr. Boyd:** — Mr. Minister, I wonder if you could tell us what those wind-down costs were, and what amount of that wind-down cost will be allocated back into this one-twelfth of the interim supply Bill, if you could give us that information.

**Hon. Mr. Tchorzewski:** — The information you have which I passed over, on the amount for each department, you will see that the Department of Finance is requesting one-twelfth of its requested appropriation for the full fiscal year. I don't think there's . . . it's beyond the one-twelfth. So it's a straight one-twelfth that we're asking for. Just as you see — yes, here it is — a full total to be voted for the Department of Finance for a full year would be \$54.359 million. One-twelfth of that is \$4.530 million, and in this interim supply we're asking for \$4.530 million — a full one-twelfth.

**Mr. Boyd:** — Mr. Minister, I was asking for the dollar figure of what the wind-down costs were, and the dollar figure for the amount that goes back into the one-twelfth allocation.

**Hon. Mr. Tchorzewski:** — Okay, sorry, I should be more specific with my answer. We're asking in this interim supply Bill for one-twelfth of the amount that had been requested under the Saskatchewan Pension Plan for the wind-down costs because there are some costs that will be incurred in the event there's correspondence that's got to be dealt with. But we're simply asking for one-twelfth there as we are for everything else in the department.

**Mr. Boyd:** — One-twelfth of the wind-down costs you're asking for here, and yet we're not going to incur wind-down costs because the Pension plan is being reinstated. So why do you need one-twelfth of the wind-down costs when you're not winding down the Pension Plan?

**Hon. Mr. Tchorzewski:** — I'm informed . . . And this would be better discussed when we do the estimates of the department when we have the appropriate people here, but we're asking in this interim supply Bill for the one-twelfth of what was originally in the budget because there are some costs that will be incurred such as notification to members and explanation to participants in the plan about the government's policy decision and how it will be impact.

There will be some software, software that is going to



have to be provided to deal with all of this; the usual, ongoing expenditures that are going to be necessary in order to make sure that the new final policy that is being implemented can be implemented expeditiously and well and efficiently.

**Mr. Boyd:** — Mr. Minister, the whole basis for the argument opposed to the Saskatchewan Pension Plan put forward by yourself was with respect to the unfunded liability. Now the unfunded liability is still there of course and the Saskatchewan Pension Plan, as you announced, is reinstated. So how does this unfunded liability now impact upon this interim supply Bill?

**Hon. Mr. Tchorzewski:** — In fact, as I indicated in my announcement, that all of the savings that we were able to incur for the taxpayer originally will still be intact. The unfunded liability was being created by something called a guaranteed minimum pension. Because we are not continuing with the guaranteed minimum pension, we have essentially eliminated the unfunded liability which is a very serious financial thing that would be growing and would be in the area of \$80 million in another three years. So there is no longer going to be an unfunded liability.

**Mr. Boyd:** — Mr. Minister, are the people who are now receiving the guaranteed minimum pension, will they continue to receive the guaranteed minimum pension?

**Hon. Mr. Tchorzewski:** — Their last payment on the guaranteed minimum will be July 1. It will be terminated on August 1 as I indicated. In reviewing this, one of the things that we made very clear and we continue to make very clear, any changes that we make have to have no impact on the bottom line of the budget.

One of the things that the financial people and the bond rating agencies that we met with made very clear is there needs to be a re-establishment of confidence by the financial community and the business community and investment community that the Government of Saskatchewan — something which was missing in the last 10 years — is able to put together a financial direction in one budget and stick to it. We said this year's deficit is \$517 million. We have got to make sure that it stays at \$517 million or less. Therefore we can't make changes that will change that.

If members of the House or anybody else has some suggestions on how we can save money in some other areas in order to put it somewhere else, I'm quite happy to consider any of those suggestions. But the bottom line has to remain intact. And in the Pension Plan the bottom line is being kept intact.

We said we could not afford the \$300 matching. We said we could not afford the guaranteed minimum pension because it was growing into an unmanageable, unfunded liability. We listened to what people said, including the member from Kindersley in his speech in the House some time ago, indicated that it would be quite appropriate to look at reinstituting the plan but eliminating certain things like the matching grant — not a bad piece of advice considering the financial situation the province faces. And we . . .

(1515)

**An Hon. Member:** — Didn't say eliminate it.

**Hon. Mr. Tchorzewski:** — Well I have your comments right here in *Hansard*, if you want me to read them. I don't intend to do that. But we're trying to be fair. We recognize that the people said to us something which surprised me, quite frankly; I didn't think they would.

People who are in the Pension Plan said, look, we know you can't afford . . . the province, the taxpayers can't afford putting more money into the thing. There's some people who argue the plan is poorly targeted. I happen to be of that view. There has to be some different ways to provide security to people that addresses those with greatest need. And they said, do away with the guaranteed minimum, do away with the \$300 matching, but leave the plan there and we will . . . we like what we've got there. We did that, and that's what the announcement of a week and some days ago said.

**Mr. Boyd:** — Thank you, Mr. Chairman. Mr. Minister, you've asked for suggestions on how people might be able to put forward ideas to help with the financial situation of the province. Well I can put forward one, and one that might be, I think, of interest to yourself, particularly yourself personally. And that might be with respect to your own pension.

You have unilaterally done away with pension plans for 54,000 people in this province. After tremendous pressure by the people of this province and the opposition, we finally got you to back off on that and present . . . and reinstate the program. The basis of your whole argument was the unfunded pension liability in the Saskatchewan Pension Plan. If you're asking those folks in Saskatchewan to back off on their pensions, should you not yourself consider backing off on your own pension?

I think that's a very valid question, Mr. Minister, that people are wondering in this province today. When you are sitting on an unfunded pension yourself to the tune of over a million dollars, do you think that the people of Saskatchewan should be willing to take any less when you're not willing to take any less?

**Hon. Mr. Tchorzewski:** — Let's make something very clear. The pension plan stays. The government prior to 1982, which was this government — not this government but this party who was the government — dealt with the unfunded liability and the growing unfunded liability in the MLAs and public service pension plans in 1978. That's when the fix on that one was done, quite appropriately. And at that time the unfunded liability there was ended. The growth in the unfunded liability was ended, because we brought in the money purchase plan, and that is the kind of system we operate now.

Now there needs to be another look at the whole broad field of pensions and unfunded liabilities of pensions and the governance of pensions and all the things that come with that. And I did announce in the budget and we're working at putting it together, a pension review, unfunded liability aspect and other related items

commission which we will be announcing in due course sometime this year, because clearly as the member opposite says, all of this needs to be given a serious look. There's some other provinces have had to deal with it. We've looked at what they've done, Alberta for example. We think there's a better way to do that.

And let me assure the member opposite that when it comes to the unfunded liability question in the public service and the teachers' pension plan and others, there will be a review, and there will be a report on measures that have to be taken to correct that. And they will be made public, and they will be discussed in this legislature because it's important we get on with it.

**Mr. Boyd:** — Will you give us then the commitment that the MLA unfunded pension will be part of those discussions?

**Hon. Mr. Tchorzewski:** — All of the unfunded liability, the unfunded liability question of pensions will be reviewed.

**Mr. Toth:** — Thank you, Mr. Chairman. Mr. Chairman, just coming back to Community Services for a minute.

I'm just perusing the information that you sent across this afternoon, sir, and also looking at the budget address as of May that you presented to this House. And in the area of Community Services I noticed that you estimated expenditure in your budget was 147.190 million, where the piece of paper you sent us today has a total to be voted of 137.941 million. And I'm wondering, Mr. Minister, what the difference would be there. And the fact that you're taking a one-twelfth of this, I perceive it's of 137 million rather than the 147. Or is your one-twelfth based on the original 147?

**Hon. Mr. Tchorzewski:** — Mr. Chairman, if you look at . . . if the member will look at the piece of paper that we sent over, we say that 137.941 million is to be voted. There are other items in the Department of Community Services budget which are not voted because they're statutory, and therefore they don't show up here.

And if the member turns to page 23 of the *Estimates*, you will find things like grant to Meewasin Authority, grant to Wakamow Valley, grant to Wascana Centre. All of these are all statutory and therefore will not show up here because they are under specific legislation, some of which the House actually has passed in the last month or so, so they don't show up here.

**Mr. Toth:** — Thank you, Mr. Minister. I take it then again, just going down a little further on the page for Seniors' Secretariat, I take it that's the same format that would happen there. There are a number of issues that are not to be voted. So you're voting on 14 million, whereas you're showing an expenditure of 37.6 million. Is that the same format?

**Hon. Mr. Tchorzewski:** — No, I think on this one, it is one-twelfth. What's to be voted is 14.378 million, and we're requesting in this particular situation the one-twelfth.

**Mr. Toth:** — However, Mr. Minister, you do indicate a total expenditure of 37 million. I take that's the same format has taken place here?

**Hon. Mr. Tchorzewski:** — Okay, sorry. No, that senior citizens' secretariat is statutory. Therefore, it's not voted here. And I don't know whether there's legislation been introduced yet or not; but if it's not, it will be, to deal with that question.

**Mr. Toth:** — In view of that, Mr. Minister, I understand as well, Mr. Minister, that the amount of funding being forwarded to the seniors' heritage grants has been cut back. Would this one-twelfth expenditure that you're bringing forward today, does that address any of that cut-back, or is that something that'll show up later on in the year?

**Hon. Mr. Tchorzewski:** — On page 83 of the *Estimates* you will find where it is being provided — \$23.3 million statutory — and that's where it'll show up in the *Estimates*.

**Mr. Toth:** — Basically statutory votes are not involved with our one-twelfth expenditure that we're facing today. Okay thank you, Mr. Minister.

Mr. Minister, a question regarding Justice. And I'm just wondering, Mr. Minister, we're all aware of the ongoing constitutional debate that is taking place in this country. And certainly I think there are a number of people across not only the province of Saskatchewan, but across Canada, maybe in some ways are becoming a little annoyed at the process and wondering if we're ever going to see the end of the day, or the light at the end of the tunnel. We're also aware, Mr. Minister, that over the past number of weeks — indeed at least since the last interim supply — the Minister of Justice and a number of his officials and as well the Premier have been out of the province.

I'm just wondering, Mr. Minister, if you could indicate to the House the type of expenditures that would be being incurred by the Minister of Justice and his officials and the Premier at this time, and if indeed part of the one-twelfth expenditure we're discussing today addresses that issue.

**Hon. Mr. Tchorzewski:** — The answer is yes. The Department of Justice has been provided a certain amount of money — I think it's 11 million — no, \$173.288 million. The request here is for one-twelfth. The department is expected to manage its finances and its expenditures within the one-twelfth. It's been doing very well and there is no additional money being requested here because they're expected to live within the budget.

**Mr. Toth:** — So what you're telling the Assembly and what you're saying to the people of Saskatchewan, that basically you have allotted to the Department of Justice \$173.288 million. And so any added expenditures that the department may be facing such as the travel at this time and the ongoing constitutional debate — and I would suggest, Mr. Minister, that it's probably something that is going to extend well into the year and no doubt the minister and his officials might find themselves probably being out of the province a little more than they had

earlier anticipated — what you're telling the Assembly that it is then going to be up to the department to live within the guidelines of the budget that you've laid down here, that you haven't made any provisions for added expenditures that may be incurred by the Department of Justice over, say, the next few months. Is that true, Mr. Minister?

**Hon. Mr. Tchorzewski:** — We provide . . . one of the ways that it's important for governments to manage is to provide to departments a portfolio or envelope of budget, and the department is then expected to manage within that envelope. The Department of Justice, if it incurs some additional expenditures other than the normal expenditures which have been budgeted for and there is money for this kind of purpose in the department, then they'll have to manage within the budget as best they can.

If there are some extremely unusual things happen — I don't see that happening — then we'll have to look at other options. But right now I'm saying to the House and to the member opposite that the Department of Justice is managing within the budget which it's been proposed to be allocated in this budget, and we are anticipating that they will continue to do that.

**Mr. Toth:** — So what you are indicating is that there's a block amount of funding, the Department of Justice was asked to present a possible amount . . . total amount of expenditure for the year, that the department would also be asked to build in a little bit of a cushion, whatever they would need, and then as the year progresses any unforeseen added expenditures — such as we're possibly seeing today — do then become part of that request, original request, that the Department of Justice has made to the Department of Finance for expenditure. And that indeed the one-twelfth that you've requested today is indeed falling within the guidelines or the expenditures the department has been facing or has faced or is facing at this time.

**Hon. Mr. Tchorzewski:** — The departments, in this case the Department of Justice, has provided some money for these kinds of activities: travel, cost related to travel, cost related to meetings. There are no cushions. We don't provide cushion for these kinds of things. We expect the departments and the ministers of the different departments to say to the Treasury Board and therefore then the Treasury Board to the cabinet: here's what our budget request is for this fiscal year, and here are the reasons why.

And the government may decide, well this expenditure, as we did in this budget in many cases, is one we can't afford — no money. The Department of Justice has obviously done that on their budget for travel and sustenance and expenses related to that. And that is the amount of money under which they're operating, and they've been able to do that until now. We have no indications received from them that anything has changed. They get one-twelfth and they are able to manage under the one-twelfth. Where they may expend some additional money, they'll have to find it somewhere else.

**Mr. Toth:** — Mr. Minister, I'm going to move on to

another area, a topic that I'm sure that is on a lot of people's minds, specifically the youth of this province. Your government has come out and continued the program of, I believe you call it participation '92. And if I may . . . correct me, I'm not exactly sure, but I believe there was some \$1.6 million allotted to student participation '92.

I'm wondering, Mr. Minister, would that amount of funding be part . . . how much of the one-twelfth you're asking for today is included in that funding for the student participation program? How many students applied? And how many students would have received jobs under this program, Mr. Minister?

**Hon. Mr. Tchorzewski:** — Once again I'm at a disadvantage. That's Committee of Finance that the particular department will have to deal with. I think that program is in the Public Service Commission, although I may be corrected. As I look at the flow sheet here, the Public Service Commission is asking for one-twelfth of its budget so I assume that any expenditures the department is going to be making is one-twelfth of its budget because that's all we're asking for in this interim supply.

(1530)

**Mr. Toth:** — Well, Mr. Minister, I want to acknowledge the fact that I believe that program over the past number of years is certain to be in a means that has given a number of young people — university and I guess grade 12 and any university student that would be going back to further their education . . . giving them the opportunity to find a summer job and to build up for their university education. That we all know, Mr. Minister, that the cost of education certainly is increasing regardless of the party in power and all the costs we all face. No doubt it becomes a significant burden to the young people of our day and certainly to the families and parents of our day as well.

And I would encourage the . . . even though there was, I believe, 1.6 million expended this year on the program, certainly I believe that was one area, Mr. Minister, that could have been a very substantial help to the province in light of it giving many young people the opportunity to create the employment or find the employment necessary to create the dollars and cents that they would need to get back into university. And I would encourage the government to take a serious look at . . . that's a program that I believe certainly is worthy of more funding in light of the fact that we want to create job opportunities for the youth of this province.

Mr. Minister, I'm just going to . . . I believe maybe your officials made a comment or mentioned some expenditures in that area, and if you want to respond you can respond in a minute. But maybe I'll allow you to respond first.

**Hon. Mr. Tchorzewski:** — I simply wanted to make a correction because the member opposite was right and I was wrong. It is in the Department of Labour and not Public Service Commission that this program is funded out of. And I don't disagree. It's essentially in principle a good program. And as we get more of the deficit under control hopefully over the years we'll be able to put more

money into this kind of an effort.

But the better way, quite frankly, Mr. Chairman, and I'm not saying that it's the only way, is for the economy to be able to create more job opportunities for these people, these students, so that they don't have to rely on jobs that are funded from year to year from a government basis. That's the purpose and what this budget is all about — get the finances under control, reduce the amount of the deficit, make sure that through that process there is more economic activity. Therefore you have more jobs created and more opportunities for our students. But as far as to the extent that the government or the taxpayer — because after all it is the taxpayer — is able to assist students to programs like this, we're most interested in doing that.

Now on the specifics as to how much is being spent, where the jobs are allocated, this kind of thing, you're going to have to ask the Minister of Labour when his estimates are here. And hopefully this month, now that we're back in the House again, you'll be able to do that because he'll be able to provide you with the precise answers which I cannot because I don't have access to that kind of detailed information.

**Mr. Toth:** — Well thank you, Mr. Minister, and certainly those are some of the questions that we will indeed get into with the Minister of Labour. But I want to reiterate the point and agree whole-heartedly with you that the more we can involve people in small business and private business by creating jobs that certainly takes the load off the back of government. And certainly the dollars and cents that government is dealing with are taxpayers' dollars, and I think in any way in which government gets more private individuals and businesses involved is excellent.

And that again brings me to another statement regarding the Saskatchewan Pension Plan. I believe, Mr. Minister, that in looking at the Saskatchewan Pension Plan, I believe we should be looking at the long-term effect of the individuals that would be requiring the help and the aid of government down the road. And indeed encouraging people to build for their future is something that I believe that it's very beneficial for us to do.

Mr. Minister, a question. New Careers Corporation, I understand and I see from the information sent across, is asking for almost double the amount of the one-twelfth allocation. I'm wondering if you could inform the House the reasons for this double increase in New Careers?

**Hon. Mr. Tchorzewski:** — The reason it is more, because to a large extent New Careers work is seasonal and we're sort of heading into the peak season where you get the maximum amount of people who are taking part in it. And that's why the amount that's being requested is beyond the one-twelfth in order to accommodate that.

**Mr. Toth:** — And I take it then, Mr. Speaker, being seasonal do I ... Does this involve student jobs within the Parks and Recreation or is this strictly the handicap or what areas of responsibility are we talking of here, Mr. Minister?

**Hon. Mr. Tchorzewski:** — If the member is still talking

New Careers ... I think you're still on New Careers — it doesn't involve student employment, it involves people who are on Saskatchewan Assistance Plan. And I don't know that there would be students in there, but if they're SAP recipients then I guess they would qualify.

But it's a program geared for people who are on Saskatchewan Assistance Plan to give them an opportunity to get gainful employment, to get training, and hopefully through that process provide from there an opportunity to go on to ongoing employment, and therefore not leave them reliant on the Saskatchewan Assistance Plan, which is I think the desire of most people who are able to work who unfortunately find themselves in those kinds of circumstances.

**Mr. Toth:** — One more question with regards to that program, Mr. Minister. We've discussed the fact that it is certainly the increased level of training takes place at this time, but for how long does the ... how long a time period does the training take place? Would you be able to answer that this time, Mr. Minister?

**Hon. Mr. Tchorzewski:** — Should get the Minister of Social Services to explain that, but it's five weeks and beyond that, when you have a chance to address the minister, I'm sure you can get into more detailed questions.

**Mr. Goohsen:** — Thank you, Mr. Chairman. Mr. Minister, I just want to make a little comment here about a couple of things that you've alluded to. You mentioned that you had heard that the south-west corner had received some rain and that this was going to alleviate some of the need to put up money for people in the so-called drought disaster area. As the member from Shaunavon has previously mentioned in this Assembly, the fact that the area not only is in a disaster situation, but should be classified as such.

I want to point out to you that we are very grateful in the south-west for the rainfall that we've gotten, but it unfortunately is not so great for your government just yet because the amounts that have fallen have come too late to assist with very much of a hay production, and also have come too late this year for any amount of growth in the native grass areas of that part of the province.

There is some response to some tame hays, but very little. There will be a few bales around. The cereal crops are doing a little better, but the reality of life is that farmers always seed a bumper crop but they harvest whatever they get. And the potential of a bumper crop is certainly not there. The potential for some kind of an average crop remains for some farmers, but unfortunately for most of them there will be much less than an average crop and there will be a great need for some kind of assistance from some place if many of those operations are going to remain in existence for even yet another year.

Now we realize that some of the pending legislation of leasebacks and that sort of thing might assist some of those folks to stay on their property and to continue to try to eke out a living. Unfortunately I think most people have an aspiration to be on farms to do more than just eke out a living. They would like to maintain the ownership. They

would like to be able to pay their bills. In fact I think most farmers would rather pay all of their creditors than to ask for assistance.

But it's not nearly as bright as you may have thought, in spite of the fact that we have had one good weekend of rain. The fact of the matter is, sir, that we have another growing problem that your treasury might want to take into account, and that is with the hay situation.

Many of our producers in the south part of the province have traditionally gone into Alberta to buy feed and hay supplies. Unfortunately right now the state of Montana, having been declared a disaster area, has already started, I'm told, to receive federal government assistance. That means that the producers there have money to spend — cash dollars — to go out and negotiate for feed supplies. They are therefore coming into the irrigated areas of southern Alberta and buying up the supplies.

This has two effects, sir. It starts off with diminishing the supply that our producers normally had available to them, and the second impact of course is the driving up of prices in the supply/demand cycle as it still works over in Alberta. So our producers are now being faced with having to go in there to bid on hay supplies at a price, not of \$45 a tonne as they might have done last year, but probably well in excess of 100 at this time . . . is the report that I'm getting.

And so you see the kind of hardship and pressure that's going to be put on to our farm producers with livestock herds to go out and get those feed supplies for this coming winter. That, I think, should stimulate your mind in the direction of starting to think of some way to put together some kind of contingency fund in order for people to be able to get the feed supplies that they're going to need.

I wanted also, before I ask some very specific questions about this particular supply Bill, to let you know a little bit of the thought about the Pension Plan in my constituency because my colleagues have asked you some questions and you've very ably answered them. The fact of the announcement having been made that the Pension Plan will not be totally done away with, that there will be a reorganized kind of a plan, has prompted me to discuss this matter with some of our constituents.

And I want you to be aware that one lady in particular that I talked to feels that because you have downgraded the way that the plan is going to work, she, in her opinion, feels that the government is just trying to create a plan where they can keep the money that she's already put into it, but no longer go on with having the plan work in her favour so that she has a real, workable and guaranteed pension to look forward to.

Now another lady that I talked to already was old enough that she was starting to get payments out of it. And she's very distressed that her payments may have to fall or that she won't get as much. And I hope that you will take into consideration answering those questions publicly so that those folks will know what's going on.

The first lady I referred to has said quite bluntly that she simply won't participate in the plan any longer. And I

think that's a great tragedy because many of these farm wives and low income earners in our labour force certainly should be encouraged to try to help themselves in their retirement. And it would be a great tragedy, in my opinion, if this government didn't take into account the need for people to at least have the feeling that they can do something for themselves.

It gives you a feeling of pride in your life, of pride in what you've lived your life for if you can at least feel that you're not just totally standing around with your hand out begging for someone to help you in your old age. You've done something to contribute to it. Even if it falls short of what you really need when you get there, at least you feel that you've tried to do your best to provide for yourself and your family. And so I hope you'll take that into account and answer those questions for those folks.

I note in this document that we have before us that there are some overruns in a couple of the areas that I am supposed to keep a watchful eye out for. The first one that I note is that you do have a \$7.5 million overrun over the one-twelfth in the Department of Highways and Transportation. And I wonder, sir, if you could give me a brief outline of just what that is.

I note that there is reference to page 3. And in that reference it says, for example, the headline as I'm sure you're aware, rural surface transportation capital . . . because the majority of the activities performed during the peak period of the summer, but I'm not sure what rural surface transportation really is, and I wonder if you could explain that to me and tell me how much of this funding is going for whatever that happens to be.

**Hon. Mr. Tchorzewski:** — It had me confused for a while too because of the name. But I'm told this is Highway's capital — highway reconstruction, highway construction — that's what that's for. And because, as we all know, most highways get built at a greater rate during the months of July than they are in the middle of January, we need the money. I'm not trying to be facetious here but that's Highway's capital.

(1545)

**Mr. Goohsen:** — Thank you. I guess the word "rural" is what threw me because one of my critic areas is Rural Development as well. And when I saw rural surface transportation, and being a reeve of a municipality, I immediately started to wonder if somehow Highways was funding the resurfacing in municipalities on rural roads or something like that. And so it was confusing, and I'm glad that I think in my mind I have it straight now that these simply refer to highways that are built out in the country and called rural highways. They're not to do with the municipal roads, so the two don't interconnect.

Okay. Then we have in that area . . . I noted when I was driving around the province in the little holiday that we've been having imposed on us, and having a few moments to drive around through the province on some of the highways, I noted that there are quite a lot of counters out on the highways. Now this highway count, does that indicate that we are going to be spending money on some reconstruction in these areas? Or is this

the count that is being taken to determine which highways will be put back to gravel, or what are these counters all out through the province for? And perhaps you could tell me how much it costs to do those kind of surveys.

**Hon. Mr. Tchorzewski:** — I've lived in this province for 49 years — I shouldn't admit that — all my life. And every year that I can think of since I can remember things, there have been highway counters on highways and roads. I don't think this is any different. But that's a normal part of the operation of the Department of Highways. Why they are there, why they are on specific roads — I really cannot comment on that. You'll have to ask the Minister of Highways when he has his officials here. Neither I nor my officials in the Department of Finance will know to that kind of detail the contents of what the Department of Highways does.

But I'm sure this month, at some point in time, the Department of Highways will be in Committee of Finance. And if you ask that question, knowing the Minister of Highways, as capable as he is, he'll be able to answer it for you in a flash.

**Mr. Goohsen:** — This may be the slowest flash we've ever seen, but I will certainly ask the question.

I wonder, because I'm sure that somebody is going to ask me as well, what air transportation refers to. If you could explain that briefly for me.

**Hon. Mr. Tchorzewski:** — I believe that is — and once again I may not give you all the details here — but that's airport maintenance, hangar maintenance, airstrip reconstruction, maintenance. The capital works on airstrips around the province, that's what the money is for.

**Mr. Goohsen:** — Are many airports in the province owned, controlled, and financed by the provincial government? I thought that most of them were operated by municipal jurisdictions.

**Hon. Mr. Tchorzewski:** — Some of the northern airstrips, we do provide some capital money in those operations, and I suspect that's what that's for. Don't hold me completely to that, although to a large extent that will be accurate. Make sure you ask the Minister of Highways when he is here and he will be able to tell you. But in the North we actually do provide some of this funding for the airstrips up there.

**Mr. Goohsen:** — I'm wondering how we get on the dole in this case. We've got an airport out home and I'm kind of wondering how I can get you to pay for it. Do I have to move my airport up North beyond a certain line or are there some . . . what kind of criteria do you have to meet in order to get the government to pay for my airport?

**Hon. Mr. Tchorzewski:** — That's a perfectly good question to ask the Minister of Highways when the Department of Highways is here. We don't have that information.

**Mr. Goohsen:** — Okay, I think probably I can understand

why the peak period would be now when it's warm, but I certainly have to wonder in my mind if it's fair that we fund airports in the North and don't do the same thing in the South. Now I know that the arguments going to be that we don't have good highways maybe in some places but the reality is that these days we have pretty good roads in a lot of those areas up there.

I want to just finish this off under this Highway and Transportation thing, and you've got the maintenance of highways and transportations and you're saying that here again because the peak period is now you're obviously going to have to pay folks. I'm wondering, in the area of weed cutting — in the past we've done tendering with that — is that process, do you know, going to be going on and will you be paying people to go out and contract again? Or would the department be considering here the purchase perhaps of tractors and mowers so that people can be employed through the Department of Highways in order to do this job now? Or will these things be tendered out? Where is this money going to go to and who's going to get the jobs?

**Hon. Mr. Tchorzewski:** — Once again, I know of no change to the policy, but the Minister of Highways will have to speak to that because that will be . . . It's pretty detailed stuff that's part of the operation of the highways. I know of no change in that policy. But once again, when the Minister of Highways is here in the committee, he will be able to give you the specifics.

**Mr. Goohsen:** — Okay, I want just to ask a few questions about Rural Development, because here again we've had some controversy this year as to the changes in the revenue sharing. How much of this one-twelfth now is going to revenue sharing out of the Rural Development amount of 59 million plus a few dollars here?

**Hon. Mr. Tchorzewski:** — I'm told — and I guess when I look at the numbers here — that the amount that's being requested here is one-twelfth of the full request of the full budget, so it's a straight one-twelfth request in this case. I know that in the last interim supply, there was a request that was a little bit more than one-twelfth, which was there because . . . I'm not sure whether it was to meet the quarterly requirement or other needs. But in this particular case, we're just asking for the straight one-twelfth.

**Mr. Goohsen:** — In other words, you're saying that the revenue-sharing portion of expenditures won't be a factor in this period of time. Okay so you're saying that you paid out more in the spring than you do in the summer, and I can accept that as probably true. I guess we'll just have to wait and see how many bills you come up with. I'm not sure how you'd really have a handle on that.

I want to ask you about the new gravel program that has been initiated. Now I'm not sure if that's something that had to be legislated or if it's an order in cabinet or how the process is legitimized. But again going back to my municipality where I am reeve, we've received notice that the gravel program has been changed and that there is assistance for the regravelling of grid roads and farm access roads. And that assistance has been changed from a maximum of half of one hundred yards per mile to a no

limit on the number of yards per mile, no limit on the number of miles, I understand. And you can correct me if I got this formula wrong. But the total amount that you were to receive in previous years has been reduced, and you now can only claim up to that maximum amount.

I'm wondering if you can tell me if my reasoning in the way the formula works is correct, to begin with. And if that is correct, then how many dollars is that going to cost through the Department of Rural Development to afford this program now as compared to last year?

**Hon. Mr. Tchorzewski:** — I can't, Mr. Chairman, tell the member whether he's correct or incorrect because that's something he'll have to ask the Minister of Rural Affairs.

But in order to assist the member because it's a perfectly legitimate question, I will undertake . . . one of my officials will make a note to . . . we'll forward that question to the minister and to the department and we'll get an answer so that you can get the answer hopefully even before the estimates of Rural Affairs are in the House. But if they happen to get here before the answer is ready, then you'll be able to get it then.

As the Minister of Finance, I don't have the details to various programs that various departments run. Those officials have to be here because they are the administrators of those programs and the minister who is in charge is better capable of answering those questions. I can't say you're right or you're wrong, and I won't say that except to try to assist in getting the answer as quickly as we can. But be sure that when the minister is here with that department in committee, that you get the answer then.

**Mr. Goohsen:** — Thank you, Mr. Minister. Mr. Chairman, I'm really happy that we're going to get that answer because as sometimes these questions seem rather irrelevant to people who aren't involved with municipal affairs, unfortunately there will be some who are directly involved with municipalities and they will insist that they find out the answers to these questions and they'll think that we were rather negligent in our duties if we don't ask.

So I will appreciate getting that answer. And I can assure you that some place along the line there will be some officials from SARM (Saskatchewan Association of Rural Municipalities) or some place that are going to be asking me what happened there and we will now be able to provide that, and I'm very happy about that.

I want to ask you if in this one-twelfth allocation, because of some of the things that have been going on in our society and through the news media reported to be going on within the government structures, also noting the Bill that was introduced with regards to Rural Development changing some of the guidelines and rules — in fact there's quite a lengthy document on changes that have been introduced to be passed later on in this Assembly — and if those changes are invoked in the next little while, it would seem to me that there will be some expenditures required.

And I'm wondering, sir, if there is any funding made available in this particular interim for the purpose of a

study or perhaps for the purpose of actually going out and invoking a county system or the amalgamation of rural municipalities?

**Hon. Mr. Tchorzewski:** — All that we're providing here is one-twelfth of the department. I can't get into a discussion on the specific program areas because that's something that you have to discuss with the particular departments when they're in committee, and that minister. So I really am unable to answer the specific questions as I indicated in the last interim supply.

I'm trying to be as helpful as I can, as I was at the beginning by giving you the written paper which better outlines — you learn every time you're here you see — which better outlines the information than we did the first time around. But when it comes to specific program areas of a department, the best place to ask that is when that department is here in committee, and hopefully that will be very soon.

**Mr. Goohsen:** — Thank you, Mr. Minister. I think that it would again seem that I'm trying to put you on the spot over something that to a lot of folks would seem trivial, but the reality is that we have before us the potential of legislation that could cause a tremendous difference in rural Saskatchewan if the rule, the strict rule of that new legislation were to be applied. And if that strict rule of the wording in that legislation is applied, it's going to cost considerable amount of money.

That's going to affect supply now perhaps if it's invoked soon, or it could affect supply of course down the road. Obviously there are going to be some very big expenses.

But more importantly for us in an opposition role is to try to find out from you through these various questions just how far this legislation is intended to be applied and how fast. That's very important to us in order for us to do our job as an opposition because obviously there is a tremendous resistance to the county system in rural Saskatchewan. That seems to be my impression from the discussions I've had with folks around the province. And then it is incumbent upon us, if we find that monies are being allocated for a study or monies are being allocated for the actual transition of the boundary lines, then it is incumbent upon us to take a more vigorous stand against that particular piece of legislation.

And so the answer to your question is very critical to the kind of resistance that we have to mount to a piece of legislation, or perhaps the lack of a need to put forward that kind of opposition to the Bill. Perhaps if we can see that it is basically a housekeeping thing, as we've been told by members on your side that it is, and it turns out to be in fact just that, then we are safe in not mounting a vigorous attack against it.

But we don't know exactly just at this point where the intention of the government is going. So I'm trying to derive from you some indication of how much monies are going to be spent. That gives us an indication of how far this Bill is planning to take us in the next little while.

(1600)

So that's why I was trying to determine from you exactly what kind of monies might be for that specific area. And for me to wait for the next stage of this Assembly where we might in fact find the minister available to answer a question on this particular subject, that may take us well past the point when the legislation has already been passed, and by then the questions might be irrelevant, totally useless. So we have to almost ask when we have the chance, even though we know that you're not the minister specifically in charge of that program.

I wanted to know, in the Department of Rural Development, if there is an indication for the highway proposal to turn the hard-surfaced, and I think you're probably referring more to oil-surfaced roads, back into gravel structures? Is there also some plan in here and some financing available in here to encourage the municipalities to change their oil-surfaced roads back to gravel roads in the municipal structure?

**Hon. Mr. Tchorzewski:** — I know of no such plans. But once again, because this is interim supply I can only respond to amounts of money that are being provided to the departments. That's been made available to the member and other members, and I certainly again invite the member to remember his question so that when the Minister of Rural Affairs is here he can address it at that time and get the answers that he requires.

**Mr. Goohsen:** — Well thank you, Mr. Minister. I'm going to turn this over to my colleagues now.

**Mr. Martens:** — Thank you, Mr. Chairman. I have about three or four questions, Mr. Minister. And I want to go back to the tack that I was taking when we had first interim supply and deal with the three aspects that I think that need to be identified for us in where the transfer of debts took place. And we've had some subsequent discussion with the minister for Sask Property Management and also with Education. And I haven't resolved completely in my own mind nor for information where these debts came from and how much they were from each of the departments.

For example, in the Consolidated Fund I'd like to know if the list on page 4 is all of those items or whether there are any more that aren't on that list that you have identified there that there should be some more on there. I'm not sure that that covers the item.

**Hon. Mr. Tchorzewski:** — To the best of my knowledge, as is stated here, this is the total amount of CIC (Crown Investments Corporation of Saskatchewan) non-recoverable debt — because there's no way to recover it, so you have to deal with it — that has been transferred to the Consolidated Fund. Because it is a liability, it is a liability of the taxpayer, and therefore it should be booked appropriately, and that is as part of the overall deficit or the overall debt of the province. So that's the transfer, and as far as I know that's the total amount.

**Mr. Martens:** — Okay. Then the second item on the part, on page 44 of your budget address, deals with 184 million of Sask Water debt. I'd like you to itemize those for me too if you wouldn't mind and where that came from. I know that some of it came from the Rafferty-Alameda project. I

also know that there were funds given to Sask Water Corporation in lieu of some of the expenditures that were made on behalf of the agreement with the Americans. I also know that some of that money was debt that was in irrigation projects along Diefenbaker Lake. And I'd like you to itemize those for me if you could.

**Hon. Mr. Tchorzewski:** — We can get you more specific details, and I'll undertake to do that.

But in the Saskatchewan Water Corporation, the Water Corporation borrowed from the Consolidated Fund to finance construction of a number of projects. They borrowed to finance Rafferty and Alameda as well as the Riverhurst and the Lucky Lake irrigation projects. We talked about that the last time we were here. In both cases these loans cannot be repaid because there isn't enough revenue from any of these projects to be able to repay the loans. So we have to service those loans through the Consolidated Fund.

And that's why this transfer has been made because that is the more appropriate way in which to book the debt, so to speak, on this thing. It doesn't change the total amount of the debt; it's still the same. It's just a question of how you begin to account for it. And according to all of the rules of the new accounting systems that are there, all other requirement of the Provincial Auditor, the requirement of the Gass Commission, this is the way that it should be accounted for, and that's why the transfer has been made.

**Mr. Martens:** — Mr. Chairman, and Mr. Minister, I understand the reason why the transfers were made; I want to know the volume of dollars from each of those that were transferred. And I'd also like to know from you if the Americans have paid in total all of the monies that they were committed to, and I'd like to have a list of the items just like you listed on page 4 for us the items under CIC non-recoverable debt. I'd like to have those for the Sask Water Corporation on the \$184 million.

**Hon. Mr. Tchorzewski:** — I should have answered that question more fully than I did earlier. Of the 184, 146 million is for the Rafferty-Alameda; the remainder is for the irrigation projects which I mentioned.

As to whether the Americans have paid their share, I can be . . . I will qualify this, but to the best of my knowledge to this point in time they have not. But that would have nothing to do with this portion of it. That would be accounted for for other expenditures, so it doesn't change the write-off that has been done here.

But as far as I know — and I could stand to be corrected on this because we don't have all of the appropriate officials here because we're not here into the estimates of the department — but as far as I know that payment has yet to be made.

**Mr. Martens:** — You might be right that it has to be made to the Department of Finance and the Consolidated Fund, but I know that there was considerable amount had already been paid when I was the minister responsible for Sask Water. There had been a considerable amount of money paid to the Water Corporation in relation to the funds from the United States.



Now did the Sask Water Corporation transfer the debt without the assets that were established in funding from the United States or is that . . . Is that the net balance or is that the gross of the cost?

**Hon. Mr. Tchorzewski:** — The transfer is exactly explained by the comments I made earlier. The transfer of the debt is that portion of the debt for which there are no income-earning assets. There's a dam, but it earns no income. There are some irrigation projects, but they don't earn enough income to service the debt.

So although those structures are there, there is no capability for those structures to earn enough income to repay the debt, and therefore the debt has been transferred to the Consolidated Fund because it has to be paid and the only way it can be paid is through the regular Consolidated Fund expenditures. And therefore that's where it belongs, from an accounting point of view, from an accountability point of view, from a good management point of view.

But it's got nothing to do with whether there's an asset or whether there is a debt. In this case there is a debt, yes, but the so-called asset that's out there can't earn enough money to pay the debt.

**Mr. Martens:** — Mr. Minister, on the 148 that was transferred from Sask Water in relation to Rafferty and Alameda, was the payments, the \$50 million from United States, a part of that? Or does Sask Water have that money in their possession?

**Hon. Mr. Tchorzewski:** — Mr. Chairman, the amount of money that's transferred here are the loans — money which has been borrowed in order to do these projects. That's all that's being transferred. We've got to service the loans. The amount that the United States is going to contribute, if it hasn't already, is not provided for in here because it doesn't impact on these loans. We still have to pay the loans.

The amount, as I understand it, and you'll have to ask once again in the Crown Corporations Committee and under Saskatchewan water supply board in here for more of the details, but the money that would come from the United States would be spent on something other than these loans. It cannot be used for repayment of the loans. The loans are still there, and these are the loans.

**Mr. Martens:** — Okay, I will ask those questions there. That should be Sask Water, and from what I understand should have an asset of 54, or between 40 and \$50 million — 40 U.S. (United States), \$50 million Canadian — in relation to the volume. They should have that on hand, because what you said is, this is the loan, this is the cost of the construction, and the money to repay it was . . . the money to repay the U.S. portion was paid to the Sask Water Corporation. And if I'm wrong on that, correct me.

**Hon. Mr. Tchorzewski:** — Well once again, and I'm not trying to be difficult here, but I think it would be best if you ask the minister of Saskatchewan Water Corporation that's here, because he'll have all the documentation and the officials here, rather than my giving you half answers,

which is probably what I'd do, and maybe even might make a error.

**An Hon. Member:** — At the best of times.

**Hon. Mr. Tchorzewski:** — Well not quite. I think it's probably better if you ask him the question. Now that we've got the House running again, I know things will go smoothly and quickly, and we'll get on to that pretty quickly.

**Mr. Martens:** — In the Saskatchewan Property Management portion of the debt — \$715 million — is there a breakdown somewhere that we could view which departments had the transfer of liabilities from the Sask Property Management into them?

I noticed in the *Estimates* book that some places there is reference to that in Department of Health and in Department of Education. There are statements that don't correlate with the statements made here. And we've had some difficulty finding out from, for example, the Department of Education where some of these transfers were made.

And we'd like to have a list of those transfers from the various departments from the Sask Property Management Corporation to the departments, and how that funding was transferred in a debt load to the Consolidated Fund.

**Hon. Mr. Tchorzewski:** — All that was, was that under the previous administration — for good or for bad, I'm not arguing there because I think it was a legitimate decision — loans were transferred. Money was transferred from the Consolidated Fund to the Saskatchewan Property Management Corporation in the form of loans which then lent money to different institutions or different boards. The only way for those loans to be paid back is money to be appropriated in the Consolidated Fund which then would be channelled through the different school boards and so . . . not school boards, but municipalities and hospital boards which then would be repaid back in payment on a loan.

The Provincial Auditor said that's bad bookkeeping. He says you can't count that as an asset, he said. It's his opinion. And therefore you have to write off that debt. We did that because it is a debt that has to be paid out of taxpayers' money.

What we're doing now is we're expensing out projects. Any future capital projects will be budgeted for in each year. They will be paid for in that particular year according to the budget, and we won't get into the business of the loan process which is then being paid for by taxpayers and is just circuitous route which is very confusing. And maybe that's why we're into this question period because it was very confusing. And that's why the Provincial Auditor said you got to change it.

We followed his advice, and we've changed it. We've written off those loans because they are really not an asset; they are a liability. There's no way in which the projects that were built are going to earn any income to pay it back other than the taxpayers through grants through the various departments which is going to come

back again. That's all that is.

(1615)

**Mr. Martens:** — I understand all of that. I understand all that. But I'd like to know what the breakdown of departments is and where those projects were. Some of those building projects were amortized over 10 years. I'd like to know which department received them and for — what was it? — K to 12. Was it for universities? Was it for regional colleges? Or was it nursing homes, hospitals? That's what I'd like to know.

**Hon. Mr. Tchorzewski:** — Once again, SPMC (Saskatchewan Property Management Corporation) is the department that's got to give you that information. And you need to get it from there. And each specific department can also give you their particular jurisdiction. And I don't have that information at hand. But we can check with the Saskatchewan Property Management Corporation to encourage them to provide that information.

**Mr. Martens:** — That, Mr. Minister, is exactly what our problem is. I asked the Minister of Education on giving me a list of items in K to 12, and she said there were none. Now I clearly remember it because I asked her about it, and I got nothing for an answer. And so I need to know from you. If SPMC is supposed to answer the question then we'll get to the associate minister. But if the Minister of Education and the Minister of Health and the Minister of Justice are supposed to answer those questions, then inform them of that because they are not providing us with a list of those items that qualify in this \$715 million.

**Hon. Mr. Tchorzewski:** — First of all, I . . . the answer from the Minister of Education was the correct one because K to 12 projects were not funded through Saskatchewan Property Management Corporation. So there would be no information there that would be required.

As the other projects — health care, nursing homes, other capital — each of those departments should be able to provide you that information or in a general way Saskatchewan Property Management Corporation should be able to provide you that information. I see no reason why they wouldn't be able to do it.

I shall undertake to speak to them and tell them to get the information together so that you can get the information.

**Mr. Martens:** — And, Mr. Minister, I'd like to have it add up to 715 million which is in the Sask Property Management Corporation's assessment in your budget book.

The last question I have deals with the \$1.8 billion of debt effective March 31 that you assumed, and I haven't taken the time to add this up, but is that the CIC debt and Sask Water debt and Sask Property Management debt? Is that the 1.8 billion that you're talking about on page 45?

**Hon. Mr. Tchorzewski:** — Sorry, but I don't see. Can you remind the House about whether it's page 45? I don't see 1.8 billion. Can you just clarify?

**Mr. Martens:** — It's, Mr. Minister, it's on the second paragraph on the first column.

**Hon. Mr. Tchorzewski:** — Okay, thank you. If you look at page both 44 and 45 effective March 31, 1992, there's an explanation of all of those under the three bullets, the black bullets that are there, which gives you the explanation for the 1.8 billion. And I won't bother going through it all but it's there clearly outlined.

**Ms. Atkinson:** — Thank you very much, Mr. Chairperson. I have two questions that I'd like . . . two different areas of questions I'd like to ask the Minister of Finance.

In the first area I want to begin congratulating the Government of Saskatchewan for making some changes to the Saskatchewan Pension Plan that allow citizens to continue to make payment into the plan. And so citizens now in fact have a pension plan. They can make contributions. And I'm particularly thinking of home-makers and small-business people, farmers. And I want to say thank you to the Government of Saskatchewan for listening to the citizens of this province.

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

**Ms. Atkinson:** — Now, Mr. Minister, given that the Saskatchewan Pension Plan is located in the town of Kindersley, I would be interested in knowing what the administrative costs are for that pension plan. Are they in the several hundreds of thousands of dollars? And what would the implications be if that money was to be rolled into the public employees' benefits agency or some other administrative structure. Would that be a cost saving to the holders of those pensions?

**Hon. Mr. Tchorzewski:** — Thank you. Thank the member for her comments. Once again in order to be able to answer the question accurately, we would need to have the officials of the Saskatchewan Pension Plan here, and when we get into estimates of the Department of Finance, we'll do that. I would not want to say that it would cost less if it was transferred, at least in the interim period of time, to some other function because it would be all the costs of moving. There is ongoing costs such as the rent/lease arrangements which we've been locked into under previous arrangement and so on. So although there may be a small amount of reduction in the cost — and I suspect there would be — in the short term it would not be significant.

**Ms. Atkinson:** — Thank you very much, Mr. Minister. When we're in the Committee of the Whole, when we get to your estimates, I'll be asking that question. I would hope that you would be able to give us some information in finer detail because obviously the holders of those pension plans want to have the smallest possible administrative costs.

The second issue that I'd like to raise, Mr. Minister, is an issue that my colleagues in the opposition have raised, and that's the issue of drought assistance. And as you know, given the changes that our government has made to the gross revenue insurance plan or program, there are some concerns that are being expressed by farmers living

in drought-affected areas.

And as you probably know, Mr. Minister, the drought seems to be moving north. Farmers are very concerned that they too will be facing a similar situation to those farmers living in the south-western corner of Saskatchewan. And I'm wondering whether our government has made any plans or has a contingency fund available for some sort of drought relief should this drought continue to move north and should this develop into a major crisis for not only the province of Saskatchewan, but for those farmers living all across Saskatchewan.

**Hon. Mr. Tchorzewski:** — Well in response to the member, I remind the House of the comments made by the member from Maple Creek, which I thought were good comments, when he talked about Montana and that the United States federal government was providing funding for disaster assistance in the state of Montana. And that's quite appropriate. The United States government nationally has recognized the importance of the agricultural industry. We have heard the federal Minister of Agriculture, Mr. McKnight, talk about additional money that may be available at the federal level. We have urged Mr. McKnight and the federal government that if indeed there is federal money that is available, that that should be set aside in the event of the need for a disaster assistance program. I think that would be quite a legitimate and quite an appropriate way to use that money. Use it where it is needed in circumstances where there are difficulties so that it is better targeted. When you have limited amounts of money, you should be targeting the expenditure of taxpayers' money.

We will continue to urge the federal minister and the federal government to carry out the obligations that the federal government has in the area of agriculture to meet its obligations as a national government for an industry that is not only important to Saskatchewan, it's a very significant and important part of the Canadian economy. It has spin-offs that create jobs in almost every province of Canada, particularly in central Canada.

We are in a situation where we are competing with the treasuries of the United States and the European Economic Community. Under such circumstances no province, certainly not this province which is strapped with the kind of financial situation we face, can do what a national government has to do. The treasury of Saskatchewan cannot compete with the treasury of the United States. I'm not sure that the treasury of Canada can but certainly they're better placed to be able to do what's needed in a targeted way, and we will continue to work with the federal government to provide the funding that may be required.

**Ms. Atkinson:** — Well, Mr. Minister, obviously what you've just indicated to me is known by the citizens of Saskatchewan, that the Saskatchewan treasury can't possibly compete with the federal treasury of the United States of America.

I'm interested in knowing what specific measures have been taken on the part of our government to ensure that there may be some drought relief assistance that is

coming.

Can you give us more details in terms of what kinds of conversations have gone on with Mr. McKnight, given that we are now into major constitutional discussions? Is there any chance that Mr. Mulroney, who desperately requires a constitutional agreement, could be encouraged to come forward with some revenue for the province of Saskatchewan, given the kind of agricultural crisis that we're facing, not only on the revenue front but on the front of a very strong potential for a disaster in drought, not only in the south-west part of the province but in other parts of the province as well?

**Hon. Mr. Tchorzewski:** — Well I can't speak for the negotiations and the discussions that have been taking place. Once again, when we get into estimates of the Department of Agriculture, that's a better place where you'll get more specific answers to the questions. What's happening at the constitutional discussions — I'm not close enough to it, whatever may have been happening at the dinner today and the meeting of first ministers — but I'm really not able to specifically speak on the details. You're better to ask that question, as I have been indicating to the members opposite, when the appropriate minister — in this case the Minister of Agriculture — is here to be able to respond more specifically.

**Mr. D'Autremont:** — Thank you, Mr. Chairman. Mr. Minister, I have a couple of questions on the environment I'd like to ask you. The Minister of the Environment is proposing a new committee to tour the province to . . . concerning her Bill 48 that has been presented to the House. I'm just wondering, do you have any allocations for money in your interim supply for that? Or are they in some other department?

**Hon. Mr. Tchorzewski:** — Well what we're providing in this interim supply Bill is one-twelfth of the total budget for the Department of Environment. Precisely what that one-twelfth in program by program that is going to be spent, you're going to have to ask the minister when the Department of Environment is here. We don't have that information. But in the case of Environment it's just a straight one-twelfth.

**Mr. D'Autremont:** — Thank you, Mr. Minister. In the legislation category in your details, would that environment committee perhaps be funded through that? I see it has in excess over the one-twelfth of normal allocation.

**Hon. Mr. Tchorzewski:** — No I don't know what you're looking at, but as I see it here, Environment and Public Safety budget to be voted — 10.763 million — one-twelfth is 897,000. And that's all that's being asked; no additional money.

**Mr. D'Autremont:** — My question, Mr. Minister, is under your department of legislation, which would be the House, it has a one-twelfth allocation of 440 and in excess of 288,000 as compared to an interim supply of 728. Is part of that environment committee funded through that?

**Hon. Mr. Tchorzewski:** — I'm informed that the additional amount of money beyond the one-twelfth in legislation is strictly for the operation of the House. I don't think it, as far as I know, it has nothing to do with this committee. It's just the operation of the House and the fact that the House is sitting.

(1630)

**Mr. Swenson:** — I have one final series of questions, Mr. Minister. Every time that, in my memory, we've gone through interim supply, it's traditional for the Minister of Finance to stand up and warn about the dire consequences that are going to occur in this province if it doesn't happen, and that's been under various stripes of government.

As early as two weeks ago I heard you say that certain people were going to run out of money. And I think, Mr. Minister, maybe it's time that we get some more definitive lists from your department as to exactly what the exact dates are. Because I know in the past it was pointed out in the media that interim supply had gone as late as the 8th and 9th of the month, and that type of thing, and yet the doors stayed open and the bills got paid.

And I wonder if you wouldn't provide to the House the exact dates upon which some of these organizations should be paid because obviously the doors weren't going to close on July 1 and they haven't closed on the 8th or the 9th. So maybe it would help the taxpaying public of this province to know maybe some of these dates. And if you could provide a list to us, it would be a little more definitive.

**Hon. Mr. Tchorzewski:** — First of all, let me assure the member that I will provide — and I think he did ask this — a full calendar of interim supplies over a period of years. Now I'll just get that put together and provide it for the member opposite. That's public knowledge, I'm sure.

Let me explain something about this year, and I put it in the context of that each and every year isn't the same. Depending on the timing of the budget, depending on the requests that are made in any interim supply the month before will determine the impact that a delay of an interim supply Bill will have.

For example, in 1991-1992 there was a later interim supply Bill. But the first interim supply Bill was passed on April 13, which was well into the month. Because it followed closely after the end of the previous fiscal year, many of the payments that were necessary were paid off in the previous fiscal year and therefore there was less of a problem in the new fiscal year, which is April going into May. So when the interim supply Bill in May of that year was passed on about May 8 or 9, it was not that great of a problem.

This year, because of the lateness of the budget, there were two special warrants which had to be passed. You lost the flexibility of paying something under the previous fiscal year. The special warrants that we passed, we were very careful because we don't particularly like the idea of passing special warrants unless it's an emergency situation. That we provided the bare minimum amount of

funds necessary in each of those months to cover the expenditures, reducing the impact, reducing the amount of flexibility into the following month.

In the last interim supply Bill, which we passed last month, we did the same thing. We provided the minimal amounts necessary to fund for the month of June, knowing we would be able to come back in late June to provide funding, as an interim measure, for the month of July.

Very little flexibility there. And so had the House continued not to sit for any extended period of time, it would have created some very serious difficulties. And some of the earlier ones would have been non-government organizations and areas like family and youth services where funds required . . . The Provincial Comptroller would have to know by June 25 in order to provide the funding which is due on June 30.

So we are already going to be a little late. So it'll create some pressure, but we're not so late now that it's not possible to overcome it. But now that we're in this process, I think, although it will create some difficulty for some of those organizations, it won't be overwhelming. Had we delayed much longer, it would have created some serious difficulty.

Now there are others, and we'll provide you the calendar to assist you, that . . . Do we have it here now? In fact I'm told we have it here. I'll send it over with a page. There are others that could have waited longer. For example, urban municipalities, because they're paid on a quarterly basis, have been paid on the first quarter and therefore there was some room there.

But when it comes to the NGOs (non-governmental organizations) and Saskatchewan Assistance Plan, very soon there would be a running out of money to be able to pay those bills.

And the member asked about the calendar of interim supply Bills over the years. We have it here with us and we'll send it over.

**Mr. Swenson:** — Thank you, Mr. Chairman. Well, Mr. Minister, I appreciate your comments. I think it's important we do talk about it because we may have to do this again, and you never know what the agenda of the House is and what will be before us. And we may very well run up against this payment problem. And I think it's important that we perhaps look at ways to maybe change this process.

It's an interesting one, as I say, from all of my time in here I've heard Finance ministers continually warn the Saskatchewan public about this problem, and yet we can't seem to dispense with it. We run up against it all the time.

In your response you said that different agencies are paid at different times, therefore they have different time lines so municipalities are done on a quarterly basis. Would it make any sense, Mr. Minister, that perhaps we changed more of the payment areas to that basis if it means less of a problem for the House to manage other business around.

Is there a mechanism where we can keep the accountability intact and yet do things? And I know there's been some talk in the past about doing that. Have you got anything that you could add to that debate that maybe would be a better system in the future?

**Hon. Mr. Tchorzewski:** — I guess in principle I guess it comes down to, Mr. Chairman, whether we want to retain the right of the legislature to appropriate money. And I think that that's a principle that's very important. And I don't think the member disagrees; in fact, I know he agrees. So we'd have to look at ways in which we made sure that that was done.

Now there are some other options. I'm quite happy to review other ways — and if members opposite have suggestions I'll look at them — in which we can expedite this process and make it smoother and not get into the kind of dilemma that we might have been in, and to some degree are, with this interim supply Bill.

One of the answers, and it's been used before, is to bring in supply Bills of two-twelfths instead of one-twelfth. It's been an accepted practice over time. But because of the way this year has developed and because of the special warrants that were passed and because of the lateness of the budget, we decided that it was more appropriate to stick with the one-twelfth because we were well into the fiscal year. So that each month I, as the Minister of Finance, would have to come in here and ask the legislature to appropriate some money.

But I'm quite willing to explore any channels or any other methods, as long as the authority of the legislature is left intact, on how we can do better in getting through this process so we don't get into those kind of circumstances that the member refers to.

**Mr. Swenson:** — Well I realize, Mr. Minister, that both of us probably would give up something in the process. But I think some of the comments that I was picking up around in the last couple of weeks when . . . There are a lot of people that quite frankly don't watch this place a whole lot. But they do catch the odd thing on the news or in the newspaper about maybe I'm not going to get my old age pension cheque type of thing, or I'm on some type of disability and I'm not going to get paid. And I think there's a certain amount of fear — maybe sometimes legitimately, sometimes illegitimately — used by politicians in this process. And you have indicated we're into a whole realm of changes in the way that we do accounting, that we do accountability, that we do things.

And I think it would behove us maybe as a legislature to seriously look at some way that we don't do this to some of our citizens on a regular basis. And it's happened enough times, I think, in the last half a dozen years that it may be worth looking at. I guess you and I as politicians will have to add up the pluses and the minuses for ourselves politically, but I think it's incumbent upon us to add up the pluses and the minuses for folks too.

I don't think anyone out there, because they happen to have a disability or they happen to work for a certain group or agency, should go in fear of their salary not being paid because you and I are having a fundamental,

philosophical disagreement on something.

And it's something that has arisen in this last couple of weeks that people have commented to me, and they quite frankly find it unacceptable from both of our parts. And I know there's nothing you can do about it today, but I thought it was probably the appropriate time to raise it as we've gone through this again and give some commitment maybe that we can discuss it in the future.

**Hon. Mr. Tchorzewski:** — As I said, members of the House will know, and the public I think will agree, that many of the processes that we have in the legislature, including the whole question of calling the members to the vote and all this kind of thing, as the Speaker indicated today, is something that needs to be reviewed.

I mean the more we can streamline the activities of this institution, which is the legislature, and yet assure good, sound accountability from the government and assure members to ask the questions that need to be asked and seek the answers — as long as we can assure that — I think you will find that members on this side of the House and on that side of the House would be more than happy to look at different alternatives that may help to make this institution function better. I think the public is asking us to do that, and we'd be willing to explore any kind of alternatives.

**Mr. Devine:** — Thank you, Mr. Chairman. I notice it's about 15 minutes until 5, but I'll have a couple of questions for the minister.

I was particularly interested in the member from Saskatoon Broadway, I believe, asking questions with respect to drought. And as I'm sure the minister knows there is increasing concern about drought across the province of Saskatchewan. He was saying that he is a little optimistic oil prices were going to maybe be up, retail sales weren't doing all that bad, uranium sales volume was fairly good, the net increase in employment modest, but he didn't mention drought. And we're now back in the legislature here talking about interim supply because of drought . . . or some of the differences of opinion with respect to how we manage drought.

I wonder if the minister has any recent information from his colleagues in the Department of Agriculture or other places that would tell us what the estimates are of the crop at this point in time because, as the minister . . . or as the member from Saskatoon Broadway said, the drought's moving north. Now if that's the case, then it becomes increasingly serious. Maybe the minister could tell us what the latest information is on that.

And secondly, would he be prepared to tell us some of the implications of that in terms of federal and provincial money. I noticed in terms of his response to the member from Saskatoon Broadway that he said, well yes the federal government should kick in some money if there's a drought.

(1645)

Could he perhaps describe the formula that is there across Canada between the provinces and the federal

government as to crop insurance and drought and revenue and the various kinds of GRIP. And maybe then go on to outline how much money is kicked into gear from the federal government when the province participates and co-operates to some degree in crop insurance and in something like GRIP.

In other words there's a formula that I believe the whole country uses. Saskatchewan's part of that formula. And if in fact there's a serious drought, then each province pays its fair share, and it kicks into gear money and a lot of federal money. And even the jurisdictions in other parts of Canada know that that's the case, and in fact substantial amounts of money are kicked into gear.

Or put it another way, Mr. Minister, as you're writing this down. Maybe you could tell us how much money doesn't come into Saskatchewan if we don't participate in this program. In other words we decide to opt out. How much money do we lose from the federal government if we don't participate and pay our fair share like other provinces do. And I'm sure that we'd be interested in knowing that, particularly when we're looking at how you're going to allocate your money over the next twelve months.

So if it's several hundred million dollars that we might not be able to have in the province of Saskatchewan from the federal government because we're not participating, I wonder if you could identify just what the consequences are of backing out of a national program when all of the provinces participate except Saskatchewan, when we have most of the farm land and we have the threat of drought.

You see what I'm getting at, Mr. Minister. We have a drought. Your own members are asking. It's increasing. What's the formula? How much money do they pay? If we opt out, how much money do we lose? And I wonder if he could comment on some of the implications that might have for the province of Saskatchewan's farmers that are facing this serious situation.

**Hon. Mr. Tchorzewski:** — Mr. Chairman, as I indicated earlier, in our discussions earlier, the member from Maple Creek had some good thoughts on this and I refer to them because I thought that he had had a thoughtful intervention when he talked about the American situation as opposed to the Canadian situation.

I can't comment in the Department of Agriculture jurisdiction in great, specific detail as the member opposite, the Leader of the Opposition, would like me to. I think I'm going to leave that to the Minister of Agriculture because that's within his jurisdiction.

The fact of the matter is, I want to add also, that in this budget we already are expending \$15 million a year in repayment to the federal government for drought assistance provided by the federal government in, I believe, 1988. So we already are committed that kind of an expenditure.

If we were to allocate additional expenditure in this budget for funding of any other project, we'd have to find the money somewhere, or increase the level of the deficit.

I don't think anybody will disagree that it would be unwise to increase the level of the deficit. It's too high now.

I'm not sure that there is room in the Department of Education or the Department of Health, the Department of Social Services to find additional funding. We have budgeted a certain amount of money in the Department of Agriculture for agriculture purposes. That's the amount that we can afford to budget for. If there is additional money in third line of defence as the federal government has indicated they have, we'd be interested to discussing with them on how it can be best allocated and distributed to provide the need where it is needed the most.

**Mr. Devine:** — Mr. Minister, with great respect, you can't really get off the hook that easy. We're looking at a crisis in rural Saskatchewan, we're looking at an increasing threat of drought, bigger and bigger area. And you said you want to adopt the U.S. model.

Now on very few occasions, Mr. Minister, do you adopt the American free-enterprise model. Once in a while you say, well I kind of like Americans and the way they do things. The fact is you are not American, Mr. Minister, you're a Canadian. And this is Canada, and this is Saskatchewan. And we're dealing with the federal-provincial agreement that deals with not the Department of Agriculture, but with the Crop Insurance Corporation, an insurance company.

The Saskatchewan Crop Insurance company deals with the federal government. And that insurance company is in the business of insurance. And sometimes it just collects money and sometimes it pays out money. And you know that. Now in the time of drought it's going to have to pay some out. But it operates on a 10, 15, 20-year cycle as insurance company does — SGI (Saskatchewan Government Insurance) pays, other insurance companies does, the Co-operators do. So we're looking at an insurance company.

What we're trying to get a handle on is in the insurance business, and you have a fire or a hail or a drought, you pay out. Now if Saskatchewan decides not to participate in that and not co-operate in that formula, it seems to me, and what bothers the farmers is, that they might be out a lot of money. The federal money won't kick in to help. And all we have to do . . . I'm asking, isn't there some number that you could give us on terms of what you think that our responsibility is through crop insurance in the agreements we've signed with the federal government? Could you tell us . . . could you separate out even in the minds of the public and your MLAs, our MLAs here, the role of an insurance company, crop insurance, versus the general budget.

Now crop insurance may have an increased liability next year if it pays out this year. It may not depending on what the federal government does, the price of wheat does, and some other things. We know that. In fact it may be, Mr. Minister, and you might comment, it might not have any impact on this year's budget at all. On your projections, your cash flow, crop insurance sits out there with a 20-year actuary. It runs on a separate operation. But what can happen, Mr. Minister, is if we're out several hundred

million dollars that farmers don't have, it's like the Wheat Pool ads. If the farmer has money, they spend it in town. Retail sales are good. The whole economy is better.

Now we're starting to look at serious, serious blow in income coming from the federal government because of perhaps a refusal by Crop Insurance officials to say, I don't want to pay my fair share. So see, we've got to find out the impact of drought on the province, of course, but on Crop Insurance because it's a separate corporation, and why that necessarily would impact on the cash flow in this province this year in your budget because it may not. In fact it might have something to do perhaps with next year's or maybe five years down the road, but in the middle of a drought it could be quite serious.

So again I ask you, have you an estimate of what this drought looks like? Do you know what it might cost if you kicked into the national formula? And do you know how you could separate out Crop Insurance liability, which is an insurance company completely different from your own budget?

**Hon. Mr. Tchorzewski:** — Mr. Chairman, we're here in interim supply, and I want to refer the Leader of the Opposition to the information which we provided on paper to the members opposite earlier. We have in the budget to be voted for this year for the Saskatchewan Crop Insurance, \$108.647 million. We're asking in this interim supply for one-twelfth of that to cover the expenditures under the Crop Insurance budget, which is part of our agreement with the federal government. As well as anybody else in this House, the member from Estevan — not better, but just as well as anybody — will know how that works. That's the money that we have provided under the existing crop insurance program. We're not asking for any additional money in this interim supply other than what's there, which is one-twelfth of what is budgeted.

**Mr. Devine:** — Well, Mr. Minister, could you just tell us, if there's a drought, what impact that has on the number here?

**Hon. Mr. Tchorzewski:** — Well once again, as I have said to other members of the House, I can't answer that question. I don't have the Crop Insurance officials here. And that's a question that the member from Estevan is better to address to the Minister of Agriculture . . . or actually it's not. It's the Minister of Rural Affairs who's the minister in charge of the crop insurance program. I can't answer specific questions on those programs because I'm not the minister in charge. That minister will be here in question period. Those ministers will be here in Committee of Finance. That's a better time to ask those questions.

**Mr. Devine:** — Mr. Minister, you, as the Minister of Finance, know the relationship — or your deputy or somebody else would — between agencies and your budget. Now in the event that there's a drought and it's severe and it covers at least half the farm land in Saskatchewan, you must know that it might . . . you'd think it'd have an impact on Crop Insurance. Now the specific Crop Insurance minister will give you all the details there.

I want to know how you connect the Crop Insurance Corporation to your overall budget. It runs on a 10, 15, 20-year actuary insurance company *modus operandi*. How can you . . . I don't think you can legitimately say that if we have to pay the farmers for a drought, we're going to have to tax people this year to pay for it. I'm not buying that. And I don't think an insurance company would buy that because they're set up to be actuarially sound in the long run.

So what is the relationship, if you can, Mr. Minister, between Crop Insurance and a potential drought and your budget on the current account . . . fiscal year?

**Hon. Mr. Tchorzewski:** — Once again, when it comes to Crop Insurance you'll have to ask the minister in charge of the Crop Insurance. The relationship as far as the Finance department is concerned is that we have budgeted a certain amount of money for Crop Insurance, which we have to expend. This is the amount of money we have to put in the budget because it's going to cost the government or the taxpayer this amount of money.

As to other relationships and other operations of the crop insurance program which the member opposite talks about, that's something the Minister of Agriculture will have to explain, and you should ask him.

I'm not an expert on crop insurance, and unless I become a minister of Agriculture, I don't likely going to be one. I shouldn't be expected to know all of those kind of specific details. The minister in charge is here; he'll be able to provide you those answers. If the member from Estevan wishes to ask those questions in question period, that's a good time as well, although you can spend a lot more time in Committee of Finance.

**Mr. Devine:** — Mr. Minister, you opened this up with your comments earlier that you were optimistic that you were going to hit your targets this year. And you said you had . . . oil prices were up and uranium sales volume are pretty good and you had employment up a little bit.

And I'm just raising the question along with the member from Saskatoon Broadway that you forgot to mention something — that there is a serious, one, farm crisis, and two, serious drought developing across Saskatchewan that will have an impact on your budget and you're not acknowledging it. You say, well you can ask the Minister of Agriculture or the Minister of Crop Insurance.

Go ask any of your MLAs, Mr. Minister. There's a serious financial concern in rural Saskatchewan which is going to show up in the cities, as the Wheat Pool ads will say, and you don't want to talk about it.

Well it's out there. We've had bell-ringing. We've got problems associated with all kinds of concerns — legitimate concerns — about farm income and drought. And you've said, so far your answer is, well if we had an American-style system, the feds would come in and take over. I mean that's getting pretty thin.

I want to know if Crop Insurance can afford and how it affords and how it pays for the same kinds of formulas

other provinces have that kick in literally hundreds of millions of dollars into Saskatchewan and how you are going to show that on your books and how you're going to try to convince the public that you have to raise taxes to pay for a drought.

I want to know that and you must know that — you've been saying it in the public; you've been saying it other places.

You can't just pawn this off to the Minister of Agriculture. This is a financial question. You're obviously afraid of it or you don't understand it. And I don't think that's the case. This is a separate insurance company set up to handle disasters. It's all across Canada.

What's going to be the number here if you don't co-operate in terms of the loss of federal money that could come into the province of Saskatchewan? You're the Finance minister. The Minister of Agriculture can't answer that and no other minister can answer it other than perhaps the Premier.

So you are dealing with a financial crisis in Saskatchewan on the farm and your insurance company's in the middle of it and you have no estimate of what a drought might cost or how much money we would lose from the federal government if in fact you didn't kick that money into gear.

I don't think that you . . . that that's accurate. I think you do know and you've got to be accountable to this legislature because this is more than the price of uranium and the price of oil and interest rates and some other things. This is about tens of thousands of farmers. And your own members asking, what are we going to do in the event of a drought and how are we going to kick in more federal money and how should it all work and impact on our budget.

I just make the point, Mr. Minister, this may not have anything to do with raising taxes this year, nothing at all because there's a separate insurance company — not on this year's current account.

**Hon. Mr. Tchorzewski:** — Now, Mr. Chairman, just so that the member understands what we talked about when we began this interim supply debate. I did indicate that the targets that were set at this point in time — and it's too early to be accurate as to where it was going to go at the end of the fiscal year — were on track. I also made very careful point of pointing out that things may change. And if they do, we'll have to see what they change.

But the questions the member opposite asks are good questions, but they're asked in the wrong place. He should be asking those questions of the minister in charge of the Crop Insurance who will speak for the Crop Insurance Corporation in some specific detail. And I invite the member to be in the House when that corporation comes before this Committee of Finance so that you can ask those questions.

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

The Assembly recessed until 7 p.m.