

The Assembly met at 2 p.m.

## ROUTINE PROCEEDINGS

### READING AND RECEIVING PETITIONS

**Deputy Clerk:** — According to order, the following petition has been reviewed, and pursuant to rule 11(7), are hereby read and received:

Of citizens of the province of Saskatchewan humbly praying that your Honourable Assembly may be pleased to stop the funding of abortions in Saskatchewan.

### INTRODUCTION OF GUESTS

**Ms. Bradley:** — Mr. Speaker, I'd like to introduce to you and through you to the Assembly today guests that are sitting in your gallery: my sister and her husband, Lynn and Beattie Ledingham from Holdfast, and their sons, Blair and Kyle Ledingham. And I know Kyle, the youngest son, is taking a real active interest in politics so I'm sure he'll enjoy watching question period today, and the procedure. I ask people to join me in welcoming them.

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

### ORAL QUESTIONS

#### Changes to GRIP

**Mr. Toth:** — Thank you, Mr. Speaker. Mr. Speaker, today we see another in a long list of protests against the NDP (New Democratic Party) government underway presently in Melfort. And, Mr. Speaker, after only 10 months in power, this government — which had pledged to the people that they would listen to their concerns — has seen half a dozen angry demonstrations, and that being after only 10 months in power.

Mr. Speaker, farm families, rural residents, and yes, even city folk are gathering in Melfort to send a message to the Premier, to this government. They are tired of being used as a punching bag by the government and by the Premier.

My question is simply this: Mr. Premier, you seem to find all the time in the world for trips to Ottawa for the constitution and the bright lights of the national stage. I am wondering if you have the time, found the time, to stop by Melfort and listen to your own electorate, ordinary people who have been trying to reach you for the last 10 months, Mr. Premier.

**Hon. Mr. Romanow:** — Mr. Speaker, the hon. member opposite who — I say with the greatest of respect for him personally — knows better, that my attendance at first ministers' conferences called by the Prime Minister of Canada is virtually without option, has dictated the attendance on the constitution and not any desire to be there on my part, I can assure the hon. member. He should know better than that.

The answer to the question, simply put, is Melfort is not a protest against the NDP government in Saskatchewan.

Melfort is a hearing of all governments, including Mr. McKnight, and our Minister of Agriculture, to hear the concerns of the farmers to see what we can do with respect to the long-standing problems with respect to agriculture.

And I close by saying to the hon. member he would do everybody a lot of good, especially the farmers of Saskatchewan, if he would do something which is more in his nature, and that is to depoliticize this matter and make it a genuine concern for family farmers everywhere.

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

**Mr. Toth:** — Mr. Speaker, certainly farm families are very concerned, rural residents are very concerned, and yes we acknowledge the fact that the Premier has been involved in constitutional debate. But we're also aware of the fact that there have been numerous occasions for the Premier to meet with farm families, with farm groups, on a number of occasions with farm groups who have staged meetings around the province. Mr. Premier, you promised to be open, to be honest, and consultative. You promised to listen, you promised to be accessible. However, Mr. Premier, Mr. Speaker, we find the farm families of the province have given up in trying to speak to the Agriculture minister. People don't want to talk to him any more as he doesn't appear to listen, act, or care.

Mr. Premier, surely you could find a moment, an hour out of your schedule, to meet with the protesters, whether they be in Melfort or wherever, to hear firsthand their concerns. Will you make that commitment, Mr. Premier?

**Hon. Mr. Romanow:** — Mr. Speaker, I endeavour to meet with any group or any organization which seeks an appointment with me as my time and schedule permits. I will tell the hon. member that a few weeks ago before the unexpected development of the lengthy and protracted constitutional negotiations, I personally toured the area of Tisdale and Nipawin and visited with farm families — many of them in their farm homes.

I recall a specific meeting over a morning session of about an hour and a half or two hours involving 30 or 40 farmers where we talked about it. I toured the fields. I've been in the Wadena area. I've been into a number of the areas in the province of Saskatchewan. I've always met with organizers or organizations on a basis, where possible.

But I conclude by saying to the hon. member that in the case of the Melfort meeting this is a meeting where they specifically invited the Minister of Agriculture from Saskatchewan and the Minister of Agriculture representing the federal government to be there. So they must have confidence in him in order to invite him specifically to hear their concerns — and he will listen to their concerns — and we will take the appropriate action as we have been urging the members of this House to join with us to do.

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

**Mr. Toth:** — Mr. Speaker, again to the Premier. Mr. Premier, there are a lot of things on the minds of

Saskatchewan people and I'm sure that the Minister of Agriculture will soon inform you and fill you in on the concerns as he hears them put forward this afternoon.

In addition to drought conditions, hail, frost, and snow all over the north, and even the indication that tonight is going to be probably severe frost across our province, people now have to contend with the disastrous GRIP (gross revenue insurance program) legislation which you have so callously forced through the legislature this morning.

Mr. Premier, your hands are not clean on this. You cannot hide behind your ministers and your preoccupation with the constitutional issue. Mr. Premier, the people in Melfort want to know why you have abandoned them. They want to tell you firsthand of the harm you have so recklessly imposed on them at a time when you should be helping them, as you promised over and over again. Will you give them that opportunity?

**Hon. Mr. Romanow:** — Mr. Speaker, one of the problems with this question period is that the member opposite works from a set of assumptions which, with the greatest of respect to him, come from Alice-in-Wonderland. And it's hard to respond based on those assumptions.

The member from Moosomin knows full well that we have been in communication with the Prime Minister's office, Mr. Mazankowski, Mr. McKnight, seeking . . . and in fact there are going to be negotiations I think tomorrow and Wednesday with officials on the question of the third line of defence in the disaster relief program.

I have in front of me a letter that I wrote to the Prime Minister on July 17 indicating that back in 1990 the ministers of Agriculture of which the former premier was one at that time, set out the third line of defence program for "largely unpredictable programs" and indicated the examples of the 1988 drought as a proper third line of defence program.

Now if it was good enough when the leader of the opposition was premier and minister of Agriculture, surely to goodness it must be good enough for the member from Moosomin today.

That's our position. And the minister from Saskatchewan, the Minister of Agriculture, will listen to farmers' concerns, outline to them the proposals which we have advocated. There are the discussions which will be taking place. And let's work on the basis of trying to help the farm families.

It's not my fault nor your fault nor Mr. Mulroney's fault about the weather. What we've got to try to do is to depoliticize this thing and come up with the right solution for family farmers.

And I say to the hon. member opposite — and I'm going to single him out more than almost any of his colleagues over there — it's not in your nature to do what you're trying to do in these question period questions, so please redirect your assumptions.

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

**Mr. Toth:** — Mr. Speaker, I find it interesting that the Premier would talk of meeting with individuals, and I think there was a recent article talked about a meeting in Humboldt with some 20 people. I wonder, was that a staged meeting, Mr. Premier? Was it an open meeting where you really had the chance to talk to people openly and publicly?

Mr. Speaker, the Premier also talked about the agreement last year and the fact that there was a GRIP agreement and there was a third line of defence. They all fell, one by one. However the province of Saskatchewan decided to change the GRIP legislation. Mr. Premier, people need to know how they will survive in light of the fact that you have rammed through a piece of legislation which, Mr. Premier, if you were going to be consultative about, you would have taken to the people.

**Hon. Mr. Romanow:** — Mr. Speaker, again the hon. member's assumption is, I say with the greatest of respect, wrong. Alberta has old GRIP 1991, Mr. Speaker. Alberta has been hit with a huge snowfall, perhaps some might even argue . . .

**An Hon. Member:** — Frost.

**Hon. Mr. Romanow:** — And frost . . . larger in territory and more damaging than thankfully we have been thus far. They have the same problem, Alberta does, under old '91 as we have under new '92. Exactly they do have the same problem. The disaster relief programs, whether it's in Alberta or Saskatchewan or Manitoba, will still be covered off on this position.

The answer is to get a proper gross revenue income plan which is based on a cost of production, point number one. Point number two, get the third line of defence cash payment which was promised, paid. Point number three, get a permanent crop disaster relief program into place, exactly for the kinds of eventualities that the West is facing this particular time. Now surely we can find common ground on that on a non-political basis.

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

**Mr. Toth:** — Mr. Speaker, Mr. Premier, I'm sure that anyone who may be listening would be wondering, what would they really have in the answers you have given. What support are you really going to give? What commitment have you really made to Saskatchewan producers? You talk about Alberta producers. Yes, Mr. Premier, Alberta producers have a better guarantee than the new program is going to offer to the people of Saskatchewan.

Can you tell the province how hijacking the democratic process to achieve your Draconian political agenda is helpful to those that are affected by your bungling in agriculture?

**Hon. Mr. Romanow:** — Thank you, Mr. Speaker. Again, first let's hope that there is no frost, that we all would share that sentiment. I'm sure that that's the case.

But the eventuality . . . let's forget about the eventuality.

Let's deal with the reality of what has faced Alberta and Saskatchewan thus far. And I say to the hon. member that Alberta farmers with '91 will find the program as deficient. The program of GRIP, as originally devised — and I don't mean this in any partisan political sense — is deficient because it's not based on cost of production, among other things. Everybody understands that.

If there was any error — if there was; I admit to none — but if there was any error in us bringing in the changes to '92, it was to the extent that we tried to make a silk purse out of a sow's ear. We are aiming in 1993 to structure a new gross revenue income plan with a new advisory committee, which will work continually toward the cost-of-production formula which has been the basis of the platform upon which we campaigned and the direction which we aim.

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

**Mr. Toth:** — Mr. Speaker, I believe even by that statement the Premier recognizes the damage that this GRIP legislation will do to the individual right of redress in a court of law. You said it publicly, Mr. Premier. Do you not see the irony in working for the enhancement of constitutional rights in Ottawa while you work to strip individual rights in your home province?

Mr. Premier, I ask: do you not see an irony in the fact that you're working for constitutional rights in a charter while at the same time taking away those rights by forcing through this piece of legislation?

**Hon. Mr. Romanow:** — Well no, I'm sorry. I thank the hon. member for asking the question again, but I was engaged in another conversation with other members on another matter.

First of all, this constitutional round does not deal with the Charter of Rights and Freedoms. That, for good or for bad, has been dealt with now 10 years ago, and it's not on the table. So forget that.

Secondly, the legislation which has been introduced and Royal Assent was given this morning on GRIP, in the opinion of the legal officers of the Department of Justice — and I could ask the Minister of Justice to elaborate in subsequent questions if you want — constitutionally support what the government is doing.

Now if you're asking me, will there be, could there be challenges to the constitutionality of the Bill, I don't know. Nothing prohibits a challenge to the Bill. What a court might or might not decide, who knows? Only after a court is asked to deal with the question . . . All that I can tell you is that the opinions that we have, internal and external lengthy opinions by constitutional experts, validate the charter and constitutional features of this legislation.

And I may say this in closing, old GRIP never had a legislative framework, never. We are putting a legislative framework. From a legal point of view, you could argue in the absence of a legislative framework there are 50,000 contracts — in quotation marks; I'm not subscribing to that for the moment — but 50,000 interpretations as to

what rights were, based on information pamphlets. What we're doing is having a logical starting point and logical sets of rules for GRIP '92 and subsequent changes, something which ought to have been done and never was.

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

**Mr. Toth:** — Mr. Speaker, and to the Premier, the Premier has indicated that they have constitutional or legal advice that says their Bill would stand up in court, and conversely we have the same suggestions that this Bill wouldn't stand up in the courts.

Mr. Premier, you have seen to it that Royal Assent has been given to a Bill that should have never seen the light of day. You have muffled any opposition that the members of this side of the House may bring. Mr. Premier, now you are the only thing standing between the thousands of people who will be hurt by this most repulsive legislation. You, sir, have the ability to hold the proclamation of this Act until farmers have had their day in court, which is their right, until today.

Will you stand in your place and do the honourable thing and stop the proclamation of the GRIP Act?

**Hon. Mr. Mitchell:** — Thank you, Mr. Speaker. I think it appropriate for me to speak to the question asked by the hon. member. This question of the constitutionality of the GRIP Bill was addressed during Department of Justice estimates. And at that time I indicated that we have an internal opinion written from the acting director of the constitutional branch within the Department of Justice to the acting deputy minister — that was dated June 8 — in which he canvassed every possible objection to the Bill either on the grounds of whether it was within provincial jurisdiction or whether it offended the charter.

And the opinion went into some detail both as regards section 7, section 8, and section 15 of the charter, and even went beyond that, my friend will recall, to deal with the possible violation of the Human Rights Code in every respect. In every respect and without equivocation, the advice was that the Bill was sound; that it did not offend the charter and that it was within the jurisdiction of the province.

We then solicited an outside opinion from, I think, the leading constitutional lawyer in the province — Bob Richards of MacPherson, Leslie and Tyerman, and he again had no qualms at all about the constitutionality of the Bill or the fact that it did not offend the charter.

Now I'm conscious of the opinion of the Legislative Counsel and Law Clerk and I've considered that opinion very carefully and discussed it with my officials. We are frankly and honestly unable, on the basis of what we understand the law to be, to take this matter to the Court of Appeal. You don't take these things to the Court of Appeal just to relieve political pressure . . .

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

**The Speaker:** — Next question.

**Mr. Toth:** — Thank you, Mr. Speaker. Again to the Premier. Mr. Premier, I appreciate the answer that's been given by the Minister of Justice. But we're asking you this afternoon, Mr. Premier, in light of the fact that this legislation has been introduced and would seem to challenge the rights of individuals, and in light of the fact that you are the leader of this province, you are now solely responsible for the retroactive GRIP legislation being enacted, and I would ask you, Mr. Premier, if you would indeed take the time, if you would listen to the people of the province, if you would listen to the farmers of this province, if you would give them their day in court and if you would give the opportunity for this legislation to be challenged, if you would take the time to withhold your assent to the Bill, Mr. Premier, so that the farmers and the farm community of Saskatchewan can have their due diligence in court.

**Hon. Mr. Romanow:** — Mr. Speaker, the hon. member opposite again will be more aware of what I'm going to say than I am, because he is in the farming business. Farmers have made their decisions weeks ago, months ago — their planting decisions, their economic decisions, their farming decisions — based on the announced policy of the government. For us to say at this stage in the game that we are going to prolong the uncertainty, that we're going to move away from the legislated and legislative base, I don't think is responsible and I don't think it's a credible suggestion, with the greatest of respect to the member from Moosomin.

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

#### **Hunters Trailer & Marine Fire\***

**Mr. Britton:** — Mr. Speaker, thank you. Mr. Speaker, the unfortunate multimillion-dollar fire at Hunters Trailer & Marine has dealt a serious blow to the economy of North Battleford and Battleford and the surrounding area. And while a facility will be rebuilt, the Vanguard manufacturing facility has been placed in receivership jeopardizing hundreds of jobs, Mr. Speaker.

Mr. Speaker, constituents of the Battlefords have told me that they have . . . that while they have a hope of new potential buyers that will keep the facility in the city, their local MLA (Member of the Legislative Assembly), the member from Battlefords, has yet to lift a finger or try to give them any help to ensure that the government opposite facilitates the maintaining of the North Battleford facility.

I would like to ask the member responsible for SEDCO (Saskatchewan Economic Development Corporation), at the risk of taking over the member from Battleford's job, would you commit to this Assembly and to the residents of North Battleford that any subsequent buyer of Hunters manufacturing will remain in that community?

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

**Hon. Mr. Romanow:** — Mr. Speaker, I'm going to answer this question because the member did not know this, or if he did know this, purposefully overlooked this. Either way, I think this is not acceptable.

I toured the Hunter's fire scene personally. And with me was the MLA for The Battlefords. I met with the appropriate company officials, and with me was the MLA for The Battlefords. We have sent officials of the government at all levels to see what can be done, given this very, very unfortunate situation.

So I say to the hon. member, please, please, if we've got a problem — which we do — stick to some basic facts and don't politicize the matter wrongly and inaccurately.

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

**Mr. Britton:** — Thank you, Mr. Minister. Mr. Speaker, for someone like the Premier to get up and talk about politicizing subjects is a bit of laughter, I would say.

Mr. Minister, The Battlefords since 1982 have seen expansion, diversification, and several other good things in their economy. Recently however, the news hasn't been all that good. In addition to Hunters, one of the major car dealerships, Manning Mercury, has announced they're going to close. As well, Motorways appears to be closing their shop.

Now this may come as a surprise to you, sir, the member from North Battleford, I haven't heard him talking about it. I saw the news clip that you were talking about. And I'm officially informing the Minister of Economic Development that all is not well in The Battlefords. And it hasn't been well since you've been in power.

Mr. Minister, will you today . . . surely you can give us the assurance that you will instruct the receiver that priority be given to the arrangement that would keep this facility in North Battleford. Would you give us that commitment?

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

**Hon. Mr. Lingenfelter:** — Mr. Speaker, I just want to take for a moment to outline some of the things we're not going to do. We are not going to instruct the receiver. That may have been the tendency of the previous government, but that is not legitimate. Today in the *Leader-Post* there is a big headline — "THE GIGATEXT HANGOVER" — that refers to one of the major economic scandals in your government and the former SEDCO minister, Rick Swenson, says:

. . . "no recollection" of a gag order and (any) disputes other aspects of (the) Kolody's version of the events.

A major story of a major economic scandal that still goes on to this day to the point where many people are still asking, where did all the money go?

I want to say that in North Battleford the biggest issue in the last nine years has not been Hunters but you remember the High R Doors fiasco of your government. What we've been doing with Hunters for the past two weeks is working very diligently. The president of SEDCO has met with them, the Premier of the province has met with them, the MLA for the area has met, and we're doing the best that we can.

Obviously there's always more that can be done. But I can tell you obviously that playing politics, playing politics with a major fire that has dealt a devastating blow to a community is not the answer to economic development.

So I'd ask members opposite, rather than do that scenario, mislead the members of the Assembly about who has met or who has visited . . . the truth is many members have met, the government has met, and we hope and we really wish that that plant will be up and running and the jobs will be re-created.

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

**Mr. Britton:** — Thank you, Mr. Speaker. Well it seems kind of funny, when you talk about political rhetoric, all he can talk about is GigaText, GigaText. Well GigaText was maybe a mistake but, Mr. Minister, that is not going to help North Battleford.

Mr. Minister, what I'm telling you is North Battleford is in some trouble, and I'm asking you to take notice of that. There's drought, there's frost, there's snow, and now we've got GRIP. You've got taxes, you've got off-loading, you've got user fees, and the list goes on.

Your economic development is abysmal over there, Mr. Minister. And I'm asking you, while the NDP government representation in this area has been non-existent — that's what they're telling me — they're not happy campers in North Battleford.

Mr. Minister, will you endeavour to meet the city . . . will you meet with the town and city officials, the business and community leaders of The Battlefords at your earliest convenience. Will you make that commitment, Mr. Minister?

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

**Hon. Mr. Lingenfelter:** — Mr. Speaker, I want to indicate to the members opposite that the fire that devastated Hunters is unfortunate. And for them to come here and mislead the public by saying that the member from North Battleford hasn't been paying attention, is not legitimate. That simply is not legitimate nor honest.

But I want to say clearly that we are doing everything we can to help get Hunters back on their feet.

**An Hon. Member:** — We don't believe that.

**Hon. Mr. Lingenfelter:** — Well you may not believe it. The member from Arm River hollers from his seat that he doesn't believe it.

I'll tell you quite honestly that we have been on site a number of times with a number of politicians and more importantly, with the staff from SEDCO, working very closely with the Bondar family to get the project back on its feet. And they will tell you that if you go and talk to them.

So I say to you quite honestly what we need from you folks is support, and support for the plant in North

Battleford, not more sleazy politics that we've seen here today.

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

**The Speaker:** — Order, order. I just want to remind the Government House Leader that the word sleazy has been ruled unparliamentary on a number of occasions in this House. And although other Speakers have allowed it, it certainly doesn't help to retain the order in the legislature.

#### **Bail Conditions and Early Release Program**

**Hon. Mr. Mitchell:** — Mr. Speaker, I ask for your attention in order that I could answer a question asked of the government on August 20 concerning the case of a Mr. Hubert Acoose. And the question was whether the prosecution had opposed bail for Mr. Acoose on the charge of armed robbery and possession of a weapon, did the lawyers oppose bail or not.

Mr. Speaker, I can advise the House that in the case of Hubert Acoose, the Crown did appear and did oppose bail. And the senior people in the department have reviewed the way in which the case was handled, and they're satisfied that all appropriate representations were made to the court opposing the granting of bail to that individual.

Similarly in the case of one of the other accused, David Myles Acoose, in that case bail was also opposed very vigorously. And again the matter is being reviewed by senior people in the department, and they're satisfied with the way that Crown counsel handled the matter when it came before the judge.

**The Speaker:** — Although question period has elapsed I will allow one follow-up question on that, and the minister to answer . . . (inaudible interjection) . . . It's been done in the past.

**Mr. Toth:** — Thank you, Mr. Speaker. Mr. Speaker, I just wanted to first of all thank the minister for coming back to the Assembly with a response to the question. However I would also ask the minister if he would take the time to review the process in light of the tragedy that took place last week and certainly for the sake of the family and other people involved, so that we don't have similar circumstances take place.

**Hon. Mr. Mitchell:** — I thank the member for the question, Mr. Speaker. These questions about whether or not people who are charged with offences should be given bail is a very difficult one, very ongoing. It's founded upon the presumption of innocence, and the questions are really whether the accused person is likely to appear in court if they're let out on bail. That's the fundamental question. There are other considerations.

Bail is, as the member will know, a matter that's provided for in the Criminal Code which is a federal matter, and these people were out on bail. But we continue to watch these situations very carefully and continue to discuss them with our federal counterparts, and we will continue to do that.

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

(1430)

## INTRODUCTION OF BILLS

### Bill No. 92 — A Bill to amend The Education Act (No. 2)

**Hon. Mrs. Teichrob:** — Mr. Speaker, I move that A Bill to amend the Education Act (No. 2), be now introduced and read the first time.

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

## GOVERNMENT ORDERS

### SECOND READINGS

#### Bill No. 91 — An Act to amend The Saskatchewan Oil and Gas Corporation Act, 1985

**Hon. Mr. Penner:** — Thank you, Mr. Speaker. It is a pleasure for me to speak today about the amendments of The Saskatchewan Oil and Gas Corporation Act, 1985. This Bill brings to a conclusion discussions that have been carried on with Saskoil during the past few months and sets the stage for a period of further expansion for Saskoil as well as a positive economic benefit for the province.

The oil and gas industry remains one of the most significant components of our economy in Saskatchewan. This government continues to examine ways this sector can contribute more jobs and economic activity. With this Bill and the memorandum of understanding signed Friday, we believe our government is playing an important role in providing not only the environment, but also a program of specific initiatives necessary for the successful economic development of the province.

Saskoil is now the largest oil producer in the province at approximately 38,000 barrels per day or about 17 per cent of the provincial total. It is also the largest gas producer with approximately 146,000 cubic feet per day of operated non-associated production, or this amounts to about 21 per cent of the provincial total.

It is one of the most active companies in terms of drilling activity in virtually all oil and gas producing areas in Saskatchewan. It is very active in horizontal well-drilling programs, having drilled 36 of these wells to date. This relatively recent technology promises to add greatly to Saskatchewan oil and gas reserves.

Saskatchewan accounts for 80 per cent of Saskoil's production and 60 per cent of its natural gas production. Saskoil employed over 500 people in Saskatchewan, paid \$30 million in salaries and benefits and approximately \$44 million in royalties and taxes last year.

Saskoil has been increasing its Saskatchewan and Canadian holdings at a time when many other major oil and gas companies have been reducing their interests. It follows, therefore, that this government is very interested in seeing a successful and growing Saskoil.

Before I talk about the specifics of the Bill, I wish to mention briefly some of the activity that will follow. Based on the memorandum of understanding which is now a companion piece of this legislation, Saskoil has agreed to undertake certain economic development initiatives during the next three or four years as a result of this legislation, which will increase its investment base in Saskatchewan.

These projects include the development of 50 horizontal wells at an estimated cost of \$50 million, creating 175 person-years of employment; the examination of the feasibility of developing a co-generation facility at Saskoil subsidiary, Moose Jaw Asphalt Inc., at an estimated cost of \$30 million and also creating 160 person-years of construction employment; the implementation of an active capital program to maintain production and reserves with a continuing focus on investment in Saskatchewan; continue to develop in an application of horizontal well-drilling technology including the export of this technology; the expansion of Saskatchewan supply base for goods and services in co-operation with the Department of Economic Development to increase Saskatchewan content.

We'll also pursue development of a second office tower in Regina. It will promote and encourage within the oil industry research into unique aspects of Saskatchewan oil and gas reserves.

These initiatives, as well as other forms of co-operation with the government, will help to bring long-term spin-offs to the province. In order for these developments to take place, it is necessary for Saskoil to have the environment in which to continue its growth. I am pleased to report that our government will be able to bring about this activity without any cost to the taxpayers of Saskatchewan, nor will it in any way affect the government's control over Saskatchewan oil and gas resources. The Bill before us today will provide amendments to The Saskatchewan Oil and Gas Corporation Act, 1985 that will facilitate further growth by Saskoil by allowing it to gain greater access to expand equity markets and thereby broadening its investment base. This investment will allow the program of Saskoil to proceed.

The amendments in the Bill provide for the following. It will raise the total number of voting shares that can be held by any one person or a group of associated persons to 10 per cent from 4 per cent of issued outstanding voting shares. In special circumstances involving an acquisition, a merger, or amalgamation, this 10 per cent limit can be exceeded with authority provided by the board of directors. But the person holding the excess shares cannot vote more than 10 per cent of the outstanding voting shares.

Non-residents who were previously unable to hold voting shares can now do so, subject to the maximum of 10 per cent voting shares for any one person or group of associated persons. And the total non-resident holdings will not exceed 35 per cent of issued voting shares. The residence restrictions on the board of directors will be revised to require 50 per cent of the directors to be

residents of Saskatchewan, and otherwise the regulations or restrictions will be consistent with The Saskatchewan Business Corporations Act.

Saskatchewan participation on the board of directors will be strengthened by a change in the mechanism under which the government can appoint members to the board of directors in lieu of voting its shares. In addition to its current right to appoint directors in proportion to its shareholdings in Saskoil, the government will be able to appoint an additional member to the board as long as it holds 20 per cent or less of the issued shares.

The amendments rescind provision in the present legislation which enable the province to guarantee Saskoil's securities and indebtedness. The Saskatchewan government, through Crown Investments Corporation and SaskPower, holds approximately 13 per cent of Saskoil's shares.

With the legislative amendments proposed, the province will see the health and vitality of Saskoil maintained and the greater success of this dynamic oil and gas corporation. Our government looks forward to working with Saskoil in achieving this success.

Mr. Speaker, I move that Bill 91, An Act to amend The Saskatchewan Oil and Gas Corporation Act, 1985 be now read a second time.

**Mr. Britton:** — Thank you, Mr. Speaker. Mr. Speaker, we have taken a quick look at this Bill and we think it's a good Bill. We think it's a good start from the folks on the other side to take a look and try to help the wealth creators do their job of creating wealth.

One of the things that has to be done here, we have to have people out there. And I think that Saskoil has proven, in the short while they've been in existence, that they are certainly capable of producing wealth and I congratulate the minister for whatever work he's done on that.

I also congratulate the members opposite, particularly those I think of Rosemont and Regina Albert North, Saskatoon Broadway, Moose Jaw Palliser — those are folks that we felt were against this kind of privatization.

I was interested to hear you say, sir, that you will allow up to 35 per cent foreign ownership. I believe you're going in the right direction. That should bring in outside dollars which we need in our province.

Ten per cent individual ownership, that's very good I think. Anyone that would like to invest in their own province has a chance of investing up to 10 per cent. We have a lot of things about this Bill that I agree with you, sir. And I'm at this time prepared to let it go to committee, and we'll discuss further parts of the Bill at that time. Thank you, Mr. Speaker.

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

#### COMMITTEE OF FINANCE

#### Consolidated Fund Expenditure Executive Council Vote 10

##### Item 1

**Mr. Toth:** — Mr. Chairman, first of all an observation and a question. And I'm not totally positive or sure on this, but my understanding is, Mr. Chairman, that the members that would accompany the Premier would be members from the department, that EAs (executive assistants) or members directly involved in his office wouldn't be part of the discussion or allowed in the Assembly. And I just want a clarification of that matter.

**Hon. Mr. Romanow:** — Mr. Chairman, if I may just speak to this, there is no executive assistant here. These are all the traditional positions. My colleague, the former premier, had a chief of staff and a deputy minister to the department, and all these other people are all line-function department people.

But in any event, I think I have the right to bring anybody I want to help me, but there are no executive assistants.

(1445)

**The Chair:** — Order. I thank the member from Moosomin for his question and thank the Premier for his comment.

It is my understanding that normal practice in Committee of Finance is that the minister will be assisted by line departmental staff and not personal staff, that is to say, ministerial assistants or executive assistants. It's I guess a question of the Premier as to whether he is satisfied that the staff that's with him today fits into the category of line department staff, and are staff that are necessary to assist him in answering the questions that may be put to the committee.

It's difficult for the Chair to rule whether one official or another is an appropriate one to appear before the committee or not. But I think we must take the word of the minister as to whether or not the staff that he has with him are appropriate staff to be here before the committee, recognizing the practice that has been followed in the committee in previous years.

**Mr. Swenson:** — Mr. Chairman, I'd like to rise on ... I understand the member raised a point of order on this. And you're saying that you're taking the Premier's explanation as a satisfactory explanation on the point of order?

**The Chair:** — The Chair has ruled that ... or has explained the previous practice in the committee, as near as I can ascertain this. And that is that line department staff are invited to accompany the minister, to assist the minister in answering questions that may be put to him by the committee.

It's normally accepted that personal staff, that is to say executive assistants, ministerial assistants, are not invited to appear with the ministers. But it's difficult to determine whether, for the Chair, whether staff that the Premier has with him, what category they fall into.

And in my opinion, it's a question of judgement on the part of the Premier as to whether or not the staff he has with him are necessary for him, to assist him to answer the questions that may be put to him by the committee.

**Mr. Swenson:** — Point of order, Mr. Chairman.

**The Chair:** — What is your point of order?

**Mr. Swenson:** — The past practice of this Assembly, and it has been ruled on previously, is that the appropriate officials are the deputy minister to the Premier, the director of intergovernmental affairs, the director of administration, and so on.

They are all people directly in the bureaucracy of the Premier. They are not political staff. And I think there have been rulings in the past, and I specifically would raise assistants to the previous premier who were questioned in this Chamber, who held the same type of political job as the individual in question. And at that time, they were instructed by the chairman to leave the committee because that had been the practice of this Assembly for a long time.

And if we are going to have political assistants in here, then the opposition has every bit a right to have political people sitting beside them in questioning, passing on whatever information is deemed necessary.

**Hon. Mr. Romanow:** — Mr. Chairman, may I just speak very briefly to the point of order. Look, I say to the hon. member from Thunder Creek, the chief of staff has, amongst other responsibilities, line responsibilities, my itinerary in the itinerary office, he has media services responsibilities, he has the whole correspondence unit responsibilities, he has communications procurement. If you're going to ask me any questions on communications procurement or not, responsibilities, he has the question of House business office responsibilities. These are line functions of which there's just a separate division of duties.

Secondly, under political staff, ministerial assistants, as the member himself should know better than anybody, they're appointed under MA (ministerial assistant) regulations. The chief of staff is not so appointed. He's appointed, as senior personnel are, by order in councils, recognizing the differences.

Surely to goodness we're not going to get hung up on this.

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

**Mr. Swenson:** — I have some further information to the point of order I wish to raise with the Assembly. Or I'll raise a new point of order if you'd like.

**The Chair:** — I'll listen to one more comment from . . . or instead of comments from the member, if he feels that he's got something that he hasn't raised yet, and extend the opportunity to the . . .

**Mr. Swenson:** — I'm specifically, Mr. Chairman, going to ask you to refer to the precedent that was set when John

Weir, chief of staff and principal secretary to the former premier, was asked to withdraw from this Assembly because that position, even though it was an OC (order in council) appointment, was not recognized as being within the official proceedings of this Assembly.

And if that was the position of the New Democratic Party a short time ago, I would think the Premier today would want to uphold that type of ruling.

**The Chair:** — Order. Order. I appreciate the comments that are being raised by the members. I would like to consider the comments that have been raised and come back with a more definitive ruling at a later time.

In the mean time, I note that the Premier in referring to, I believe, his chief of staff has indicated this person has line responsibilities. He mentioned correspondence unit, communications procurement, House business office, and the like. I think we have to accept the word of the Premier that this person does have line functions and that it's necessary for him to be here to assist the Premier in answering the questions that may be put by the committee.

As to the broader question of which officials are appropriate to be here, we'll take that under advisement and come back to the committee at a later time with a ruling.

**Mr. Toth:** — Thank you, Mr. Chairman. Mr. Chairman, a while back a number of global questions were sent to the Premier's office and, as we have done in the past and had an agreement with other ministers, that they would take the time rather than us trying to tie up a significant amount of time in the Assembly on standard questions that normally come before the House, and we've asked the Premier for the global questions.

The Premier has indicated that the questions are here, and we would ask the Premier to send across the global questions. I'm asking right now. I'm just wondering why, or if it wouldn't have been possible, for the questions to have been . . . or the answers to have been submitted even a day or so sooner so we could have had time to peruse them. But, Mr. Premier, we certainly would appreciate taking the time to have them sent over so we can follow up on these global questions.

**Hon. Mr. Romanow:** — Mr. Chairman, I'm pleased to forward the package of information which the hon. member wants, which, I might add, is basically unprecedented — it never did happen during the former years. In fact not only were commitments made to give answers in writing in the former years, these were not forwarded. But I'm very pleased to do this, to the hon. member. And I do say to the hon. member I think this is a good step forward because a lot of the information is there.

Now, with respect to the delay about getting them forwarded to you, this I take full responsibility. I did not get back to Saskatchewan until very late Saturday night and, even at that, I've not had a full opportunity to peruse and check the answers which my officials have set out. In the week or 10 days prior to that time, as the hon. member



knows, I've been otherwise engaged. So I pass a copy here. I do have a copy for the Leader of the Liberal Party, but she's not here. I'll forward it to her in due course.

**Mr. Toth:** — Well thank you, Mr. Premier. Mr. Premier, I just want to also point out for your information and for the sake of maybe your department, and in view of the comment just made about the unprecedented action, just remind the Premier of the fact that back when the estimates first started and the Associate Minister of Finance, as we were dealing with these estimates, we had posed a question at that time asking if it would be appropriate if the ministers would prefer that the opposition take the time to lay out these questions in writing and present them to the minister so that he can more closely peruse and get the proper answers back.

And at that time the minister commended the opposition for taking this route. And that's the reason for the questions being put to the Premier that way, and certainly to other ministers. And we have had certainly co-operation from other ministers regarding the responses to the answers that have been asked of them.

As well, Mr. Premier, we will take some time to quickly go through. And as you've indicated, you haven't had the time to probably to go through all the questions yourself. But we'll have to take some time to peruse the questions and make sure that we feel that the answers have indeed been given to the questions that have been asked.

Mr. Premier, this morning we were . . . or when we started the estimates this morning I had gone into some debate on the question of the GRIP legislation that had just passed this Assembly, had just been given Royal Assent.

Mr. Premier, as well we just in question period were raising the issue with you and your office regarding the fact that as a Premier of this province, you do have the authority and you do have the power to withhold the proclamation of the Act. It may have Royal Assent.

But in light of the questions that we've been posing, Mr. Premier, I'd also like to take a moment just to read into the record a letter to the Leader of the Opposition, August 21, from the Legislative Counsel and Law Clerk, Mr. Robert Cosman. And it says this:

Dear Mr. Devine: I have carefully reviewed the provisions of Bill 87 with respect to the extinguishment of causes of action and the institution or continuation of such actions before the courts, and, in my opinion, these provisions — specifically Clauses 8 (enacting new sections 10.1 and 10.2 of The Agricultural Safety Net Act) and 18 (enacting new sections 13.1 and 13.2 of The Crop Insurance Act) — are contrary to the guaranteed legal rights which Canadians are “not to be deprived thereof except in accordance with the principles of fundamental justice” (s. 7 of the Canadian Charter of Rights and Freedoms) unless such rights are limited “by law as can be demonstrably justified in a free and democratic society” (s. 1 of the Canadian Charter of Rights and Freedoms).

And Mr. Cosman goes on and indicates:

Mine is but a single opinion. Others could be of the opinion that access to the courts is not specifically guaranteed by section 7 of the Charter (although there is a case law to the contrary — *Pearlman v. Manitoba Law Society Judicial Committee* (1991), (and this is the) 84 D.L.R. (4th) 105; (1991) (and in the Supreme Court of) 6 W.W.R. 289 (Supreme Court of Canada). Still others would argue that, although a legal right has been “limited”, it is “demonstrably justified” by the Preamble to the Bill (“Whereas” Clauses), and therefore is allowed by section 1 of the Charter.

All of these positions are reasonable. Which one is the right one is subject to interpretation. I submit that the final authority in making such an interpretation is the Supreme Court of Canada. Access to the Supreme Court is costly and time-consuming (1-2 years, optimistically — and then not “as of right”) when taken on appeal from actions which are not yet before the courts, or are currently at the trial (vs. appeal) level. There exists in Saskatchewan a “Constitutional Questions Act” . . . which may be utilized by the Lieutenant Governor in Council to speedily take the issue “on reference” to the Court of Appeal of Saskatchewan, which, in turn, establishes direct access to the Supreme Court of Canada.

As an element of doubt may exist in the legal community at large (although none exists in my mind), and as this is a matter begging early resolution — being a matter of concern to a significant number of crop insurance contractors as well as the Government of (Canada) . . . — I should think that this issue would be a proper one for such a reference.

Respectfully submitted,

(1500)

Mr. Premier, this afternoon in question period you indicated that, as you had indicated earlier on back in June when the legislation first hit the Assembly, that even though you believed fundamentally in the rights of individuals and even though you believed that the opposition had a right and had a position, a sound position in challenging the GRIP Bill, that you took the position today, as you did then, that the legislation would not change. You would continue to force this legislation through.

And as I've just indicated and I believe you also indicated, and no doubt any legal person we talk to will give us a different answer, but there are many legal minds across Canada, certainly in the province of Saskatchewan, those who would take the government's stand and would suggest that the Bill does not affect individual rights — it's constitutional — but many others who would suggest that it does.

Now I ask you, given your own confession that the law stripped farmers of their rights, and given the legal

opinion of the only legitimate and recognized lawyer of this Legislative Assembly, I ask you if you will agree to withhold proclamation of the GRIP Bill until or after a reference has been made to the Saskatchewan Court of Appeal.

**Hon. Mr. Romanow:** — Mr. Chairman, I thank the member for reading the letter, but I actually have read it myself. And I say with the greatest of respect to the Legislative Counsel, this is not an opinion upon which one can conclude constitutionality or lack of constitutionality of a Bill. Just the way the letter is drafted in that paragraph that you have read the Legislative Counsel says:

Mine is but a single opinion. (I'm quoting directly.) Others could be of the opinion that access . . . is not specifically guaranteed . . .

And then he goes on to describe the contrary argument. So he says, on the one hand and then he says on the other hand. And then he says, of course the only people who can decide in an opinion is the Court of Appeal and ultimately the Supreme Court.

This is not a legal opinion. This is an opinion that says the matter needs to be or should be decided by the Court of Appeal or the Supreme Court. Well I respect Mr. Cosman's point of view, but this is not a way a government operates. A government operates on the basis of legislation that it produces — in its wisdom or lack thereof based on public policy — gets its lawyers to say that it's constitutionally valid, if that's possible. Once it has those assurances, in a legal opinion — not one that says on the one hand but on the other hand — once that opinion is tabled, the Bill is introduced, debated, and enacted.

That's the procedure that we have followed. We think that's the proper procedure, and we think that's the effect of the Cosman letter.

**Mr. Toth:** — Well, Mr. Premier, as I've indicated, yes it doesn't matter who a person would talk to. And when we get to the legal community it would appear that anyone could give us a different answer. And certainly in this Assembly a number of days ago the question was posed about the rights of individuals and the right to appear before the court. And the fact was also shown that the Bill was taking away the ability of any individual to carry an action against the government, against any Crown, or against any minister.

Now if it's in your opinion the right of individuals to be able to proceed to court and to challenge government actions in the court, why would such a clause be brought into a Bill that would take away that right, or at least seem to take away the right of individuals to be able to have their day in court without the government basically erasing their ability to go to court?

**Hon. Mr. Romanow:** — Well, Mr. Chairman, again the answer that I provide to the hon. members is twofold. First of all, as I see it, it is the responsibility of the government of the day to make a policy decision as to what it should enact or not enact in a particular field. In this case we're

talking about income insurance programs for farmers. We have taken that policy decision in order for the legislative framework on the new 1992 GRIP . . . The second responsibility of the government is to determine whether or not, in the preparation of the appropriate legislation, the legislation is done in accordance with constitutional propriety. This is no guarantee that 100 per cent of the time the government's opinions are accurate. There are something like, I think, 5,000 court cases across Canada on charter of rights matters stemming from all kinds of pieces of legislation which have been introduced all over the country. Some succeed and some don't succeed.

All that we can do is take the position as we think is proper, both from a policy point of view and from a constitutional point of view. And having done so, it is then for the rest of the events to unfold as they will in pursuit of the remedies which our democratic society provides.

**Mr. Toth:** — Well, Mr. Chairman, and Mr. Premier, if indeed you are standing for the rights of individuals and if indeed you indicate that the process can proceed . . . and you also indicated that in light of the mandate and in light of the program the government is trying to follow, you felt that imperative that you put forward a clause. And I can only assume it's to get this legislation forward and to try and interfere or withhold the right of individuals to at least proceed to court on the basis of the fact that if any court:

. . . action or proceeding against the Crown or a Crown agent, a court shall not consider any principle of law or in equity that would require adequate, reasonable or any notice with respect to any amendments or changes to a revenue . . . contract to be provided by the corporation to any party to the contract.

It would appear to me, Mr. Premier, that there would be no reason for that portion of the Act or that portion to be in the Act if indeed we feel that the rights of individuals should . . . the individuals should have their right to the due day in court, to challenge, whether it's the government, whether it's an individual, whether it's a corporation. And I believe, Mr. Premier, that is the main question that sits before us today.

I don't believe that back on October 21, 1991, Mr. Premier, that when people went to the polls and they voted for your government, that they expected, as they cast that ballot, that within six to nine months they would have a government that would be using their majority . . . and in order to get through their legislative agenda would use that majority to ram through a controversial Bill such as the GRIP legislation to give overwhelming authority and support to any minister — give them powers beyond what people have been normally used to seeing.

I don't believe that when people cast that ballot that they really believed that this government who talked . . . this government and yourself as Premier, where you talked about being open, honest, consultative, and as you indicated even earlier on, that there's a process continuing regarding GRIP and regarding negotiations for an establishment of a firmer GRIP plan for 1993.

And that's one of the arguments we've presented for a period of time — in fact for the number of days we've been in here, Mr. Premier — is the fact that Saskatchewan made substantive changes when the other provinces made minor changes to firm up their programs, also aware of the fact that there was that ongoing national debate regarding the GRIP program so that there would be a long-term insurance program available to producers if they felt led to where they wanted to get involved in order to protect their farming operations.

However, Mr. Premier, I just can't understand why you would decide . . . if it is appropriate for you to believe in individual rights, why you would write a Bill that would seem to and appear to interfere with the rights of individuals.

**Hon. Mr. Romanow:** — Well, Mr. Chairman, again the member obviously has every right to ask any question he wishes. My answer, however, has to be based on the fact that the answers given by my colleague, the Minister of Agriculture, and the Minister of Justice, have answered that in the course of this lengthy debate with respect to GRIP. I can only repeat again that we have a different interpretation as to the constitutional impact of this Bill and we also believe that there is a need for a legislative framework for it.

Now the member opposite does not accept that argument, will not accept that argument. There's nothing I can do, I suspect, at this late stage to convince him otherwise, other than perhaps to throw out the additional idea that, given the fact the farmers have made their planting decisions already and it's now September around the corner, perhaps the worst of all worlds would be continued uncertainty.

I think this is a framework which is sensible. It's based on a unanimous recommendation of farmers and advisory committee. It reflects, I think, improvements. I would say that we need to make more improvements. That's our rationale. And I can do no better, nor do I intend to get into an interpretation of the law, than to say what I've said. Our officers say it's legal, constitutional. Our policy decisions are predicated on the reasons that we've advanced. And this may be . . . obviously — not maybe — this is obviously one area of many, I suspect, where we agree to disagree.

**Mr. Toth:** — Well, Mr. Premier, as I indicated earlier and certainly we've raised the question in question period, the fact remains, Mr. Premier, that of all people in this province, you and your cabinet, and you in particular as the Premier who the people have put their trust in, still have the ability to withhold proclamation of this Bill. To refuse to withhold proclamation yet indicates a further act of defiance by you and your cabinet.

I believe, Mr. Premier, when you were fighting for the rights, property rights, to have property rights included in the Constitution of Canada in 1982 . . . And this round of negotiations has again prevented property rights from being enshrined. I'm wondering if it's not true that the inclusion of property rights would have made the case of farmers in this situation even stronger than the equality rights that currently exist under the charter.

**Hon. Mr. Romanow:** — The hon. member must know that in the current negotiations, property rights were never on the table. So there was no suggestion by either the Prime Minister or by Mr. Clark or by any other provincial government that property rights should be on the table. It did appear on the Dobbie-Beaudoin, but it never was a part of the negotiations to begin with.

But secondly, may I say that even if it was a part of the negotiations, it must be clearly understood that property rights extended constitutionally to this measure only, namely, that if property, real property, land was expropriated or taken away by a government that appropriate compensation measures would be made therefore. That was the essential extent of the property rights provision. It didn't deal with contractual or intellectual property or personal property notions.

And that is for very good reason: that all governments of all political stripes from time to time, whether it has to do with the highways or power line or a tie line or something of that nature, may run into a dispute with some individual and has then to reconcile the issue of private interest versus public policy. And the idea was to guarantee the common ground by making sure that in the matters of real property there would be adequate compensation in the case of an expropriation nature.

But that wasn't even on the table in this constitutional round. Nobody advocated that. No provincial government advocates that for a whole number of reasons. It just simply gets the courts into areas of social and public policy which, with the greatest of respect, the courts really have no business in being in.

**Mr. Swenson:** — Thank you, Mr. Chairman. Mr. Premier, on June 23, '92 you said:

"I worry about contracts and all of that (this was in the *Star-Phoenix*). I mean, one has certain rights. That's where the merit of the PC walkout is."

Your Minister of Agriculture, Mr. Premier, was quoted on, I believe, it was June 17 a couple of times in the *Leader-Post*, and I'll quote from them:

Agriculture minister Berny Wiens was repeatedly asked whether changes to the '91 GRIP contracts after March 15 deadline would create legal problems, says members of the crop insurance advisory committee.

But Wiens told committee members: "We can get around it somehow."

And in that same article, it said:

Essentially, he (Wiens) didn't seem concerned," said the committee member who asked not to be identified. "He thought we could get around that (legal question). . . He said he would get around it somehow."

Now, Mr. Premier, as a former attorney general of this province and as so charged to be the highest lawyer in the

land, if you will, do you agree with that statement of Mr. Wiens about when questioned about legal problems with the Bill, he said, well we'll get around it somehow? Do you subscribe to that same type of attitude?

**Hon. Mr. Romanow:** — Mr. Chairman, nobody wishes to “get around” rights which are enshrined. I do believe however that the member's quotation is not, with the greatest of respect, as fully complete and as contextual as it ought to be.

As the Minister of Agriculture has pointed out himself, in the negotiations with the federal government on this particular change to 1992 GRIP, there were assurances given all around by the federal government people that if we had the prerequisite number of provinces, other “problems” or hurdles would pose no legal impediment. These were the bases upon which the changes were made. And in that context, one can see a different interpretation of the words made by the minister.

**Mr. Swenson:** — Well, Mr. Premier, I'm sure you can read whatever you want into it here. But the committee that your minister is always quoting, which you quoted yourself today, one of the members — didn't want to be identified for obvious reasons — he said he could get around it somehow.

Now, Mr. Premier, I'm going to pose another question to you. Your Minister of Agriculture, when faced with a legal problem to break contracts, says he'll get around it somehow. So as the legal community says, he is demonstrably justified by 10 or 12 whereas's in the front of the Bill, to get the proper constitutional things lined up so he doesn't have a challenge under the Charter. You may be right there, he might be right; we may be wrong — he's demonstrably justified in what he does.

But I say to you, Mr. Premier, what about all the people out there, the farmers that made contracts with bankers, with credit unions, with their neighbours, based on the contract that they signed last year, the three-year agreement? What do you say to those people, Mr. Premier? Can they demonstrably justify to the banker, to their neighbour, the three-year agreement to rent the land, the three-year lease they took on the piece of machinery, the 178, the mortgage that they signed because they were going to go out and do something based on the fact that their GRIP contract . . . And I'm told by the legal community that any time that one of those contracts is taken to court vis-a-vis 178 or The Exemptions Act of Saskatchewan, they aren't . . . it has been ruled as a contract.

So what do you say, Mr. Premier, to all of those people who you have now broken their contract? They have binding contracts with others that they can't break. Are you saying to them, demonstrably justify to me and I will help you break those contracts that you have signed with your neighbours and with your banker and with your credit union? That I'll help you in that?

Are you going to allow them, Mr. Premier, to do as you have done to them?

**Hon. Mr. Romanow:** — Well, Mr. Chairman, I say this

with the greatest respect to the hon. member opposite, that I don't accept the contextual statement in the context in which the hon. member casts the question. And I also say with the greatest of respect, I furthermore don't accept it on the basis of an anonymous source.

I've given, in my previous answer, the larger contextual statement in which I believe the comment is made upon which the actions are predicated. So since your question is based on an assumption or a set of assumptions from which no responsible premier or government can act, it would be not helpful for me to speculate.

**Mr. Swenson:** — Well beyond the point, Mr. Premier, that the newspaper article said it, I didn't; it said, the committee member who asked not to be identified.

Now, the media don't have to give up committee members' names I don't suppose, and if that's not good enough for you, let's just go to the straight premise here. We have people who signed contracts last year — contracts that when they are put in a court of law, have been demonstrated to be contracts.

Under many different sections of the Bank Act, under our own provincial Exemptions Act, I would say that probably the Farm Land Security Board, the Farm Debt Review Board, mediation services, all of them have dealt with people who signed GRIP contracts, and it has been deemed a contract by a court of law.

Now your minister has taken a great deal of time and effort to weasel his way around that. And I asked you, what do you say to the hundreds and probably thousands of farm families who have gone out and made other commercial arrangements with neighbours, with businesses, with bankers — some for one year, some for two years, some as long as five, that I have met who are locked in, who have no way out.

They can't demonstrably justify with a bunch of whereas's in their contract with the banker on the mortgage they signed, of how they're going to get out of it, because you have cut their guarantee by up to \$30 an acre. And today they might be droughted out, they might be froze out, they might have a lot of reasons for the banker to be breathing down their neck.

Now I'm asking you, Mr. Premier, are you going to give them the same break as you are expecting this onerous piece of legislation to give to your Minister of Agriculture, the same kind of break? Are you going to do that, Mr. Minister?

**Hon. Mr. Romanow:** — Mr. Chairman, I do want to be helpful to the hon. members in answering questions about spending estimates in my department or the responsibility of my department. But I will also say to the hon. member opposite that I think it doesn't further his pursuit of facts or knowledge — or for that matter, my attempt to assist him in this regard — to base answers which are rooted in hypothetical situations, complex and myriad thereof, and with variations of it. I will try to justify the best I can what we've done. You may or may not accept them. I'm not going to get into the realm of speculation.

I do tell you we believe in rights, we believe in squaring as best as possible the circle where individual rights conflict with public policy rights. Your government had to do the same thing, we have to do the same thing. We do all that we can to try to make sure that the public policy is served in a proper and in a fair way. But for me to get into the realm of what I would say is hypothetical questioning simply would be not proper.

**Mr. Swenson:** — Well, Mr. Chairman, I don't accept the Premier's explanation, and I guess we can argue about that. But my experience with the Premier's estimates in this Chamber over the last seven and a half years has been that all aspects of government, all aspects of government are open topics.

Now I know we have a very limited time here today, very limited, but I'm saying to the Premier, his Minister of Agriculture has made, Mr. Chairman, a very, very far-ranging decision. It will affect the lives of hundreds, if not thousands, of people. If the Premier wants the names of Saskatchewan farm families who have signed other contractual arrangements based on 1991's GRIP contract entered into this legislature, I'm sure we can accommodate him in all sorts of facets.

I simply ask the Premier, as a matter of policy: because these individuals cannot break those contracts as a course of law, will he extend the same privilege to them — the protection of this legislature — as he has extended to his Minister of Agriculture by allowing him to enter a Bill into this legislature that in three separate categories exempts the Minister of Agriculture from having to testify in court pertaining to anything to do with the '91 GRIP contract — that no one can take the minister or the government to court in any shape or form to do with the '91 GRIP contract.

I am simply asking the Premier, as a matter of policy, the other people in Saskatchewan that don't have that out, will he extend the same privilege to them or at least commit to this legislature that he will engage in discussions with banks, with credit unions, with anyone who signed contracts with farm families as pertaining to the 1991 GRIP contract, now that contract is gone. It is void. It has been deemed never to have happened, according to the legislation — deemed never to have happened. Now that there is a 1992 that has less remuneration in it than in the case of, as Mr. Furtan said from the U of S (University of Saskatchewan), that in the case of drought or something like that, it is a disaster, will he extend the same rights to those Saskatchewan citizens as he has extended to his Minister of Agriculture?

**Hon. Mr. Romanow:** — Mr. Chairman, I suppose another way of answering the question, as I've tried to a moment ago or so, is to simply say this. We will continue to monitor the situation in agriculture, whether it's changes from '91 to '92 GRIP or the international trades war or any other aspects of this, as I'm sure the hon. member will, both in his personal life and in his public capacity life. And we will respond to what we think is the most appropriate policy initiative in consequence of the monitoring of those situations.

That of course will have to be announced in due course when and if the situation should dictate action. I can't foresee the future. All I can say to the member is what we're dealing with, which is the reality of the Bill. So we'll monitor. But to base it on a speculative nature, I think is not the right way in which to proceed in farm policy.

**Mr. Swenson:** — Mr. Premier, Mr. Chairman, I assure you we can provide names of people who signed contracts. Now I'm simply saying to you it isn't good enough to say, well we might deal with it in the future. You have just passed a Bill in this legislature that has voided all of 1991. It has voided it. Says so in the legislation. There was no contract. Period. It was void. Didn't happen.

Now I'm saying to you, Mr. Premier, there were a lot of people out there who did things in 1991 with other institutions and people besides government, based on something that you have just voided. I want your assurance today as a matter of policy that if people come forward with legitimate concerns, contracts that they entered into because of something you've voided, that you will give it the highest priority, that you will extend to them the same consideration that you have extended to the Minister of Agriculture saying that that minister does not have to appear in a court of law in Saskatchewan to defend his actions in voiding, in voiding 1991's contract. He does not have to appear before a judge and 12 of his peers because of the legislation that you've accorded him. Will you accord other Saskatchewan people the same rights?

(1530)

**Hon. Mr. Romanow:** — Well, Mr. Chairman, I don't want to be unduly provocative or argumentative, but I would invite the hon. member to carefully consider his suggestion from at least another point of view. As I understand the opposition, their position in principle is that the voiding of contracts is wrong. And the member from Thunder Creek now is in effect advocating that we should be voiding more contracts.

I understand, putting his argument in the best light, that he would say that it's as a consequence of the initial Bill which he would object. But I think a question of whether or not in his mind one wrong should be compounded by yet other wrongs, I think that there is a bit of a contradiction in policy. I don't mean to say this by way of inflammatory remarks, but I think that that is an important consideration.

But leaving that aside, the substance of the hon. member's question, as I read it, I will interpret it this way. Will we monitor, will we receive submissions from you and from farm organizations and farm groups, and to take what steps are necessary to assist the farm situation in the province of Saskatchewan? The answer to that is obviously yes.

Governments here, given the crisis that we have in farming, have got to be doing that on an ongoing basis. And the very fact that the Minister of Agriculture from Saskatchewan together with Mr. McKnight are in Melfort meeting with the farmers, listening, is indicative and confirmation of our desire to be of assistance if — a very

big word — if appropriate forms of assistance can be uncovered.

**Mr. Swenson:** — Mr. Chairman, Mr. Premier, the Minister of Agriculture revealed to us in his estimates the other day that under the 1991 GRIP contract that there were three individuals who had sought redress through the courts as pertaining to their '91 contract. When asked if he was going to also void those particular legal actions, he was somewhat evasive.

I find it strange, Mr. Premier, that the minister wouldn't be more definitive. I mean under the '91 contract obviously farmers had the right to take the government to court, that that legal guarantee was in there. In '92 that guarantee has been extinguished.

I think, Mr. Minister, Mr. Premier, it would be appropriate that the three individuals, as identified by the Minister of Agriculture, who sued under '91, who have sought redress through Queen's Bench, should have the right to continue on those actions. And I'm wondering, Mr. Premier, if you would give us some indication today about whether you support that or don't.

**Hon. Mr. Romanow:** — Mr. Chairman, again I repeat I want to be helpful to what I think is a tough and important series of questions. But I also want to say that I would want to take full legal advice before making any commitments — for obvious reasons.

I would say — I'll stop on that point — I would say parenthetically that what we had in the '91 situation in effect were 50,000 or whatever the numbers were of "arrangements" or "contracts" — I'm putting these words in quotation marks — without admitting them to be the case. There was no legislative underpinnings here, and therefore the consequence is a lot of interpretation, individual interpretations, in cases of disputes. This is very difficult, not only for the "contractee" but the "contractors" — again in quotation marks.

The '92 legislation not only reflects the unanimous — in the essence of the Bill in any event — recommendations to the advisory farm group, it puts the legislative framework and also puts a logical starting point for the ground rules for judicial interpretation or judicial action if individual members should . . . or people should decide to take it.

I think that that is a desirable step forward as a matter of public policy. I know that the opposition does not share that view. I also say that the fact that we have progressed so far down the line in a crop year — let's hope that we can get this crop off; that of course is the wish of all Saskatchewan people — we can take assessment of the situation, the whole situation, in family farm and agricultural matters at the appropriate time.

The Minister of Agriculture, Mr. McKnight, is in Melfort. Let us play all of this out and see how it develops.

**Mr. Toth:** — Well, Mr. Premier, as we were in this House debating the agricultural estimates, and certainly the last two, three days specifically on the GRIP question and a number of questions were placed to the Minister of

Agriculture and there was no doubt that the Minister of Agriculture was being more political rather than . . . and vague in his comments, rather than being up front.

And the appearance appeared to me, Mr. Premier, and I'm sure to my colleagues, that the bottom line of the '92 GRIP program was based solely on the Finance minister's observation that the fact that he had inflated his deficit for the 1991 year, that he was looking for a way to get around and drop the 1992 deficit and bring it in line with what you and your party had proposed and talked about the fact that you would be trying to address the deficit situation. We all agree that it's something we must work at.

But what we're suggesting and what we're asking of you, Mr. Premier, is the fact that why should the deficit of this province be put on the shoulders of individuals who have been struggling for the last period of, number of, years, under circumstances beyond their control, prices of a product that they have no control over, weather elements that they had no control over?

And the 1991 program . . . As one producer indicated, his bottom line was he knew when he went and talked to the crop insurance agent that on his particular farm for each crop that he was growing, whether it was \$90 an acre, that was the bottom line, if he fell below that it would kick in, there would be a pay-out, or it was 110, or it was 140, depending on the crop and the price and his individual yield. Whereas the '92 program dropped that bottom line.

In fact a producer doesn't really know where the bottom line is because . . . The Minister of Agriculture was trying to tell us he could tell you today, but I don't know if the Minister of Agriculture has that good a crystal ball that he could tell us what the price of grain is going to be come July 31, 1993, so that indeed he could tell a producer today what his bottom line is even though it may be 30 or \$40 less than what the 1991 program produced.

And certainly, Mr. Premier, with the 1991 program, the fact is that even with the crop that we're looking at . . . and God forbid that we should have a severe frost tonight as a number of people have already been affected by frost, but if there is a substantial reduction, that 1991 program and the difference is going to play a very significant factor in the economic activity across this province, not just for farmers trying to stay afloat or for farmers having difficulty in their operations, but for individuals in rural Saskatchewan. And what's been happening, Mr. Premier, is it just seems to be and appears to be an all-out attack against rural Saskatchewan for the way they've voted over the last number of years.

And I find as I quote . . . or I believe in the leaders' debate you were quoted as saying the premium rates and GRIP rates are high. The premium rates are unacceptable and I've been getting all kinds of notices by farmers where the premiums indicated higher than the cash advance.

And what we're seeing, Mr. Premier, is the fact that yes, most people are now looking at their GRIP '92 and they may have been complaining about premiums before, but certainly they're complaining about premiums today — they're much higher and the guarantee is much less.

And as we found over the last three, four, five, well even six . . . three months the Minister of Agriculture hasn't been willing to even look at the program and address the inconsistencies in the program.

And therefore, Mr. Premier, we're asking . . . As the Premier of this province, as the sole individual responsible, as the leading minister in this province, you've given . . . at least prior to the election, you gave an assurance that you would certainly work for all Saskatchewan residents; you would try to strengthen our Saskatchewan base, our rural communities, and our economy. Mr. Premier, what we see and what we have to ask, is where is that support today?

**Hon. Mr. Romanow:** — Well, Mr. Chairman, again I wish to say that the premise of the question I cannot accept. The premise of the question is that somehow any government would attack a particular sector or segment of Saskatchewan people. I mean that's not a correct premise about any political party.

And it's not even logical — I say this with the greatest of respect to the hon. member — because having won as many seats as we have in rural Saskatchewan, if anything, our motivation would be to make sure that we kept that political base, let alone doing what's right for the farmers. I mean, that's exactly what it's all about. Point number one.

Point number two, as you know, we took the same advisory committee which implemented the original '91 GRIP. And in taking that advisory committee, took their recommended changes. And essentially they had a number of concerns, but they had two or three.

They wanted the program changed so that decisions would be based on market-oriented decisions. The administration — you remember all the arguments about the bin police and the like, I don't want to get into that — they believed that that was very important. And we also campaigned on the larger perspective, namely, the larger perspective being the matter of getting the plan into a cost-of-production basis down the road, which we're still working for.

You say, what happens if there is a frost? I say the answer here is third line of defence. The way I read the third line of defence program and that 1990 ministers of agricultures' document, which the Leader of the Opposition is a signatory, this is a classic call for assistance in case of whether it's drought or frost or wheat midge or whatever. It's a crop disaster. It's third line. That's exactly what the words are. I've written to the Prime Minister to that effect. And this is where we should be stressing our efforts.

May I say one final word with respect to the deficit. I will not get on to the business of deficit creation, but at the end of the day the deficit is us — all of us. It's small-business people; it's working people; it's farming people. That's the deficit we carry. And we carry an agriculture situation which sees our share of farm programs rise since '88, of this kind of nature, from zero per cent to 41 per cent total costs, and the federal government's fall from 100 per cent

to 59 per cent.

Now you couple that with all of the other financial difficulties that we have. Of course all government programs are considered in that light. But the motivation here was not on any deficit. The motivation was based on the motivation stemming from the campaign and on the advisory committee's reports.

**Mr. Toth:** — Well, Mr. Premier, you talked about the fact that your committee recommended that there be substantive changes, and no doubt. And we're aware of the fact that the committee that was appointed, and a number of the members that compose that committee, were appointed prior to October. And then the Minister of Agriculture . . . and I guess we must commend you for at least allowing some of the members to continue to serve, but a few more members were added to the committee.

And I would also like to inform you that SARM (Saskatchewan Association of Rural Municipalities), through their representative, sent a letter to the minister because they were very aware of the problems that we would be facing today, and that was back, back I believe in February. And they indicated to the Minister of Agriculture at that time that the government should not proceed with substantive changes to the program because it would create a real problem in rural Saskatchewan in being able to understand the program.

And in light of the fact that the federal government is going to be . . . and the province, I believe all the provinces will be sitting down and I trust they're even sitting down now, so that when revisions are made to the program come the spring of 1993, those revisions are actually made and solidified by the first of the year so that Crop Insurance then has the appropriate time to inform producers and get some producer input prior to the period of time when producer . . . I believe it's the end of . . . or March 15 or April 30 — so that producers have the information well in advance and can make the appropriate decisions.

Also, Mr. Premier, you talked about the fact that we had bin police. And talked about with the new program you won't need bin police. I just want to inform you, sir, that a week ago I had an individual call and asked if he could come and measure my bins. Well I don't know if that's bin police or what it is. And I don't mind that, Mr. Premier. I think there are many people out there . . . especially in light of the fact that last year we had a fairly decent crop in our area and some producers are going to have a carry-over, at least some carry-over, of last year's production. And any time there's a carry-over, it can create a problem when you get into the new crop year. And most producers aren't in a situation where they can have the type of bin storage that they can put all their last year's storage in one bin and not have half a bin of grain sitting there that they don't want to dump some new grain on in case it distorts their figures. So I don't have a problem with that, but I think, Mr. Premier, rather than just accusing the former government of having individuals running around to measure bins, I think that is part of insurance program, having individuals . . .

(1545)

I think most farmers welcome people who come around to measure their bins to verify their production so that there aren't any questions by the corporation or by anyone regarding whether or not an individual has been open and honest with the Crop Insurance Corporation.

So I would strongly ascertain, sir, that there are many individuals today who just feel that the concerns they raised went on deaf ears, that they weren't being heard. And I sincerely believe that even this afternoon the Minister of Agriculture, no doubt the federal minister, will have a lot of people telling them that they weren't listening very closely. And certainly any time elected representatives come out with suggestions and decide to change programs or come out with programs, we're up for a challenge. We'll face a challenge at all times; there's no doubt about that. We're not going to be able to . . . I don't think you can design the perfect program. And I can't. I haven't got the ability to design the perfect program.

But at the stage in which this program was brought forward, I sincerely believe that if the government even would have taken the one suggestion and given producers the ability to choose either a '91 or '92, that we wouldn't be sitting here continually debating the GRIP question.

The third thing, Mr. Premier, is this idea of looking to the federal government for the third line of defence. Now we're aware of the fact that there was a process in place. And the Government of Canada said if we follow the process with the overall, broad-based support program, or GRIP, then a third line of defence, if needed, would be available. But they put it in there so that it was there in a case of an emergency.

But I would also suggest we can argue in Saskatchewan that it's the federal government's responsibility because as a government in Saskatchewan we don't want to put ourselves deeper in debt or we don't want to take the responsibility of protecting the people that we serve. And yet at the same time whenever the federal government comes up with a payment, the federal government has . . . their money tree is just as bare as the province of Saskatchewan. And when they add to their deficit, it's an added deficit that falls on the shoulders of people in Saskatchewan as well.

So I don't think it fair, Mr. Premier, to always look at the federal government and always putting the responsibility at their feet. Because I believe when you look at it, the 1991 program with its flaws still gave a pretty sound and reasonable insurance program that producers could carry; that in a lot of cases, would have eliminated even the need for a revenue insurance program . . . or for a third line of defence because they were guaranteeing a revenue portion as well as the crop insurance component.

I wonder if the Premier would respond.

**Hon. Mr. Romanow:** — Well, Mr. Chairman, my response is as follows, that I think some of the suggestions made by the hon. member are well taken. I think the need

to have timeliness in any agricultural program, or particularly, changes to agriculture program is beyond refutation. You cannot refute that. That's exactly what should take place.

And we're hoping that this fall, early this fall, learning from the situation as it evolves and getting the advice of the community at large, that there will be timely proposals being advanced. And we also hope to work with the federal government in having a successful resolution to our differences.

I would simply say, in defence, that the old advisory committee, if I may put it that way, was the same one that the former premier, the Leader of the Opposition, had. There were just some new . . . very few additions, who, by the way, dissented saying that we should've gone more in the direction of the '92 GRIP changes. And they had over 300 written and oral submissions from November to February. All of them, all of these submissions were geared toward changes in the way in which the unanimous report submitted it.

Finally, on the question of whose responsibility is it to fund, I repeat again, we have a major problem in the province of Saskatchewan and there is a question of availability of cash for us. I mean we are under criticism from you people if we increase taxes. We're under criticism from you people if we cut back on programs. We're under criticism from the banking institutions by virtue of the large debt which we've inherited and how to manage it.

The fact of the matter is that the farmers of this country produce food for all of Canada and the treasury should come from all of Canada. The federal government has a AAA rating. It has sources of tax revenues that I do not have . . . we do not have. We provide inexpensive food — some call it cheap food — for the people in Montreal and Toronto.

They should be assisting us as we assist them in providing, through production, the high-quality farm produce that we do. I think the responsibility is primarily one of the federal government's.

And may I add in closing, this was the unanimous conclusion, including the Prime Minister's conclusion, in March of 1992 when the Prime Minister and all the premiers met to talk about the economy. That was the unanimous conclusion.

So I don't see how it could be suggested, with the greatest of respect, by a politician in Saskatchewan, given our fiscal position, that when every other premier and even the Prime Minister concurs that the principle should be as I've said, why it should be the position of the official opposition that somehow we should ignore that and find money in this jurisdiction, given the strait-jacket in which we have been placed.

**Mr. Muirhead:** — Thank you, Mr. Chairman. Mr. Premier, in question period today there was a lot of heckling going back and forth and what not, and I know you felt maybe a little insulted by me when I was hollering at the member from Quill Lakes about we only get two



hours. And I do understand that you've been a busy man, and I just want to say that to you. And if you thought that I meant that you should have been here, there's no way did I mean that, Mr. Premier.

It's just that we were told that maybe we're only going to get the rest of the day if we're happen . . . they're going to be closing this House down. And I understand that. Just so we know how to kind of go about our questions here, Mr. Premier, are you going to be available after 5 o'clock, or will you be here tonight for estimates from 7 to 11? Or are we through at 5 o'clock with you, Mr. Premier?

**Hon. Mr. Romanow:** — I believe the House Leader would be in best position to answer that, but the belief that I have is that we'd be prepared to stop the clock at 5:30 or 6, keeping in mind that most of the premiers, many of them, especially from this part of the world, are leaving tomorrow for P.E.I. (Prince Edward Island). I have commitments, as it so turns out, in Saskatoon. But that's another issue.

So I'm hoping to be as expeditious and as non-political in my answers as I can be and to give you people as much time as you can in getting the questions done.

**Mr. Muirhead:** — It's not possible for you to come back for a few hours tonight? Is that what you're saying? Even not till 11 — even 7 till 10? Is that possible? Because that was kind of left open, Mr. Chairman, Mr. Premier, to us. If it's impossible, it's impossible. I understand that.

And we hadn't . . . I see on the agenda where it said your estimates from 2:45 to 6 o'clock. Well with a lot of our members out to Melfort it's going to be kind of tough for us to have a . . . we got to have a little supper hour. And that's all right if we knew you were going to be back for a while tonight. If not, we'll have to do the best we can. And if the House is still open when you get back, that's all we can do about it. We can't do anything about it.

Anyway, Mr. Chairman, Mr. Premier, I understand, and I give the Premier full credit that he's doing as good as he can do under the heavy agenda that he's got; I understand that. But I also want you to understand that we do believe, on this side of the House, that your government has run amok while you've been gone. Maybe that's not really a good word to say. To me it's been a sham. We haven't been able to get answers. We've had more direct answers without political rhetoric from you, than we've had most of your ministers through estimates so far.

We started out back in estimates, Mr. Premier . . . I've had . . . two of my estimates were with the member from Churchill Downs. And we weren't getting any place for a couple of days, and then finally we were the ones between us, drew up this here pre-questions that we could send to the ministers. And actually it has helped a lot.

When I deal with the Minister of Social Services, and three weeks in advance I had all the answers; so we could peruse through them, Mr. Premier, to see if these were answered right, and then we could ask a few questions on the answers.

Now I see these questions and answers that came from you today; and I understand that naturally you as head of Executive Council would naturally want to go through and that's why there'll be a delay on your questioning again. And I fully understand that. But I see on the questions that we asked you to provide, there's questions 1 and 2; and under the column of 2, there's (a) to (k) and there was just . . . we didn't get any of those answers. I was wondering why we didn't get answers from (a) to (k) under that paper.

**Hon. Mr. Romanow:** — I'll have to get the member to identify more precisely what questions he's referring to. You're talking about 1(a), 1(b), 1(c), 1(d)? Are those the questions that the hon. member is talking about?

**Mr. Muirhead:** — While I go on to some other questions, Mr. Chairman, Mr. Premier, I'll just send over this list here. I'll send it over. It's the only copy I have, but you can look at it and I'll ask you some other questions while you're . . . so for a time here we can move on to something else; and then you can come back with that. Just to help with time. They can go through that and they'll see for themselves.

Mr. Premier, you can understand why we're a little disappointed in the actions of the government. Mr. Chairman, Mr. Premier, you can understand why we're a little disappointed. This has been 9 to 10 months since election time, and we feel that the election promises that you made out there, that . . . and we know that every premier tries to do what they can, the best they can to live up to election promises. But we do feel that, Mr. Premier, you've fallen a way short on the promises you made.

Now there's one promise that you made out there that I do believe that your ministers are trying to keep, and that's a balanced budget. I think people want a balanced budget. But it's on whose backs is this budget going to be balanced? Because you also said and you . . . I have a list of quotes that you said right here. I've got a list of quotes that you said, Mr. Premier, at the premiers' debate, and these are direct quotes from you.

And you've said that you want a balanced budget. You said, speaking throughout the province, that there would be no increased taxes and all the different things you would do. And since the election we've had an increase every place you can think of — in the Department of Health we've had tax increases; you said the 7 per cent PST (provincial sales tax) tax would be gone, but we got an 8 per cent E&H (education and health) tax.

That's kind of playing games with the people out there, at least I feel, Mr. Premier. I know you're not . . . you're going to come back . . . But I want you to explain that in your words, not your ministers with all their rhetoric, because you may have a logical reason for that. And I want it on the record, what you say, Mr. Premier, why the 7 per cent PST is gone and then we have an 8 per cent E&H tax now. We had a 1 per cent increase totally in the end. But the people felt out there that it was going to be gone.

Now I don't say that you yourself misrepresented the people, but I feel that the party did because it was

definitely in my riding that it was going to be gone. I'd just like your response on that, Mr. Premier.

**Hon. Mr. Romanow:** — Well, Mr. Chairman, the question's a fair enough question. Harmonization, as the hon. member knows, being a member of the former government, meant that the GST at 7 per cent and its tax base, represented by my hand here, would have to be overlapped with the 7 per cent provincial sales tax in its totality, equalling 14 per cent.

There was no way that we could overlap a portion but say exclude under the provincial jurisdiction some elements in the interests of the province — books, restaurant meals, children's clothing; one could go on. That's one of the failings of the GST. You have to either be lock-stepped right into the federal plan . . . which, by the way, could be expanded, the tax base or even the rate. The federal government could increase the rate from 7 to 8 to 9, which has been the history, which would be beyond then the capacity of this legislature to do anything about.

(1600)

And we looked at that and we said that the new taxation areas, the fields of taxation, were going to harm the economy. And so rather than to harmonize it, we said no harmonization. Keep the provincial sales tax the way it is and keep the engines of the economy, such as they are, going for as long as they can go. And that is what we represented when we said the no harmonization of the PST, that was our line.

**Mr. Muirhead:** — Mr. Chairman, Mr. Premier. I don't intend to get into a long debate on you on GST (goods and services tax) and harmonization. But all I know is what the people know out there. The GST put a 7 per cent increase. But we also know that it wasn't the government that done the gouging to the people on the GST. GST had a manufacturing tax; there always was a hidden tax there of 12 to 13 to 18 per cent.

And I've talked to many, many manufacturers and companies and what not and that 12 to 18 per cent did lower. It went right down. It came off, and then there was a 7 per cent GST come on. But what happened just in while that was happening, the increases . . . Because we run a shop on our farm where we buy wholesale from many companies. And, Mr. Premier, just so we have it straight, who really gouged the people was almost every company in North America that was selling to Canada, they started increasing their costs. So it didn't . . . was no saving to the individuals in the province of Saskatchewan because they were paying the GST. They had it lowered 12 to 18 per cent; then it went right back up the same amount.

But the thing is, in Saskatchewan right now as far as the people are concerned, they were paying before. They were paying 7 per cent GST, 7 per cent PST. Now tell me, Mr. Premier, what exactly are they paying now? What is the exact tax, between GST and E&H that the people are paying now?

**Hon. Mr. Romanow:** — Well I mean the hon. member clearly knows what those tax rates are. I'm not trying to

provoke him or be offensive, but that's common knowledge.

I want to make one point in response to the first part of his question which I think is important and it's a matter of, I think, direction as well. The harmonization of the GST and the PST had what I call the kickback provision for manufacturing and the like which was liked by some manufacturing groups. The problem was and is, in my judgement, that it's a very blunt taxation instrument. Everybody gets this return back for the provincial inputs.

We think a better way for rebating the cost of doing business provincially through provincial tax, would be through selected programs of assistance. For example, the changes that we announced in the budget the Minister of Finance tabled here, which is a subject for debate, provides for a form of assistance which permitted, in the case of IPSCO just a few days ago, the announcement of their expansion, one of their major expansions.

This was a targeted approach. We think that is what is required here — not a shotgun approach but a targeted approach. And once we get the constitution behind us, I'd like to see us as Canadians looking at a more sensitive and more fair taxation policy which not only is based on ability to pay — those who have the money should pay — but is also based on things like stimulation of the creation of wealth. I think that is one of the failings of the harmonization proposal.

**Mr. Muirhead:** — Mr. Chairman, and Mr. Premier, that piece of paper I sent over, are you through with it now? Because that was our . . . some of our notes was on that. I just give it to you to look at and we did want it . . . Whenever you're . . . just whenever you're through looking at it and have some answers on it. We just need it back but there's no hurry. Maybe you have some reasons you can respond on that now.

**Hon. Mr. Romanow:** — I have it here. If I don't . . . it's got some extra markings on it — no secret government plans revealed — but they're just by our officials here.

I'm advised that the answer given in part 2, namely the one that you're concerned about, quote, the information requested in (a) through (k) cannot be provided as requested due to the privacy provisions, is the same answer which we've provided in similar questions, I'm advised — for example, in the Department of Social Services estimates — based on Justice opinions pertaining to legal implications surrounding the various matters of dismissals, etc.

We have attached names, none the less, to give you the first part of the answer, which has been a consistent approach there. So it is a question of the legal advice which we give by the Minister of Justice.

I'll ask the page to return the question. And make sure there's no secret government plan here.

**Mr. Muirhead:** — Mr. Chairman, and Mr. Premier, the only thing is that we just didn't get the answers from the Executive Council because all . . . on those from (a) to (k) we didn't get those answers in all the departments we

have. So if all of the departments can answer those, we do want those. I'm asking you if you'll supply all those from (a) to (k).

**Hon. Mr. Romanow:** — Well, Mr. Chairman, I will undertake as an undertaking — I'll ask the officials to make a note of this — if it can be done, we will do this and provide it to you in writing in the next few days or after the House arises.

But I am also advised by the officials, who could be in error, that the answer here has been consistent in other departments. I don't know if that's the case or not. I can check into it and provide the written answer in due course.

**Mr. Swenson:** — Mr. Chairman, just on that point to the Premier. There is a question of (f) here where it deals with the employment qualifications including education and most recent incumbent. The deputy minister of . . . or the Associate Minister of Finance pointed out to us in his estimates that it might be inappropriate because if a person had a criminal record or some such thing and that would be indicated in there, and it would be inappropriate for this legislature to discuss something like that. And therefore on (f) we agree that your legal counsel is probably correct because we wouldn't want to infringe. The associate minister pointed that out to us, we agree. But in all of these other ones, your other ministers have provided the information.

**Hon. Mr. Romanow:** — Well I will undertake to the hon. member to ask publicly — as I'm doing here again — my law officers, our officers and our officials, to see why it is that we cannot comply with your request. I'm sorry I do not have a better answer for you today because I'm advised that that is the answer occasioned by all the departments for the legal reasons stated. But I will ask them to review it and to see if they can provide it to you in writing. And if not, we'll give you a communication as to why not.

**Mr. Muirhead:** — Yes, Mr. Premier, we'll accept that.

I want to ask you, I've got a series of a few GRIP questions, concerning GRIP, that I asked your minister over and over again that I couldn't get answers for. And they're questions that I think that you can answer because they're nothing that's talking about the actual GRIP for '91 or '92; it's just about other things.

But first I want to ask you why, Mr. Premier, since the election, why did you — as far as I'm concerned — break an election promise. And you've put increases to SaskPower, SaskTel, energy, personal income tax, and extra costs in Department of Health — all things that you said at election time you wouldn't do. I'd like to have on all those increases . . . You know them all, Mr. Premier, and to save time, there's no sense asking them all individually. There's a whole bunch of things that's happened there. I'd like to know why you as the Premier of the province, why you did do all those things.

**Hon. Mr. Romanow:** — Well, Mr. Chairman, we have discussed this before, and I will again in the interests of time and also because I don't think it helps much in an

exchange for information, but just simply allow me, hon. member from Arm River, you and I have been in this House for a little bit of time and I have to get one of my little licks back in again.

I could go down the election promises of 1982: remove the sales tax on gasoline, cut provincial income tax by 10 per cent, and so forth and so forth, putting an immediate freeze on utility rates. And a lot of these have not come about. But as I say, it's not productive, so just forget it. Don't be provoked by it. I put that water under the bridge.

But I do want to say this in the more substantive approach. This was our campaign platform. We called it, "Let's do it . . . *The Saskatchewan Way*", and if I have an extra copy I'd be pleased to send it over to the member. Our promises were as follows: First Things First — open up the books, comprehensive review, etc. New Directions, New Priorities — jobs, fair taxes, and wealth creation.

Our next promise was a better quality of life.

Our next promise was fighting for agriculture and rural communities, third line of defence, negotiate improvements to GRIP and NISA (net income stabilization account). We might not have — in your judgement. In our judgement, we are moving in this regard. Work with farm programs to redesign debt restructuring . . . Actually if you take a look at this platform card, much of what we've promised has already been accomplished in our first term. We may disagree philosophically and practically as to the consequences of it.

Now that was our card. And the open-the-books thing was very important because we wanted to know upon what facts we could or couldn't make our budgetary decisions, whether it would be Crown corporations or on our taxes.

And that is our promise. And I don't think we misled anybody in this regard. That is the platform card. That is what was around in every committee campaign rooms.

Now again I don't want to say this in a provocative way, but we know that when we opened up the books, this was the budgetary situation. And now we had to make choices. And if the fundamental choice was to work to balance the budget, you know we did a marvellous thing here. I know it's in this context only — I'm only speaking about balancing the budget, member of Arm River — again I don't say this argumentatively, but I think your researchers will confirm this. Over the last previous nine years the average percentage increase in expenditures, on average, was 6 per cent. This year we made it minus 3 per cent. That's a turnaround of 9 per cent.

If we did not have the interest charges on the public debt to contend with — \$750 million, third-highest yearly expenditure — we would have had a surplus on our budget this year of \$220 million.

Now we have to take that kind of action because the arithmetic of the size of the debt will work against us through the magic of compound interest. We may never get out of this debt unless we turn this ship around.

Well we found that out when we did the first things first — open up the books. And that's the basis.

So I don't agree with you that we "broke promises". I say that we have maintained our promises.

**Mr. Muirhead:** — Mr. Chairman, Mr. Premier, yes I would appreciate a copy of that. You must have lots of those. So if that was a public document, we'd like to have one.

Yes, I don't agree with you that you lived up to all those promises on there. In fact I couldn't hear any of them that I think that you did. It doesn't work together with what you said in the premiers' debate, Mr. Premier. I mean here's your quote right here: we'll ease the tax burden. We'll ease it.

Now that's a straight, broken promise because what's happened? The taxes have increased — personal income tax has gone up, taxes on essential services has gone up. You've just raised every place you could. I mean it costs more.

The next statement: a concerned war on poverty. When everybody's got an increase, Mr. Premier, everybody in this province has got an increase some place, that doesn't ease poverty, does it? You'll just never ever be able to convince the people of Saskatchewan, convince me — and I know you'll get up and try, Mr. Premier, but you can't — when you said here at the premiers' debate: we will ease the burden for ordinary families and kick-start our economy. Well you went the opposite. You made the burden harder. The debt was 3.2 billion, you said it here for the Crown corp; now it's 14.2 billion.

We'll never put politics before people. And if you think it's not putting politics before people when we're playing this here game in the GRIP we're playing here . . . because, Mr. Premier, that has been the worst game I've ever seen since I've been a politician for 15 years. Your ministers or your Minister of Agriculture has made a blunder on this GRIP Bill. I've had some of your members opposite tell me that yes, we've made a blunder. Now either he made a blunder or else he's a sacrificial lamb, that maybe the orders came from you or the Minister of Finance that we cannot afford this expensive GRIP, 1991 GRIP. I think that maybe you've even said it yourself, that it was an expensive program. I know the Minister of Finance said it's too expensive; it's too rich. Well that's cutting back.

That's not saying that the promise you made at election time that we're going to improve the GRIP Bill . . . There's not one farmer in Saskatchewan that will say we didn't want the GRIP Bill improved. If you improved '92 over '91, they'll want to improve '93 over '92. Everybody wants it improved. I wanted to see the 1991 GRIP Bill, but I don't believe yourself, Mr. Premier, that you really understand what the 1991 GRIP was designed for.

(1615)

It's because of the GATT (General Agreement on Tariffs and Trade) agreements and the guaranteed price of grain

through Europe and the United States, that we decided in Canada, the Canadians decided . . . there's a lot of people, including people in Department of Agriculture, in your Department of Agriculture now that are still the same people that put the '91 GRIP together and the '92 GRIP together. There was a lot of smart people worked on that '91 GRIP. And it was to make a guaranteed income.

Now maybe Saskatchewan can say we can't afford that guaranteed income. But, Mr. Premier, I had a debate here for — I spoke 13 hours totally on this GRIP in this House, one way and another, in all different, in first, second readings, Committee of the Whole, and on the closure debates — 13 hours pertaining to GRIP. And all we get out of the Minister of Agriculture is that the people . . . we promised them improvement on GRIP.

Well all that the '92 . . . I wonder if you understand, Mr. Premier, that the '92 GRIP is nothing else but a gamble on the price of grain. I wonder if you understand that. They took the old crop insurance back the way it was. Okay. And the crop insurance is the same as before. They tried to say, your ministers tried to say that oh, it's got 80 per cent coverage now. Well it always had, for years had 80 per cent coverage. It started out with the choice of 60 to 70 per cent coverage, and then it moved down to 50, up to 80. You got that choice, so that's fine.

But don't go out and fool the people that '92 GRIP is nothing but the price of grain . . . based on the price of grain. If the price of grain goes over \$4 a bushel, there is not going to be a dollar for the Saskatchewan farmer. It's nothing to do with helping anybody whatsoever if they get a poor crop. You designed your program so if there's a good crop, the farmers will get a good crop plus the payment on GRIP if the price of wheat's below \$4. But if there's no crop, he'll get his GRIP payment the same thing. He'll get the same money whether there's zero bushels to the acre or whether he gets 50 bushels to the acre.

You don't have to be a farmer, Mr. Premier, to understand that. On the GRIP payment if you get zero bushels to the acre or whether you get 50, if you get 20 bushels to the acre canola — you can grow in my area, you can grow oats, wheat, barley, canola — you get the same price all the way through. It's the biggest socialist program that I've ever known. Everybody gets the same.

And we talked about moral hazards. We went through moral hazards with your minister, and he couldn't come up with what the moral hazards were for the 1991 GRIP. He was not able to answer them. So the 1991 GRIP was put together to see that there was going to be guaranteed, bankable, bankable funds for the farmer.

Mr. Premier, if you just understand the seriousness of it, that there's thousands of farmers a year ago were dealing at the Farm Debt Review Board, Farm Land Security Board, Mediation Services, and they had no place to go for funds. They were trying to put deals together; they were trying to save their farms; they were trying to save their tractor; they were trying to get operating money. And they just couldn't seem to put the deal together.

And literally thousands of farmers, through the board —

you can get the information from the Department of Justice which Mediation Services is under, and Farm Land Security Board — as soon as the '91 GRIP was put together, there's a guarantee for a farmer: I'm going to either get \$90 an acre or 150; some of the farmers in the Regina plains got up as high as two and a quarter. They knew what they had coming so they can make a budget.

Now many farmers this summer, Mr. Premier, have gone bankrupt because of the '92 GRIP, because they folded because there's no guarantee and the lenders dropped them. We just got the figures here and we give them to your Minister of Agriculture, with no response, that the first six months in 1992, the bankruptcies in Canada, that 50 per cent of them were right in the province of Saskatchewan.

Now we're not in government; you're in government and 50 per cent of the bankruptcies happened right here in Saskatchewan. Now that's not helping farmers. You promised to help farmers. You made that promise in town after town. You made it in Outlook, Saskatchewan — I promise to balance the budget, hold or lower taxes, hold or lower essential services, create jobs, go to Ottawa and get money for farmers. And, Mr. Premier, that has not happened. And I know that it's a tough thing to make it happen.

And all we hear from your Minister of Agriculture is this same rhetoric: let's get the third line of defence out of Ottawa. Well the third line of defence was absolutely the 1991 GRIP. We've just thrown away perhaps a half a billion to 6, \$700 million on the 1991 GRIP.

If it freezes tonight in all Saskatchewan — and I sure hope and pray that it doesn't happen, and I know the Premier believes the same thing as us; we don't want hardship for farmers more than we got now — it could, under the '91 GRIP, it could have gone up to a billion and a half coverages more than what they're going to get now. The 1992 GRIP is not going to pay off for farmers.

So it comes back that the reason why your Minister of Agriculture has stood in this House and has talked GRIP, GRIP, GRIP, and has walked right over the farmers in Saskatchewan, is because of these 300 letters you've said you've got. Well my goodness, Mr. Premier, if 300 requests for a GRIP change come mostly from the north-east part of the province, what about the other 50,000-some farmers — close to 60,000? I cannot find it, and I earnestly, honestly tell you, Mr. Premier, that I can't find an individual in my riding that would say, I'll change my '92 GRIP; that I'll change my '91 GRIP for '92 GRIP. I can't survive on it.

So you're getting a wrong reading. What you've got is a group of people on that farm debt review committee that was given a mandate from the Department of Finance that your mandate is financially controlled. Because, Mr. Premier, we heard from the people that's on that Farm Debt Advisory Committee. Some of them have told us directly that they were financially controlled and that's why they came up with the '92 GRIP.

Now I don't want to get into a long debate with you on GRIP. I just want to bring this to your attention, and if I

could get your response on what I've said so far.

I've got two or three direct questions that I asked four or five times, pertaining to the retroactivity of the Bill and other parts of the Bill that I'd like to see if you would answer, Mr. Premier. I'm sure I can get an answer from you, and it would clear up a lot of confusion. But if I could just get your remarks — perhaps I went on a little too long — but your remarks of what I've said so far.

**Hon. Mr. Romanow:** — Well, Mr. Chairman, I've tried to respond to the other members, the member from Moosomin and the member from Thunder Creek, on the question of the GRIP and the direction of GRIP. I think what I'd like to say is that the advisory committee for the changes for 1992, the advisory committee was composed of people like Barry Senft of the Saskatchewan Wheat Pool; Stuart Kramer; Keith Hayward of the Crop Insurance Corporation; Roy Piper, UGG (United Grain Growers); Jack Stabler, U of S (University of Saskatchewan); Brett Meinert, Saskatchewan soil conservation association; Sinclair Harrison, SARM; Brian Perkins, cattle feeders; Gordon Cresswell, Canada wheat growers; Leonard Kehrig, canola growers; Gil Pedersen, NFU (National Farmers Union); Nettie Wiebe, at large; and Lloyd Johns, at large.

And I don't think this is a group which takes directions from the Minister of Finance or anybody else. I don't think that that Barry Senft would tolerate that. In fact he wrote a . . . was part of a report advising the federal-provincial government to have not the kind of '91 program which ultimately surfaced, but a different version. These are independent people, so I don't accept that assumption.

I hear what the hon. member says about the impact of 1992 GRIP. We have heard your argument. Please, however, don't misinterpret when I say that I do not accept it in its totality. I believe that the changes to 1992 are not complete or perfect. We need to make a program for insurance, revenue insurance, which is better, I said in question period, to avoid what I think was a decision, namely, of trying to make a silk purse out of a sow's ear here.

The plan is fundamentally flawed in its essence. That's what farmers have told me over and over again. Not based on cost of production, not market oriented, although we've made some changes in that regard and can be administratively approved. Now we have to work toward those changes.

As regards the frost situation, I have a different interpretation than the hon. member does about what third line of defence means. In 1990 when the ministers of Agriculture of all of Canada got together, they particularly identified third line of defence to cover off this kind of wide range of unexpected matters. They clearly contemplated that. Second line of defence is GRIP and NISA, something entirely different — GRIP in any event. Different contemplation, and you cannot meld the two.

So all I can say to the member here is I understand your argument. I hope you understand our argument. You don't accept our argument. We don't accept the essence of your argument, not rejecting all aspects of it. What we

have to do is work in the months and weeks ahead, improving the situation so that the whole situation is better for the family farms.

**Mr. Muirhead:** — Mr. Chairman, Mr. Premier, yes, you said it right there when you talked about insurance. And that's exactly what farmers are saying out there, that we have lost our insurance policy on the '92 GRIP. It's not insurance. Insurance is to cover you when you lose, when you lose something.

Mr. Premier, please understand this. When your house burns down, you haven't got any insurance on you; you collect nothing. If your house burns down, you got insurance; you collect. It's the same thing with every insurance. This '92 GRIP, you collect it whether you burn down or not. The '92 is exactly the same. Your crop insurance went back to the same coverage as it was before. And that's fine, crop insurance is there.

But revenue insurance is a gamble. When you get up in the morning and the seeding time was on April 30, you must decide whether you're going to put revenue insurance on or not. And you've got to look at the markets and take a guess: is that wheat going to be over \$4 a bushel or under? If you think it's going to be under, well I'd better put on revenue insurance. And the only way you can succeed and do well under the '92 GRIP is to get a bumper crop and then to have that on top of it.

With the '91 GRIP it was . . . I know it was getting away because they were going to do away with the crop insurance and combine it all into one. But that's the difference in the concept of what you people believe and what we people believe and the other provinces believe, that the '91 GRIP was to design a program for a guaranteed cheque to a farmer whether he got a crop or not.

And we talked about moral hazards. Well I was the minister in Crop Insurance for quite a few years and I know how they take care of moral hazards. You have to farm in a husband-like manner and if you don't, your coverages go down so fast that you don't succeed. Anybody goes out and farms for crop insurance, it just doesn't happen.

There was too many people that said this. If you had've, Mr. Premier, seen my sons or my neighbours on the streets of Craik while the election was on and said, would you like to see us change the '91 GRIP, and they would have said yes. But they wanted it changed this way — because this is what I picked up all over the province, and I pick it up since the election — that we like the '91 GRIP, but we didn't like what happened in the north-east or in some of the poorer land in my riding where I got a 50-bushel crop, had to pay a premium, didn't collect.

Well sometimes you can get such a high crop, big crop, that you can't collect if the house don't burn down. So what they've asked for, and what we were pushing for — and I dealt with Mazankowski when he was still the minister of Agriculture, and it wasn't going to be obtainable at that time but that's what they were striving for — is the '91 GRIP.

But whatever your yield is on your farm — 25 or 30 or 35 bushels to the acre — whatever your 10-year average is, that's what you're covered for. So if you're covered and got that yield that year . . . I say last year, '91, you had to have got a 25-bushel crop. But the price of wheat being \$2 and some cents a bushel — it's 2.45 they got paid on so far — and you're going to get paid on four. So what happens if you got a bumper crop, you could farm yourself or rain yourself out of . . . and be blessed that your crop . . . that you collect nothing.

So what they wanted is, if I'm covered for 25 bushels to the acre and I get more than that, the extra is mine at market price. That's all the improvements they ever asked for; that's all I ever heard for all last summer. And I was at meetings all over this province. But nobody, but nobody, but nobody out there right now will say, I agree with the '92 GRIP, that I just want to have a little policy off here by itself where I want to make a decision on gambling what the price of wheat's going to be. Now I'm not saying . . . I haven't carried crop insurance, Mr. Premier, for years. I haven't had a quota book in my name for quite a few years; I've had a plate in my son's book. But this year I have a quota book; I took the '92 GRIP. I was laughed about it in this House here.

But I pleaded with my neighbours, don't drop the '92 GRIP — don't drop it. Because as long as wheat stays under \$4 a bushel, you're going to get something. So I don't want you to get me wrong that I'm a hundred per cent against '92, because I am not. It's better than nothing. It is definitely. Because if I could pull off a 40-bushel crop, get \$30 an acre from the revenue, I'm doing all right.

My worry is the word insurance that you use here is when you get a poor crop and the price of wheat goes down, you get nothing — almost nothing. It's a disaster for you.

(1630)

Anyway the questions that . . . I want to just ask you a couple of questions, Mr. Premier, that I couldn't get an answer from from the Minister of Agriculture. And it's a very, very important question. I asked him three times, got a 35-minute answer once, not talking anywhere near close of it, even touched on it. The member from Estevan asked him almost the same question and then he had to leave to go to Moose Jaw, and the Minister of Agriculture was still talking by the time the Leader of the Opposition would be in Moose Jaw. And never even touched — never even touched the answer.

And here's the question, very simple. This is what I said to the Minister of Agriculture: did you make a mistake when you neglected to inform in writing by March 15 '92 to all farmers holding a 1991 GRIP contract that there would be a major change to their contract? Did the minister make a mistake by not sending that letter out, or did he? Did he or didn't he? Maybe you could answer that question for us, Mr. Premier, directly, and we can move on quickly.

**Hon. Mr. Romanow:** — Mr. Chairman, I support the correspondence that the Minister of Agriculture has put out. And that's the answer to the question.

**Mr. Muirhead:** — Mr. Premier, I didn't hear what you said, yes or no. He never gave us an answer, Mr. Premier. You didn't give me a yes or no answer on that. And now you . . . I know I'm going to have to read that to you again because it has to be a yes or no answer. I mean, Mr. Premier, there's where we run into an impasse here. It's very simple.

If the question's a yes . . . and naturally you support your Minister of Agriculture. I'm not saying that. I just asked this direct question. I asked you to listen very carefully.

This is like I said to the Minister of Agriculture, did you make a mistake when you neglected to inform in writing by March 15, '92 to all farmers holding a '91 GRIP contract that there would be a major change to their contract? That's all I asked him. Did he make a mistake or didn't he? I just wanted him to say yes or no.

**Hon. Mr. Romanow:** — I don't believe the Minister of Agriculture from Saskatchewan made the mistake. I think the mistake, if there is a mistake, of which I do not admit, is a mistake as the result of negotiations and discussions on a federal-provincial basis which led everybody to believe that the changes which were recommended by the advisory group, once implemented, could be implemented, as I explained to the member from Thunder Creek.

**Mr. Muirhead:** — Okay then, that's an answer that we never got out of the Minister of Agriculture. It took hours and hours. We were under closure. You were away, but you probably knew we were under closure. And 18 hours — we had two days in committee — and that's 18 hours with, you timing it, two 10-hour sittings with an hour off for question period and what not and special orders. We had 18 hours, and I'm sure he talked 12 of the 18 hours so we could ask less questions.

Now if that question is yes, that he didn't make a mistake, then why did we need this here part of this Bill about . . . and I'm going to read you this part of the Bill in case you haven't read it yourself. And you're a lawyer, Mr. Premier, and there's several lawyers in the front row. That if it's yes, then why did we need this part of the Bill if he didn't make a mistake last spring? And let's say he didn't then, that we agree with you that he didn't make any mistake, then why did we need section 5, clause 4:

Notwithstanding any other provision of this Act or the regulations, section 49 of every revenue insurance contract deemed to have been entered into pursuant to subsection 5.1(1) being the provision stating that any changes in the contract shall be mailed to the insured not later than March 15 of the year for which the changes are to be in effect and that those changes are deemed to be part of the contract on and after April 1 of that year, (and that this) is void and of no effect and is deemed to have always been void and of no effect.

Now if he didn't make a mistake and it wasn't necessary to send that letter out, why are we sitting here, Mr. Premier, with that part in that Bill? Why? Please tell me.

**Hon. Mr. Romanow:** — Because, as I have said in

question period and other questioners in this same vein, I repeat again, we believe that there has to be clarity and certainty in the legislative underpinnings of this program. And for greater certainty and clarity, that provision was put in there.

**Mr. Muirhead:** — Mr. Premier, I have to contradict you. And I had the facts. Because Crop Insurance has been in existence since 1962 and there's been many changes made every year to the crop insurance without coming into this legislature.

It's a contract between the Crop Insurance Corporation and the farmer. And the member from Thunder Creek read the contract out. It's signed by a farmer and the Crop Insurance Corporation. And when I was minister, I used to sit at board meetings and had them make changes. And the changes would come into effect by a vote of that board. And they could change it any time they wanted. If it was a major change, then maybe you'd have to have a regulation change. But I could see every year there could be changes made in Crop Insurance by the board. So that is not right.

You've never, ever had a farmer in Saskatchewan, Mr. Premier, wrote you a letter . . . There won't be one letter of those 300 requests saying, well we're not sure that our 1991 contract was just legal in this legislature or not, because they don't understand it at all. They don't understand about a 1991 Bill; they don't understand about a '92 Bill; all's they understand is they don't want that part of their life void.

And I ask you, Mr. Premier, surely you — and I consider you an honourable man, and I really do . . . Because as I said this morning, Mr. Premier, as I spoke in this Assembly, that I was taught in my family to respect the law and respect my parents, my teachers, and the law. And I've always respected you since you've been Premier. I respected the member from Estevan when he was premier. I respected the Hon. Mr. Blakeney and all prime ministers. That's in my make-up. I respect you.

And I ask you: do you believe that it was really right that what we've done here . . . You, as Premier of this province, do you stand up and say to put this part in here to make it void? Like the explanation I used . . . I used the minister . . . the House Leader for example. You might as well bring a Bill into the legislature passing a Bill that he was never born, that he was never part of our lives. It's just that bad.

You're taking a part of this Bill and saying . . . Never mind the rest of the Bill. Maybe it needed to have it and clean up something — fine. But that part about March 15, because it was neglected to notify the farmers and just take it void out of our life and then go down two paragraphs and say, you can't take us to court. You, Mr. Premier, could not endorse anything like that. I just don't believe it. Give me your comments, please.

**Hon. Mr. Romanow:** — Well, Mr. Chairman, I have endorsed it. It's a cabinet decision, and it is now a decision of the legislature and Legislative Assembly. I've repeated, again, the ground rules to 1991 were confused at best and not properly stated.

The intertwining of Crop Insurance with GRIP and consequences were hastily drafted in anticipation of an election in the fall, and introduced in this House, I believe it was — I don't have my exact dates — but late before the sudden prorogation in June 1991. We were left with the circumstances after the election which necessitated change to the plan, based on the recommendations of the advisory committee and putting the proper legislative provisions in there for greater certainty and clarity. And that is the reason why we have done this.

**Mr. Swenson:** — Thank you, Mr. Chairman. Mr. Premier, on this last statement that you just made, and it's one that I've heard you make a number of times and I'm afraid I want to present some evidence to you and ask your comments on it in regard to that.

In your statements in the leaders' debate last October 5, '91, you are quoted as saying that you would ease the tax burden for ordinary families and would kick start our economy. You're also quoted as saying — and these are your words, sir, from that debate — you were referring to the previous NDP government, I think, of Mr. Blakeney. You said there was no debt. That's the point. The debt was 3.2 billion on the Crown corporations. And it's now 14.2 billion since 1982. That's not our fault. That's the fault of the Liberals and PC policies that put this situation in these circumstances.

So, Mr. Premier, on October 5, you're still the leader of the opposition. You say the debt is 14.2 billion. You obviously haven't had the Gass Commission. You haven't had access, you claim, to the books. But I say to you, Mr. Premier, that like the Gass Commission said, anyone that was interested had full access to all the books. And you had availed yourself of that information well before the election. Now you were making all sorts of promises, particularly that there would be an ease of the tax burden and you would kick start the economy.

We'll we've seen just the opposite. We've seen every last tax in the province increased, and we certainly haven't seen any kick-start anywhere in our economy. In your own budget address of May '92, on page 61, in fact it shows the forecast for '92 of the gross debt less sinking funds — and one would not include sinking funds naturally — coming in at twelve seven five nine four one. So the number that you used during the election campaign during the leaders' debate of 14.2 is at least a billion and a half dollars more than your own forecast on page 61.

Now coming in a billion and a half less than your own forecast than what you are claiming the number was on October 5, I can see why you are perhaps saying that you could ease the tax burden. But the fact of the matter is that all taxes have gone up dramatically: personal income tax, sales tax, gasoline tax, all the utilities. They've all gone up.

Now, Mr. Premier, how in good conscience could you tell the public on October 5, '91, that the deficit was \$14.2 billion, at the same time promise reduced taxes. You were going to do away with harmonization. You were going to do all of these things, knowing full well that

that deficit was \$14.2 billion. How could you possibly promise all of those things and now turn around and say, well we discovered that the deficit is higher than we expected? You obviously had access to something or you wouldn't have said on province-wide TV one week before or two weeks before the end of the campaign, exactly what the deficit was. How could you make all of these promises, knowing the size of that deficit, without being irresponsible?

And I'd just like a few comments on that.

**Hon. Mr. Romanow:** — Well, Mr. Chairman, I think the issue of irresponsibility or responsibility is a very good one. I remind the hon. member opposite that between 1982 and 1991-92 the debt charges paid on the Consolidated Fund totalled \$2.7 billion. I remind the hon. member opposite that between 1982 and 1991, your government, sir, overspent its own deficit predictions — your own deficit predictions — by \$2 billion.

On two occasions, both election years — as it so turns out, one we didn't know about, 1986, until after the election; one we found out after we won the election — your deficit projections were wrong by over 200 per cent, 216 per cent off in 1986 and 221 per cent off in 1991.

And you say that's responsibility, sir? We knew that was the track record in 1986. You projected a deficit of 300 million and you came in with 1.2 billion. I wrote to the premier, as he then was, on September 22 and I said amongst other things, in the light of the flurry of pre-election announcements and in light of this track record of deficit forecasts which I have just recited to you — get this record, I say this to the back-benchers opposite — 221 per cent off, 221 per cent off the mark.

I wrote on September 22 on behalf of not only my party but the people of Saskatchewan, I said, have somebody give us the exact figure. You know what kind of a response I got was? Right here, from the minister of Finance as he was then, and he said: don't worry, don't worry; it's all on track. Quote: numerous factors at play that must be taken into consideration. On balance, however, I see no reason to alter our target of a \$265 million deficit — on balance.

(1645)

And I said at the leaders' debate, the best that I could say of the computations which had been available to me. The member opposite's going to say we had the blue books. What happens when we opened up the Crown corporation figures and saw, according to Ernst & Young, \$2.9 billion virtually of hidden debt, CMB (Crown Management Board of Saskatchewan) and its bankrupt position never revealed at any stage in the game. None. Open the books. You know what Gass revealed. And you ask us where the responsibility is.

And I want to close by saying to you, sir, what I said to the hon. member from Arm River. Our election promises and our election statements were made in that document which we have headlined, let's make Saskatchewan work, first things first, open up the books. And we proceed from responsibility.



And we say, you may not like it, but the corner has been turned. The corner has been turned. The books will be now open. The predictions will be measured by objective standards. We will get this deficit under control. And we're not ever going back to the days when you're going to be 200 per cent off in the blatant attempt to get re-elected.

**Mr. Swenson:** — Thank you, Mr. Chairman. Well, Mr. Premier, without — and using your phrase — without being provocative, I'm simply dealing with some numbers here which you have stated publicly.

And I can only gather, Mr. Premier, that between that letter in September and the leaders' debate on October 5, you must have gone and availed yourself of some financial information. Because obviously on October 5 you felt quite calm in telling the entire electorate of the province that the debt was \$14.2 billion when it had nothing to do with Mr. Hepworth's letter or things that came out later that you had availed yourself of information that put the debt at \$14.2 billion. And I'm only showing you, Mr. Premier, that in your own Consolidated Fund statement of debt on page 61 of the budget address it shows it at twelve seven five two.

Now there's a big difference there, Mr. Premier. The actual number that you were using during the election campaign, making all sorts of promises to people, is considerably more than your own Minister of Finance has brought in here. And I don't know how, Mr. Premier, you can square that with all of these tax increases; how you can square that to the people who you've said you were going to, for instance in agriculture, have a better grip of cost of production; that utilities weren't going to go up; that certainly harmonization was absolutely the worst thing, knowing full well that you were giving up many hundreds of millions of dollars of tax revenue. You said, I don't need it. This province can exist on \$4.5 billion. And I'm not . . . these aren't my words, Mr. Premier. These are your words — 14.2 billion, October 5. The budget statement is 12.7.

Now, Mr. Premier, knowing that the debt was 14.2 billion on October 5, how could you seriously promise not to increase taxes with Saskatchewan people — knowing that the deficit was that high — and cancelling a tax measure that was going to give you at the minimum a couple of hundred million dollars? How could you knowingly do that with a deficit this high and then tell this Chamber today that, oh no, I didn't know that number until several months down the road?

I mean these are your words, sir. These aren't mine. I wasn't in the leaders' debate. I wasn't trying to solicit the votes of the entire province, you were. You used the number. And you promised no new taxes.

Now how do you square that number which you obviously had your people research — probably the gentleman beside you — research in depth to use on TV that night, when the number in this book here put out by your Minister of Finance this spring is over a billion and a half dollars less? Now how could you do that?

**Hon. Mr. Romanow:** — Mr. Chairman, the hon. member's questions again are based on wrong assumptions. He says you knowingly knew these figures. If the Minister of Finance and the former premier had ponied up the facts in the letter, I could have then perhaps adopted your words without knowing. We had to take the best research we could, but not knowingly.

And I want to tell you, the fact that I can say, not knowingly, is verified by not only my words here, but by the press response and the public's response to what the Gass Commission uncovered — it was a shocker. Nobody knew, sir, the cover-ups. Nobody knew the scandals that were around. Nobody knew the Gigatexts which were around. Nobody knew that until we opened up the books.

You know what you went through when the Gass Commission reported, because if I'd have known it, they would have known it, and the public would have known it. Sometimes I think, sir, that maybe you didn't even know it.

You say according to the Gigatext story that you didn't know about it. The truth of the matter is that the sequence of events reveals through the independent study the situation fiscally that you left us behind.

Now let me make one other point. On the GST harmonization — I've made this to the member from Arm River — we think it was a wrong tax because of the headings of taxes which were going to be covered off and all the arguments that I won't repeat again, that a better way to go is selective. That was what we are aiming at in a fair tax situation, a fair tax base.

I note that you are still a very strong supporter of harmonization and expanding the tax base. And I suppose that there is merit in consistency. If that's the position of the official opposition, that they want to still have harmonization and they want to have that extra tax base put on the people of the province of Saskatchewan — which is what you're arguing for — fair enough, we know where we stand. This government does not happen to believe that and the people gave us a mandate to make the changes. There's the explanation and there's the direction that we're going.

**Mr. Swenson:** — Well, Mr. Chairman, it appears what the Premier is telling us today in committee is that the number that he used on October 5 was erroneous, that he was using a false number, that that number that he claims that he researched to the best of his capability was a wrong number, and that he was using a lot of political licence that evening to bandy that figure about.

And I guess what we can gather from that, if that was political licence that he was using, that on one hand he was being fearful . . . engendering fear in the electorate, and at the same time making all sorts of wild promises that he had no intention of keeping, about no new taxes. You know, read my lips, no new taxes, sort of thing.

And if that's the case, then I think the Premier's got an apology to make to Saskatchewan people because I still haven't had him square with this committee today, Mr.

Chairman, square with this committee the fact that he said 14.2 and the forecast by his own Minister of Finance is twelve, seven.

Now he obviously had access to some numbers. If the numbers are erroneous that his own research dug up for him before the leaders' debate, perhaps he could tell us where he got those numbers from. Because that's the ones we're talking about — what the electorate of Saskatchewan a short time ago voted for. Now if the Premier's telling us that he was using false numbers to deceive the electorate, I think he should tell the public today here that that was the case.

**Hon. Mr. Romanow:** — Mr. Speaker, I made my point in response to member's allegations about knowingly. Believe me I don't want these estimates to degenerate into this, but if the member's taking me into this line, I guess so it will be.

I said that the public itself, the watchful press gallery and the public itself, did not know, only opened the books, told us what to know. You just take a look at the clippings of responsible journalists and analysts who took a lot of examination of the documents.

Here's one by Mr. Paul Martin, *Star-Phoenix* business editor. The headline says: Gass documents shameful addiction to secrecy. Secrecy, sir. Not my words, his.

Take a look at the article by Mr. Les MacPherson. I don't quote him all the time, that's for sure. But he says: the Gass Commission only confirmed what voters already knew — the Conservative administration was without shame. From all indications, the Conservative opposition is no less morally deficient on the question of Gass.

But I say again, in explanation and in defence, what I have said to confirm the truth of what I have said, the *Star-Phoenix* editorial headline on: "Tories to blame": the provincial deficit. Tories must accept responsibility. And I'll just read this last direct quotation, Mr. Chairman, and this is relevant to your question specifically:

Despite the reports' overwhelming indictment of the Tories' fiscal management, Neudorf and Swenson had the audacity to claim that, during the election campaign, Premier Roy Romanow pretended not to know the Tories were lying about the provincial deficit.

The absurdity of this situation and the complete moral bankruptcy of the Tories is not lost on Saskatchewan taxpayers. That's obviously why they're in opposition.

Now that's not Roy Romanow, and that isn't a group of editorial writers who are the biggest fans of the Premier of the province of Saskatchewan either. I don't get exactly the greatest reviews from the *Star-Phoenix*.

And here you are nine months after our administration still hanging on to the thing that is blatantly obvious to everybody — the audacity to claim, in the words of the editorial, that during the election campaign we pretended not to know the situation. And you still hang on to that

when everybody in the province of Saskatchewan, having read the Gass report, says what the truth is.

That is my answer. It can't be that I knew and they didn't know. It can't be that I knew the real number, but the journalists all of a sudden said wow, we have found out the number. These are people who also know the same access and the same records.

And you, in the words of the editorial, have the audacity to claim that somehow we pretended not to know. I can't prevent you from being audacious. You can be audacious and you can be pretentious and you can be ambitious. And I wish all of those good things on you. I really do. And God bless you all.

But I simply say to the hon. member, if he's asking me to square the circle, I have squared it in the ways that I have answered it to you. And I cite in support of my defence, those independent reviewers and analysts who have so similarly concluded.

You may not like it. You may not accept my explanation. And maybe you don't even like what the *Star-Phoenix* editorial board says. But that is the fact. That is the fact.

I think I make my case.

**Mr. Swenson:** — Thank you, Mr. Chairman. Well, Mr. Premier, a week when it is . . . It is amazing how quickly the Premier looks to the press gallery for a place in which to hide.

Just a short time ago in these estimates, I was quoting articles from the *Leader-Post* to the Premier, and he said, you know, Mr. Chairman, I simply don't accept the word of the press gallery. I simply don't accept that they would have found people that would say those types of things. And I'm going to take issue with what they said. And now the Premier wants to stand up in these estimates and turn around and use the press gallery as his ultimate weapon.

Well, Mr. Premier, I don't know if you ever did read the Gass report, but I can assure you I did, from cover to cover. And Mr. Gass makes a very, very definitive point in there. He says, Mr. Premier, he says, there is no hidden deficit. There never was. The books were always open.

And I'm suspecting, Mr. Premier, by your statements on October 5, that you had someone avail themselves of that knowledge; otherwise you couldn't have come up with a figure of 14.2 billion. There's no other place you could have got it, Mr. Minister, Mr. Premier, because if you look further down on page 61, you will see in fact that very figure by your own Minister of Finance.

While we're on that, some of the write-downs that your Minister of Finance has taken and some of the sleight of hand tricks that you have pulled with the Saskatchewan public . . .

**The Chair:** — Order, order. Order. It being five o'clock, this committee will recess until 7 o'clock.

The Assembly recessed until 7 p.m.