

## EVENING SITTING

## COMMITTEE OF FINANCE

## Motions for Interim Supply

**The Chair:** — Order. The business before the committee is interim supply, and in particular the motion by the Minister of Finance:

Resolved that a sum not exceeding \$365,428,000 be granted to Her Majesty on account for the 12 months ending March 31, 1993.

**Mr. Devine:** — Thank you, Mr. Chairman. I wanted to give the minister an opportunity since supper time to perhaps respond to some of my earlier questions, and ask him again if he could outline, if he would, the role of the Saskatchewan Crop Insurance Corporation and its responsibilities during a drought, and how he estimates what impact that might have on his budget. I wondered if he could explain that to the public because obviously we could be in for a pretty serious drought. And we'd like to know how the insurance company fits into the scheme of things.

**Hon. Mr. Tchorzewski:** — Mr. Chairman, these are hypothetical questions. We're dealing here with interim supply. We're not dealing here with the policies of the Saskatchewan Crop Insurance or the program of Saskatchewan Crop Insurance. I am not the minister in charge of the Crop Insurance and so therefore I am not in a position to answer the member from Estevan's question. I can tell the member opposite that in the Saskatchewan Crop Insurance, for premiums there is a budget this year for \$108 million plus some. And the request in this interim supply is for one-twelfth of that.

The Crop Insurance Corporation has some role to play in the event that there is a drought. There is not a drought yet. One can never predict. There might be a drought. But in the event that the Crop Insurance has a role to play there, that's really in the purview of the minister in charge of the Crop Insurance who will have to address that question when the Crop Insurance Corporation is before the legislature, before the committee.

**Mr. Devine:** — Mr. Minister, are you saying to the House that in the event that there was a drought in say 25 per cent of the province of Saskatchewan's farm land, that it would have no impact on the budget? No impact, there's no connection there? And if there is we would like to know that. If there is not we would like to know it. What are you saying, that there's no connection between a 25 per cent drought and the budget of Saskatchewan?

**Hon. Mr. Tchorzewski:** — Mr. Chairman, that would depend on a lot of things. It would depend on the role of the federal government and what role the federal government might want to play. The federal government has said, Mr. McKnight has said there might be additional money because of the money that the federal government has under the present circumstances. So unless I know the situation, I can't respond in the hypothetical sense; I'm not going to. That's not the way I deal with things. Where

it is within my jurisdiction as the Minister of Finance, I'm prepared to respond quite accurately within the terms of interim supply.

What the member opposite is asking about is something that's within the jurisdiction of the minister in charge of the Crop Insurance Corporation who happens to be the minister in charge of Rural Affairs. And he will have to have his officials here to assist him and then we'll be able to provide all the answers that the member from Estevan is asking questions to.

**Mr. Devine:** — Well, Mr. Minister, when we get talking with other ministers — I was here in estimates in Education — they say well that really, frankly, is the Minister of Finance because they want to know his view of how we would finance education. And I asked about harmonization and about some other things. I'm asking now how the province finances its crop insurance and its protection against drought. Now that's right in your lap. You know it's a multi-billion dollar corporation. It insures farmers. And there's a formula whereby Saskatchewan, like other provinces, participates in the co-operation with the federal government. Now there must be some connection to your budget to the fact if there's a drought versus if there's a very good crop.

I know you want to avoid that question, but I'm going to be very reluctant to leave here not having some relationship there because it seems to me, if I recall right, you have said from time to time, Saskatchewan and your budget can't afford to pay for drought because you'd have to raise taxes to do this. So there must be some relationship between crop insurance and your budget. Well I would like to hear what that is.

**Hon. Mr. Tchorzewski:** — Yes the relationship is very clear. If the member looks at the budget estimates, and if the member looks at the details of the second interim supply Bill which I provided to both parties in the opposition, he will find what the relationship is. The relationship is that we have provided, as part of the needed funding for the Crop Insurance Corporation, \$108.647 million for the full budget for this year. We are asking in this interim supply Bill, which is what we are debating in this committee, one-twelfth of that, as is the case with most of the requests in most of the departments except where there are, I think, six exceptions because there are more, or in some cases less, than the need for one-twelfth.

**Mr. Devine:** — Well, Mr. Minister, could you get your officials to tell me, tell the House, what assumptions you made about the crop when you made that estimate of \$108 million, and what assumptions you made with respect to the crop and the relationship between what it might be and why you came up with \$108 million. And another part to that: you've assumed, I guess, Mr. Minister, that that was under the modified GRIP (gross revenue insurance program). Is that true? This was under the modified GRIP. This was under the 1992 GRIP — is that a fact?

**Hon. Mr. Tchorzewski:** — Well, Mr. Chairman, I can address the member's question directly. What we have

assumed in the estimates here is a normal crop year — not the bumper crop we had last year — a normal crop year. We have provided money on the basis of GRIP as it is for 1992, the program that is there for '92. We've estimated in the GRIP . . . crop insurance 77 per cent take-up, and on the basis of our estimates and on the basis of the money that we have provided we have no reason to feel that we will not be able to meet the objectives that were established and the targets that were made and the money that was provided.

**Mr. Devine:** — Okay, Mr. Minister, we are starting to get some place. You now said that this is going to cost you \$108 million, crop insurance, if there is a normal crop, with 77 per cent take-up and given the 1992 rules. What is it, Mr. Minister, if it's half of normal?

**Hon. Mr. Tchorzewski:** — Mr. Chairman, we are now getting into the bigger picture rather than the interim supply. But that's a question that the member from Estevan is going to have to pose with the minister in charge of the Crop Insurance who will be able to answer that question. We don't have that kind of information.

We based the budget on certain assumptions. I have said to the House and to the member for Estevan what those assumptions are. That's as much as I can say. That's as good an answer as I can give him.

If he wants more specific . . . we determine the amount of money on the basis of a request made by the Crop Insurance Corporation on the best knowledge that the Crop Insurance Corporation has. On the basis of their indications to us, the money is provided.

All of the detail that the member opposite wants that the Crop Insurance Corporation will only be knowledgeable about — not only, but that's their responsibility — he should ask when the Crop Insurance Corporation is before the legislature. This is not the Crop Insurance Corporation estimates; this is interim supply asking for one-twelfth of the money that has been budgeted for the Crop Insurance Corporation or any other agency or department for which there has to be voted funds.

**Mr. Devine:** — Well, Mr. Minister, you've also said that this is for 1992 GRIP. Would you give me the estimate of what this would be under 1991 GRIP.

**Hon. Mr. Tchorzewski:** — No, Mr. Chairman, because this budget is not based on 1991 GRIP. It is based on 1992 GRIP.

**Mr. Devine:** — Mr. Minister, now you have told the public what you thought it would cost, and I'm going to read your quotes of what you said it would cost and how you're trying to frighten people how you'd have to raise taxes to raise all this money if you had to pay crop insurance. Now there's literally thousands and thousands of farmers out there who are very, very worried that they might not get a crop. And on top of that you tell them that if I have to pay crop insurance I'm going to have to raise your taxes.

Now you are telling me on one hand, really that's just a crop insurance issue; it has nothing to do with the budget.

And you've said that over and over and over again. Well if it doesn't, Mr. Minister, you must have some connection to the relationship because if it has something to do with the budget then you'd better be telling the taxpayers the connection.

Now you tell me that this is based on 1991. You must have some idea about 1992 and what it would cost you because the farmer knows that 1992 levers a lot more federal money. So you should be able to give us some estimate, and I know your deputy has it, and I know your staff has it. How much more money comes into Saskatchewan if you'd have based this on 1991 GRIP, and what would it cost you and what would the farmers get? That's a very relevant question to budget and financing, particularly when the whole thing's before this legislature and before the courts.

**Hon. Mr. Tchorzewski:** — Well the answer is very simple, Mr. Chairman. We did not base any estimates on 1992 GRIP . . . or 1991 GRIP. The estimates here are based on the . . . in this budget are based on the programs and expenditure proposals as they applied in 1991. And that is what we have based the numbers on, \$108 million in crop insurance. The member's been talking about crop insurance. That's what's budgeted in the Saskatchewan Crop Insurance Corporation and that's what we project is going to be the expenditure that we're going to have to make this year in order to meet our obligations.

**Mr. Devine:** — Mr. Minister, could you tell the House if there's a significant variation in this estimate if there's a 25 per cent drought, as opposed to your estimate of a normal crop, and what that might be. You'd have that. Your deputy has it; your staff has it. But the public needs to know that because you're threatening tax increases if there's a drought. Now you can't threaten tax increases if there's a drought unless you have some relationship there. What is the relationship between drought and crop insurance and the estimates you're preparing here that you want us to give the benefit of the doubt so that you can have your money?

**Hon. Mr. Tchorzewski:** — Mr. Chairman, this is so hypothetical that it's impossible to answer the question. In other words, the member from Estevan is saying, if there was a bumper crop we'd have money just pouring in and therefore we'd be erring on the other side. I don't deal in those kind of hypothetical situations. I can tell the House what it is we have budgeted, and I've given an outline of the assumptions we have made in providing that kind of allocation of funding, of money, for that budget. There's nothing more I can say. If the member wants to talk in detail about the Saskatchewan Crop Insurance Corporation, then he's going to have to ask the minister in charge when the minister is here in committee, because he will have the Crop Insurance officials here who will be able to provide the answers.

(1915)

**Mr. Devine:** — Mr. Minister, can you give us any estimate at all of the amount of money that it would cost your treasury to have 1991 GRIP normal conditions versus 1992 GRIP normal conditions? Can you give us that comparison?

**Hon. Mr. Tchorzewski:** — The answer, Mr. Chairman, is no, I cannot.

**Mr. Devine:** — Well, Mr. Chairman, I'm going to have to call the minister on that because you've been telling the public that. You have an estimate in your own news release on interim supply. You tell the public it's going to cost several hundred million dollars and you're going to have to raise taxes in your own news release. And now you won't talk about it here. You're willing to talk about it outside the House and you're willing to talk about it in letters that go out, but you're not willing to defend it in here. You say well let's go and pawn it off on some minister or some other minister.

In your own news release you say Saskatchewan does not have the 2 to 300 million extra we would be at risk for by going back to 1991 GRIP. And you published that. Now how do you get that connection? You've got to justify that before you get interim supply out of a legislature that is facing a crisis across Saskatchewan and drought in some parts of the province regardless of the weather, and maybe even a 25 per cent or a 50 per cent.

And you're saying well gosh we can't even back it up, we can't lever federal money and without raising taxes. And I'm telling you there's no connection between this year's crop insurance and your budget.

So frightening people . . . Let me just put it this way. If you said this, Mr. Minister, then you've got to be able to defend it or else withdraw it and say to the public, it's not true.

You said it costs 2 to 300 million more to have 1991 GRIP for the province of Saskatchewan. I don't believe that. That's saying you're frightening people. It means that kind of money and more going into the farmer's pocket, mostly federal money with a 65/35 per cent relationship.

Mr. Minister, I want you to explain to the public why you said this kind of money, and the difference between '91 and '92 and what it would cost the taxpayer, and any kind of a relationship you want to come up with because you can't just get off scaring people like this, frightening people.

**Hon. Mr. Tchorzewski:** — Well, Mr. Chairman, when the proper officials are here to be able to address that, when the Crop Insurance Corporation or the Department of . . . (inaudible interjection) . . . the member from Rosthern, you be patient. When the Crop Insurance Corporation or the Department of Agriculture are here to discuss the various programs, we'll be able to answer those questions. When the Department of Finance is here doing estimates for the Department of Finance, which talks about the overall policies of the budget and the overall budget, we will then have the officials here to be able to answer that as well.

We're not here doing that, Mr. Chairman. We're here answering interim supply, which is for about approximately one-twelfth of the requirement that the government needs to pay the bills under the proposed budget. That's what we're here for. At the appropriate

committee we'll be able to address those questions, and I invite the member from Estevan to keep them in mind, not to forget them, and ask them then.

**Mr. Devine:** — Mr. Minister, this news . . . this is the Government of Saskatchewan, Mr. Minister, news release, Department of Finance. This isn't Crop Insurance release; this is the Department of Finance. Now your name is on here, the deputy's name, the letter-head, all of this stuff, and it says "Saskatchewan does not have the \$200 million to the \$300 million extra . . ."

So this is Finance has already done the numbers. I know that and you know that. I want you to share that relationship and the numbers with this Assembly and your colleagues and with the farmers and the people of Saskatchewan.

You want supply, you want to spend your money. Now you've reneged on a contract and farmers are worried. There's a threat of a drought. You got elected in a crisis and you say there's 2 or \$300 million at stake that would charge the taxpayers, which is not true but you've left that impression. So you can't get off pawning this off onto somebody else like in Crop Insurance; this is yours. This is the Department of Finance and you have to justify those figures if you're going to get any support on interim supply, because the figures obviously aren't accurate — therefore you must be frightening people — or if they are, would you explain the relationship to the public and to the taxpayers so that we know what you're talking about.

**Hon. Mr. Tchorzewski:** — Mr. Chairman, let me try to be helpful here because we want to be able to provide all the information that the legislature needs and requires. We're here for interim supply. If the member wants an analysis of all of that, I'll undertake to provide it to him and we will get it. And if we need to ask the Department of Agriculture to give us an analysis we'll provide it. But this is interim supply. We don't have that here, Mr. Chairman. But I'll give the member from Estevan the undertaking to work that out and provide it to him.

**Mr. Devine:** — Mr. Minister, all interim supply is one-twelfth of what you expect to spend. So we're talking about the overall estimates of what you're going to do with your money. We have a serious, serious amount of money here of 2 or \$300 million that you're freely talking about outside the legislature and you won't address it in here. And you're asking us to say well go ahead and spend this but cut the heart out of the Crop Insurance Corporation or don't pay the farmers or I'm going to have to raise taxes, when it's just not true.

We've got to have the facts here if we're going to address interim supply. We need to know how much a variation in crop insurance numbers will influence the interim supply month by month, or the overall budget. And that's pretty significant because if it in fact is not connected to this year's budget then your hocus-pocus about raising taxes to pay for a drought is not on and we can correct that to the public and farmers can then realize they're entitled to crop insurance.

And secondly, if we go back and look at what you might get in leveraging federal money, which could be 100, 200,

300, or \$400 million, into the province of Saskatchewan, and we come to find out you won't receive that money because you won't have Crop Insurance participate even if it doesn't cost you on your budget this year — and, like you said, maybe not even next year or the year after — then we're doubly concerned, Mr. Minister, because you're not leveraging the federal money like other provinces are, and you're pulling a cruel hoax, a sham, on the taxpayers because even if we use 1992 GRIP, you don't have to raise taxes to pay for a drought.

So, Mr. Minister, I think you're being unfair to the taxpayer, unfair to the farmers, unfair to your colleagues, unfair to the members of the legislature, and to the role as a minister that will put out: this is what it's going to cost — and then stand in here in interim supply and you're the minister in charge of financing, and not talk about a \$300 million statement that you're prepared to make outside the House.

So, Mr. Minister, you wouldn't convince anybody here, I don't think many on either side of the House, that you can get around this. We haven't been in here for two weeks because people have been worried about this, and you say, oh it doesn't matter; it doesn't matter. There's no connection. Go see Crop Insurance. You go see Crop Insurance and they'll say, go see the Finance people; they want all our money. Well there must be a relationship, and it must be pretty significant. So, Mr. Minister, again I ask you, please, for the farmers and for the taxpayers, the members of the legislature, tell us what happens to your budget under various kinds of drought conditions in '91 crop insurance program or the '92 crop insurance program, so we know what we're up against. Because you have said it costs up to \$300 million. Would you please defend that number, explain it, or tell people that you were just throwing out numbers.

**Hon. Mr. Tchorzewski:** — Well, Mr. Chairman, I want to agree with the member that interim supply is what the government intends to spend for one-twelfth of the fiscal year. And that's what we're here for, for one-twelfth of the fiscal year, for interim supply. Nothing about what the member opposite talks about in his last comments will have an impact one way or the other on this interim supply Bill or the expenditure requested here, for this one-twelfth. There will be no impact on it. This is a straight number, straight amount of expenditures. It's clear; it will not change. That's what's required for July, nothing more and nothing less.

**Mr. Devine:** — Well, Mr. Minister, we have the minister of Crop Insurance who says it's going to be one number. We have the Minister of Agriculture who says it's probably going to be 40 to \$60 million. And then we have the Minister of Finance who said it's going to be 2 to \$300 million. Now the public deserves to know.

If we could get you all on your feet at the same time, all on estimates, and then the Premier to kind of ride herd on you, then we could probably get you to admit that what you're doing is trying to frighten the people about 1991 GRIP. And number two, there is no relationship between the Crop Insurance expenditures in an insurance company and the 1992 taxes.

So whether it's a twelfth, Mr. Minister, or whether it's half of it or all of it, you must be somewhat interested in Crop Insurance and its number. And I'm asking you to share those scenarios with the public. Because this is one-twelfth of — what have you got — a \$5 billion budget, \$5.2 billion. You say, well don't worry about it. It's just a twelfth. Well that's not the point that it's a twelfth. How does the relation work? Because when it's all over at the end of the year it will be 12 out of 12. How do you come up with the number of 108? And how does that number vary if there's a 25 per cent drought and you've got to have that number? And how would it vary if in fact the court case wins and the farmer gets 1992 GRIP . . . 1991 GRIP, and we lever a whole bunch of federal money in here? How much more does Saskatchewan get in federal dollars if we had 1992 GRIP . . . 1991 GRIP over '92?

Those questions you've worked out. You had to, to make this news release. This news release is now a part of estimates. It is now a part of interim supply. It's yours. It comes from the Department of Finance. You can't say this belongs to Crop Insurance or to Agriculture, or the lady down the street, or any place else. This is yours. And you've got to be able to justify that and explain to your colleagues in the legislature the relationship between that 2 and \$300 million out of '91 GRIP versus '92, and the impact on any drought . . . of any drought on the budget in Saskatchewan.

**Hon. Mr. Tchorzewski:** — Mr. Chairman, I repeat again that nothing that can happen, whether we get indications of a bumper crop or whether we get indications of some disaster out there, will impact on the amount of money that's being requested in this interim supply Bill. It's one-twelfth of the \$108 million in Crop Insurance that has been budgeted which the interim supply Bill is requesting. So there can be no impact on that under any circumstances. We are operating under the 1992 farm program, the 1992 GRIP program; not under the 1991. That's been decided. That's in the budget. That's what we can afford. There are some changes that were beneficial. And all we're doing here is asking for one-twelfth. That cannot change.

**Mr. Devine:** — Mr. Minister, I'm going to read this sentence again to you, and if you want I'll send it across to you. It says, and I quote, it's you talking: Saskatchewan does not have the 200 million to 300 million extra we would be at risk for by going back to 1991 GRIP. Would you please explain that statement so that we can have some estimate of what you base your one-twelfth interim supply on when it comes to Crop Insurance? Please do that, Mr. Minister.

**Hon. Mr. Tchorzewski:** — Mr. Chairman, without getting into any details, because I said to the member opposite, we'll provide the analysis and the people in Crop Insurance and the Minister of Agriculture will provide some details, but the estimates that the member talks about were based on the discussion that was taking place with regard to the GRIP program and the crop insurance program and the amount of extra that would be expended in premiums both by, some by producers, some by the provincial government, and in the event that there were crop failures of a significant amount. But we don't have

that here. That's something that is in the Department of Agriculture information. I will ask the Department of Agriculture to provide that analysis and we will then make it available to the member, even as early as we can.

(1930)

**Mr. Devine:** — Mr. Minister, this was June 23, last week, out of your department. June 23, 1992, a news release, Finance No. 92-417, and you said it's going to cost 2 or \$300 million more if the court was successful in saying that you're guilty and 1991 crop insurance came out. Now you know that that's not the case. It wouldn't cost you that. That's a false statement and you can't get out of here giving false statements. That would not cost Saskatchewan people \$300 million. It might cost the feds something like that and you'd have to pony up your fair share, another 3, 4, \$500 million in total which is a lot of money for Saskatchewan people. But don't tell the people of Saskatchewan it's going to cost you that and put it out under Finance letter-head as if you knew what you're talking about. This is last week you said this and now you deny it or now you say it isn't part of your analysis. You must have had analysis to say this. And I want you to prove it to this House and to the people of Saskatchewan. Or we know, as we suspect, that your whole budget operation is as hoaxy as this statement.

All the accumulation of all the stuff you bring up in one year, then you say we've got to pay for it all now, and then from now on we'll be cash accounting — the old big bat theory, scare the pants off people. We can't even give them crop insurance. Use these numbers and now you won't talk about them. Mr. Minister, I give you another chance. Tell us how you come up with \$300 million last week.

**Hon. Mr. Tchorzewski:** — Mr. Chairman, the matter that the member raises has got nothing to do with interim supply, so I'm not going to deal with those kinds of issues which belong in the bigger committee of Agriculture, Crop Insurance, and the *Estimates* of the Department of Finance. Well we're talking about policy, overall government budget, and so on.

We're here with interim supply, and, Mr. Chairman, I think that the House should be dealing with what is under the consideration of the interim supply which is the one-twelfth expenditure.

**Mr. Devine:** — Mr. Minister, obviously the chairman knows that if you're talking about a 2 or \$300 million variation it might impact interim supply and one-twelfth. Now I'm trying to find out for the public and the taxpayers because you've had — we'll get the quote . . . you say we'll have to raise taxes. The Premier said taxes may have to go up if we pay crop insurance. And you know that's not accurate. Therefore you know that it hasn't got an impact on this year's one-twelfth, or this year's budget at all. But you're saying it, and I'm calling you on it here.

And you can't get away with it and say, well but we're only dealing with the twelfth; therefore I can't talk about it. Or there might not ever be any impact on Crop Insurance, or I really didn't mean anything by 1991 costing \$300 million. Well you meant a lot. That's a great

deal of money. So, Mr. Minister, again I've got to come back and say: you either retract that statement or you defend it. How can you ignore it in this legislature?

You just said it last week, and here you are standing in your place as the minister. Only a \$500 million deficit after all your tax increases and now you're threatening more. Mr. Minister, you have to defend this statement or retract it and tell people the truth, which is simply this: the crop insurance pay-outs this year have nothing to do with taxes in 1992-93. And that's the truth.

Can you . . . I'll tell you what, Mr. Minister, could you accept or deny that last statement? Is that true? Well I'm sorry to get your attention. Is it? The 1992 crop insurance, 1992 crop insurance, does it have anything at all to do with the tax level in 1992 and '93?

**Hon. Mr. Tchorzewski:** — Well, Mr. Chairman, obviously when there are certain tax measures in the budget, which we'll talk about when we get into the estimates of the Department of Finance and the different tax Bills, they're there to meet the expenditures of the government overall. They're not targeted . . . tax measures aren't targeted for this program or that program or some other program. The member opposite knows that it goes to the Consolidated Fund, and the reason why we've had to have the tax measures is so that we could pay the bills and keep the deficit down to \$517 million.

So indirectly of course it has some. But the taxes aren't targeted for any one expenditure of government or the other. They go into the Consolidated Fund. And we need the revenues to pay the bills and keep the deficit down. Next year because of the plans we've put into place in this budget the deficit will go down some more. And we'll be making those decisions on the 1993 budget when we get around to it and when we do the next budgetary cycle which is going to start very soon.

**Mr. Devine:** — Just a minute, look at these two pieces of paper. This is the estimates that you gave me and it's got total to be voted, \$108.647 million and one-twelfth of that. Now a week later, earlier, you've got this could vary by \$300 million. Well there's the two of them and you want me to pass interim supply, one-twelfth of a variation of \$400 million.

Now, Mr. Minister, you can't just stand in your place and say, well trust me, it'll be all right, when you're going around telling the taxpayers, well I'll have to raise taxes if I got to pay that GRIP. It's not the case. That \$300 million is three times your total estimate of Crop Insurance. And if you refuse to answer that . . . I mean we can take *Hansard* and take it around the province too. You're out \$300 million on your guess what this might be, and you won't explain it.

You could clear it up if you just tell us about the 2 to \$300 million. Would you do that? — 2 to \$300 million it would cost Saskatchewan if you had to pay out the crop insurance. Please explain that. Because you've got two different figures here.

**Hon. Mr. Tchorzewski:** — Mr. Chairman, as the budget is now and as the interim supply request that is before the

House, there will be no changes, the kind of which the member talks about. The issue the member talks about has got nothing to do with the present budget or with the 1991 GRIP program . . . 1992 GRIP program or with the amount of money that's being requested in interim supply. He's mixing two different things all together which is not even relevant to the issue that we're discussing here.

**Mr. Devine:** — Obviously when the Minister of Agriculture was asked, well how will you make the '92 changes legal, he'll say, we'll get around it somehow, quote/unquote, and I'm paraphrasing. You obviously had some preconceived notion that 1991 GRIP, if there was a drought, might pay farmers pretty well. Now that would cost the Crop Insurance Corporation some money and you said it would cost 2 to \$300 million at the same time saying and that would have to be raised by taxes. The whole budget for Crop Insurance is only a third of that. Are you telling us or trying to tell the public that you want us to believe that '92 GRIP is only one-third of 1991, in terms of crop insurance? That's what it is, your one number last week is 300 million for '91 GRIP, this today is 100 million.

So you're telling me that we lost a third of the support for farmers going to your leg . . . no wonder they're upset. No wonder they're upset, they've doubled the premiums and they got one-third the coverage, one-third the total coverage and you've doubled the premiums, no wonder they're upset and the wind blows and the drier it gets, they're going to say, well, ring the bells, boys.

I've got your two numbers here and you can't get out from under them. Well, Mr. Minister, you have got a serious, serious question to answer, serious question. Which number is accurate? And if they're both accurate would you explain the relationship between 1991 and 1992?

**Hon. Mr. Tchorzewski:** — Mr. Chairman . . . (inaudible interjection) . . . any time. Mr. Chairman, let me make it very clear, the accurate number we're dealing with today is interim supply for one-twelfth of the money that has been budgeted for the Crop Insurance Corporation. The money that has been budgeted which is going to have to be voted is \$108.647 million. That's what's in the budget. That includes the 1992 GRIP program and the Crop Insurance program. That's clear, nothing confusing about that or misleading about it. We're talking about the 1992 budget of this government and hopefully this legislature's eventually and we're asking for one-twelfth which is \$9.054 million. That's got nothing to do with what the member refers to in the paper that he's waving around — got nothing to do with the 1992 GRIP or crop insurance program.

**Mr. Devine:** — Mr. Minister, if we took one-twelfth of last week's estimate, it would be \$25 million, one-twelfth of 300 million. Now this week it's one-twelfth of 108, so you got her down to 9.

**An Hon. Member:** — Wait another week.

**Mr. Devine:** — Heck yes, we can keep waiting and waiting and we'll get it right down there and of course, the farmers have less and less protection. You've doubled the

cost to them. You've pulled back; other provinces are there ponying up for them and if there is a disaster in other provinces at least they pay their share. Here, no we won't do that. So you cancel this and you cancel these and you cancel programs and you raise taxes and then you threaten people with more and more taxes if you have to pay crop insurance. Now if you think these numbers are accurate, I just asked the minister, are these numbers out of your financial department from last week and your words accurate as well?

**Hon. Mr. Tchorzewski:** — Mr. Chairman, for the purposes of interim supply we're dealing with what is in the budget. That's provided. I have provided it to the members opposite in printed form so that they would be made available. There's nothing inaccurate about it.

The debate that the member talks about during the time that the members opposite were ringing the bells was another issue, the issues dealing with the proposals of the federal government, proposals of the members opposite, 1991 GRIP. We're not here talking about 1991 GRIP program as it was. We're here asking for interim supply for the 1992 GRIP and crop insurance program.

**Mr. Devine:** — But, Mr. Minister, wouldn't you believe if it's your officials that are using their talents to forecast 108 million that I say well fair enough, they've got a good forecast of what would cost. Now I'm just testing your forecasting ability. Would you tell me how they forecasted 300 million so I have something to compare it to? Because we're trying to find out if you know what you're talking about.

You forecasted that '91 would cost 300 million and you forecasted that '92 would cost a 108. And one of them is obviously way out of whack. Now if it's not accurate and if you've got 150 degrees of freedom on these estimates on either end of it, why should we believe that one-twelfth or one-tenth or one-half or all of it is anywhere close? You see my point?

Last week you said we should believe you at 300 million and your officials. It does. It's your estimate of crop insurance. Well explain it. Explain it. What formula did you use? Is it the same formula you used for 108? Is this normal crop under 1991 that would cost 300 million more? Who pays for that?

You see, Mr. Minister, that's the reason people are upset. You say all kinds of things that don't make any sense and they don't add up. You've got them frightened because of tax increases and you've certainly levelled those. I mean, just everything you said you'd never do — you've raised taxes, raised taxes, raised taxes, raised taxes. Now you've cut their crop insurance program. And then if they did happen to win in court you scared them by saying but that would cost the Saskatchewan people, Saskatchewan, you say 300 million. It's absolutely false because the whole crop insurance is only 108.

Well I don't know how you explain this to your caucus. How do you explain it to your party and how do you explain it to your farmers and how do you explain it to anybody? Any other members, you explain it. Anybody over there. Anybody there or there, could you stand up

and explain this estimate? I mean if somebody else wants to take a run at this you're more than welcome. I've got no answers out of the minister and he's afraid to answer. He's got two estimates of crop insurance and he won't address it. I know one of them, Mr. Minister, is absolutely false. It's either this one or this one is absolutely false. And you can't pass interim supply giving information that is false. So clear it up. Which one of these is an accurate estimate of what crop insurance would cost the public, and explain the difference because they're 300 per cent difference, which is just totally unacceptable.

**Hon. Mr. Tchorzewski:** — Mr. Chairman, I say again, I refer the member to the budget documents which show that the budget for the Saskatchewan Crop Insurance Corporation, which will be voted at the end when the budget is finally passed by this House, is \$108.647 million. That's for 1992-93 under the existing programs as outlined by the Minister of Agriculture and the Minister of Rural Affairs.

We are asking for one-twelfth of that \$100-and-some million. That's pretty clear. Under the 1992 program, as it exists, that's accurate. The member can talk about it not being accurate, but I'll be able to stand up in this House during the next fiscal year and show to the member opposite, unless there's something happens that is unpredictable, that that objective is going to be met. The member can hold me to that. But the budget is clear and firm and he will see whether we achieve it or not, and if we don't we'll have a good explanation for it.

(1945)

**Mr. Devine:** — Well, Mr. Minister, you must realize that there's more to this Legislative Assembly than you giving us your word that this is going to all work out when you walk out of the legislature and you tell the public something all together different. This House means that there's grievance before supply. We want to know how you do this. And you've made a wild, wild inaccurate statement last week about costs to GRIP. For all we know maybe it costs less to have 1991 in the medium to the long haul because you're going to have money in farmers' pockets. They won't be on welfare, they won't be going to court.

I mean for Heaven's sakes you know there's a crisis out there and you won't even talk to me or the farmers or the public about how you're going to address that. You throw out statements that you can't defend. Obviously this is wrong. You can't defend this; you don't even want to try. You don't even acknowledge it.

Mr. Minister, would you acknowledge that you put this out? Would you acknowledge that? Sorry, didn't mean to get your attention. Did you publish this statement last week?

**Hon. Mr. Tchorzewski:** — Well, Mr. Chairman, we're not here debating what happened last week. We're here debating interim supply. Obviously if there's a press release that it was issued at a press conference under my name, I issued it. But that's got nothing to do with the interim supply Bill and what we're requesting here, which is appropriation for all of the expenditures of the

government on which there has to be a vote.

And, Mr. Chairman, I have already said to the member opposite, all the analysis he want will be prepared by the Crop Insurance Corporation and by the Department of Agriculture. And he will have an explanation for all of those questions dealing with those things directly related to those agencies and those departments, because they are the ones who have the information and will be able to provide it.

I will undertake, as I said earlier, to make sure that they provide the information not only to the Minister of Agriculture, but I'll get informed about it when they provide the information to the Minister of Agriculture. So that if you don't get your answers in the Department of Agriculture, and I know that you will, when those estimates are here, we'll be able to address them when the Department of Finance estimates are before the House. We're not dealing with the Department of Finance estimates here.

**Mr. Devine:** — Mr. Minister, you now have acknowledged that you actually said this and it's your release. I have another question. Just take it slowly now. Did you provide these numbers from your department or did you get the numbers from Crop Insurance? That should be easy enough for the officials to decide. Was it their estimate, or was it Crop Insurance estimate, this 2 to \$300 million?

**Hon. Mr. Tchorzewski:** — Mr. Chairman, obviously those are numbers that would come from Crop Insurance and would come from the Department of Agriculture. And that's why I keep saying that that's the appropriate place to ask those questions.

**Mr. Devine:** — Mr. Minister, then obviously you believed this number, 2 or \$300 million, that came from Crop Insurance. This number that came here today, is that from Crop Insurance or is that from Agriculture, or is that from the Department of Finance — the 108 million?

**Hon. Mr. Tchorzewski:** — It's in the budget. It's in the budget of this government which has been presented in the House. The member knows how it works. The Crop Insurance obviously presented to the government a requirement of a certain amount of money. And therefore, that kind of money is provided for the Crop Insurance Corporation. And it's here. And you've got it.

**Mr. Devine:** — Mr. Minister, you're telling me that I can go out to the farmers and say, Crop Insurance gave us an estimate of the Department of Finance that would cost \$300 million more if we went to '91 GRIP. Now that's what you've said. Now I'm going to go find Crop Insurance officials that will give me anything close to that, and I'll bet you they're scarce as hen's teeth. You won't find Crop Insurance officials to admit to that. That's right out of your department. That's right out of your office. I know enough about Crop Insurance, being the minister at one time, and there are certainly other people here who have been the minister. That didn't come out of Crop Insurance.

Mr. Minister, well you're on record saying this estimate of

\$300 million in GRIP 1991 came out of Crop Insurance. Now you're taking this whole load of your financial problems and your own political mistakes, and you're blaming Crop Insurance officials or the Crop Insurance minister.

Well, Mr. Minister, didn't you check the number that came from Crop Insurance? Did you believe it? Did you believe the number, the 300 million — that it was three times what the number in the budget is? Did you not even think about it when you said this?

Well I just ask you, Mr. Minister, was it just convenient to throw out 300 million to frighten people? Or didn't you think at all that that might be three times the entire Crop Insurance budget in one statement? And then you'd say, oh my gosh, I'd have to tax people and the media might just believe me.

Well I'll tell you, Mr. Minister, that's poor. That's poor. You can't just blame Crop Insurance officials. And your people, certainly Finance people, know exactly whether that's relevant or not, or any connection to what it is.

Mr. Minister, would you just confirm or not whether you actually checked or even thought about confirming this estimate of \$300 million to the Saskatchewan taxpayer if you went to 1991 GRIP.

**Hon. Mr. Tchorzewski:** — Mr. Chairman, we're not here talking about 1991 GRIP. We're here talking about the interim supply Bill which is asking for one-twelfth of the funding generally for the expenditures of the government, based on the 1992 budget of the government — which includes the 1992 GRIP program, which is in place and under which farmers have subscribed.

**Mr. Devine:** — Mr. Minister, could you just give us a break? If you're not afraid of '91, and farmers want it, and you're in court over it, and it doesn't affect your estimates much — or interim supply much — and it levers a bunch more money, hundreds of millions of dollars from the federal government, why don't you just go for 1991?

We've been through this with the Speaker who's been kind enough to set it aside so we can talk about it. And it's a lot of money for Saskatchewan people. They need insurance coverage. Goodness knows they need insurance. And you won't admit that there's any connection. I'll take you at your word. There's no real connection to the budget. Why not just give them '91? They'll have great coverage. We'll work through improved GRIP in '93 and '94 and '95.

You see my point? This is estimates of how the government is going to spend its money for the people. The last time I looked, about half the population was rural. And the towns and villages and the people that come in to shop and spend their money are important part of Saskatchewan. And they need your help. They really do.

Mr. Chairman, we get these catcalls from the MLAs (Member of the Legislative Assembly) in the back — the member from the Quills — who must know that there are people that are hurting all over the province.

Mr. Chairman, would you ask the member from Quills if he'd answer this question if he thinks he's got some relevant information . . . (inaudible interjection) . . . You wouldn't get elected on this material. You wouldn't get elected on this material. You don't even come clean at election time. Hey, come on. Tax, rip up the rural roads, cut out their pension plan, take away their insurance programs, want to get on . . . What is this, we're going to debate the election here, Mr. Minister?

Where's the real brochure? Where's the real brochure?

**The Chair:** — Order, order. Order. The members have an opportunity to ask questions of the minister, and we should allow the minister an opportunity to respond. Other members who want to ask questions should take their turn and do so.

**Mr. Devine:** — Mr. Minister, I'll just ask again. Do you think that the provision of 1991 crop insurance coverage for farmers would have changed your estimates in an appreciable way? Would it have done that?

**Hon. Mr. Tchorzewski:** — Obviously, Mr. Chairman, it's a hypothetical question. We're not here debating the substantive issues of the Bill which the member referred to, which was the issue of the bell-ringing that took 18 days away from the legislature. That's not what interim supply is. That's out of order.

We're not here debating the GRIP program. That's something that the Minister of Agriculture is going to have to respond to when his committee is before this legislature. The member opposite knows that. He's trying to make some other point which is beyond me, but that's fine. That's not my concern. I won't be able to respond on either the GRIP program or the substantive issues of the Bill because that's not within my realm of responsibility. The appropriate ministers are going to have to deal with that. I'm here responding to questions dealing with interim supply.

**Mr. Devine:** — Mr. Minister, interim supply is money. That's what we're talking about. And you've recently mentioned a 2 or \$300 million variation in the amount of money you may have to spend. Well we can at least ask you how to explain that variation.

If there's no connection, would you tell the farmers and tell the public that there's no connection between '91 and '92 GRIP as a financial exposure and your estimates. Either there is or there isn't. And if there's not, fine; we can talk seriously about going to something that'll provide several hundred million dollars more to Saskatchewan people — Lord knows they need it.

And if there is a connection, it would be interesting to know if it really did impact on taxes or not because if it didn't then Crop Insurance as a financial corporation carries that on and back and forth as any insurance company does. And this whole hocus-pocus about 300 million and higher taxes might just be a sham. It might not be the truth, which would mean we could actually get federal money coming into the province of Saskatchewan with hardly any additional cost to the Saskatchewan



taxpayer, and it wouldn't have any impact on this year's budget and maybe not any on next year's. Mr. Minister, can you tell us from a financial point of view — just finances — what impact various programs can have on your estimates.

**The Chair:** — Order, order, order. Members on both sides are intervening in the questioning.

**Mr. Devine:** — Mr. Minister, could you try once again to reach down and say, I will give you some indication of the impact of a '91 program over a '92, so that we can have some idea whether it would have a significant impact on your budget or not. Because people would really like to know that. It's a question on everybody's lips all across Saskatchewan, and indeed across the country. They've been listening to the bell-ringing. It's a financial question. It's a legal question, one; and a financial question, number two. So we need to know.

Let me put it another way, Mr. Minister. And it is hypothetical, and I grant you, but the taxpayer might like to know. What if the courts were to say, we had to do '91 GRIP in '92? Now you must have some idea what that would cost, even if we wanted to build in a provision to protect you; if we want a provision in here so you'd meet your targets. Would you admit, or would you come forth, with your estimates? I know you have them. I know you do, and your officials know that you do. Departmental stuff is all there before you. You had to have something to come up with the \$300 million. If you would just clear it up at all, then we could tell where we are in terms of exposure.

So, Mr. Minister, could you just ask your officials again to give you any information with respect to the impact of 1991 kind of program on the financial exposure in the province of Saskatchewan for our one-twelfth, versus a 1992 program and its financial exposure on one-twelfth of the budget, which is Crop Insurance and all the rest of them. Could you talk to us about that relationship.

**Hon. Mr. Tchorzewski:** — The answer, Mr. Chairman, is no, I cannot talk about that relationship because the GRIP program is not something that the Minister of Finance is going to deal with in an interim supply Bill. The GRIP program and the crop insurance program is something that's going to be dealt with by the Minister of Agriculture and by the minister in charge of the crop insurance program, at the appropriate time when they're before the House, because they have the officials. They are the ministers who are able, and will be able, to provide the information. The 1991 GRIP program will not impact on this interim supply Bill because we don't have a 1991 GRIP program. We have a 1992 GRIP program on which the budget for Crop Insurance and GRIP is based.

**Mr. Devine:** — Mr. Minister, you spent a great deal of trouble and time in your cabinet, and I'm sure in your caucus meetings, changing the '91 program for financial reasons. Why won't you share with us what your financial concerns were? You say so in the public, you say so in the press, it's in the newspaper, radio, and television.

We came in here to talk about your estimates and interim supply — can't talk about that. That's unacceptable Mr. Minister, it's unacceptable — to explain to us why you had this big concern about 1991 crop when it comes to financing. I'm not talking about the specifics of the program. You're the Finance minister. What did you think '91 GRIP would cost you?

**Hon. Mr. Tchorzewski:** — Mr. Chairman, the minister in charge of the GRIP program, the Minister of Agriculture, will be able to answer that question. As the Minister of Finance I put together, or the government put together under my stewardship or through the Treasury Board, the funding necessary for the 1992 GRIP program. That is clear. That is in the budget. It's in the budget speech. It's in the estimates. It has also been made very clear in the interim supply information which I have handed over to the members opposite.

There is not more that I can say to address the concern of the member opposite. The Minister of Agriculture will be able to provide the analysis that the member opposite wants. I've already indicated that we're going . . . that I'm going to direct or request the Crop Insurance Corporation, Department of Agriculture, to put that analysis together. I'm sure they have already. But that's not the officials nor the minister who's here tonight, because this is an interim supply Bill, and not the GRIP program or the crop insurance program, which will be in this House in the near future.

**Mr. Devine:** — Well, Mr. Minister, a couple of points here. You put this out knowing that we're going to be into interim supply in the next couple of days. This is under your heading. And number two, Mr. Minister — and I'm going to read you the last half of this — you took over the crop insurance department, you talked about GRIP all through your release like you were the spokesman for the financial considerations in GRIP.

It goes on to say the following:

"As well, our farmers have made their cropping decisions based on 1992 GRIP and the government has made its budget estimates on 1992 GRIP. There is no other program available to farmers.

"Anyone telling you that 1991 GRIP can be made easily available simply by pulling the current legislation is not being truthful."

Tchorzewski said that the June 24 GRIP court case will obviously be *fought* without the bill entered as evidence.

And you went on to talk about GRIP.

Now here's the Minister of Finance talking, number one, about financing, an up to \$300 million problem; number two, he talks about GRIP as if he's the minister of Crop Insurance. But you get him in the legislature — oops, he's disappeared. And there's no Crop Insurance minister here, because it's your interim supply, and you won't even talk about what you did a couple of days ago knowing we'd be in here talking about these numbers.

(2000)

Mr. Minister, the public wants to know what you're so worried about. Why are you worried about 1991 GRIP? What would it do to help the farmers? And what would it cost this government?

**Hon. Mr. Tchorzewski:** — Mr. Speaker, I am unable to say to the member opposite what the 1991 GRIP program would be because I am not the Minister of Agriculture. The Minister of Agriculture will be quite prepared to say that when he is here addressing that question.

I am here to talk about the 1992-93 interim supply Bill for the month of July which is now several days overdue, but we'll manage that somehow, and that's what we're here talking about. The member wants to talk about the GRIP program or the crop insurance program he will have to talk about that to the Minister of Agriculture and the Minister of Rural Affairs both of whom are respectively responsible and ministers in charge of those programs.

What we're talking here about, Mr. Chairman, has got nothing to do with the debate that took place on the ringing of the bells or the Bill that was being dealt with by the courts or the 1991 GRIP program. They've got nothing to do with interim supply which is what we're considering here today.

**Mr. Devine:** — Look, we're going to come through this session tonight and the public will know. And we can talk about that you will say it's going to cost us up to \$300 million if we do one program versus another, and you won't even confirm your figures. You've now said to me, you said this, tell me how you got it and tell me why it's three times 1992.

Come on, you can't just say I didn't get it. You've admitted you've done this. You've admitted it's 300 million. Tell me how you got it and tell me why it's three times 1991? And if you can't do that then I know you made this up, and I know your lines about having to raise taxes are false. And it's not true, like your lines were in the last election, we'll reduce taxes. You get my point?

It's in terms of management. And you want to talk about honesty and integrity and coming forth with one-twelfth of anything. You do this few days before interim supply and we're not supposed to ask questions about it. This is \$300 million; not bushels, not cows, not pencils, it's dollars. And you're the Minister of Finance and you said it and now you're ducking and you won't address it. And people are hurting and there's worry about drought. And you can lever more federal money, and all you talk about is the American system. And you're into one-twelfth.

Well it's a sad day in this House, Mr. Minister, when you can't even share with your colleagues what you think will . . . I'm sure you must have told them in caucus some number. Did you make it up too? Multiply by three and then add another 50 million and times two more and then say, well I guess we'll have to raise taxes. And then when you get in here, oh no the number's right there.

Well, Mr. Minister, if I could get your attention please. Good, okay. Would you explain how you got the 2 or \$300 million estimate that you used to frighten people about the cost of '91 GRIP. Could explain that to the

public.

**Hon. Mr. Tchorzewski:** — Mr. Chairman, that's not relevant here. We're talking about the 1992 GRIP and crop insurance program and that portion of which is under this interim supply Bill. What the member is talking about is the 1992 GRIP program. He's talking about some potential crop disasters. He's talking about the debate that took place over the ringing of the bells and the Bill that's before the courts. That's got no relevancy with the interim supply Bill which we're considering here today.

I want the public to know what this interim supply Bill is all about. I want the public to know what the budget item is for things like crop insurance. That's why we presented those numbers in the House today, and they are very clear. The budget for Crop Insurance is \$108 million. We're asking for one-twelfth of that, and it's based on the provisions of the GRIP program as it exists for 1992.

**Mr. Devine:** — Could you please explain why you wouldn't want to do 1991 in terms of the financial implications.

**Hon. Mr. Tchorzewski:** — Mr. Chairman, when we get to talk about the GRIP program when it comes as a program to this legislature, that will be all explained. We're not here to talk about the GRIP program; that will be done when that program is here with the appropriate department, the Department of Agriculture and the minister. We're here talking about one-twelfth expenditure for interim supply for this fiscal year.

**Mr. Devine:** — Mr. Minister, again you are asking us to believe that your officials or at least your people or your office or you are entirely accurate when they put together these two different sets of numbers, two different sets of numbers. And they're very recent. You've got 1991 crop insurance would cost \$300 million more than '92, and that's financially impossible. So either one of these is wrong; one of them is wrong. But you didn't say the total would be 300, you said an extra, extra 300 million.

Now one of them is wrong. Would you tell us which one is accurate and which one is false so that we can get on with interim supply and knowing what you're talking about. Which one? You've got a wide variation in numbers here, too wide for us to be comfortable with or the public to be comfortable with or taxpayers to believe they have more numbers, more tax dollars to pay for this. And they're both your statements. This one is out today. This one was out last week. And they're several hundred million dollars apart. You got a problem and you have to come clean with the public. Either you were stringing them on this one or you're stringing us on this one. Which one is accurate?

**Hon. Mr. Tchorzewski:** — Mr. Chairman, the numbers we have before the House are accurate. I want to tell the member that and I want to put that on the record. We're dealing here with the appropriation for the 1992-93 budget, the interim supply. The numbers are before the House. The member's got them. I've got them. They're now on the public record and they are there for all to see. And they are there for the government to be judged on later when this fiscal year is completed. I'm not going to

repeat the number. I've already repeated it several times but its there. It's before the House for consideration. And that's all I can say. And there's no doubt about what the numbers are. And all we're doing is asking for one-twelfth of those numbers.

**Mr. Devine:** — Well, Mr. Minister, you might recall the last time that you gave a budget in 1982 you ended up being about \$400 million out. The 1982 budget, remember that? You ended up \$400 million out. Now here we are today, Mr. Minister, 1992. You've got estimates of Crop Insurance that are \$300 million out in one week.

So we're going to ask you which one of these is valid and which one isn't. If you say this one's valid then the 300 million that you put out last week is not valid because you can't have it both and you quickly said well, I'll go with this one. Well what does that say about this one? Were your 300 tripling of the Crop Insurance expenditures just out of this blue sky and then the tax threats after that? And if that's the case, that's not acceptable when you're asking for interim supply and threatening higher taxes if we don't co-operate.

So in your last record, Mr. Minister, you personally were out several hundred million dollars and now you're out 300 million in Crop Insurance alone. So you've got to say, if you think this is accurate, what does it say about last week's statement that it would cost us 300 million more to help farmers with 1991 GRIP. Would you explain that?

**Hon. Mr. Tchorzewski:** — Mr. Chairman, my record has to be the judge of whether the interim supply information we provide is accurate or not. I'm prepared to talk about that record because the last budget for which I as the Minister of Finance was responsible for resulted in a surplus of \$139.208 million.

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

**Hon. Mr. Tchorzewski:** — The next budget, Mr. Chairman, was something that the members opposite were responsible for and they ran a deficit for the first time of \$227.175 million and it has never ended until we now face a situation where we have interest charges and payments of \$760 million this year and an accumulated debt of \$15 billion, the highest per capita debt in all of Canada.

**Mr. Devine:** — Mr. Chairman, you see why we're worried about his financial forecasting. In an election year, he forecast a \$150 million surplus and he ends up with a \$200 million deficit — in an election year. This time we had an election last fall. What's he say to the people of Saskatchewan? He says, I can cut your taxes, I can give you the cost of production, I will do all these good things. And then what happens? He comes in with a \$800 million deficit, then his next budget is a \$500 million deficit, and today he's out 300 million in one program.

Now you went back and said, in 1982 you provided the estimate and we provided the budget. Well flip that around in 1991-92. We provided the estimate and then you failed to provide the budget. So you have

accumulated an \$800 million deficit from '91, another \$400 million from '82 the last time you were the minister. You've got \$500 million in this budget and now we find out you're \$300 million off on one number, one line in the estimates. So we're entitled to ask how you forecast in Crop Insurance because it has big financial implications.

Now you've admitted, Mr. Minister, this for you is accurate. I want you to tell us, then, what this is. If 108 million is accurate, how do you settle that or balance that or reconcile that with \$300 million in Crop Insurance if you went with another program?

**Hon. Mr. Tchorzewski:** — Mr. Chairman, I don't want to say this too unkindly, but it's really difficult to take lessons on accuracy from a gentleman who was once the premier and in a budget was \$1.2 billion out on his estimate. I want to tell the member from Estevan something that he should listen to with some care. This statement that reported on the \$139 million surplus was signed by his minister of Finance, the Hon. Gary Lane. So it was not something that somebody from the New Democratic Party was putting together. His own government had to admit to that because that's what the *Public Accounts* showed.

(2015)

In 1992-93, which was the election year, in 1992-93 which was the election year, was the members' opposite budget. Because the member from Estevan, when he was the premier, did have an opportunity in 1992-93 to have a balanced budget. He had an opportunity. That was a choice he could have made. He could have had a balanced budget. He could have stopped this growing debt which has now accumulated to almost \$15 billion, \$10 billion of which was accumulated during the 10 years when he was the premier. He had a choice. He chose to do things like eliminate the gasoline tax. He reduced the royalties during a time when the price of oil per barrel was at the highest level in the history of oil in North America. He chose to bring in all kinds of give-aways and expenditures without any due diligence, without any accountability, without evaluating whether he was going to get value for a dollar. They spent like drunken sailors.

In 1992-93 there could have been a balanced budget, but because of decisions that that gentleman made when he was the premier, instead it resulted in a deficit of \$227.175 million under the first term of the Progressive Conservative government. And it never, never stopped. It never stopped.

In 1986-1987 they predicted the deficit to be what? — \$389 million. Boy, that was a sound prediction for an election year. What did it turn out to be? This is the man who talks about accuracy. It turned out to be \$1.2 billion, \$800 million out. I can assure the House we're not going to be out in that kind of degree because we're managing well and because we're providing a budget which can be defended.

Now, Mr. Chairman, the member opposite can talk about accuracy all he wants. But I can tell the member for Estevan, when it comes to accuracy he has no moral

authority to be able to talk about accuracy or accountability because his record when he was in the government shows that they were not able, under his stewardship, to ever reach an estimate that was made in a budget.

That's one of the reasons why we are in the financial crisis which this province faces today. That's one of the reasons why we can't make additional expenditures of money in all of kinds of areas which would be useful and helpful and would assist people, including the farm community — because we're strapped with a \$15 billion debt, a \$760 million interest charge, credit rating agencies threatening to downgrade our credit rating, financial institutions and people who borrow our money, some of which will not look at our bonds if our credit rating from Moody's, for example, drops down to a BBB. Not a creation of this government — a creation of the member from Estevan when he was premier. And this is the man, Mr. Chairman, who talks about accuracy.

**Mr. Devine:** — Mr. Chairman, or Mr. Minister, in the last eight months you have run up \$1.3 billion. And we're asking you now . . . yes, \$1.3 billion in deficit, \$800 million in '91 because you wouldn't implement any of the programs, another 517 million this year, right? Well, what was the deficit in '91? Eight hundred million dollars, you said. And now this year it's 500 million. So you're up to \$1.3 billion deficit on your back right away. On top of this now you're coming down with numbers that say you're going to be \$300 million out in one program.

Mr. Minister, all I'm asking you, as I did, Mr. Minister, over and over and over again, would you tell the public why you have two estimates of what crop insurance costs that are 300 per cent at odds with each other. If you like this one, fair enough, would you then explain the \$300 million difference here, so that we can look at the other departments which may have similar variations. If you're 300 per cent out in one of these lines, how do we know you're not out on other lines? Because if you can go outside the House and say, well really Crop Insurance is 300 million not 100 . . .

**An Hon. Member:** — 300 million more.

**Mr. Devine:** — . . . 300 million more, then the public's going to say, well maybe he's wrong on Education, maybe he's wrong on Health, maybe he's wrong on something else. And the Minister says, well fine, if you like this one would you care to explain to the public why you would tell them it would cost \$300 million more if we had a different kind of crop insurance program. And if you can't and if you fail to do that in here, then the public has to believe this isn't true. And if that's the case, then they're going to be that much more upset in realizing you've taken away an insurance program for them that could protect them with hundreds of millions of dollars at virtually no cost to the Saskatchewan taxpayer. Now wouldn't that be something.

So, Mr. Minister, I come back. Reconcile these two differences so that we can get on to other departments.

**Hon. Mr. Tchorzewski:** — Mr. Chairman, I'm quite prepared to let the public decide what they're going to

believe based on the record. I know what the public believes of the member from Estevan and his former administration, based on the record. They showed what they believed on the election of October 21. I don't want to debate the election because that's not what interim supply is all about, but I'll make that throw-away comment.

The member talks about surpluses and deficits, so I want to respond. I want to tell the member, if he will look at the budget documents he will see that on the operating side of the government this budget has a surplus of \$242,000,940 on the operating side of government, and that includes the capital. His last budget, 1992-1993 . . . or 1991-1992, on the operating side had a deficit of \$326.903 million. The only thing that makes the difference is the interest on the public debt which is \$960 million and so we're running a deficit of \$517 million. That's the story on deficits.

This is a major achievement that this government has accomplished on reducing the deficit from where it was and where it was going. And it's an achievement that has to be made and an achievement that has to continue to be made into the years to come so that we can, in the next four to five years, get a balance in the budget so we have the flexibility to provide the financing and the funding for people's programs, maybe even reduction in some taxation if that's possible. But we can't do that as long as we are burdened by ever-growing deficits which began in the first budget of the former administration.

Whether you apply it to crop insurance or farm assistance of any kind or apply it in social services, the huge debt — the member from Morse will agree — the huge charges of interest on the public debt tie the hands of this government or would of any government until we get the finances of the province under control.

The public believes that and the public supports the need to take some measures. Now it would be very easy, member from Estevan, to do what you did — spend, just no regard for what the implications are. Just sign a cheque, put in a budget and then six months later bloat it totally different from what it originally was estimated to be. That was the record of the last 10 years.

That's not what we're going to do because we care about our children. We care about their future. We care about the future of this province. We care about the farmers. We care about people who work in our shops and in our service industries and our manufacturing plants, and we showed how we care about them by getting the finances of this province under control.

Because they know, and we know, and I'm sure the member from Arm River knows, if we continue to go along in the path that was there in the last 10 years, there would be a huge price to pay in a very short few years into the future. Because we would . . . at the rate that the deficit we're growing, we would have in three years to pay a billion dollars worth of interest in the public debt — a billion dollars in interest on the public debt — before we could even start to ask how much money we spent on highways or crop insurance or social services or education or health. That's why we have taken the steps

that we're taking. And I'm prepared to have the public judge us on that when that appropriate time for the judgement comes.

**Mr. Devine:** — Mr. Minister, you see the point that I want to get to is, you are telling the people one thing outside the House and another one inside. Now that's what you did in the last election. You didn't care to tell them the facts. You didn't care to tell them the whole story. What did you say? And that's just what you're doing in here — exactly the opposite. And you're way out. You said no new taxes; we'll eliminate the PST (provincial sales tax). That's what you said when you were out campaigning. You get in the legislature, what's in your budget? Increased phone rates, power rates, natural gas rates, SGI (Saskatchewan Government Insurance) and vehicle insurance. Increase in 1 per cent E&H (education and health) tax; new surtax on personal income, 10 per cent; increase on fuel tax, increase on tobacco tax, increase on 1 per cent in the corporate income tax, increase of 1 per cent on the corporate capital tax surcharge and an increase of 2.25 per cent in the corporation capital tax rate. You wouldn't have got elected on that, Mr. Minister. You wouldn't have got elected on it. You said, no, no, we'll reduce taxes. Now what did you do? You walked in here and said something else, just like you've done today. Last week out in the public where they couldn't get at you in questions you said, oh it cost us \$300 million, you get in here and it's a third of that. That's the point.

Mr. Minister, you promised to stand behind rural people, Saskatchewan people. You said you'd give them the cost of production, you'd get more money from Ottawa and you'd help them. What did you do? You eliminated the Saskatchewan Pension Plan; you have frozen and eliminated health facilities in rural areas; you cancelled the rural natural gas distribution program. You've gutted the GRIP crop insurance protection program. You've reduced municipal revenue sharing up to 30 per cent. You've got user fees for cancer clinic patients from outside Regina and Saskatoon. You've reduced the number of rural municipalities; eliminated crown lease surface rights; plan to withdraw the election boundaries so that you can redo them. You cancelled rural distribution and fair share programs; you've cancelled the feed grain adjustment program; you've increased pastoral rental fees; cancelled all the cash advances and you've capped the fuel rebate for farmers. Now did you campaign on any of that?

You said one thing out there and then when you get in here you've got your little budget and you say, oh well I'm really going to be helpful and you've got a completely different story in here. So I have some motivation on behalf of the taxpayers who have gone through this to say, what is the truth and if this is accurate then what you're saying outside the House is completely false as it was in the election, so they bought a pig in a poke. You did the opposite to what you said you were going to do and now you're not telling them the truth on 1991 GRIP and there's tens of thousands of farm families who are in big trouble and you're making light of it, saying it's 300 million more than this one.

And I can go on to the other promises you made outside the legislature, but you get back into here and it's a

completely different story. Funding will be increased for health care and education, you campaigned on and your Premier did, your leader did. What do we see? — user fees for chiropractic and optometric services; increased deductible for prescription drug plan from 125 to \$380; removed diabetics from the drug plan; freeze on all capital projects in health care; cuts in funding of both education and health care; proposed the closure of many rural schools; rip up rural roads, the paved roads and turn them to gravel; increase air ambulance fees.

Now, Mr. Minister, when you say all of these things outside and then you do the opposite inside and then we catch you at it within one week and you say, well I can't comment on that because it's crop insurance or it's health care or it's education and that's another portfolio, and you're out hundreds of millions of dollars, the public says, for Heaven's sakes, maybe this whole operation has just been a political hoax to get elected because they really don't plan on doing what they're saying at all.

So you have here two estimates of Crop Insurance that are a hundred million apart, hundreds of millions apart, and you won't address it. And I'm just going to stay on that line because we can go through department by department by department where you've said one thing outside and something else inside this House, and then you ask us to support you and say, we'll let it go; I guess he's going to fund it all right.

Well on top of that there is a crisis, and all I can say to you, Mr. Minister, you must agree that it's totally irresponsible to throw out numbers like \$300 million and frighten people and not have the courage or the professionalism or the respect even for your colleagues to defend the number. Please defend that \$300 million so that we can get on with this interim supply.

**Hon. Mr. Tchorzewski:** — That's the point, Mr. Chairman. That number and what the member is talk about has got nothing to do with interim supply because none of that is in the interim supply. The interim supply deals with the budget request for certain amounts of money based on the budget for 1992-1993.

(2030)

What the member opposite is talking about, the member from Estevan is talking about some debate that took place while the bells were ringing while the Conservative Party would not let the House function — obstructed the process of this legislature. And we're talking about court cases, talking about Bills which were not made available because they would not let the vote take place, talking about 1992 GRIP programs. What the member is talking about there is the potential costs of the 1992 GRIP program under certain disastrous circumstances, something which the Department of Agriculture and the Minister of Agriculture will have to address in this House and they will.

We're talking here about 1992 and '93 budget and the interim supply that is based on that budget.

**Mr. Devine:** — Mr. Minister, we're going to try this again. We're concerned about your financial accuracy because

we're looking at one-twelfth of your estimates. That's fair enough. I think you'd acknowledge that's a fair question. What are you going to spend?

Now if this news conference where you did this . . . and you said there'd be a \$300 million exposure. You had an estimate of the crop and you used it. All we're asking is how did you calculate that? And you can have various scenarios.

Today you could probably talk . . . and if I wanted to go say, what's your estimates of revenues if sales tax is up or down 1 per cent? What is it if oil goes up 1 or \$2 a barrel. What is it if you've got a 25 per cent variation in crop production? You've got that. And it's only fair, if you're . . . if we're asked to give you leave to provide one-twelfth of your estimates, to tell us how you're estimating what these programs are going to cost. So I just asked you a straightforward, professional question. To come up with the \$300 million in the '91 program, what was the estimate of production? How was it calculated? And please explain to the House how it might have had impacted on your budget.

**Hon. Mr. Tchorzewski:** — Mr. Chairman, the straightforward answer is that the Crop Insurance Corporation will have that analysis and the Crop Insurance will be able to provide it. Were I the minister in charge of the Crop Insurance Corporation and had the officials here I would be able to provide the answer right now. But that's not the way it is. I'm the Minister of Finance dealing with interim supply.

I assured the member from Estevan on several occasions already that we will provide that analysis, and we will provide that information. It will be done. You will have access to it, it will be public, it will be brought to this House when the Crop Insurance Corporation reports. I will in the interim try to get the information from the Crop Insurance if the Crop Insurance Corporation is not here for too lengthy a time. But that will be provided. I don't have it here because this is not the estimates for the Crop Insurance Corporation.

**Mr. Devine:** — Well, Mr. Minister, are you telling me in five days you've forgotten your own news conference? You've forgotten? I mean, how can we have much confidence in the Minister of Finance if within five days he forgets a couple of 300 million and how he got it? I mean you had a news conference on this because it substantially will impact on your budget. And then when we ask you about it you've substantially forgot it.

How can you forget how you got these numbers? And the Finance people here, and they had it, they had all the information and Finance officials had prepared you and it was just last week. And now you've forgotten how you calculated it? I mean, we can't believe that. And if you do . . . I mean we wouldn't have much confidence if you could remember, you know, the relevant information from day to day, and I don't think that's the case.

So that must mean you don't want to tell this House how you calculated it. And you don't want to tell the farmer how you calculated it because it might not be accurate. Maybe crop insurance . . . maybe the '92 GRIP is a lot like

'91, or '91 is a lot like '92 . . . (inaudible interjection) . . . hardly, the minister says.

Well then tell us about it. Tell us about how it works. You just finished talking about it. You said it's yours. We know that you used the numbers. And if it doesn't have any big impact then you could say, well let's go '91 and farmers could just . . . I'll tell you a sigh of relief would come across the province of Saskatchewan like you couldn't believe, Mr. Minister. They just want to know what you're so concerned about. And particularly if it doesn't have an impact on your tax level and your budget level — this year it certainly won't — then there really is nothing to be concerned about.

Mr. Minister, this was five days ago. Can you just search back, ask your officials, and I'm sure they were there, how you got the 300 million and what the production estimates were to generate that figure.

**Hon. Mr. Tchorzewski:** — Mr. Chairman, I have no trouble at all providing that information to the member opposite. But I will provide it when I have that information here. I don't have that information here because this is interim supply. I've already assured the member opposite that information will be provided and he knows that it will be here. But that has got nothing to do with interim supply which is what we're considering here at the present time.

I think the member has been pursuing the same series of questions all evening. This is much the same like ringing the bells — filibuster the House, take a lot of time so the business of the House can't be done.

That's perfectly the right of the member from Estevan. I don't object to that. All I can do is say to the member opposite and assure him that the information he asks will be provided in the appropriate forum. We're not dealing with that issue now. We're not dealing with the crop insurance program. We're not dealing with the GRIP program. We're dealing with interim supply. When those are dealt with he will get the information. As a matter of fact I've already indicated I will try to get that information even before so the member has access to it.

**Mr. Devine:** — Well all I can say to the minister is he must have thought that it would come up in estimates or interim supply when he makes a guess that \$300 million impact five days ago if you had to hang in there on '91 GRIP and today it's 108 million on '92. And obviously the 300 million is in addition to it so he must have been looking at a 400 million program for Saskatchewan people alone which is absurd.

So we're just asking you to come clean and say and admit maybe you got a little excited, maybe you had a little bit of a political agenda, saying oh well, it would cost these several hundred million dollars, we're going to have to raise taxes if farmers don't back off their court challenge. Now we don't think that's true. We don't think it's accurate. We actually believe if you did '91 you'd make money here because money would come into Saskatchewan.

What if 3 or \$400 million came into Saskatchewan this

year? \$500 million. \$600 million. Wouldn't you like to see that? I'll ask the minister, wouldn't he like to lever money, would you like to lever money through crop insurance to come into the province of Saskatchewan like we see in other provinces that have a similar formula? How much are we missing because you won't give us these numbers and you won't participate? How much money is not coming from Ottawa because you won't do this?

**Hon. Mr. Tchorzewski:** — Mr. Chairman, I think the member's last series of comments are about as wild-eyed as the comments that the member made in the House in 1986, and his Minister of Finance, when they said that their deficit was going to be a \$389 million and then out of the House after the election announced that it was going to be \$1.2 billion.

It's a question of credibility here — your credibility against the credibility of this government's budget and how it's implemented and what the end result is going to be.

I'm saying to the House, Mr. Chairman, the interim supply is based on the budget appropriations which have been announced in this legislature on budget day, which are in the estimates, which are clear. That's what the projections are, on the assumptions that I explained earlier. That's what we're talking about here, Mr. Chairman. We're not talking about the 1991 GRIP program or what might have been the cost of the 1991 GRIP program, because the interim supply Bill does not deal with that.

I'm not going to talk about hypothetical assumptions and hypothetical circumstances. When it comes to explaining the GRIP program — and the cost implications of that — I'm going to have the Minister of Agriculture do that because he is the person who will know more about it because he will have those officials here in order to be able to answer the questions.

But I say, Mr. Chairman, this House would be far better served if we moved onto interim supply rather than some attempt by the member from Estevan to try to rationalize the kind of fiasco that he created in this legislature for 18 days when they wouldn't allow the Bill to be introduced for third reading on which there was a dispute, so that the public couldn't know what it is. That's what the exercise is here about.

The member opposite knows that the public has said — and you take the front page of the *Leader-Post* today — that the members of the opposition were, by 73 per cent or more, wrong in what they did. So the exercise here today is trying to justify that.

You don't have to justify that to me. I know the process in here. I know the theatre that takes place in here Mr. Member from Estevan. You should justify it to the public of Saskatchewan. That's who you should justify it to.

There is a Bill in the court that the court will deal with. Fine, we'll let the courts deal with it. That's there . . . (inaudible interjection) . . . Well it is. Nothing I can do there. You're also going to have it in here, because it is

part of the legislative program of the government.

And if you really are interested in it, let it be introduced so it can be debated.

**Mr. Devine:** — Well, Mr. Minister, the reason that we're interested in it is because if you really believe that your 108 is accurate, why are you running around talking about 300 million or more? Why do you have to do that? Why don't you just say 108? Say 108, if that's what it is. And if it is \$300 million, then explain that.

The reason that we asked to see the Bill is we want to know why you want to monkey with the courts. . . . (inaudible interjection) . . . No. We want to see it so that you don't tamper with the evidence. If this is the kind of stuff, the games you're playing, why would we trust you? Why would we trust you?

If you don't want retroactive legislation and the public doesn't want it . . . All our research says the farmer should have his day in court because maybe they're entitled. They signed a contract with Crop Insurance and it's worth X million dollars and they want it honoured, and you want to break it and you won't even explain why in terms of money and you're asking for more money. It's pretty relevant.

Mr. Minister, if your numbers are accurate that you're standing by here today, then why do you go out and triple them a week ago when you're talking about other programs, particularly when you know farmers are hurting and particularly when you know you could get more money coming from the federal government, and they know it, with 1991 GRIP? Why do you say one thing in the House and another thing outside the House when it comes to \$300 million in your estimates?

**Hon. Mr. Tchorzewski:** — Mr. Chairman, the member from Estevan talks about leveraging. Well let's talk about leveraging for a while. Let's talk about the success of leveraging, and I fail to understand how you use the crop insurance program for leveraging federal money. If the member from Estevan can explain that I would be quite happy to have him explain that, how you use the crop insurance to do that.

But here is the success of the member from Estevan on leveraging. In 1989-90 the crop insurance program cost the province \$19 million, the taxpayers of Saskatchewan. Through the member from Estevan's brilliant negotiations with Mr. Mulroney, the Prime Minister, he managed to raise the cost to the province and the taxpayers of Saskatchewan from \$19 million to \$108 million, which is the cost this year. Great piece of leveraging that was. Great piece of leveraging. The province and the producers have now got to pay a greater share of the cost of crop insurance, a greater share of the administration because the member for Estevan said yes every time the Prime Minister said jump.

And the Prime Minister off-loaded hundreds of millions of dollars on Saskatchewan of federal funding that the federal government used to pay. Let's talk about leveraging. Who got levered, Mr. Speaker? I think the people of Saskatchewan got levered, because what happened, Mr.

Speaker, is that we now have an off-loading by the federal government of \$517 million in this year alone on programs and expenditures that the federal government once paid because they were a national responsibility. But because of the great leverage ability of the member from Estevan, the federal government was successfully able to off-load that on the people of Saskatchewan because we had a government for 10 years who wouldn't stand up to the federal government and say, enough is enough, you have a responsibility, carry it out. So if it were not for that off-loading we would have a balanced budget this year. We would have a balanced budget this year if it were not for the off-loading of the federal government which, Mr. Member from Estevan, you were so successful in negotiating while you were the premier.

**Mr. Devine:** — Mr. Minister, if you could get 2 to \$3 for every dollar you spent, would you think you'd consider it, on behalf of Saskatchewan farmers who are in a crisis? Would you consider that? If you come up with 100 million and they come up with 2 or 300 million from the feds, would you consider that? Would you consider it? On behalf of Saskatchewan farmers and families who've gone through \$2 wheat, 18 to 22 per cent interest rates under your administration, and drought, and drought, and drought — and they need help — would you go three to one? Would you go two to one? Would you help lever federal money into the province of Saskatchewan that needs billions of dollars? Would you help do that?

(2045)

**Hon. Mr. Tchorzewski:** — Mr. Chairman, no I would not get into the business of auctioning Saskatchewan people and their tax dollars with a federal government who has certain responsibilities which it ought to maintain and carry out.

The federal government has a responsibility for third line of defence which the federal government promised. The member from Estevan knows that, that that was a promise that was made. There was a resolution . . . I want to talk about whether the member from Estevan would do the right thing. There was a resolution in this legislature early in the session, a non-partisan resolution which urged the federal government to deliver on that promise and that commitment of third line of defence — \$500 million.

There was a good debate in the House. The members of the government and the Liberal member voted for that resolution. The member from Estevan and his colleagues voted against that resolution because they want this government to practise the same procedure that they practised. They practised the procedure where they spent money that they didn't have. Why did we accumulate an increase in our debt by over \$10 billion? Because the member from Estevan, and the member from Arm River, and the member from Thunder Creek, spent money we didn't have. The member from Estevan is saying, spend money you don't have.

We have a budget. It's the best budget we could come up with under the circumstances of the finances which face the province today. And we're saying to the federal government, we're saying to the federal government, you have a responsibility. You have a responsibility when the

farmers of this province have to compete with the European Economic Community and with the United States' treasury to provide the funding that's necessary in order to be able to assist them. That's a national responsibility and we expect the federal government to carry it out.

And other than what the members opposite did when they were in the government, we're going to maintain that argument with the federal government. We're not going to back off because the Prime Minister says, oh please go away, I've got a different kind of a deal for you. We finally have a government here that's going to speak for Saskatchewan. We've done it. We will continue to do it. And the federal government is going to have to decide whether it has a responsibility, or face the consequences in the next federal election which is very soon coming.

**Mr. Devine:** — Mr. Minister, do you recall what you said in the 1980s to the government of the day? Do you recall, Mr. Minister? You weren't elected during the whole period but you were about half of the 1980s. I recall, and what you said is spend more on health, spend more on education, spend more for the farmers, cut the taxes. And every time we come into the Saskatchewan Pension Plan or something else you said well, spend some more. Do that and do that and do that.

Now when we ask you to at least defend any kind of rural conscience that you have, to stick up for farm families and not only protect them in the short while but look at a program that was designed to protect them that you voted for, and now when you're in government you take away, you see why people are concerned. You said one thing in opposition and another thing in government. You said one thing outside the House and another thing inside the House.

Again I have to remind you, you have no help now for farmers except it's the federal government. In 1982 there's 22 per cent interest rates, no help for farmers. It's the federal government. It's the same story over and over again. So we're asking you to please explain your rationale for providing this program that supposedly costs \$300 million less, rather than another program, and you won't do it. You just refuse to say why you come up with one number one week and you come up with another number another week.

Mr. Minister, if we look at the numbers that you could bring to the province of Saskatchewan by providing adequate crop insurance which is actuarially sound, you know that you could have one to two to three times as much money coming into this province, and you can balance your budget at the same time. You know that.

At the same time you know that you have the opportunity to provide the security and the safety that other provinces do. What's the province of Manitoba done? What's the province of Alberta done? What have other provinces done with respect to crop insurance? They're providing the coverage for crop insurance on the same basis that we designed it. Levers . . . money coming in from the federal government. You have denied Saskatchewan people hundreds of millions of dollars because you won't co-operate with the federal treasury that has the money to



bring it in here.

Now what that says to the people of Saskatchewan and it says here tonight is that you won't honour your national contracts and your commitments on behalf of Saskatchewan farmers. Well, Mr. Minister, if we look at the current safety nets and the comparisons of costs of current safety nets and the safety net GRIP '91-92, we find, Mr. Minister, that you can lever a great deal of money to the people of Saskatchewan, a great deal of money. And if you're prepared to stand in the legislature and describe why you won't do that into some detail, then we can move on to estimates, whether it's Health, Education, and anything else. But obviously the people of Saskatchewan and farmers are very, very concerned by the fact that you will not even talk about it in here, yet you'll go outside the legislature.

So, Mr. Minister, I draw to your attention . . . and we can provide you with the presentation of the new long-term safety net program and statistics which says that we can lever a great deal of money from the federal government. And if you won't comment on them, at least I will have them here and we can use them to describe to farmers what you could have under a 1991 program and what you could afford to do if you'd have the courage to defend the estimates that were there, that you talked about. Either deny them or defend them. And we'd like you to defend them, Mr. Minister.

**Hon. Mr. Tchorzewski:** — Mr. Chairman, if this process that the member from Estevan talks about, of so-called leveraging money, that is, spend millions from Saskatchewan, more than we've spent which we don't have, and at the same time it would balance the budget, I ask the member from Estevan to explain to the public and the audience that's watching on television why he was not able to do that in the 10 years when he was the premier.

If this process is so successful and the model that we're supposed to follow that the member from Estevan followed, I say to you, Mr. Chairman, and to anybody who cares to listen, it's a model I prefer not to even consider. Because it's exactly that kind of attitude and that kind of approach that has caused the situation where we have the highest per capita debt of any province in Canada, which ties our hands and restricts what we can do.

The member opposite said that in opposition this government said, spend money on health, spend money on education, spend money on other things. Yes, we did. But what we said, Mr. Chairman, was, don't spend \$1,000 a night on hotel bills, which you did, Mr. Member from Estevan. We said, don't spend \$3,000 a day on consultants from Margaret Thatcher's England, which you spent and wasted money. We said, don't spend thousands of dollars on free booze delivered from the Liquor Board to your offices when you were on the Executive Council of government. We said, don't waste almost \$2 million in salaries to provide political staff for you, Mr. Member, when you were the premier, even though they did not work in your department; you seconded them. Two million dollars a year — that's how you wasted the money.

We said, Mr. Chairman, don't sell the Potash Corporation at a loss of \$442 million, which you sold when you were the premier, even though your own advisors — and it's here documented — said, don't do it. Your own advisors that you paid hundreds of thousands of dollars to give you advice for said, don't do it because you're going to lose money. And you made a political decision and you sold the Potash Corporation and you lost \$442 million, which is now part of the accumulated debt of the province because there is no asset to pay for it, and the taxpayers have to pay for it.

Well it's a very uncomfortable laugh I see over there, Mr. Chairman, and I'm not surprised because that is the record. That is what brought this province to the financial crisis we face today. Now if the member wants to hear a whole litany of the millions of dollars that were wasted, we could get into that. We can talk about the Pioneer Trust fiasco. We could talk about the Joytec fiasco where money was run off with friends of the government because your ministers handed money out if somebody was closely connected to you. We could talk about the money you lost in GigaText. We could talk about former cabinet ministers being appointed to trade offices and the federal off-loading. We could talk about that.

Mr. Chairman, we said to you in those years, watch where you spend your money. Don't waste it. Don't blow it. It's taxpayers' money, and the chickens will come home to roost. They have come home to roost. We have this debt. We have this \$760 million in interest on the public debt which the taxpayers now has to pay. And fortunately they have a government in power now that's prepared to make the decisions that are required to be able to manage that and lead to a balance eventually.

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

**Mr. Devine:** — Mr. Minister, you must remember that you campaigned on the fact that you were going to reduce taxes, and you were going to spend more on health care, and you were going to help farmers. Now I don't know, Mr. Minister, what you go through in explaining this to your colleagues or to your constituents or to your public, but when you end up changing your mind and increasing taxes and reducing the support for people, which is exactly opposite to what you promised to do, then the public has every right to ask you some serious questions. And particularly when you said, well it's going to cost \$300 million on one program when you're outside the House; and you come in and it's going to cost another 100 million or only 100 million when you're inside.

Now that reminds us of your election campaign because you wouldn't . . . you know very well that people would not vote for GRIP 1992, and they wouldn't vote for the tax increases, and they wouldn't vote for all these cuts in health programs and education. So you walked in and you told them one thing outside, and when you get inside it's completely different.

And, Mr. Minister, you bring up something like . . . well you brought up GigaText. You said it was about a 4 or \$5 million loss. The officials beside you will tell you you can

save 5 million a year if you'd even harmonize the tax systems, plus it raises you a couple of hundred million dollars. And you won't do that. You won't do that. Are you considering it?

He's smiling. I think he's considering it. Actually, it's a plan. He's going to harmonize because your own Associate Minister of Finance and your own officials say that was a good plan: one tax system, we pick up \$200 million, we save 5 million in administration every year. He said, oh no, he would not do that at election time. He had a better way. Now he's into a situation where he's taxing people, cutting their programs, not defending farmers in a rural crisis. And then he goes on, Mr. Chairman, and he says, well for Heaven's sakes, you sold the potash mines. Well guess who nationalized the potash mines and paid way too much for them, and never paid them back?

They borrowed a bunch of money from New York, bought a bunch of potash mines for 4 or \$500 million, never paid it back. When you put it on the market you find it isn't worth that amount and he says, oh we lost too much. It's like the NDP bought a used car and they paid \$500 more than the car is worth. You put it back on the market and it's only worth \$500. And they said, oh my gosh, look at what these people did.

I didn't nationalize the potash industry and nationalize the uranium industry, nationalize the oil industry. You know. So we're asking, Mr. Minister, if you are now going to flip-flop back and forth in terms of what you say outside the House and inside the House, like you did during the election and after the election.

We just want to hold you to it and say, why do you go out and say to the people of Saskatchewan that crop insurance is going to cost 3 or \$400 million when in fact that's not the case? Now that's what we want to know. And the public deserves to know. And certainly the farmers before the courts deserve to know.

So if you're not prepared to address that, then we will say, Mr. Minister, you have two estimates of crop insurance. You don't really care to explain the difference. And the farmers will know from reading *Hansard* that you say one thing inside the House and something else outside. And if that's the way you want to leave it, fair enough, Mr. Minister. We can leave it at that and say you have got a variation of 300 per cent of what it will cost the crop insurance, and the farmers will know whether to believe you or not.

(2100)

Now if you don't want to comment on this \$300 million, then all I can say to you and to your colleagues and others is that there must be something you're hiding, or in fact you just don't want to address it because this was simply a political statement and it isn't accurate.

So, Mr. Minister, I'll ask you one more time: would you care to justify, tonight, the \$300 million estimate of the insurance program under 1991?

**Hon. Mr. Tchorzewski:** — Mr. Chairman, we're not here

talking about the 1992 GRIP program. We're talking about here the interim supply for 1991 which is based on the budget which assumes the 1991 GRIP and crop insurance program . . . 1992 crop insurance GRIP program, Mr. Chairman.

The member opposite talks about saying one thing here and one thing somewhere else. Well let me say for the record what this government said prior to the last election: that we would do certain things as finances permitted. Make that very clear. Read the program platform of the New Democratic Party in the last election campaign. And then, Mr. Chairman, we wrote to the minister of Finance, the member from Estevan's minister of Finance, and asked them to assure us that the deficit of \$265 million, which the former premier said was going to be the deficit, was accurate. The minister of Finance wrote back at that time, in the midst of an election campaign, and said yes, it's going to be \$265 million.

Well, Mr. Chairman, it turned out it was going to be \$930 million, \$930 million, just as the 1986 deficit of \$365 million turned out to be \$1.2 billion. Now talking about some integrity, Mr. Speaker. I won't go further than that as to say that that's the kind of shenanigans that you're not going to see from this government. On the basis of what was inherited when we opened up the books for public scrutiny, Mr. Chairman, we discovered that if we did nothing, this year's deficit would have been \$1.2 billion.

Now the member from Estevan might want to stand up and say whether a deficit of \$1.2 billion was something he would have introduced. Well I say it would have been wrong. Financially it would have been insane to bring in a deficit of \$1.2 billion which was the deficit that we were going to have if we implemented the programs and the policies and the taxation measures that the former government left behind.

It is true that we had to bring in some tax revenues. It is true we had to bring in some tax revenues as well as make some program expenditures because we were not prepared to jeopardize the future of our families and the future of our children by continuing down the insane financial route that was being pursued by the members opposite when they were in the government. We made the correction in this budget. We're on the right track to balanced budgets which we have to do.

All I can say about the harmonization which the members opposite talk about so glowingly as they seem to be talking about their record all the time, is the public of Saskatchewan spoke loud and clear on October 21 about your harmonization. I think the decision the public made was clear and unequivocal. We respect the opinion of the public.

And they made that decision, Mr. Chairman, on the basis of the budget that the former members presented to the people of Saskatchewan which they would not allow to be debated or voted in this legislature. They left this legislature in June at the decision of the member of Estevan, did not return here, did not call an election until October, leaving all that period of time for the province to run without any accountability and without any budget.

Mr. Chairman, that's not going to happen under this administration. We're going to have budgets, we're going to have budgets voted, we're going to have interim supply Bills when they're needed so that they can be debated in the House. We've been debating this now for several hours. That's appropriate and that's correct. And I'm going to answer the questions as requested when they are under . . . in the context of interim supply. And we've been doing that; we will continue to do that.

But when it comes to discussing individual programs of government which various departments and ministers have a responsibility for, I'm not going to get into that because I don't have that expertise and neither do my officials. It is the ministers in charge of specific departments who do have to come to this legislature who will discuss that in some detail or to the extent of detail that the members opposite may request at any particular time.

Now I want to say, Mr. Chairman, that why do we face these difficult decisions? I already gave you some examples because of the kind of expenditures that the members opposite made without any due regard for the future, without any due regard for what impact it'll have on our children and their children. Never was that ever considered.

That's why, in 1991, in the middle of an election, they sold Cameco shares and took a bath. The taxpayers took a loss of \$166 million, \$160 million. They didn't have to be sold at that time because the shares have gone up now. They have gone up now. And if we still had those shares, the taxpayers could have got themselves a big profit out of them, but you didn't decide to wait that. You decided to sell them at a loss because it was politically motivated. It was partisan. It was scorched earth. You knew you were down the tubes. The members knew they were being defeated, Mr. Chairman, and they wanted to inflict as much punishment on the taxpayers of Saskatchewan as they could, and so they sold the Cameco shares once again even though their advice was not to do it.

I've already mentioned the potash thing where they sold the Potash Corporation even though their advisors said clearly, don't do it. And I'm going to quote what their advisor said. This is from the Gass Commission report. And it said, they said that:

The timing of the sale of the Province's shares in the Potash Corporation of Saskatchewan was contrary to the advice provided by the Crown Management Board's external advisors . . .

What did they do? They went to the Crown Management Board and other people and they said, should we sell? They said, no don't because you're going to lose money for the taxpayer. So what did they do? They said, well we're going to get somebody from outside, some private consultants. They'll give us the advice they want except that these consultants are pretty professional people.

And so they provided advice to the government which said, don't sell because you're going to lose \$442 million. The former premier made a political decision, no regard for the impact it'll have on the debt or the deficit or for

what impact it'll have on the future of our children and our grandchildren. He said, sell because it's ideologically right. It's maybe financially wrong; it may cause severe problems down the road for the taxpayers of Saskatchewan; but ideologically I want it done.

Now that was irresponsible, Mr. Chairman. That was extremely irresponsible. We're not going to be irresponsible. That's why we have here a one-twelfth request for interim supply because we want the legislature to appropriate that interim supply as it should be.

**Mr. Devine:** — Mr. Minister, in a week we're trying to find examples world-wide of this socialist magic that you represent by nationalizing industries. And I mentioned if anybody would take over companies and nationalize industries and spend way too much they're going to get into some serious problems when it comes time to reconcile with the market.

I want to point out to the minister, you knew and we know that you can provide with a little bit of harmonization \$200 million in extra revenue for the province of Saskatchewan. And you know that. And you promised not to do that, which would add another couple of hundred million dollars to the debt because you knew what it was worth. That's \$465 million debt and you campaigned on it because you said, oh we don't need harmonization.

The debt we forecast was 265 with a balanced budget in '93-94 with harmonization and equity offerings. And you said we won't do that. We don't need to. And you knew harmonization was \$200 million worth. So that's 465. You knew a couple of share offerings were worth another couple of hundred million dollars. And you knew that. And you just promised it and promised it and promised it.

And you end up in a situation where you've got an \$800 million deficit because you won't act on harmonization. And you won't act on the recommended suggestions that we made. And I ask the minister when we forecasted \$365 million deficit of 1990-91 were we accurate? Yes, the answer is yes. In fact we were better than that. And we forecast 265 with a balanced budget in 1993 with harmonization and we're right on but you wouldn't implement it. Did you harmonize? No. So you're out \$200 million. And you knew it. You would be out \$200 million.

Did you do TransGas equity offering? No. You knew that you would be out another couple hundred million dollars. And then you put it all together and you say, oh well, we didn't implement all this stuff therefore there must have been a deficit. And on top of that you accumulate on an accrual accounting basis every bus company debt or any other debt that you can find, bring it forward.

Accountants call it the big bath theory where you use accrual accounting up to where you want to take it, take the big bath and then take cash from then on, which is unprofessional. And they tell you that. And you're doing it just for political reasons. And then we catch you raising taxes, cutting programs and backing away from helping

farmers and what do you do? You go in and try to change the law retroactively to protect yourself. And we catch you at that.

And then during that process you announce to the public, well if we'd had to do this evil thing it would cost the taxpayers \$300 million when the truth is it's only a hundred million. And we catch you at that.

So, Mr. Minister, you didn't campaign on what you were going to do. And you said one thing different during the campaign and after the election and you said something outside the House that is different than inside the House. So all we're doing is drawing your attention to it.

And these are interim supply estimates and we're just trying to get your capacity to forecast what you think you're going to spend. And all I'm going to say, one more time, and I'm sure that you're trying to reconcile it, would you please reconcile these two numbers. That's all I'm asking for the public. Please reconcile your estimate of two crop insurance programs that are \$300 million apart. And that's just an estimate question. It's one-twelfth of what the supply is. Why is one accurate and the other wrong? And it's both under your heading, both under your letter-head. That's all we're asking.

Now if you can't do that, fair enough; we'll just acknowledge that you will not address it and you haven't all night. This is about numbers, Mr. Chairman, and we've been in here all night and he hasn't given us any numbers. He says, well these are accurate. Will you defend the numbers? I'm asking you, how can you have two sets of numbers? That's all. We've been in here since 7 o'clock and you haven't given us any explanation at all, just rhetoric, or it's the department of this or the department of that.

And yet, as soon as we're outside the House you're into your Finance officials and you saying, no, no, the real number in Crop Insurance is 300 million. Get you in here, Mr. Chairman, where is he? He won't talk about it. So obviously he can't defend it. That's all my point. That's the only thing I want to do. You can't defend the 300 million and you won't.

Now fair enough, if we find that you can't defend this and the Crop Insurance people can't defend the 300 million additional cost to the Saskatchewan taxpayers, and the taxes are not connected to this, then your estimates are coming back again. And you know that and I know that. So let me just say to the public and to you, Mr. Minister, we hope that you can justify these differences and rectify it in light of what's going on in the public, in the farm crisis, and before the courts, and certainly this budget and the estimates that are here.

And we're going to give you every opportunity to do that, Mr. Minister, before we get through this financial session. It's been a little disappointing tonight that you can't comment on them, but we thought being a week apart you'd know about them. And I just draw that to the public's attention so that we can get on with some sort of semblance of professionalism in forecasting how much money we're going to spend here in the government.

**Mr. Neudorf:** — Thank you very much, Mr. Chairman. I had not intended to get involved in the debate but, Mr. Chairman, after listening for 2 hours and 15 minutes to a charade which we call interim supply, I think, Mr. Chairman, that one of the advantages in having these proceedings broadcasted through via television is that it gives the public an insight into what actually transpires in this legislature and I think the exhibitionism that has been displayed thus far this evening that is termed interim supply, where there is grievance before supply . . . And the Leader of the Opposition has now for 2 hours and 15 minutes tried to elicit some kind of a response to some very, very significant and important questions that we want answers for, because, Mr. Chairman, there are an apparent number of discrepancies in what the minister is saying on Monday as compared to what he's saying on Tuesday.

(2115)

Now we're being asked to give permission for the government to spend hundreds of millions of dollars of the taxpayers' money. And we want to have answers to where this money is going to be spent. And all we have received thus far is a display of arrogance and a display of utter contempt for this process by the Minister of Finance. And I think the people who have been watching the proceedings thus far are extremely disappointed when Mr. Speaker made a very, very valid ruling this afternoon to bring this House back to work. For a minute, Mr. Chairman, I had the disillusionment that we were actually going to accomplish some work, that we were actually going to get to our objectives.

And yet we have experienced now a total waste of time by the minister who's dodging, and not so artfully, because it's an apparent display to all the people of Saskatchewan that he is just absolutely refusing to answer some very, very legitimate questions, some concerns that we have. And you have not done that. You, Mr. Minister, have shown that your government, with it's massive, steamroller majority, is quite prepared to be arrogant, quite prepared to be lofty, and quite prepared to say it's none of your business when we as members of the opposition here are questioning you.

Now we have no intention, Mr. Minister, of holding up interim supply. Because I think what we have accomplished tonight is to display for the citizens of Saskatchewan your total inability to co-operate, your total inability to be honest, and your total inability to be straightforward with the citizens of this province. We are the mechanism by which this legislature holds you accountable on behalf of the taxpayers of this province. And you have set yourself to course in the direction this evening not to co-operate at all.

You hide, sir, behind the cloak that you are ignorant and that you don't know. That's what you've been saying all evening. You've been saying, I don't know. Yes, we're asking for hundreds of millions of dollars, but don't ask my why, I don't know. Ask the various ministers in my cabinet and they will tell you, maybe, if they know.

I know how this system works. I know that you know, or if you don't know then at least your officials know. I know

your officials know. You're not, I suspect, heeding their advice. They're giving you answers to the questions that we're asking and you're choosing, quite purposely, to ignore those answers that the officials are giving you. And what you're coming up with is a spin of rhetoric; a spin of rhetoric to try to fool the public. And that's why I prefaced my remarks by saying there is some advantage to having television in this proceedings so that the folks out there can see and can judge for themselves as to the value of the answers that you are giving, whether you are being straight forward, forthright, and honest with the people of Saskatchewan.

So, Mr. Minister, I have a few very, very simple, I hope, questions that you will be seeing your way forward to answering. And the fundamental question that I want to ask you now . . . and I want to go back to the Saskatchewan Crop Insurance Corporation — \$108.547 million is the total allocated for the Crop Insurance. Now one-twelfth of that comes out to \$9.054 million I believe. Now that's one-twelfth. There's no extra expenditures, it's one-twelfth dead on. And there are some obviously that are in excess of that, but I'll let some other members handle that.

Why, Mr. Minister, I guess I would ask you, are you asking for one-twelfth of the total expenditures for Crop Insurance for the month of July? And correct me if I'm wrong, but you also asked, I believe, for one-twelfth of the Crop Insurance expenditure in the last interim supply which was for the month of June. Is that correct?

**Hon. Mr. Tchorzewski:** — Correct, Mr. Chairman. And let me just comment on something that the member opposite said about it is the business of the opposition. I agree. Expenditures of the government, the estimates of the government are the business of the opposition. They're the business of this whole legislature because through this legislature we make them the business of the people of Saskatchewan. But we don't disagree there.

Where we might disagree is the long-established and actually very well-working processes that are in place in order that the business of the House can occur in an orderly manner and expeditiously be dealt with. That's why we have committees of Finance where the departments and their ministers have to come to the Committee of Finance in this Chamber, and under the new rules even in other forums, to answer the questions with all of the officials who have the information to be able to provide it to their minister. So we agree. There's no disagreement here.

Where we disagree is that there is somehow alleged to be a discrepancy in the numbers. Mr. Chairman, there is no discrepancy in the numbers. The request in the budget for Crop Insurance is \$188 million plus 647,000. That's based on the 1992-1993 program as provided by the government, whether it's in Agriculture, Crop Insurance, GRIP or any other part of the government. What the member from Estevan has been talking about all night is the 1992 GRIP program . . . 1991 GRIP program; sorry, let me correct that. That, Mr. Chairman, is not what this interim supply is all about.

We're answering the questions here on this interim

supply and the 1991 programs because that's what the money is being requested for. The debate on the 1991 GRIP and crop insurance program is the one that should be taking place with the Minister of Agriculture because he's the minister in charge.

Finally, Mr. Chairman, in answer to the member from Rosthern's question — why one-twelfth? — because that is the cash flow that is required for the Crop Insurance Corporation. One-twelfth every month, because that's what their request is because that's the way their expenditure patterns apparently require the money to be spent. It's not like the quarterly payments you have to make in revenue sharing to municipalities or quicker payments that you have to make to the Department of Highways because road construction takes place in the summer-time. But the Crop Insurance Corporation says they need one-twelfth appropriation for July, not any more than one-twelfth, and now that is being provided by the legislature.

**Mr. Neudorf:** — Mr. Minister, what was the amount? Now you didn't answer my other question and I'm sure it was an oversight on your part but I did ask you if, for the month of June, you had not requested one-twelfth as well. Did you answer that?

**Hon. Mr. Tchorzewski:** — The answer is yes, it was one-twelfth.

**Mr. Neudorf:** — All right, Mr. Minister. Then if one-twelfth was allocated in your appropriation for the month of June, how much money did Crop Insurance actually expend out of that appropriation for the month of June?

**Hon. Mr. Tchorzewski:** — We don't have that information here because you'd have to ask the Crop Insurance that question and we're not dealing with that so we don't have that information.

**Mr. Neudorf:** — Mr. Minister, does this money not come out of the Consolidated Fund?

**Hon. Mr. Tchorzewski:** — But the money is provided . . . When the budget is provided with all the conditions and where you can expend the money, it is then the role of the agency, in this case the Crop Insurance, to manage the expenditure of the money. The end of the month has not yet arrived, so we would not have the full accounting of what they have spent for the month of June but we provided one-twelfth. They couldn't spend any more than one-twelfth. They didn't request — well even if they had requested because the House was sitting — we could not have provided it to them. So one knows for sure they are on target.

**Mr. Neudorf:** — You are making a lot of assumptions for a minister who is in charge of millions of dollars, hundreds of millions of dollars of this province. So if you haven't got the figures yet for the month of June, could we back track to May or April or March to some point where you can definitively state that was the appropriation for Crop Insurance and that is exactly what they spent more or less.

**Hon. Mr. Tchorzewski:** — As I said the end of the month

has not yet been sort of passed so . . . I have no problem because they have to account for what they spent for the month. If the member wants we will undertake when the end of the month arrives and the time it takes for them to report, I will provide you that information. We don't have it here because the end of the month isn't here.

The one-twelfth request is traditional. If you look back over the estimates and the interim supply Bills over countless numbers of years you are going to find it is one-twelfth. The question that the member for Rosthern asks about, have they spent or how much have they spent of the last one-twelfth, I suspect that they probably spent all of it or most of it. But we will get that accounting and I will provide it to you.

**Mr. Neudorf:** — Like you say, Mr. Minister, you are doing a lot of suspecting, a lot of surmising with hundreds of millions of dollars. I am just surprised that the Minister of Finance of the province of Saskatchewan doesn't know if the money is being spent that he is being asked for for these various departments. I thought there would be a better paper trail for you and your officials that you would be able to answer that question. I didn't say just for the month of June. I said would you then go back to May, if necessary, or April if that is necessary. Go back to a point where you do have that information.

Let's bring this to a head, Mr. Minister. What I am getting at and you alluded to it in one of your previous answers . . . I am not in crop insurance myself. I am a farmer but I am an intensive livestock farmer, and as such do not carry crop insurance. But it seems to me that no farmer in Saskatchewan has ever lost a crop in May or in April.

So the payments that you are asking on a nicely budgeted one-twelfth for every month of the year doesn't seem logical to me when we live in a province where you can start losing crops in July, August, and September when your heavy losses are involved. So it would seem to me quite natural that your greatest pay-outs are going to be in early fall, late fall, and early winter. So this idea of asking for an obvious one-twelfth may have been done for ever for all I care.

All I want is an answer to the question. There should be highs and there should be lows. There should be ups and there should be downs. What I am asking then is, if that money wasn't all spent in June, where did it go? Did it stay in the Consolidated Fund? Is it all shifted over to the Crop Insurance account? What happens, Mr. Minister?

**Hon. Mr. Tchorzewski:** — No, the money is expended only as they use it. The member . . . I'm sorry, I misunderstood the question earlier. If you want us to go back to the beginning of the fiscal year and get that information together — and I'll provide it to you — I'll do that. It's all public information and it shows up in the *Public Accounts*. Nothing unusual about that.

One may argue whether it's logical to provide one-twelfth. It's been logical, and it's worked, and provided all that has been needed for as many years as there have been interim supplies, other than where there exceptions have had to be made in various departments. And it works. I can't provide a better justification than

that.

If there is a need for a higher cash flow later in the year then fine, the money will be there. But the legislature by then will have dealt with the full budget. I think no one will disagree that when you ask for interim supply one should only ask for the minimal amount that's necessary. And that's what we're doing here. And we're told by the Crop Insurance Corporation that one-twelfth is what the minimal amount that's necessary.

**Mr. Neudorf:** — Mr. Minister, there's no devious underlying current that I have got here except for my own satisfaction. I want to know how that works. So what you're telling me is, although the need hasn't been there, you have been requesting one-twelfth, and that the amounts that is available for them to spend has been accumulating so that there actually could be two-twelfths lying there waiting to be used but has not been required up to this point. And if that's not the case, tell me how it happens or how it works.

**Hon. Mr. Tchorzewski:** — Mr. Chairman, let me just make it very clear to the member opposite that the Crop Insurance Corporation indicates they need one-twelfth, but this is not the only month in which money has been provided to the Crop Insurance Corporation. In the first special warrant for the month of April, the Crop Insurance Corporation was provided 2.180 million. In the second special warrant the Crop Insurance Corporation was provided 1.955 million. In the first interim supply it was necessary for \$9,053,917. In the present interim supply the request is \$9,953,900, the one-twelfth.

So you're right, it does not always come as a one-twelfth request, but in this case that is what's required. That's why that's what's being asked.

(2130)

**Mr. Neudorf:** — Now I suspect there's a little bit more behind it than that, Mr. Minister, because you said to me that under special warrants you were only requesting one million, some hundred thousand dollars, which would be the actual need that Crop Insurance saw at the time. Now you're just rolling a nice cozy number together and saying we'll ask for one-twelfth for everybody's budget, even though they don't need it because, Mr. Minister, I don't think that three months ago they only needed 1 million, and now they need nine times as much. That's what essentially what you're saying, is in the last two appropriations that we've done, you've been asking for \$9 million. The special warrants, which you by the way said you would never use, you were only asking for one million some hundred thousand dollars. So there's the discrepancy there, Mr. Minister.

**Hon. Mr. Tchorzewski:** — Mr. Chairman, I don't know what more I can say. This is traditionally the way that the appropriation and the interim supply is provided, the one-twelfth.

**An Hon. Member:** — Tradition has never stood in your way, Ed. Come on.

**Hon. Mr. Tchorzewski:** — Well no quite frankly . . . In

response to the member opposite, I have a lot of respect for tradition. I think that this legislature functions well and has performed well for the people of Saskatchewan partly because of rules which we have written but to large extent because of tradition. So I happen to . . . I want to say that very clearly; tradition is very important in the British parliamentary system. It's something like the common law. It has served us well.

Now from time to time, traditions have to be changed, and that's why you have rule committees that deal with this thing to modernize systems to this legislature. But what I'm saying is that tradition in interim supply of providing one-twelfth as needed is something that has served us very well. It served the former government; that's what you did, and it worked very well. Nobody questioned that because at the end there has to be an accounting.

At the end this legislature has to vote the full budget, and after the budget has been voted and after the budget has been spent, both the Provincial Auditor through the *Public Accounts* and in his auditor's report tells the public through this legislature whether the money was spent appropriately or whether the amount that was budgeted was spent. That's out of the hands of the government: the reporting and the accountability. And that system will apply to this budget as it has applied to budgets in Saskatchewan since 1905.

**Ms. Haverstock:** — Thank you, Mr. Chairman. Mr. Minister, the last occasion your officials joined us for interim supply you stated that your government had completed polling in preparation of the budget, whose expenditure is represented in this supply Bill today. Mr. Minister, please disclose who was hired to conduct those polls, the findings, the cost of . . . pardon me, the nature of the questions asked, and the cost of this to the taxpayer.

**Hon. Mr. Tchorzewski:** — Mr. Chairman, I have indicated to the House and I've indicated to the press and I think I indicated to the member opposite the last time she asked that under the freedom of information, because the request that was made was made prior to the budget and would have had to been made public prior to the budget, which would have been unwise as the members opposite have been very seriously complaining about providing information on the budget before the budget is introduced, we had to follow the section of the freedom of information legislation which said we will provide and publish the information 90 days from that time.

So you will get that information at that time as has now been set in course under the provisions of the freedom of information.

**Ms. Haverstock:** — Well thank you, Mr. Minister, I do know that you had stated in this House that you would do that. I was just wondering when it was indeed coming, and you hadn't mentioned freedom of information the last time you were here, so I'm pleased to know that we'll be receiving it.

Mr. Minister, your government has been in office for more than eight months. What have you done to ensure that as much waste as possible has been removed before you

chose and are choosing tonight to ask this House to grant your government monies that represent an increase over last year's expenditures?

**Hon. Mr. Tchorzewski:** — I'm not sure that that's relevant under the interim supply Bill, Mr. Chairman, but we've been fairly wide ranging so I'll try to respond to the member opposite.

In the budgetary process we have reinstituted the process of the Treasury Board which under the former government literally did not exist. The Treasury Board under the chairmanship of the Minister of Finance scrutinizes every proposal for expenditure that the departments come forward with and ministers of various departments. We have in that process identified expenditures which in the opinion of the government, on the best analysis that we're able to get, was not necessary, much of it wasteful. And so we have been able to eliminate a lot of expenditures that have made it possible for us to bring the deficit to where it is.

That process is being refined. The Treasury Board system is one which has been the envy by all provinces across Canada. It went into disrepair for 10 years in the 1980s. I'm pleased to say we're bringing it back again. And as a new budget cycle begins to happen, very soon now we will be going once again through line by line of every expenditure on every program, every grant that the government makes in various departments to determine whether it's necessary to make those expenditures and whether those expenditures are being made appropriately and we're getting value for the dollar that's being spent. It's the only way it should be done when you're dealing with the taxpayers' dollar.

**Ms. Haverstock:** — I'm very pleased to hear that, Mr. Minister, and I'm wondering whether or not your government has made any decision about doing productivity efficiency audits in terms of government agencies and departments like those currently being done for hospital use and for university programs.

**Hon. Mr. Tchorzewski:** — Through the Department of Finance, the Treasury Board branch and the financial management branch, that's exactly what we do. We're starting to do that. We started the process in preparation for this budget. That kind of evaluation and analysis is indeed done, and that's one way in which you can make sure that expenditures that may have been made at one time which may not be necessary now because the need is different, we can then be able to address that. That system is in place.

**Ms. Haverstock:** — Well I'm absolutely delighted to hear that, Mr. Minister, because it's the first time I've heard it here, and I've probably raised productivity efficiency audits five or six times in this legislature, so it comes as very pleasant news to my ears. I am in fact wondering if you can describe to me whether this is something that's done internally or is this a more talked-down outside situation? I would just like you to help me to understand the way in which your productivity efficiency audits will be carried out.

**Hon. Mr. Tchorzewski:** — The processes are internal,

done by the agency and the various branches which I talked about, often have input from the Provincial Comptroller who is hands on in the expenditures that are being made. So it is being done internally. But we have tried after the election to involve some external advice as well. That's why we had Ernst & Young do an analysis of the affairs of the Crown Investment Corporation, the financial situation there. That's why we had the Gass Commission do the work that it did, exceptionally good work I might add.

We've tried to get that kind of input so that we could open the books, find out where we're at, and then get on with doing the kinds of things that are necessary to get the finances of this province back where they need to be so that once again this province can in the near future become an innovator and a leader of many things as we used to be in Canada.

**Ms. Haverstock:** — Thank you, Mr. Chairman. Mr. Minister, bond rating services base their ratings on how capable they believe Saskatchewan is going to be in repaying its debts over the long term. And in recent weeks these agencies have either downgraded Saskatchewan's credit rating or in one case they left it the same. I'm just wondering if the failure to get an improved rating is an indication of the financial management embodied in this Bill that lacks a long-term financial strategy.

I think perhaps I can state this question a little better. I think that the bond rating agencies are really looking for a way to be able to determine whether there's a predictability to whether there will be a more stable income in Saskatchewan, and became very evident that it's not just on the basis of what's owed by the province but also how much economic development can be predicted for the province.

**Hon. Mr. Tchorzewski:** — Absolutely not. If the members want to read the statements made by the bond rating agencies, those that have reduced our rating and in fact Moody's which has kept it, one of the things that the rating agencies went out of their way to point out, and they don't usually do this, was to point out that the decisions made by the government and the direction that the government is taking with regard to dealing with the debt is something that they support and commend.

And in my meetings, and I've met with them all, we have had long discussions about what we're doing and they've indicated that this was the right thing to do. Their rating is based, and they've also said that in their press statements, on the size of the provincial debt which has accumulated mainly over the last 10 years. They are concerned about the size of the debt — the highest per capita debt in Canada of any province. And they are ... they have been concerned as to whether that debt is sustainable. Now that the government has made some of the tough choices we've had to make, as uncomfortable as they have been, they are saying to us, you're on the right track, and I think nothing more needs to be said.

**Ms. Haverstock:** — Well thank you, Mr. Minister, but I think that it goes without saying, since a phone call was made to Moody's bond agency, that it is not just the debt that they were concerned about. But it's also the kind of

confidence that they have to be able to have in an economy that can in fact show itself to have some economic growth in the future. And I'm wondering if you could just talk to us for a short while about the financial strategy and how it's perceived by these bond rating institutes. Because after all, if they don't see that there's going to be economic development they're not going to see themselves as being able to be paid back.

**Hon. Mr. Tchorzewski:** — I can only, Mr. Chairman, I can only ... and I have here the release that was issued by Moody's and I want to quote from what they said. They said:

Actions taken in this year's budget suggest a commitment to restoring financial stability and accountability, although the former will require a multi-year process.

We don't disagree with that.

Secondly, (it says the) government plans now seem directed at gradually reducing exposure to existing loan guarantees, and curtailing future government exposure to private sector ventures.

And they have recognized that the government is doing that because they agree with what we have been saying. And that is if you want to talk about economic investment, economic development, the creation of jobs, you have to create, to those people who will invest the money, the confidence that an ever-growing deficit and an accumulating debt, which is nothing less than deferred taxes, isn't going to, several years after they make their announcement, result in even greater taxes.

Because we've addressed that question. We have begun the creation of that confidence. We've recognized that deficits are nothing more than deferred taxes, and we've not only recognized it, we've been prepared to do something about it. We're getting recognition for that and we're getting recognition for that from the investment community with whom I have also spoken.

And if you look at the ... many of the analyses that have been made by Richardson Greenshields and all of these financial analysts and financial management people who do these analyses on provincial budgets, you will find that they say some very positive things about what we're doing here. What they say is paid attention to by corporations and companies and by individuals who invest. We've created the beginning now of a confidence builder which is going to show some dividends in economic development in Saskatchewan.

The recent announcement in your city of Saskatoon of the uranium company — Minatco I believe — moving its head office to the city of Saskatoon I think is an indication that there is some confidence in the future of this province. And there should be because I am confident in the future of this province. I don't think that there are any members of this House who are not confident in the future of this province.

**Ms. Haverstock:** — Mr. Minister, I could not agree with you more that we have a very serious situation in terms of



the deficit and debt that has a stranglehold on our province. What I'm really getting at here is that there are many, many people who would in fact agree with my statements that agencies would be far more inclined to feel secure about Saskatchewan if they could see some new and innovative economic development on the horizon.

The Moody bond agency based its decision to confirm our rating at A3 from a previous one of A2 just prior to March because of what they stated was the high level of private sector debts that we have guaranteed. And I'm wondering what contingency plans you've made in your government in case one of these investments falters and greatly increases the debt charges that we must meet within this and future supply Bills.

I'm talking about the fact that instead of going from A2 in March, it's now at A3 from the Moody agency. And I'm wondering if you could comment, please, on your contingency plan that you may have in place. One of the reasons that the Moody bond agency stated what it did was because of the private sector debts that we have guaranteed. What I'm wanting you to comment on is, of course, if in fact one of these falters, these investments falter and greatly increases the debt charges, what sort of contingency plan you have in place because you will be of course coming back for future supply Bills.

(2145)

**Hon. Mr. Tchorzewski:** — Mr. Chairman, it's a perfectly good question that the member opposite from Saskatoon Greystone asks. But the answer is that you cannot predict certain things. You cannot predict the level of forest fires that you may have. Or the conditions in the agriculture sector totally. So you make assumptions which in the case of agriculture are based on a normal crop year. You can't predict whether some of these enterprises are going to succeed. One hope does and one should assist them to try to succeed.

So therefore, you can't budget for the potential collapse of one of these ventures that we inherited as a new government. But in spite of that, we have made a commitment that regardless of what happens, we are going to improve management of the finances of this province, get the finances under control and work towards a balanced budget. But if you ask me as the Minister of Finance of the government how much should you put aside because you anticipate that one of these enterprises is not going to succeed, I'd have to tell you there is nothing specifically been put aside, one, because you don't know that they're going to succeed, and two, if you do that you're simply saying we have no faith in you and you're not going to succeed so we're ready for it.

And unless we know for sure — and that's why we had a lot of write-offs as you will find, as you know, when you read the budget — that there's monies that have been borrowed or invested which we no longer can pay and therefore we've had to write them off. We have to budget in this way. So there's nothing put aside for a potential failure but we do have the commitment that within whatever may happen, and I hope it doesn't happen, don't anticipate it to happen, we're going to manage the

finances and the budgets of this province until we reach the deficit in the next four to five years.

**Ms. Haverstock:** — Mr. Chairman, I guess that's part of what disturbs me so much is that I do happen to believe that government should have contingency plans in place. And I do happen to believe that in the 1970s when there were monies available in this province, had people felt that way, believed in that kind of thing, they would have prepared for worse times ahead and probably had more in the kitty and we wouldn't have, in spite of the kind of government we had in the 1980s, would have been able to have ridden through that a little bit better perhaps.

Mr. Minister, a number of communities recently realized that they lost their revenue from fines when you increased your take of these revenues without warning from 7 to 25 per cent. And cities also realized that as a result they may not have enough money to adequately finance their police forces by year's end. So I would like you to comment please what measures you've taken within this Bill to ensure that they do have enough money to offer police services and avoid a crisis in the next few months.

**Hon. Mr. Tchorzewski:** — Mr. Chairman, this Bill, this interim supply Bill, asks for one-twelfth of the money that has been appropriated in the budget for municipalities, for revenue sharing and whatever other funding we provide from the provincial treasury. So that's all is being requested. There are pressures on the provincial government. If we wanted to provide . . . We'd love to provide more money than we're providing but in order to do that we'd either have to raise more taxes or we'd have to borrow more and increase the deficit.

Saskatchewan municipalities by and large are in very good shape. They've got among the lowest debts of municipalities in Canada. They've managed well. That's to their credit. They've done extremely well because they've run things efficiently and effectively.

As we begin to get the finances under control and this provincial treasury has more flexibility to provide targeted assistance, whether it's municipal funding or whether it's capital works or whether it's . . . whatever the project is we will be able to do that in this budget, as we said to SUMA (Saskatchewan Urban Municipalities Association) long before the budget came down, and I think you will find that most people in municipalities will agree, we have to make the tough decisions now. We all have to share in it. And if we do that, then in the very near future, in future years, we'll be able to turn things around and begin to grow like we used to be able to do prior to 1982.

**Ms. Haverstock:** — I actually have just one final comment, Mr. Chairman. Mr. Minister, you had indicated that we either have to increase taxes or decrease expenditures. And there's one other area of course that would make a considerable difference, and that is to do the kinds of things that would increase monies in this province, and perhaps even bring more taxpayers here, or people who can pay taxes, and that's to do the sorts of things that we need as far as economic development is concerned.

I do hope that in future when you're coming back to ask for monies, that you will consider that there should be contingency plans in place. There are lots of things that are far more predictable than one would imagine in Saskatchewan. And when we're talking, whether it's crop failure, or we're talking about the kinds of things that we face more often than not, I don't see it as reasonable that there shouldn't be a contingency plan in place. And particularly, when it comes to such enterprises as communities trying to survive when all of a sudden they're faced with enormous surprises, a 7 to 25 per cent increase in your take, is something considerable.

And what in fact can people count on from this government in order to be able to run their own business affairs well? If you're not going to be able to come forward so that other people can plan for and have contingency plans, what we're going to have is not just a fiscal mess at the provincial level, but the communities and the municipalities that you're talking about with such glowing remarks are going to be placed in great despair financially because of decisions that are made elsewhere.

**Hon. Mr. Tchorzewski:** — Mr. Chairman, just let me indicate to the member from Greystone that this budget does certain things, although probably not as much as some of us would like or all of us would like, but this budget does provide for the small-business sector which is the main engine of job creation in this province, a reduction in the small-business corporate income tax of 1 per cent. That's quite deliberately done to assist a small business in not only maintaining but creating additional jobs.

We've said that we're going to take three years because we have to manage this. We will eliminate the E&H tax on the agents used in the manufacturing and processing. That has been welcomed by the manufacturing industry, the small-line machinery manufacturers, by the printers who are going to now be more competitive with work that they will be able to do in other provinces. And they will be able to tender in other provinces to do that work because of their ability to be more competitive.

So we've taken some small steps in trying to encourage job creation and economic development; more needs to be done. The government is working very hard in consultation with the business sector and the trade union sector to develop an economic development strategy which we will hopefully have ready later in the year because this is involving a wide section of people who are actively creating wealth in Saskatchewan. I think it's going to be a good economic development strategy. It's going to be a strategy that recognizes the restrictions that the province has from tax sources to be able to do things and going to have a great reliance on the private sector to do the important things that they have to do in order to create the kind of economic activity that we need.

We'll work that out with them to the capacity we fiscally can. We will assist them but it's going to be a program and a strategy that's going to be carefully thought out. It will be there for a long period of time and will not be there for six months and then six months later another one is announced and then another one and another one because polls said that somehow this one isn't selling.

You've got to be comfortable enough that it's the right program so that you stick with it until it shows results.

And I point, for example, which I think is a great model, to the Regina Economic Development Authority in the city of Regina — I commend it to other cities — which has worked extremely well. It is removed from the city council, it's independent, it's provided some funding, it's got people on it who know something about business and economic investment and they're doing a great job. I'm not suggesting that that's exactly the kind of model the province is going to have but it's worth looking at that kind of a model as we develop what we need to in order to be able to get this province back on the rails again.

**Ms. Haverstock:** — Well, Mr. Chairman, Mr. Minister, I, as well, have raised more than a half dozen times in this very facility that we should have a Saskatchewan economic development authority and I couldn't be more pleased that the province is considering this. I too, believe that the Regina Economic Development Authority has a great deal of merit and I want to point out to you that small businesses of the 36,000 plus in the province of Saskatchewan, your budget did nothing to create one job, one more job in any one of those small businesses in our province. And when you're talking about the 1 per cent increase that's not a 1 per cent decrease over the year. That is a half per cent in the beginning is it not? Is it not a half per cent decrease this year and another half next in the small business tax? Is it a half per cent rather than a full percentage point decrease?

**Hon. Mr. Tchorzewski:** — Reduction from 10 per cent to 9 per cent is a 10 per cent decrease, if you want to use the numbers that way. It's a 10 per cent decrease in their total amount of corporate income tax payable. This year it becomes into effect on July 1. So it's a 5 per cent decrease. Next year it'll be a full annualized year but when you put together a budget you have to phase some things in as you can afford them. We could afford to do it this way. The reduction this year starting July 1, the next year it'll be for the full year.

I'm not making a commitment that we'll be able to have a further reduction in the next budget, but I can tell you that if our financial circumstances are such that it would allow us to do that, I'd be the first one to want to do it. But we're going to play it by ear. We're going to watch it carefully and we're going to do everything that we have within our fiscal capacity to assist industry, but particularly the small-business sector, to succeed in this province, provide the services that they've provided, give them an opportunity to make a profit, but more importantly to create jobs for our young people in this Saskatchewan.

**Ms. Haverstock:** — Thank you. Mr. Minister, small business in this province works on the basis primarily of consumer confidence, of business confidence. And the decrease that was brought forward I'm sure was appreciated, but of course the majority of people said was completely offset by all of the other things that had happened within the budget. And I would simply encourage you, if we're in fact looking at ways to ensure that we can have some job creation in the province of Saskatchewan, to look at significant ways that we can have increases in employment in small business by even

10 to 15 per cent in each one of these small businesses; would create an enormously different tax base in the province of Saskatchewan.

So I implore you, in future, to perhaps work on a more consultative basis with small business to determine what indeed would be of great help to them. And I didn't find anybody who actually knocked your decrease but I found many, many people who said that they were still in a down position because of all of the other things that came forward in the budget.

**Hon. Mr. Tchorzewski:** — Mr. Chairman, I'm pleased to report to the member that in fact there is a consumer confidence in Saskatchewan. And all of the indicators are that the consumer is more confident today than he or she was a year ago. And a lot of that is because of confidence, I think, in the government.

But putting that aside, there's other things that have been important here. We have a much lower interest rate. We have a lower Canadian dollar compared to the U.S. dollar. We have the lowest inflation rate in Canada. We have shown in this budget that we are prepared to make the hard decisions both on the revenue side and the expenditure side to restore financial stability and financial responsibility in the province. All of those things are important in consumer confidence.

Consumer wants to know that his or her government is managing. I think, and obviously I'm biased here, but I think that this government has signalled that we're prepared to manage. It's much easier to do what was done previous years and don't bother managing but just respond to the polls and spend more money when the polls said you should spend more money here. We're not doing that. It would be nice to do that, but that would not be responsible. We're returning back to the kind of good management that this province had in the 1970s. There were different circumstances there and it was easier, but just because it's harder doesn't mean that we shouldn't do it. I can give you a commitment. We're going to do it.

**Ms. Haverstock:** — I agree, Mr. Minister, that it would be far, far better to have greater predictability, and I hope that this government will consider such things as a deficit reduction Act, a taxpayers protection Act, the sorts of things that will allow people to be able to make better predictions on how they can see their tax dollars used, and how they can plan for their own affairs, knowing that over a four-year period they can see what sorts of things are going to be necessary in adjustments in their own finances.

(2200)

And I'm sure you didn't mean to lay claim to a lower interest rate, or a decreased Canadian dollar which increased consumer spending, but I do commend you, as I have publicly at every opportunity, for trying to indeed get the deficit under control, and I have given you, just so you know, an A plus rating on increasing the people's awareness in this province on the seriousness of the debt. That is what indeed I have done.

What I have also done, however, is to point out the things

that I think that this government needs to be very thoughtful about as far as job creation, and particularly economic stability and security for the future. And if in fact you continue to look at the mechanisms by which we're going to have to address this only through tax increases or decreases in expenditures . . . And I think we could do better by looking at overall tax reform in a very different way and simplifying our system, as well as on the other hand truly finding with a fine-tooth comb the ways in which we can save monies in this province, and then spend a great deal of our energy looking at economic development. All of these things will change the economic picture of Saskatchewan substantially. I do thank you for your time.

**Hon. Mr. Tchorzewski:** — I don't want to take time, I just want to make a comment because I think it's an important one, on the tax system. I agree there needs to be tax reform. There needs to be simplicity, more simplicity. There needs to be predictability.

The problem as a province that we face is that our tax collection, and the way we are able to set most of our taxes on the income tax side, is controlled by the federal government. We have to base our taxes on their tax regime and the way they put it together.

The 10 provinces of Canada have been negotiating, and Saskatchewan has been one of the leaders in this, for a different system of taxation where we indeed could provide more simplicity, where we indeed could put more progressivity into the tax system. And we've been trying to convince and persuade the federal government to allow the province to levy tax on taxable income, rather than base it on basic federal tax because that is a very complicated process, and you only have to look at the present income tax form to know how complicated it is.

I am hopeful that we can convince the federal government — and there's a meeting in September of this year in which that is on the agenda — once and for all that they have got to stop selfishly protecting this system which is outdated and archaic. And if we can convince them to do that — we have got the support of the other nine provinces — I think we will all be better served.

Motion agreed to.

**Hon. Mr. Tchorzewski:** — Thank you, Mr. Chairman. As is required I want to move now that the second motion that is necessary dealing with the Consolidated Fund, and it reads as follows:

Resolved that towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1993, the sum of \$365,428,000 be granted out of the Consolidated Fund.

Motion agreed to.

The committee reported progress.

## FIRST AND SECOND READING OF RESOLUTIONS

**Hon. Mr. Tchorzewski:** — Mr. Speaker, I move that the resolutions be now read the first and second time.

Motion agreed to and the resolutions read a first and second time.

### APPROPRIATION BILL

**Hon. Mr. Tchorzewski:** — Mr. Speaker, by leave of the Assembly I move:

That Bill No. 58, An Act for the Granting to Her Majesty certain sums of Money for the Public Service for the Fiscal Year Ending on March 31, 1993, be now introduced and read the first time.

Motion agreed to and, by leave of the Assembly, the Bill read a first time.

**Hon. Mr. Tchorzewski:** — By leave of the Assembly and under rule 51(2), I move that the Bill be now read a second and third time.

Leave not granted.

### COMMITTEE OF THE WHOLE

#### Bill No. 31 — An Act to amend The Tobacco Tax Act

**The Chair:** — I'll ask the Minister of Finance to introduce his officials.

**Hon. Mr. Tchorzewski:** — They are the same officials who are here, Mr. Wright and Mr. Dotson, the deputy minister and the associate deputy minister.

#### Clause 1

**Mr. Swenson:** — Thank you, Mr. Chairman. Mr. Minister, when we last discussed this particular Bill some time ago, I had mentioned we would like some information as to your tracking on tobacco sales and the possibility that because some of the numbers were talked about that were fairly accurate as to what occurred in the budget, that your officials were going to make an effort to tell the Assembly what had happened in regards to tobacco sales prior to the announcement in the budget, and afterwards, to determine if there were any substantial changes that occurred that indeed, if we did have a budget leak that were impacted upon the sale of tobacco, that you would have some information at this time on that regard.

**Hon. Mr. Tchorzewski:** — The latest statistics we have is for the month of April, because that's sort of a time frame in which it works. I'm informed by my officials that on the basis of that there is nothing untoward that is detectable with regards to the sales that were there. As far as the projections that were there on the basis of this legislation, everything seems to be on track. There seems to be nothing unusual, at least that has been able to be identified, with regard to the sale of tobacco, cigarettes, and tobacco products.

**Mr. Swenson:** — Well unfortunately, Mr. Minister, the month of April won't do us much good considering the introduction of the budget and its timing. I would have

thought that, because they are an item that moves fairly quickly, that the department would have a more month-by-month analysis. We all know there is a strong cross-border problem on tobacco products, both to the south and to the west of us, and that your department would have some month-by-month details that might be more up to date since the budget.

**Hon. Mr. Tchorzewski:** — Mr. Chairman, there is the lag structure in this, and we're only now beginning to get the results for the month of May. But I have reported to you on the month of April. There's nothing unusual there. We'll be able to report to the House, to the minister, and in estimates we can talk about it some more, on what we find for the month of May. No problem with doing that, and I will do that when we get those numbers and those statistics come in.

**Mr. Swenson:** — How soon will that occur, Mr. Minister? Is that something that you would normally have on a quarterly basis or would you have that fairly quick in the month of July?

**Hon. Mr. Tchorzewski:** — No, they are monthly statistics. It's just that there is a month lag in those statistics. So therefore because of that, we have April; we don't yet have May; but we will have the May numbers coming in about now and somewhere down the road, in a couple of weeks or so, I suspect we will be able to provide that information.

**Mr. Swenson:** — While you're doing that, Mr. Minister, I wonder if you could include your projections. I think you outlined them earlier on but as to what type of revenue you would be garnering on a month-by-month basis with this particular tax.

Clause 1 agreed to.

Clauses 2 and 3 agreed to.

The committee agreed to report the Bill.

(2215)

#### Bill No. 43 — An Act to repeal The Hospitals Tax Act and respecting certain consequential amendments resulting from the repeal of that Act

#### Clause 1

**Mr. Swenson:** — Mr. Chairman, if the minister might, just for the benefit of the House, give a small explanation of exactly what is going on here. I'm not, quite frankly, clear in my mind exactly what we're accomplishing here, and I wonder if he would mind giving a little more background.

**Hon. Mr. Tchorzewski:** — Mr. Chairman, this is simply cleaning up the legislation with regard to The Hospital Tax Act wherein, I believe it was 1989, there was through The Hospital Tax Act a tax on certain gaming activities such as lottery tickets, bingos, raffles, and so on that was introduced by the former administration. But it was cancelled by the former administration after some considerable public concern. And all that this Bill by-and-large does is removes that provision from the

legislation itself.

**Mr. Swenson:** — Mr. Minister, how much money was collected under that particular tax in that fiscal year?

**Hon. Mr. Tchorzewski:** — For the period July 1, 1989 to November 17, 1989, \$8,302,442.63.

**Mr. Swenson:** — The projections, Mr. Minister, that the government has done on the video lotteries and similar-type gaming operations, are they based somewhat on the experience of this lottery tax? Or some of the projections that you've done for budget purposes, was this any type of an indicator that would tell you what your revenue potential was?

**Hon. Mr. Tchorzewski:** — I am told very indirectly. I'm not the minister in charge of the Gaming Commission that deals with these kinds of things but the answer to the question is in an indirect way, yes. But I'm sure that the minister in charge of the Gaming Commission will probably be able to get you more specific information at the time when that commission is before the legislature.

Clause 1 agreed to.

Clauses 2 to 4 inclusive agreed to.

The committee agreed to report the Bill.

#### **Bill No. 29 — An Act to amend The Education and Health Tax Act**

##### **Clause 1**

**Mr. Swenson:** — Thank you, Mr. Chairman. Mr. Minister, in moving the sales tax from 7 per cent to 8, what have been your . . . And once again I suspect that you're going to tell me that you don't have any tracking on this, that simply will have April's numbers which wouldn't apply. Do you have an estimate what has happened in the month of May since the introduction of this particular budget item and the impact that this has had on the retail sales area of Saskatchewan?

**Hon. Mr. Tchorzewski:** — Mr. Chairman, once again we have the same circumstance here as with the tobacco tax. There is this one month lag in order to be able to provide the information. The early indications are that everything is on track. The estimates of the amount of revenues that we expected from this tax measure are coming through. There seems to be, because of other reasons such as the low interest rate which we talked about earlier and growing, I think, confidence by the consumer, that the retail sales seem to be holding up fairly well.

So we have no reason to believe other than things, the projections that were made from the point of view of revenues, are going to hold. But I will be more accurate in this when we have got the May receipts accounted for. And because of the one month lag situation that exists here, we won't be able to know that until that was complete.

**Mr. Swenson:** — Mr. Minister, you were very quick as a new government to come up with all sorts of facts and

figures as to the ramifications of harmonization and it's impact on the retail sector, particularly in Saskatchewan; the job loss that would be associated with it, the amount of money that would go out of the Saskatchewan economy. I'm sure in contemplating these changes to the E&H tax that similar type of surveys must have been done by your department before implementation of this particular item. And I wonder if you would mind sharing those with the Assembly; showing us what your projections are, total income and that type of thing, and what the impact would be on the Saskatchewan economic sector.

**Hon. Mr. Tchorzewski:** — Well, Mr. Chairman, the difference between that 1 cent increase on the existing provincial E&H tax and the harmonization was that the provincial E&H tax is relatively a narrow-based tax system; a narrow, small, select number of items. Harmonization applied the tax on everything other than prescription drugs and groceries, and in fact beyond goods it also included services. So the impact of that was very significant.

We have not done an analysis of each individual tax. As such we've done a macro-analysis of the impact it would have and we already discussed that under different debates in this legislature. We've determined that in spite of the increase in the tax, and in spite of the program reductions, and the reduction in the expenditures we've had to incur, there is going to be at least a break even in the economy; it'll hold its own. We expect a net increase in jobs of some 2,000. That is being supported by independent analysts and agencies who — the Conference Board of Canada, for example — who have indicated . . . the real estate dealers association . . . It's confirmed those estimates. But as to what impact the 1 cent increase will have, we don't have that kind of an analysis to provide to the House.

**Mr. Swenson:** — Mr. Minister, as we discussed earlier in this House, I think the things that you mention are more by good luck than good management. I mean obviously the federal monetary policy, as far as home building and some of the other areas of our economy, are more national in scope than they are pronouncements from the Government of Saskatchewan. And I can appreciate your optimism but I don't think you quite rightly can deserve the credit for some of those things. I mean, Crown Life coming to Regina had very little to do with the current Minister of Finance and its impact on the Regina housing market.

So I think if you had the time and the ability to do analysis as to the impacts of harmonization, I would have thought with a major tax move such as this that one would have . . . Given the pressures particularly, Minister, that this province has with cross-border shopping on all three sides of us, the potential for job loss, the potential for people to go to Alberta to buy their goods, people go to the United States, people go to Montana, go to Manitoba, that you would have wanted to take that into consideration before risking a further tax hike which might harm people in those particular jurisdictions.

And just because the federal monetary policy and the former government helped you with a housing spurt in

the city of Regina and perhaps in Saskatoon, that you would be concerned about the Kindersleys and the Unitys and the Swift Currents and the Shaunavons and the Estevans and the Moosominis of the world who are directly impacted any time that their ability to compete with similar jurisdictions is affected and certainly I would think that merchants in all of those areas would be facing a tougher time today than they did at 7 per cent when they said it was onerous.

So I would ask you once more, given the fact that so many communities in our province and so many people are impacted when their competitive position is lessened that you would have taken that into consideration and that there would be net losses occurring and I would just like you to inform the House what that analysis and those net losses might be.

**Hon. Mr. Tchorzewski:** — Clearly, Mr. Chairman, we took it into consideration and when one balances other things in other provinces against the tax situation in Saskatchewan, the conclusion has to be that although, clearly we as everywhere else in Canada the tax is higher than most people would like, we balance off fairly well.

Although we may have an 8 per cent sales tax now on a narrow list of goods, narrower than most other provinces in Canada, we have other advantages. We have the lowest housing in Canada, lower than either Alberta or Manitoba by some considerable margin. We have lower utility rates, we have no health premiums, we have no payroll taxes as do exist in other provinces. When you evaluate and make comparisons you have to compare all of the debts, the taxes, the service charges and utility charges, cost of living which is the lowest increase in all of Canada as well. On the basis of that measurement Saskatchewan comes off pretty well.

The other thing that we could have done which would have really had a negative impact is continue to have the kind of growth in deficits and the debt which we would have had if we had not come to grips with this situation. So that is the positive side which mitigates against what obviously is a negative thing every time you do an increase in the tax. So I think the balance is really quite good.

The other thing about the sales tax, although when you raise it by 1 cent on that narrow base that we have it does have a negative impact, there's also the positive impact, is that non-residents who travel through Saskatchewan or come up here contribute to the economy which otherwise they would not. That's significant as well.

So I think on balance, Mr. Chairman, clearly it comes off pretty good. We were confident when we made those kinds of comparisons that it is a tax change that we could put into place. Admittedly there are some difficulties but over time as we get the finances of the province under control, we've started that trend, we'll be able to deal with those difficulties and begin to resolve them.

The committee reported progress.

### THIRD READINGS

#### **Bill No. 31 — An Act to amend The Tobacco Tax Act**

**Hon. Mr. Tchorzewski:** — Mr. Speaker, thanks for the assistance from the Clerk. I move that the Bill be now read a third time.

Motion agreed to, the Bill read a third time and passed under its title.

#### **Bill No. 43 — An Act to repeal The Hospitals Tax Act and respecting certain consequential amendments resulting from the repeal of that Act**

**The Speaker:** — When shall this Bill be read a third time?

**Hon. Mr. Tchorzewski:** — Mr. Speaker, now.

Motion agreed to, the Bill read a third time and passed under its title.

The Assembly adjourned at 10:33 p.m.