

EVENING SITTING

COMMITTEE OF FINANCE

Consolidated Fund Expenditure
Saskatchewan Research Council
Vote 35

The Chair: — I will ask the minister to introduce his officials.

Hon. Mr. Penner: — Thank you very much, Mr. Chairman. I'd like to introduce the two officials from the Saskatchewan Research Council. To my left is Jim Hutch. Jim is the president of SRC (Saskatchewan Research Council). And to my immediate right is George MacKay. He's the vice-president of operations.

Item 1

Mr. Neudorf: — Thank you very much, Mr. Chairman. Mr. Chairman and Mr. Minister, and I welcome the officials in our midst this evening as well. And I guess I could be pleased to inform them that they are not going to be unduly pressed for time today because one thing that I've noticed that most of my colleagues and I have done is prepared questions ahead of time and presented them to the organization, institutions, and departments. And that is a valuable, I think, tool that we are using here.

And, Mr. Minister, I just want to say to you, without overdoing it, that your officials in this department . . . or in the Saskatchewan Research Council have answered those questions extremely well, and in many occasions have even made the written offer that if the question is not complete or if there's anything else that they can do, they would be only too pleased to assist. And I find that kind of co-operativeness very, very gratifying and also stimulates the discussion tonight.

I know a little bit about the organization. I've been indirectly involved while Mr. Meiklejohn was the minister. And I know that with Mr. Hutch I was in Alberta. I'm not quite sure what year that was. It could be as long ago as 1988. But anyway, I made a trip to Alberta for the memorandum of understanding that we made with the Alberta ARC, the Alberta Research Council.

And it was my understanding at that time that one of the objectives of that memorandum of understanding was to instead of kind of fighting for the constituency, that we would have centres of excellence, recognizing that Alberta had certain things going for that in terms of perhaps expertise, equipment, and Saskatchewan had its own field.

Now I'm wondering, Mr. Minister, if . . . I know we're going a little ways back, but could you give me an update of where that memorandum of understanding is today? Has it been followed up? Is it existing today? And perhaps any further advances along that line that have been made in the interim.

Hon. Mr. Penner: — Mr. Chairman, I'd like to tell the hon. member that that MOU (memorandum of

understanding) that you're talking about seems to be working very well. And these gentlemen were going to give me a whole long list of things that they were co-operating in, but I'll just give you a few . . . just a few examples. And totalled, I guess there are 17 different areas that they're working together.

One of the ones that . . . particularly the equipment design engineers work for the Alberta . . . yes, we do the work for the Alberta customers. And then we take our customers for the electronics testing centre to Alberta. And what the officials are telling me here is that we could certainly not afford to have all the duplication between the two provinces because neither one of them would have enough work for one of the different fields.

For instance, in Saskatchewan we do all the oil slurry work. Alberta brings its work over to us and we share a materials engineer work and so on. But in total there are 17 different areas that we share with the Alberta Research Council, and if the member wants a list I'm sure that the officials would be happy to supply him with a complete list.

Mr. Neudorf: — I do have a passing interest in that and I would appreciate if he could bring me up to date on it. And could you bring me up to date on one particular thing that was starting at the time, and that's the . . . not the biosphere but the biomass experiments that we have in the SRC as opposed to the electronics which I am familiar with and the mechanical that you've made reference to. Is there any experimentation along the biochemistry and biomass as such?

Hon. Mr. Penner: — Mr. Chairman, the researchers here have just given me the SRC news, and apparently there's a description of . . . and I don't know if you get this copy or not, but I will read it to you anyway.

A very interesting project that is being carried on by a Dr. Krystyna Sosulski — I'm not too good with these Ukrainian names — but she's doing some work and I'll just read it out of here and I'm sure that will help the member across.

. . . a food science expert, has been working on developing an alternate extraction process for canola oil.

And the objective here is to get more oil out of every canola seed.

And I suppose if you can even squeeze a little bit more out of each seed it's going to be beneficial in the long run. So that's one of the major projects that they're doing in the biochemistry, biomass area. Are you familiar . . . Do you get this copy?

Mr. Neudorf: — Thank you for that, Mr. Member, because obviously that is a very useful tool that we can use the SRC for and the canola extraction to be competitive and so on. We have to use every advantage that we have. And I view the canola industry as an up-and-coming industry simply because of the market potential that we have.

The market potential being in the highly industrialized United States and as you may be aware the United States food testing or drug testing — I forget the exact terminology for it — came up with the conclusion that one of the best cooking oils possible for the human race was coming out of canola oil.

And this is of course with the consciousness of many of our food processing companies and certainly the average, common housewife is looking for something that is going to be of low saturated oils and so on and canola fits the bill. So any kind of research along that line that facilitates matters is certainly something I would think we would want to pursue.

I have one other question, it's off of that. But as you may be well aware a few years ago it looked as if PAMI (Prairie Agricultural Machinery Institute) might be heading for the dustbin. Of course that was staved off and it is still existing today. I've been wondering if you could give me an update as to . . . I understand you have a contractual arrangement with PAMI to do certain services. Could you bring me up to date on that.

Hon. Mr. Penner: — Yes, Mr. Chairman. We have a few things I would like to say about PAMI. PAMI is, I'm sure to the member's delight, alive and well. And George MacKay, who is sitting over here to my right, is in charge of this program. And he's given me some information here of the kind of work that PAMI does.

It's a management contract that SRC has with PAMI. We don't have any ownership. It's just a contract that we have. And as I said, we're doing very, very well. And the work is basically focussed on economic development. And the co-operation that exists between the manufacturers of farm machinery and implements, PAMI, and the farmers is designed to produce new and innovative types of machinery and farming concepts, and is also designed, the whole process is designed, to reduce farm input costs. And as we know in agriculture today, that's a pretty significant thing. If we could reduce the input costs that the farmer has to have, it would certainly enhance his economic viability.

Mr. Neudorf: — Mr. Minister, could you give me an example of how PAMI would work with the Saskatchewan Research Council. You say you have a management contract, management services contract. Let's take, for example, PAMI going together with some other partners to form WESTEST for vibration intensity and experiments like that. What would be the role of the SRC and PAMI in doing this kind of testing for certain manufacturers? Just so that we have a concept of how this organization actually works with industry.

(1915)

Hon. Mr. Penner: — Mr. Chairman, the role SRC plays in the PAMI organization. First of all I'd like to say that the engineers of the two organizations complement each other. We do not duplicate expertise in the engineering field either in SRC or in PAMI so there's a complementary relationship between the engineers. SRC basically provides the leadership and direction for PAMI. We don't

necessarily do their work, all their work for them, but we provide the leadership and the direction.

And specifically in relation to WESTEST — and you mentioned this particular organization, and it is one example of one of the ways in which they co-operate, again with another province in this case — PAMI here assists the manufacturing in the equipment, as you already mentioned some of the testing that they do. It has an exclusive contract with WESTEST — PAMI has this exclusive contract with WESTEST — to provide a leading edge in engineering to service in the fields of vibration analysis and in sound intensity. These are the two areas that they're basically concentrating on.

But the relationship between SRC and PAMI is one in which they sort of co-exist together. They don't conflict with each other; they don't compete with each other. If they have expertise that's fine, we don't interfere in their expertise, but they certainly call on the expertise of the SRC engineers.

Mr. Neudorf: — Thank you very much, Mr. Minister. I want to get into one other topic and that is the funding of your organization. My understanding of it is that like many organizations that we do have around us today, the SRC is also always looking for funds. You're living in a competitive environment in terms of research.

Could you give me an idea, a balance between the funding that actually comes from private enterprise, from private business, as opposed to funding that comes from let's say the publicly funded dollar. Give me a breakdown on that, please.

Hon. Mr. Penner: — Mr. Chairman, I will give you two sets of information here to the hon. member. First of all, I'll give it to you in percentage terms, and we're just looking up the exact numbers here so we'll give those to you in a minute here. Just hang on a minute.

Grants from the provincial government, 28.4 per cent. Those are direct grants from the Consolidated Fund. Industry contracts, 51.2; provincial government contracts, 11.4; and federal government contracts, 9 per cent. So in essence I guess we say there's 72 per cent of the total funding of SRC comes from contracts and 28 per cent, in round figures, comes from government funding.

If you would like, I would send a copy of this over. There's a comparison here with '85-86, and if you'd like, I would send a copy over.

Mr. Neudorf: — Please do that, Mr. Minister.

You kind of led right into what I was going to be asking next. I know that we have the SRC, the Saskatchewan Research Council, and not too far from your premises is the National Research Council, or at least it was until a few years ago when most of it moved to Ottawa.

Is that your competitor? How do you view the NRC (National Research Council) and the SRC, or are your constituents of a different type that there is little conflict?

Hon. Mr. Penner: — Mr. Chairman, the difference

between the NRC and the SRC is that the NRC is basically in biotechnology, both in the basic and also in the advanced research of the biotechnology field, and there's no conflict here with the SRC. The SRC is basically an applied technology so that the two complement each other rather than compete with each other.

And as you mentioned, they are close together and it wouldn't make a lot of sense for two organizations that almost share the same building would be competing with each other on industries that are probably fairly limited in this province. So there's a complementary relationship between the two.

Mr. Neudorf: — Just to follow on that, Mr. Minister. You mentioned the basic research. What proportion of the SRC's would be basic research?

Hon. Mr. Penner: — I'm told that the SRC does no basic research. We do all applied research.

Mr. Neudorf: — Thank you, Mr. Minister. I know that your organization is big business. I know that you've got a couple hundred people working for you from scientists to technicians and so on, and you've also got many thousands — well a couple of thousand anyway — of clients that you are working together with.

I'm just going to make one general closing comment here, Mr. Minister, and that is that I feel that your organization of the Saskatchewan Research Council is a very, very important part in so far as Saskatchewan is concerned, in so far as Saskatchewan's place in new technologies are concerned. My little knowledge about the SRC seems to be hinging around the fact that there's always a great deal of concern what's going to happen next year, what's going to happen next month, in terms of keeping those contracts coming and so on.

My encouragement or my recommendation would be, is that first of all, too many of us don't even know that there is such a thing as Saskatchewan Research but maybe that's the common man on the street. Perhaps those that really count do know because of the expertise and so on and the facilities that the SRC is able to offer. The business men and so on, I think, probably are quite aware of that and as far as I'm concerned, the opposition is going to continue to recognize the value of the SRC to the people of Saskatchewan. I would just encourage you, your officials, to continue on in their good work. Thank you.

Hon. Mr. Penner: — I'll thank the member very much, Mr. Chairman, for those comments. I'd just like to make a final comment on the future of SRC. When I became minister in charge of SRC, I knew very little about the organization. And I've had some fairly good discussions with Jim and his staff, and also with the board members, and I visited their place several times in the first 10 months of my tenure here. And I'm impressed with the work they do and I think that there are a lot of things in Saskatchewan that the SRC could do that we're probably doing in other agencies in government, and other agencies that the government is responsible for, and thus we could enhance the stature of SRC. And I share your sentiments here that we need to strengthen this organization; we need to enhance their position within

our society.

And one of the things I find very encouraging is that Jim and George have launched out on a five-year plan. They're going to plan five years in advance. And at our next board meeting I will have my first look at this five-year plan and hopefully this will give some direction for the SRC in the future.

And I'm sure the organization looks forward to working with other agencies in government and also a lot of agencies out in the private sector. So I thank you for your comment.

Item 1 agreed to.

Vote 35 agreed to.

**Supplementary Estimates 1992
Consolidated Fund Expenditure
Saskatchewan Research Council
Ordinary Expenditure — Vote 35**

Item 1 agreed to.

Vote 35 agreed to.

**Supplementary Estimates 1992
Consolidated Fund Expenditure
Economic Diversification and Investment Fund
Saskatchewan Research Council
Vote 66**

Item 12 agreed to.

Vote 66 agreed to.

**Supplementary Estimates 1991
Consolidated Fund Budgetary Expenditure
Saskatchewan Research Council
Ordinary Expenditure — Vote 35**

Item 1 agreed to.

Vote 35 agreed to.

Hon. Mr. Penner: — Thank you, Mr. Chairman. I would like to thank the officials for attending this afternoon . . . this evening. And I would like to also thank the opposition for co-operating and asking the questions. And it's great that we are finished fairly early because the officials would like to catch a plane for Saskatoon at 8:15. So thanks again.

Mr. Neudorf: — I thank you, Mr. Chairman. Yes, Mr. Minister, I was aware of that. And I also want to thank the officials for so readily supplying us with the answers. And I wish them well in their five-year endeavour, five-year planning that you're doing. And I just want to say to Jim and George that I look forward five years from now sitting beside you and commending you on a job as well done. So thank you very much.

The Chair: — The Chair would like to thank the hon. member for Rosthern and the hon. minister and the officials for their participation in the estimates.

(1930)

**Consolidated Fund Expenditure
Saskatchewan Water Corporation
Vote 50**

The Chair: — I'll begin by asking the hon. minister to introduce his officials.

Hon. Mr. Cunningham: — Thank you, Mr. Chairman. With me to today I have Wayne Phillips who is the vice-president of the finance and administration; Al Veroba who is vice-president of operations; and Wayne Dybvig who is vice-president of water management.

Item 1

Mr. Britton: — Thank you, Mr. Chairman. I think we got started on that before our break, and I understand, Mr. Minister, that you are going to send over the answers to the global questions. I think we confirmed that, did we?

Hon. Mr. Cunningham: — Those answers were delivered to your caucus office over the supper hour.

Mr. Britton: — Well thank you very much. I suppose even if I'd known it, I wouldn't had a lot of time to look at them. And I thank you very much for that. That's good service.

I'm going to run down . . . we're on page 82. The next item, item number 2, it's talking about flood control and drainage. Could you tell us where that's taking place, Mr. Minister?

Hon. Mr. Cunningham: — I have a schedule of the projects and it will be in your material as well. But it's . . . just to run through them very quickly, it's Crooked Hill Creek, lower Lanigan Creek, Canora-Tiny, St. Gregor south, Tiny east, Fosston, Ranch creek, Muddy Lake. That's the list of the projects, I believe.

Mr. Britton: — Thank you, Mr. Minister, Mr. Chairman. Mr. Minister, we have received the package and could I ask you for one more commitment? If we find some holes, could we ask them to be filled later?

Hon. Mr. Cunningham: — Yes. We certainly will do that. And my officials have informed me there were a couple of questions that may not have been completed and we'll get that information to you.

Mr. Britton: — Thank you, Mr. Minister. Then I think if we went to item no. 3, and we're talking about payment to the corporation for irrigation programs. Could you tell us where those irrigation programs are taking place?

Hon. Mr. Cunningham: — That monies is made up of funds that go for demonstration projects, for research and development and research and demonstration on farms basically across the province, administered through the Saskatchewan Irrigation and Development Centre.

Mr. Britton: — Thank you, Mr. Minister. Maybe what I could ask you to do is send me a list of where these drainage programs are and also where the irrigation programs are, and then it'll save me trying to list them —

at some time.

Hon. Mr. Cunningham: — Yes we can do that. There's a list. I could give you a list of where the capital projects are, which is maybe what you're interested in. I think we can go through . . . Some of the capital projects are at Riverhurst, Luck Lake, Brownlee north, Thunder Creek, Vanguard weir, Pike Lake, Disley west, and some other smaller ones.

Mr. Britton: — Thank you, Mr. Minister, that would be my next question. And if you'll just send those lists over I would appreciate that.

I have another question. We're talking, in item 5, payment to Sask Water for grants for irrigation development. Could you explain to me the difference between item 5 and item 3. They're both talking about irrigation programs.

Hon. Mr. Cunningham: — Item 3 is the technical and economic support. Item 5 is grants to farmers, paid directly to the farmers for irrigation.

Mr. Britton: — Thank you. Mr. Chairman, Mr. Minister, could you also then list . . . give us a list of those farmers that received those . . . the help in that program.

Hon. Mr. Cunningham: — We will supply that. We don't have the details with us.

Mr. Britton: — Thank you, Mr. Minister. With that commitment from you, and I thank you for that, I'll allow one or two of the other colleagues to ask a few questions.

Mr. Martens: — I have a question about the plugs on the Qu'Appelle River system. Have you put any money aside for developing any of the concrete permanent structures that would make it legal for weirs to be built along the system, so that farmers could back-flood their . . . I know that farmers were denied access to that opportunity by putting dirt in there and blocking the water to have flood in the spring. And I was wondering whether you had gone ahead and done any building or developing.

Hon. Mr. Cunningham: — Mr. Chairman, the engineering for those projects is done. In order to complete those projects it would be done on a shared basis. The farmers would have to raise money. They've been in discussion and have not yet come forward with proposals. We have no money in our budget for grants this year but at some time when they get a proposal together it would probably . . . we would put money in the budget and provide grants to help them.

Mr. Martens: — Yes I think that those are probably good projects to do. They probably would be an asset to those farmers there.

Another question I have is the Battle Creek reservoir construction. Is that going ahead? How far advanced are you on that and could you give us an update on that?

Hon. Mr. Cunningham: — That project is still on schedule to be completed in '93. The environmental impact study is just coming in on it, so barring problems

with that it's still on schedule for completion in '93.

Mr. Martens: — When do you expect contracts to be let on that, providing the environmental stuff is all a go, and have you got an idea about when that would start?

Hon. Mr. Cunningham: — I'm informed that there may well be tenders for access roads let yet this fall, but the main tenders would probably be sometime next winter.

Mr. Martens: — Well that sounds encouraging. I hope that you keep going with that. I have a question as it relates to the Alameda dam. In the news we had a significant announcement that said that two of the people had had their settlement reached with regard to the reservoir there. And I was wondering whether you could provide to us the cost of the land in relation to that agreement that you reached.

Hon. Mr. Cunningham: — The agreement has not been reached yet. We have a tentative agreement with the Tetzlaffs there. That is not finalized and we will be taking that, I think, maybe as early as next week to the public in that area to get reaction from it because it involves some possible changes to our water management plan or small changes to it, and we want to get a bit of public feedback before we finalize that agreement. The agreement basically would allow us to purchase some of the land and they would maintain some that wouldn't be flooded for a period of time.

Mr. Martens: — On the irrigation project on the Thunder Creek, have Ducks Unlimited provided all of the funding that they are supposed to and have you completed the project? I know that there was a hold-out on one of the individuals for expropriation purposes. I believe the last I heard that the individual had completed arrangements but I'd like to know for sure whether that's all been done.

Hon. Mr. Cunningham: — I'm informed that this is a split project. A portion of the work that we are doing with tenders, that's going to be finished this year yet. And the work the Ducks Unlimited . . . their payments are up to date on it and they have the agreement between the individual is with Ducks Unlimited and I'm informed that they have reached an agreement with the individual.

Mr. Martens: — On the transfer of funds from the . . . I'll start a little different. On the debt that was transferred from Sask Water to the Consolidated Fund, could I have a breakdown of the volume of dollars that was transferred in that for the irrigation projects and also for the Rafferty dam. Can you provide me . . . and the Alameda . . . Can you provide me the breakdown on the irrigation projects, the various ones that the funds were transferred, the remaining amount of money that the debt was, and could I have that please?

Hon. Mr. Cunningham: — The breakdown was that on irrigation projects there was \$38,191 and the Souris Basin Development, the whole project is \$141,266,000, and we don't have a breakdown between Rafferty and Alameda. That was the total that went into the project.

Mr. Martens: — Was that 38,000 or 38 million?

Hon. Mr. Cunningham: — That was 38 million, pardon me.

Mr. Martens: — Do you have a breakdown of where the 38 million is, whether it's Luck Lake, Riverhurst, Thunder Creek? Could you provide that for me?

(1945)

Hon. Mr. Cunningham: — We don't have a breakdown with us. We will get it for you. It's about just roughly split between, the bulk of it between Riverhurst and Luck Lake and then there was a few smaller projects. But we can get that.

Mr. Martens: — Sask Water, through the Canadian provincial agreement, I believe is using some of that money to build the Battle Creek reservoir. Is there any money left over in that agreement that the Sask Water has to . . . or still has an opportunity to use?

Hon. Mr. Cunningham: — None of the provincial money that was under that agreement was used in Battle Creek. The Battle Creek is a federal-provincial agreement which has expired. In fact, I think we got an extension to get the money from Battle Creek to finish it up.

Mr. Martens: — And the PFRA (Prairie Farm Rehabilitation Administration) are using their money from that agreement to construct them. Is that right?

Hon. Mr. Cunningham: — Yes, their share is 2.5 million, ours is 1.4 million. So that's correct.

Mr. Martens: — Their share is point five?

Hon. Mr. Cunningham: — Two point five, pardon me. I'm mumbling, I guess.

Mr. Martens: — I think the province was setting up an agreement with the federal government to do other economic development either last summer or early this fall or '91 in the fall. Have you worked out an agreement for economic development that allows a partial investment by the province of Saskatchewan for economic development in water-related issues and then accessing funding from the federal government?

Hon. Mr. Cunningham: — Yes, that agreement has been signed. It's a \$40 million agreement — 50/50 split. We're just organizing the management committee of that now.

Mr. Martens: — Forty million total, or 20 and 20?

Hon. Mr. Cunningham: — Forty million total, yes.

Mr. Martens: — Is that 20 million that is in that agreement, are you able to determine what the 40 will be used for, or are you going to be able to determine what the 20 is going to be used for?

Hon. Mr. Cunningham: — That \$40 million will be managed by a joint committee. So there will be joint decisions as to where it gets spent.

Mr. Martens: — What kind of projects are eligible for

that?

Hon. Mr. Cunningham: — That includes any water-based economic development project. So it, I think, is fairly far-ranging. I believe it would include even things like processing plants for irrigated products and so on.

Mr. Martens: — I know that there's one hog operation that uses effluent to irrigate and also has regular irrigation. Is that also a project . . . or projects like that — are they able to access that money?

Hon. Mr. Cunningham: — Yes, they definitely would be eligible for that money.

Mr. Martens: — I think that . . . wasn't it the town of Elbow had some proposals to deal with a lagoon and allow that effluent to be used in an irrigation project? Are those eligible, and what's happening with that project?

Hon. Mr. Cunningham: — Yes, that type of agreement would be eligible. And we're still talking with the Elbow people. There's some fairly serious concerns about the suitability of the soil that they were looking at for irrigation purposes. So it may not in the end proceed. But it certainly would be eligible.

Mr. Martens: — I know that there are people interested in potatoes in the Riverhurst-Lucky Lake area. I know that because I have constituents of mine who are involved with those people from the United States.

Are you progressing in a reasonable fashion in that area? Is there room for the economic development side, not on the irrigation part but on the economic potential to build a potato sorting plant? And I know it's for seed potatoes too. Would you be able to give us a little detail on that?

Hon. Mr. Cunningham: — That's correct. We have had some interest from potato farm growers from Idaho in setting up a sorting plant here. We're presently doing a market study which looks promising and I think it certainly is . . . has potential.

Mr. Martens: — Would that kind of an operation be able to utilize some of this funding for economic development? And I'm not here to pick on whether they're Canadian or whatever, and I don't want to make too big a point of that. But we need economic development and I'd like to just generally encourage you in that direction.

There was also some discussion from Ontario in a company called KenAgra, I believe, at one time. And they were very interested in also setting up some alfalfa plants in that area. Have you had any discussion with them recently, and if so, would you be able to tell us about it?

Hon. Mr. Cunningham: — We don't have any proposals from that particular company but there are a couple of very good proposals for alfalfa plants in the area, and I think particularly in the area of alfalfa cubes, which seems to be a growing market there and would be high quality from that area. And there certainly are a couple of proposals that look promising.

Mr. Martens: — I guess one of the things that is going to be a significant problem in that area is land control and land development. Have you been in discussion with the Farm Ownership Board on how to deal with that when that problem arises?

For example, if there's money prepared to be invested from outside, they would have to have approval through the Farm Ownership Board. And I know that it was a concern earlier to these people because they wanted to have ownership of some of that land, and I know that they did have some . . . There are restrictions on people outside of Saskatchewan owning that land, and I was wondering if you had done any investigating on that part.

Hon. Mr. Cunningham: — We have been in discussion with the Saskatchewan Farm Ownership Board and the Department of Justice and the Department of Agriculture in looking at alternative ways to come to solutions to that particular problem.

Mr. Martens: — One of the things that I think you maybe need to do, Mr. Minister, is lift some of the restrictions in the Farm Ownership Board so that some of this economic development can take place more than just on a plan-by-plan basis. So I would encourage you to do that.

The Lloydminster irrigation project, is there room for more irrigation development from the effluent that they use there, and water that is attached to that? Is there more available use or is it limited to what it's at right now?

Hon. Mr. Cunningham: — Basically the officials inform me that the system basically is at capacity, that the effluent there would not support any further development.

Mr. Martens: — Going on to the Melfort situation and development of the water into the city of Melfort, do you have any other urban centres that are asking for the same sort of development and in the same fashion? Do you have any other cities asking for that?

Hon. Mr. Cunningham: — Actually we have many, as many as 15 or 20 that are potential possibilities that . . . are looking into, including large urban centres and some regional water supply systems.

Mr. Martens: — Well I, too, want to encourage the minister in this kind of economic development. I think that that's an important part of the process. Sask Water manages the Diefenbaker Lake and I believe other lakes and gets a royalty from the water used for electrical development. How much is that volume of dollars and could you give that to me today?

Hon. Mr. Cunningham: — Yes, the revenue that we get from that varies considerable from year to year depending on the amount of water. I think this year we're estimating it at something like 6.9 million. I think last year it was something over 9 million that we got.

Mr. Martens: — I just want to make an observation about, or maybe ask a question about, discussions that you're having with Saskatoon on its sewage proposal. If there is

one, what they're doing with it.

I think that there is excellent opportunity there for some effluent irrigation in some parts. I think the city needs to have that kind of an encouragement in order to develop and I'm not just sure which is the best way to move that effluent. But it definitely would have some value in some of the sandy areas around the city and I think it's . . . I don't know whether you've had any discussions. We'll start the question that way. Have you had them and what are you doing about them?

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

Mr. Swenson: — I'd like leave to introduce guests, Mr. Chairman.

Leave granted.

(2000)

INTRODUCTION OF GUESTS

Mr. Swenson: — Thank you, Mr. Chairman. It's a pleasure for me tonight to introduce to the Assembly some members of my family. It's been a long session and one sort of has to bring the mountain to Mohammed once in a while.

Tonight I have in the gallery my two sons plus my nephew, and they're up with the guide. The youngest one is Eric and the next one is Andrew, and my nephew, Scott Acton, all from Moose Jaw and visiting the Assembly tonight. And I'd just like all members to help me welcome them here tonight.

Hon. Members: Hear, hear!

The Chair: — The Chair joins the member for Thunder Creek in welcoming the distinguished guests this evening.

COMMITTEE OF FINANCE

Consolidated Fund Expenditure Saskatchewan Water Corporation Vote 50

Item 1 (continued)

Hon. Mr. Cunningham: — Thank you, Mr. Chairman. The potential is there, I think, for irrigation with effluent at Saskatoon. We have done some soil investigation there and we are of course dealing with the city, and they may or may not want us to be involved in a project. But they have a water treatment problem there and one possible solution is effluent irrigation, and we have done some soil investigation and I guess that's about as far as it's gotten.

Mr. Martens: — Mr. Chairman, and Mr. Minister, I live along a water route that has been used for moving effluent from urban centres and I really . . . I don't appreciate those kinds of things happening, whether they're a dike or a ditch or whether it's a natural water flow. And last year the city of Swift Current, because of the tremendous amount of rain, had to dump some and there was a very, very significant upheaval because of that.

I know that this is one of the environmental things that I really have a strong view on and one of the things that should be addressed as we go along. And sometimes it's been suggested that an environmental charge be placed on some of these urban centres so that they realize the value . . . that they're depreciating the water facility that they're using for disposing of their effluent.

And I think that this is something that should seriously be considered because now there is no cost for what they're doing and yet there is a cost in an environmental sense, and I believe that it's time to have some of these people realize that the free ride is over. And in order to do that I think we need to have some of these urban centres and the people in the urban centres realize that this is not a never-ending thing.

The reason I say that is more than just for those people in Saskatchewan because I know that the rivers just pass through our system here in Saskatchewan, and we've got Edmonton, we've got Calgary, we've got Red Deer, Medicine Hat, Lethbridge, all of these rivers, it just keeps on trucking through.

And I think we have to have some . . . show an example. And I think that this would be a good way to do it is to begin to place an environmental charge on the use of the facility. Then they would begin to recognize that an alternative use was of more significance than they had thought in the first place. And that might encourage them to deliver the water to an alternate source, their effluent to an alternate source so that they could use it for development.

And so I would say that with that I want to encourage you in that direction and if there's any assistance that the opposition can be in dealing with that we'd like to help.

Hon. Mr. Cunningham: — Certainly that point is well taken. I think we're well past the time when we can continue to pollute our waters. I think Saskatchewan has a good environmental record in many areas and I'm sure my colleague, the Minister of Environment, is listening carefully to this and hopefully we will come up with something.

Mr. D'Autremont: — Thank you, Mr. Chairman. Mr. Minister, my colleague brought up the Rafferty-Alameda project and I'd like to ask you some questions concerning the Alameda dam. You mention that you have a settlement almost in place with the Tetzlaff brothers that . . . well it's not finalized yet. You may perhaps not want to talk too much about any financial arrangements you have made.

But there was one comment that you made in your statement about that that I do have some concerns about. And you mentioned that water may not be saved for some period of time behind, and that flooding would not take place for some period of time behind the dam. I'm just wondering if you could elaborate on that somewhat please.

Hon. Mr. Cunningham: — Well, Mr. Chairman, I might go back to the original of water management plan at the

whole Souris basin. The Souris basin, the original plan it calls for filling up the Rafferty dam first. We need water there to cool Shand and for recreation and so on. And we have to let 50 per cent of the water go each year to the States. That's the legal requirement. And we can most efficiently do that by letting it go from the Alameda.

So if we have normal sort of run-offs over the next decade or so, it would be unlikely that we would have high levels in the Alameda reservoir in any case. And so that there may be, if the reservoir is not full, then there's land that will be flooded some day but would not be flooded immediately and could be available for use.

Mr. D'Autremont: — Okay, Mr. Minister. I don't have a problem, if the land isn't flooded through natural causes, through natural reasons, for any farmer along the entire basin from using that land for either hay land or for pasturing or whatever. But if, Mr. Minister . . . and we have seen over the last years dry spells, dry times in the north end of the Souris basin on the Rafferty side of it, where very little water is actually coming down through the system.

So there was, even at that 50 per cent for U.S. (United States) there was very little water there. And yet on the Moose Mountain Creek, which is what the Alameda dam is on, there was a vast amount of water through there last year. Now under those circumstances, would water be saved at the Alameda dam site? Even just to keep our 50 per cent?

Hon. Mr. Cunningham: — Actually we stored very little water in the Alameda this year and we just barely met our apportionment to the States so that gives you some idea of the volume that normally flows through there. I guess just to bring you a little bit up to date on the situation there, we were beginning to expropriate on the Tetzlaffs. They have a court injunction against the expropriation. And our alternatives are, as the lawyers assure us, that we may or may not win the law case.

In any circumstance it wouldn't be settled until at least next year and we can't move a wheel at Alameda until we can settle, so that we can get the land to relocate the railroad.

And our alternative is to . . . If we sign this agreement with the Tetzlaffs, it would allow us then to begin construction again this fall. So it may in the long run have some impact on our water management plan. In normal circumstances it likely won't. And you know, those are the alternatives. And those are the alternatives that I want to put to the local people for reaction before I get into too much details of what the agreement is.

I made a commitment to the local people who were in here last week that I would show them the agreement before I go public with it, so I don't want to get into any more than what I told them about it.

Mr. D'Autremont: — Okay. Well thank you, Madam . . . Mr. Minister. I'm so used to saying Madam Minister because up till this point I've been dealing with the women in your caucus, or in your cabinet.

On the issue of the Alameda dam, there are some concerns that the local citizens do have with any settlement that you may arrive at with the Tetzlaff brothers. And one of the issues that they have a concern with, and a serious concern — while it wouldn't impact on the dam at all — is whether or not they would receive court costs.

The feeling in the area is that the brothers held up the dam for their own reason. And I can't disagree with their particular reason for doing so, because it is their land, and in my own opinion they have the right to defend it and fight for it as they wish. But there's people in the area do have a concern that they may be compensated for their court costs for the whole time period that they have held this project up. And the people in the area do have a concern about that, Mr. Minister, and I'd just like to point that out to you.

Mr. Minister, if you achieve an agreement with the Tetzlaff brothers, would construction start this winter? And when would it be completed in that case?

Hon. Mr. Cunningham: — Actually just on the basis of the tentative agreement, just sort of an act of good faith, they have let us start work on the low level outlet, so actually construction has already begun.

And I don't know — there's a rail relocation to do and building up of the dam — whether it would be possible to complete this fall or not. I'm not sure. But certainly once we get the go-ahead to construct, we're going to move ahead as quickly as we can to complete the project.

Mr. D'Autremont: — Mr. Minister, I can understand the Tetzlaff brothers being in court and with the problems there. But what's the problem with the railroad circumstances?

Hon. Mr. Cunningham: — The railroad has to be relocated because it's running, I think, almost right in the dam. And we need the Tetzlaff land to relocate the railroad, and that's where the hold-up has been.

Mr. D'Autremont: — Okay, thank you, Mr. Minister. I would encourage you to do all you can to get this project completed and as quickly as possible. I found it surprising though when you said that there was very little water available after the run-off to more than meet the U.S. commitment. I realize that with the rains last summer, they filled the Nickel reservoir at Weyburn; they filled the causeway at Mainprize Park and that took a significant amount of water.

But on the north end of the Moose Mountain watershed, there was 36 inches of rain last year. There was a reasonable amount of snow, probably an average year. And I'm surprised that that would not have amounted to a more significant run-off than what you seem to be indicating.

What's the average flows through the Moose Mountain creek and what was the flows last year?

Hon. Mr. Cunningham: — The run-off this year was close to normal, but it filled reservoirs that have been depleted

in previous years including water that we . . . none went down the Souris because we saved it all behind the 606 causeway and the Moose Mountain reservoir and so on were filled up.

Mr. D'Autremont: — Well, Mr. Minister, what was the state of the Moose Mountain reservoir July 1 or some time in the summer last year? Do you have any figures on that?

Hon. Mr. Cunningham: — It would have been less than half full at that time.

Mr. D'Autremont: — And what would the normal circumstances be at the comparable time of the year some other year?

Hon. Mr. Cunningham: — Normally it would probably be about 85 per cent full.

Mr. D'Autremont: — Thank you, Mr. Minister. Again I would like to encourage you to complete the dam as quickly as possible. Thank you.

Mr. Martens: — I would like to ask the minister to send those lists over that you indicated that you would. And I want to thank your officials, and I want to say this too to your officials and to the Water Corporation. Of all of the places that I enjoyed working, Water Corporation was probably the most pleasurable experience that I've had in government. And I want to compliment them on their work and the role. And I believe in the things that they're doing and I just want to encourage them to press on.

Item 1 agreed to.

Items 2 to 5 inclusive agreed to.

Vote 50 agreed to.

(2015)

**Consolidated Fund Loans, Advances and Investments
Saskatchewan Water Corporation
Vote 140**

Item 1 — Statutory.

Vote 140 — Statutory.

**Supplementary Estimates 1992
Consolidated Fund Expenditure
Saskatchewan Water Corporation
Ordinary Expenditure — Vote 50**

Items 1 and 2 agreed to.

Vote 50 agreed to.

Hon. Mr. Cunningham: — Yes, Mr. Chairman. I certainly would like to thank my officials and I concur with the member from Morse, it is a very pleasant place indeed to work.

The Chair: — The Chair would like to thank the opposition critics and the hon. minister for your participation, as well as the officials, in these estimates.

Why is the member on his feet?

Mr. Koenker: — With leave to introduce guests.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Koenker: — Thank you, Mr. Deputy Speaker. I'd like to introduce to you, and through you to members of the Legislative Assembly, some friends that I've recently made as a result of a connection I had at the Saskatchewan Horticultural Association annual meeting which was held in Saskatoon on Monday. I had the privilege of being able to attend that function on behalf of the Premier, and I looked up this evening and I recognized in the gallery a couple of the people who had been at the function. We have with us tonight the Grainger family, Beth and Walter Grainger, with their children Robert, Nicole, and Danita from Lipton. Beth was judging the floral displays at the Horticultural Association, and she is from the Fort Qu'Appelle Horticultural Association.

They also have with them a special guest to the Assembly, Tobe Reinshagen from Essen, Germany, and he had been in Saskatchewan four years ago on a visit with the Grainger family and is back to visit them for three weeks this summer. So I'd like the members of the Assembly to give the Graingers and Tobe a very warm Saskatchewan welcome.

Hon. Members: Hear, hear!

The Chair: — The Chair joins with the member for Saskatoon Sutherland-University in welcoming the guests to the Assembly this evening.

COMMITTEE OF FINANCE

**Consolidated Fund Expenditure
Women's Secretariat
Vote 41**

The Chair: — I'll ask the hon. minister to introduce her officials.

Hon. Ms. Simard: — Thank you, Mr. Chair. To my left is Marianne Weston who's the executive co-ordinator for the Women's Secretariat, and immediately behind me, Joan Pederson, the director of Women's Secretariat.

Item 1

Mr. Toth: — Thank you, Mr. Chairman. Mr. Chairman, first of all I would like to thank the Government House Leader for coming and suggesting a few questions we could use in the House tonight. None the less, Mr. Chairman, and Madam Minister, it's been a while since we've had a chance to really discuss some of the women's issues and certainly the Madam Minister would be quite familiar with this portfolio or part of her portfolio, having been a critic for women's issues a number of years ago when the Women's Secretariat was established back in 1984.

And I think, just thinking back, the establishment of the Women's Secretariat was to just bring a little closer to the forefront maybe some of the issues that many women at the time felt were not being addressed or, if they were, just felt weren't really out in public view. And I know the Madam Minister, as the critic, certainly brought it to the attention of the government of the day her feelings about Women's Secretariat.

What I'm wondering right now is what her . . . now that she is the minister, minister responsible and in light of the constraints and the budget cut-backs that the government has been exercising, I'm just wondering if the minister just could lay out . . . first of all just give us a bit of an overview of what she perceives the role of the Women's Secretariat will be; if indeed it will continue to exist as a separate entity or if it will just become part of another department; or whether or not it will just continue as well to remain largely an internal department.

Hon. Ms. Simard: — The Women's Secretariat is a separate, independent entity, Mr. Chair. It is not associated with the Department of Labour as it was when we formed government. We have an independent executive co-ordinator. It's not the deputy of Labour any longer who is the executive co-ordinator of the Women's Secretariat.

So we have moved it to a more independent agency. We have also increased the funding for the Women's Secretariat by 84 per cent in this budget, and that is shown in the blue book. There have been a number of improvements made in the whole area with respect to women's issues, Mr. Chair.

For example, we have had some increased funding for the employment equity unit in 1992-93 to assist in ensuring that women, persons of native ancestry, and persons with a disability are represented more fairly in the public service. We also had, as a result of efforts from the Women's Secretariat and the Department of Health, increased funding for breast cancer screening in 1992-93.

There have been, I should point out, as a result of efforts made by the Women's Secretariat and other female cabinet ministers in government, 40 per cent of government appointments to boards, agencies, and commissions are women in our government.

I think it's important to note as well that in 1992-93 there's been increased funding to the maintenance enforcement office which is going to be helpful for women in the province. And on November 27, 1991, Saskatchewan joined the federal-provincial territorial governments in supporting a framework for a national strategy on violence against women.

We've seen some consolidation of employment and training programs which will address the specific needs of single parents on social assistance, most of whom are women — some 95 per cent, I believe, Mr. Chair — and these are coming as a result of the kind of role that the Women's Secretariat plays which is to co-ordinate and integrate policies throughout government to enhance the

role of women in society and in government.

We have seen a child tax reduction for low income families increase by 25 per cent as of July 1. We have seen funding for child hunger programs increased by 35 per cent, and an increase in funding of some 21 per cent in grants to child care centres. This has occurred as a result of the Women's Secretariat working in co-operation with other government departments and trying to integrate the women's concerns into the mainstream of all planning.

And that's the role of the Women's Secretariat, is to integrate women's concerns into the mainstream of government planning. And I must say, I think we've met with very substantial success in the last nine months.

Mr. Toth: — Thank you, Madam Minister, for filling us in on a number of areas where the Women's Secretariat has certainly taken an active role. Yes I think many women across this province — specifically in that plus-50 age bracket — I think appreciate the fact the breast cancer screening program . . . certainly the fact that it's been expanded to other centres. As the minister is quite well aware, when it was first introduced, it was a pilot project, just to see its acceptability. As the government realized certainly it was something that was very worthwhile and then the new government has taken that program and expanded it. I think it is appropriate.

You talked about the maintenance enforcement office. A question I have regarding that, Madam Minister, and in light of a couple of concerns that have been raised with me and both the concerns that have been raised of late, come from individuals who have moved to this province. And actually women have left situations where it appears to have been some abusive situations, but have moved to the province and are having some difficulty regarding the maintenance that was agreed to prior to their . . . or in their divorce settlements.

I'm just wondering, Madam Minister, what policy we do have. Do we have reciprocal agreements with neighbouring provinces? I know that we have agreements with a number of the states in the United States of America regarding maintenance enforcement. Maybe the minister could indicate what or suggest . . . make some suggestions as to how these women could be accommodated as well in following through on the maintenance cost that should be coming towards them.

Hon. Ms. Simard: — There are agreements with other provinces with respect to the enforcement of maintenance orders and there were amendments to this Act in this session to streamline and improve garnishment procedures to get money to recipients more quickly.

So my suggestion is, in a situation where there are women who are looking to enforce maintenance orders, that they should get in touch with the enforcement of maintenance orders registry or system with the Department of Justice and that the Department of Justice will assist them through the process of enforcing these orders in other jurisdictions if necessary.

Mr. Toth: — Thank you, Madam Minister. Madam Minister, would you happen to have a phone number or a

number that I could pass on for their information or that I could contact?

Hon. Ms. Simard: — Okay, the Justice contact would be 787-7872, and the name there is Lisa Ann Wood.

Mr. Toth: — That's 787-7872?

Hon. Ms. Simard: — That's right, 787-7872.

Mr. Toth: — Well, Madam Minister, having this office available and contact, I think one of the problems that has been raised, from my understanding, is the two women that have contacted me recently have I believe looked at the maintenance enforcement but it has still cost them some money trying to get a lawyer.

And it appears, from what they're telling me, that the maintenance enforcement office really hasn't been able to do much. And I would suggest then, Madam Minister, that maybe some more work has to be done regarding maintenance enforcement because I think we all agree that we're looking for fairness and we're looking for individuals to be treated fairly and each and every one of us to carry our responsibility.

So I would ask the minister maybe just . . . whether you want to pass it on yourself as a person responsible for women's issues to maybe check with the Justice department as well and the Justice minister in following up how we can indeed follow through regarding the enforcement notices, Madam Minister.

(2030)

Hon. Ms. Simard: — I would like to point out to the member opposite that as of March 31, 1992 there was more than \$35 million collected by the maintenance enforcement office, and in this same period, 3.19 million was deposited to the Consolidated Fund for social assistance clients.

I would suggest that if the member opposite has the names of a couple of women who have individual situations that haven't been dealt with to the satisfaction of those people, that he provide those names to the Minister of Justice or to myself as acting minister if the Minister of Justice is not here, and we can take a look at the situation to see if there's anything further.

Obviously in some situations where the person against whom the order is levied cannot be reached, it gets difficult to attach the money. So there isn't a solution in every single case. But there is a substantial amount of money being collected in this fashion and it's much more successful than the old method which was that the woman was entirely on her own.

So there has been improvements and the government is working to improve the program as much as possible. If there's anyone falling between the cracks, give us their names, we'll see what we can do.

Mr. D'Autremont: — Thank you, Mr. Chairman. Madam Minister, I have a question dealing with maintenance orders also. I've run into the problem with a few

constituents that have a problem tracking their ex-husband to get enforcement of those maintenance orders. And I think some method needs to be brought into play to make it easier to track them either through unemployment insurance or through health care cards or something along that line, Madam Minister, because what happens, particularly in cases where people are involved in construction, the construction industries, they're at a job for a short period of time — one month, two months, three months — and then they move on again and it's very difficult to keep those maintenance orders in place at each location.

Hon. Ms. Simard: — Yes there is definitely difficulty in tracing people because they deliberately attempt to avoid having to pay maintenance. There were amendments, as you recall, that were brought forward that attempted to get at that problem by providing the director of the maintenance enforcement office with the authority to demand information, for example, regarding a respondent's income or financial status or some information with respect to the respondent.

So the government has brought forward amendments to try and get at that problem. But there is a situation where individuals do try to flee the enforcement of maintenance orders, and I'm not sure that we can solve all those problems. I think this is something that we have to live with and deal with as best we can and try to be one step ahead of them.

Mr. D'Autremont: — Madam Minister, I think perhaps if it's possible for all of the provinces across Canada and the federal government to work together that that would, through perhaps the income tax system, would aid in that tracking.

Hon. Ms. Simard: — Thank you for your suggestion. I'll take it to the attention of the Minister of Justice.

Mr. Toth: — Madam Minister, I think another program that has worked very well over the past number of years is a program that is certainly helping young mothers complete their education, specifically get their high school education and then go on to university.

And I found it interesting driving down College Avenue today to see a number of young people just getting ready to cross the street going to school, to see a young mother I would say in her . . . possibly in the age of 15 to 16 with a little carriage with a baby in it. And I think it's very appropriate over the past number of years that we have encouraged these young mothers to complete their education. And I'm not sure what role the Women's Secretariat has had, but would certainly encourage them to continue on.

Another area though of concern is the fact . . . you talk about 21 per cent increase in child care. One of the major concerns that I have run into, Madam Minister, is the fact that there are individuals — women, home-makers — who have chosen, rather than to continue on with the job, to get out of the work-force for a while and spend the time in their home raising their children.

And certainly . . . a couple for instance that I've sat down

with a couple times, and where the husband happens to be a teacher, and then taken a fair bit of . . . I guess some abuse and anger on the part of his wife for the fact that she's watching individuals, friends of theirs, and taking, walking their children down the street to a care home . . . not a care home, pardon me, a child care centre while she's staying at home. And yet they don't have any ability to be recognized for the fact that she is intentionally taking the time to raise her family.

And I think one thing that could be looked at, and I would suggest that you look at, Madam Minister — and I think it goes beyond the provincial realm, certainly enters into the federal realm — of some kind of a tax credit that would recognize women and acknowledge the fact of their role they play in society when they choose to stay at home and raise their families and be a home-maker for a while.

In light of the fact that we seem to always throw money into child care programs or day care centres, but we forget about the women who choose to stay in the home, and I think it would be appropriate that we look at some system to recognize this.

And if it's child care or credit of some kind that would give them . . . that gives that home just a little more to work with. Because if she was out working and took the child to a day care centre, then they would have that extra money, certainly, coming into the home.

Hon. Ms. Simard: — I thank you very much for your suggestion. I guess what I would like to say is that women . . . it's many single mothers, for example, who access child care centres. And it is also families of lower income who absolutely must access child care centres because of course they can't afford to have baby-sitters come into their home or access more expensive services.

I think the woman who stays at home and raises her children is definitely performing a very valuable function for the sake of her children. It's wonderful that she is able to stay at home and look after her children, unlike many women who do have to go to work in order to put food on the table. And the government, of course, must provide for those children who are being taken out of their home because their mother has to go to work in order to support the family in one form or another. And what we are doing when we fund child care centres is funding the children. I think that is really important to note. We are funding children because we have to provide adequate care for children while their mothers are working. It's absolutely crucial.

And I want to point out that it's many single mothers who access child care centres, as well as low income families. And I want to say this, that I think when a woman stays in the home and looks after her children, she is performing a very, very valuable service. But I also must point out that she is lucky to be able to have the opportunity to stay at home because there's many women who don't have that opportunity. And society has an obligation to provide for those children.

Mr. Toth: — I thank you, Madam Minister. But as I've indicated before, I trust we would certainly recognize or

take the time to recognize those individuals who choose to fulfil that role until their children are, say, later in their teens before they go back into the work-force.

Coming to a few questions regarding the estimates and some of the figures we have here, Madam Minister, I'm just looking at footnote no. 1 mentioned on page . . . vote 41. We see an asterisk there that refers us down to the bottom of the page. This is on page 88 under Women's Secretariat in the *Saskatchewan Estimates 1992/93*. And it says:

Portions of this subvote were included in the votes Family Foundation and Social Services in 1991-92. The 1991-92 estimates (Financial Report) have been reallocated on a comparative basis to the subvote for 1992-93.

I'm wondering if the minister would indicate how much money was taken from the Social Services budget and put into the budget for the Women's Secretariat.

Hon. Ms. Simard: — Thank you. I can't give you the specific amount on that, but I can provide you with that answer. There were four positions transferred from the Family Foundation and Social Services. It's my understanding, but I will want to clarify it for you, that one of the policy analyst positions came from Social Services, the other three coming from the Family Foundation. But I will want to get an accurate figure on that for you.

Mr. Toth: — So what the minister is saying then . . . And the next question I had was dealing with the budget for the Family Foundation, the minister would be aware that it was 9.6 for the '91-92 year. And I was just wondering how much was allocated to the Women's Secretariat for '92-93. You mentioned there were some funds and allocation of some positions to the Women's Secretariat. How much was allocated?

Hon. Ms. Simard: — When the four PYs (person-year) were transferred from the Family Foundation, it came to 301,500 that was transferred in. And I am advised by my officials that what occurred is there was a position transferred from Social Services to Family Foundation, and then four PYs were transferred over from the Family Foundation to the Women's Secretariat. And that amount is in total 301,500.

Mr. Toth: — Also, Madam Minister, under subvote 2 we see a small 2 which says: "A portion of this subvote . . . " and going down to the bottom of the page it indicates:

A portion of this subvote includes expenditures related to accommodation costs.

I'm wondering what you mean by accommodation costs and how these accommodation costs reflect or accommodation charges reflect the change in the government's accounting policy for the '92-93 year.

Hon. Ms. Simard: — The accommodation cost is the amount that's paid to SPMC (Saskatchewan Property Management Corporation) for rent. And in 1991-92 it was a total of 52,000: for approved capital expenditures, zero; photo services, records management and mail

services — accommodation, 35 — 17,000 for mail services; for a total of 52.

With the increase in PYs over to the Women's Secretariat that became: for accommodation, 38,489; and for mail services, 17,000 — same as before but an increase in accommodation. So it's as a result, the increase in accommodation which is the SPMC payment, is as a result of a transfer of four PYs from Family Foundation to Women's Secretariat.

(2045)

Mr. Toth: — Thank you, Madam Minister. Madam Minister, according to the '91-92 estimates presented by the previous government, the '91-92 budget allocation for Women's Secretariat was 487,400. However, we looked at the estimates today and according to the '92-93 estimates, that figure has changed to 728,900, '91-92 in this book this year.

I'm wondering if the minister can explain why these two numbers are different and how this accounting adjustment was made and why it was made.

Hon. Ms. Simard: — They had to reflect the change from the Family Foundation. In other words, the money with respect to the four PYs in Family Foundation were automatically put into the Women's Secretariat for '91-92 because it had to be shown somewhere in the blue book because the Family Foundation wasn't going to be shown in the blue book with those four PYs.

So the bottom line was adjusted for '91-92, is what occurred, and that's why you see the increase over what showed in the blue book for that period originally.

Mr. Toth: — So what you're saying, that what the blue book showed in '91-92, the estimates, 487,400, you would add the 301,500 — 301,500. It would be something like \$60,000 more. Where's that additional \$60,000? If you were to add those two figures, that'd be 60,000 higher than the 728, if I gather it right.

Hon. Ms. Simard: — What we'll have to do is provide you with a more detailed breakdown. When the monies were transferred from the Family Foundation, there was an adjustment on the transfer in of the money that we received, which accounts for what you're referring to. In other words, although we were receiving the four PYs, we didn't receive the full amount for that because there was a participation in the budget reduction that was taking place across government.

Now what we will have to do for you, and I don't have the exact figures on that, is I can send over a more detailed analysis of exactly how that worked out.

Mr. Toth: — Thank you, Madam Minister. Madam Minister, also we see according to the '91-92 estimates published back in . . . I believe March of last year, the Women's Secretariat was allocated seven person-years and 314,040 for personal services. But this year's estimates we find an allocation of 11 person-years, and that's probably picking up the four we talked about, and 537,200 for personal services. Now I'm not sure if that

would make up that funding allocation. There again, you may have to probably . . . the number you'll be sending over will probably indicate the difference there because I don't think it's going to quite add up, that 301,500.

I'm also wondering if this is additional person-years representing new hirings or just the shift of personnel. I would take it that it indicates a shift of personnel from the Family Foundation to Women's Secretariat.

Another question, while I'm on my feet, and I'll ask — you can take note of and maybe answer at the same time. I'm wondering if you'd provide the House with the names and qualifications for the management level employees of the Women's Secretariat as well as the names and qualifications of any persons hired or contracted by Women's Secretariat since November 1, '91.

Hon. Ms. Simard: — You're quite right that there was a shift of personnel over from the Family Foundation. And yes, we will undertake to forward over to you the names and qualifications of the staff of the Women's Secretariat at the management level.

Mr. Toth: — A couple more questions, Madam Minister, before we vote on the Women's Secretariat. And I'll give them both to you, Madam Minister, and then you can respond if you don't have the information right handy.

Would the minister indicate whether any funding has been approved by Women's Secretariat to be paid to groups and organizations outside government since November 1, '91. And if so, would the minister provide a list of those organizations, the projects and funding that was approved in each case, and the criteria for awarding such funding.

And secondly, I'm asking the minister to provide a list of all publications produced by Women's Secretariat since November 1, '91, if any have been produced.

Hon. Ms. Simard: — The Women's Secretariat does not have a granting capacity, so there has been no money paid out under grants at all. With respect to the publication, there was an annual report that was put out and no other publications.

Item 1 agreed to.

Item 2 agreed to.

Vote 41 agreed to.

Supplementary Estimates 1992 Consolidated Fund Expenditure Women's Secretariat Ordinary Expenditure — Vote 41

Items 1 and 2 agreed to.

Vote 41 agreed to.

The Chair: — Would the minister like to thank her officials?

Hon. Ms. Simard: — Thank you, Mr. Chair. Yes, I would

like to thank the opposition for their co-operation, and also Marianne Weston and Joan Pederson, my officials, for the help they gave us tonight.

Mr. Toth: — Mr. Chairman, I would like to also thank the minister and her officials, and thank them for responding to our questions. We look forward to receiving any replies. And I'm not sure if co-operation is most conducive, but it certainly does help at times.

**Consolidated Fund Expenditure
Finance
Vote 18**

The Chair: — First of all I will ask the Hon. Minister of Finance to introduce his officials.

Hon. Mr. Tchorzewski: — Thank you, Mr. Chairman. I would be pleased to introduce the officials who are here to assist us. Mr. John Wright to my . . . seated beside me here, the deputy minister of Finance; Mr. Bill Jones, the associate deputy minister of Finance in charge of treasury and debt management division, behind Mr. Wright; Gerry Kraus, Provincial Comptroller, to my far right; Len Rog, assistant deputy minister, revenue, pensions, and administration, on my left; Bill Van Sickle, executive director of administration who is behind me. And at the back there are Brian Smith who is the executive director of the Public Employees Benefit Agency and Joanne Brockman who is the manager of fiscal policy, economic and fiscal policy branch, budget analysis division.

The Chair: — Thank you to the minister for introducing the officials.

Item 1

Mr. Toth: — Thank you, Mr. Chairman. Mr. Minister I have a question relating to fuel taxation. And I was going to suggest as I stood up here that the amount of times your deputy minister has been in here, you might become a well-known fixture in this Assembly.

But the question that arises, Mr. Minister, and I would like to bring to your attention, I'd like your department to take a serious look at, is the fact that there are numbers, especially small farmers, smaller operators, say in that three-quarter to a section or five quarters of land, some who still have older combines and most of their trucks are run on unleaded fuel, gasoline rather than diesel. And a concern that was raised yesterday, recently, and it was brought to my attention — I believe one constituent of mine even contacted your office — is the fact that fuel, farm fuel bought in bulk, a few years back at least, you used to get maybe a discount of 1 or 2 cents a litre or a gallon on that fuel over the pumps because of the fact that you took such a quantity and volume at a time.

And what has happened, Mr. Minister, is that now with all the taxes, producers are paying more money at the farm gate rather than being able to purchase it at the pumps. And for individuals with your new taxation policy and your refund policy, a number of these individuals are going to find that because of the fact that they're using gasoline-related machinery rather than diesel-related machinery, they're going to find that the limitations

regarding refunds, they'll use it up before they hardly get through harvest which creates more of a problem for these individuals.

And I'm wondering if the department can take a look at this in light of the fact that it appears the price of bulk fuels is higher than at the pumps. And certainly it's not easy to run to the pumps all the time to fill up your harvesting equipment.

(2100)

Hon. Mr. Tchorzewski: — I thank you. The member raises a very important point that we have actually been giving some considerable thought to. This is out of the initial implementation of this system. We have the \$900 cap. It's based on a 1,000-acre operation, so some will use more and some will use less. But indeed we are quite prepared to, over time as we get experienced with this thing, review whether we can find a better system to do it; review the levels, because there is no desire to, I guess for lack of a better word, punish someone who may be operating yet even today on major . . . mainly with gasoline as opposed to diesel. And that is under review and as we get some experience whether we can find some way to make some adjustments, we certainly . . . I would be most happy to do that.

Mr. Toth: — Well, I thank you, Mr. Minister. I would just like to ask the minister as well, if as the department is reviewing this and if the department does find a way of making some changes, especially in light of the . . . a lot of conditions that many farmers are facing this fall, I'm wondering if the department would certainly as well take a look at making . . . maybe making them retroactive say to September 1 or whatever to accommodate some of the individuals who may be caught with the problem they're facing, especially if some changes are made. And as I indicated, Mr. Minister, I think even department officials will recognize the fact that a little bit of arithmetic tells you that if you fuel up at the pumps, you can certainly apply for the GST (goods and services tax) refund, and it still saves you some money there, and the limitation that we have there.

So I would appreciate the fact that you're looking into it and if anything can be done to accommodate . . . I don't know how many, if it will be a lot of operators, but it's certainly the smaller operator that gets hit the hardest.

Hon. Mr. Tchorzewski: — Well that's one of the important points, the latter point, the member from Moosomin mentions is how many operators. And when we get experience with this, we'll get a better reading as to the numbers that are involved. And I'm really . . . we're really quite open to when we might be able to do it if we'd be able to do it, depending on the information that we gather with the experience that we're going to get.

Mr. Martens: — Well, Mr. Minister, I want to ask — Mr. Chairman, Mr. Minister — I want to ask you about the debt load that was assumed in the current . . . as of March 31. And it deals with the \$715 million, I believe it is . . . can't . . . I think it's page 44 or 46 . . . 44 and 45, two things there. The 184 million that the Sask Water Corporation wrote off. In our discussions with the auditor in Crown

Corporations, he was not sure why you would take and write off the debt and then also write off the assets. I'm not sure why you would. Would you be able to give us an explanation of that?

Hon. Mr. Tchorzewski: — I recall the member from Morse raised that the last time we were here. And I've had my officials check with the Provincial Auditor and he explains to us that he is not questioning the write-down of the 184 million; that is not at question. He had some concern about the asset write-down. And what's happening is that he is in conversation, or in discussions with the private auditors who have done the audit, to see how they can resolve this.

I'm told by my deputy that Finance is acting as an intermediary in this case so that we can get the whole thing cleared up. But I'm pleased to be able to report to the member that since he raised it, we have taken some action. We have got the Provincial Auditor and the private sector auditor looking into this jointly to see how best to resolve the disagreement that seems to be there.

Mr. Martens: — Well the decision I guess is the reason that I'm asking you about . . . I'm not asking you whether the auditor thinks that it's the right or wrong thing to do; I'm asking you why you did it.

Sask Water or you and Department of Finance made the decision to take the 184 million and say that goes into the Consolidated Fund as a part of debt. I don't have a problem with that. But to say that their assets in irrigation and in Rafferty and Alameda are zero in value, I guess that's where we have a concern and we need to know why you did that.

Hon. Mr. Tchorzewski: — It's not a matter of something that the government did or the Department of Finance did. This is simply a dispute or an issue that is between the two auditors — the Provincial Auditor and what the auditor who audits the Saskatchewan Water Corporation indicated in the report that they provided and in the financial statements therein.

And as I've indicated to the member opposite, that is a matter that is being discussed between the two auditors, and the Department of Finance is assisting as an intermediary. And we will bring this thing to a conclusion as soon as the two have had an opportunity to work it out.

Mr. Martens: — Does the minister have any other precedent where a capital project was written to . . . the asset value was written to zero?

Hon. Mr. Tchorzewski: — I'm told that in the best understanding that we have here, that there is no other such precedent, that there is obviously a question here — and it's a valid question — and therefore that's why we have intervened or have offered to assist as best we can between the Provincial Auditor and the auditor who does the audit for the Sask Water Corporation to resolve the question and bring an answer.

Mr. Martens: — Well, Mr. Minister, it's been at least a month since I raised it the first time, and maybe even more than that. It's significant enough that I believe that if

you're going to write off the debt and then write off the assets, the assets and the debt write-off shouldn't be 184 million. It should be a combination of the two. If you're going to write off the debt and the assets, that's the way I would see it. And I want to know why you did it, why it doesn't show in here if that's what you did. And I think it's bizarre, to say the least.

Hon. Mr. Tchorzewski: — Now if you look at the information that Finance provides, there is no write down of assets shown here because there has been no writing down of the assets here. What is at issue here is a recommendation of the auditor of the Saskatchewan Water Corporation. Now Finance is doing what it is the responsibility of Finance to do because it was raised by the member opposite and has been raised by the Provincial Auditor who is not necessarily at this point in time disagreeing; he is simply questioning it to get a clarification.

Saskatchewan Water Corporation was here an hour and a half ago, or this evening, and I wish I had thought of reminding the member to ask the question then because it's really something that they would have to answer. But more importantly at this point in thing, the auditor who does the Saskatchewan Water Corporation has made that recommendation. Provincial Auditor is wanting to question why that recommendation was there. The Department of Finance, at our instructions, has got the two auditors discussing this issue in order that they can come to a conclusion. And when that is, it will be reported in either the Provincial Auditor or the Water Corporation's next report, or both.

Mr. Martens: — The decision to write off the 184 million, who made that decision?

Hon. Mr. Tchorzewski: — It would be the management of the Saskatchewan Water Corporation but it would be recommended and supported by their auditor.

Mr. Martens: — Mr. Minister, who is on the board of directors of the Sask Water Corporation?

Hon. Mr. Tchorzewski: — Well the minister in charge of the Crop Insurance, the Rural Affairs, the Minister of Agriculture, I think is on it, but I don't have on hand all of the members who are on that board.

Mr. Martens: — Mr. Minister, your executive branch of government made a decision through the board of directors of Sask Water Corporation to write down the debt in Sask Water. Is that not a fact?

Hon. Mr. Tchorzewski: — Ultimately the board would approve the annual report but it would do so on the basis of a recommendation from the Water Corporation as recommended by the auditor.

Mr. Martens: — Mr. Minister, you're not even close to answering the question. Who made the decision? Can I have the minutes of the meeting of the Saskatchewan Water Corporation that made the decision to write down the \$184 million?

Hon. Mr. Tchorzewski: — We certainly don't have that

information here. I will endeavour to speak to the minister. I wish the member had thought of asking the minister when he was doing his estimates here and . . . (inaudible interjection) . . . thank you, Mr. Chairman, I shall speak to the minister. We're not . . . (inaudible interjection) . . . well as soon as the member from Arm River is finished I will endeavour to answer the question, Mr. Chairman.

I can't provide you the minutes, I'm not the minister in charge, nor would my staff have the minutes but I will endeavour to get them for you when I speak to the minister in charge.

Mr. Martens: — Mr. Minister, you are in charge of the . . . maybe you're not in charge of the Finance. Maybe we're making a discovery here. Maybe you're not in charge of the Department of Finance.

Department of Finance, you said, was going to control the issues of all of the expenditures and all of the debt load and I want to know from you who made the decision to take the 184 million and put it into the Consolidated Fund? Who made that decision?

Hon. Mr. Tchorzewski: — Clearly, the process is this, the process, Mr. Chairman, is this. The process is that the management of the corporation, on the advice of the auditor, would make the decision and make a recommendation; the members of the board would be presented with the report, annual report, and the members of the board would approve, disapprove or ask the management to take another look at it. So ultimately the decision . . . the approval would be by the board on the recommendation of the management as recommended and supported by their auditor.

Mr. Martens: — Well, Mr. Minister, I asked this very same question in Crown Corporations. I never got an answer from the Sask Water Corporation either. Somebody's got to give an answer for it. Who made the decision to do it?

Hon. Mr. Tchorzewski: — I think I just made . . . I don't know how much more clear . . . I don't know how more clear I can be. The management, on the recommendation of their auditor. We'll make a recommendation to the board. They first of all make that decision. The board has to approve that. And that's basically the final authority for the approval of any annual report.

(2115)

Mr. Martens: — Who made the decision to write off the \$875 million in the CIC (Crown Investments Corporation of Saskatchewan)?

Hon. Mr. Tchorzewski: — Mr. Chairman, I'm pleased to answer that question. In the case of the Crown Investments Corporation, it is simply a transfer of the debt from the Crown Management Board to the Consolidated Fund. That is a decision that would have been made with the Department of Finance and the Crown Management Board. And it was done on the basis of recommendations that were provided first of all by the Gass Commission, and then a study done by Ernst & Young, who were engaged to take a look at the financial situation of the

Crown Management Board. And on the basis of their recommendation, that transfer of the debt was then carried out.

Mr. Martens: — Well, Mr. Minister, the decision was made on \$184 million by Sask Water board. Your executive branch of government is a part . . . all of them are members of Executive Council. And they made the decision to do it. It was a cabinet decision to make that \$184 million available as a debt in the Consolidated Fund. Is that how that happened?

Hon. Mr. Tchorzewski: — Maybe I can help here by answering it this way. We're really talking about two separate things here. In the case of the transfer of the debt, because this is money that is no longer able to be paid because either the assets . . . or there is no revenue-generating capacity that is sufficiently in either of these agencies, whether it's the CIC or the Saskatchewan Water Corporation, to generate the revenue to pay that debt, so that debt is transferred to the Consolidated Fund.

Now when it comes to the writing off of the asset in the various Crown corporations, that is something that is done on their books, and it's a decision that that particular, whichever one it might be, Crown corporation does in their books. And they would do it on the advice of the auditor, whoever their auditor might be, because obviously that's the way it has to be done. The board of each of them would then approve this at a certain board meeting when the annual report is provided.

Mr. Martens: — Mr. Minister, I think you've said it about three times, that you're blaming the auditors of Sask Water Corporation, that they are the ones that made the decision to advise the board of directors to do that. That's what you've said at least three times already.

I want to point out that you are the board of the directors of Sask Water Corporation. It isn't even an independent body that is a group of individuals outside of executive branch of government. It's you who made the decision on the 184 million and the write-off, the assets of 197 million.

Hon. Mr. Tchorzewski: — Clearly it is a decision of the Minister of Finance, the Treasury Board, to write off the debt. That decision was made because, on all the recommendations that came to us, there were not either assets or revenue-generating capacity to pay that debt.

The decision to write off any assets was not something that we would be doing; it's each individual Crown corporation who would be making that consideration independent of this other transaction which is transferring the debt which they cannot service.

Mr. Martens: — The debt that they couldn't service was \$184 million. The value of the assets moving that to zero was a decision by executive branch of government, because the executive branch of government sits as the board of directors on Sask Water Corporation.

So I'm saying to you, sir, that the executive branch of government made the decision to write off the \$197

million, and that's what the auditor has a problem . . . he doesn't have a problem with the decision of the auditor who did the independent analysis of the books for Sask Water Corporation. He has a problem with you making that decision to write off the debt on \$197 million in Sask Water. That's where the problem is.

Hon. Mr. Tchorzewski: — Well I don't know how much more helpful I can be. I have indicated to the member opposite that there is an attempt being made in deliberations between the Provincial Auditor and the auditor of the Saskatchewan Water Corporation to get a clarification of this question that the Provincial Auditor has asked of the Saskatchewan Water Corporation.

I've instructed the Department of Finance to assist in that. They have begun the process. When it is worked through we'll be able to provide the answer because the two auditors will have to straighten that one out. And when they do and we have an answer, we'll be able to report it, the board will have to report it in their annual report because they'll have to make a correction. And obviously it's a correction that'll have to be made in the Public Accounts Committee and the Crown Corporations.

But we have to leave them now to work it out. The issue has been raised and there is a question, and they're going to have to come to some kind of a conclusion.

Mr. Martens: — Well, Mr. Minister, I still maintain that because the board of directors are members of the executive branch of government, that you are responsible for that decision. You made that decision. The members of the executive branch of government who sit on that board made the decision to write off the assets. The auditor didn't do it. He just made a note of it.

And so the dispute isn't between the auditors. The dispute is between the auditors and the function of the board of directors. And that's the point I want to make.

Hon. Mr. Tchorzewski: — I think maybe we're getting some place. Yes, it will be ultimately a decision of the board, as I have said before, of the Saskatchewan Water Corporation. It would not be a decision of the Department of Finance to write off the assets. All the Department of Finance is doing, in light of the earlier discussion which we had, is trying to assist in getting the thing resolved.

Mr. Martens: — Mr. Minister, the executive branch of government have four, I believe four members, on the board of directors of Sask Water Corporation. Those four members made a decision to have Sask Water write off the assets of \$197 million. I want to know why.

Hon. Mr. Tchorzewski: — Mr. Chairman, and I guess the Provincial Auditor is asking that question too. And I can't speak for the board; neither can the Department of Finance speak for the board. But because the Provincial Auditor has raised it, there is an attempt being made — and it's more than an attempt, it'll come to a conclusion — to get it clarified. And I don't know what more I can do to assist the member in that because I am not the minister of the Saskatchewan Water Corporation.

But other than trying to resolve the question that is before us, which is something that is happening, I don't think I can be of further assistance on the issue.

Mr. Martens: — Well the decision to do the 184 million write-off and the \$875 million in CIC and the 715 in Sask Property Management, who made those decisions?

Who made the decision to write off the 875 million? Who made the decision to write off 184 million? Who made the decision to write off the 715 Sask Property Management Corporation?

Hon. Mr. Tchorzewski: — There is not a write-off. All that's happened here is that there has been a transfer of the debt, from the Crown . . . for example, from the Crown Management Board to the Consolidated Fund. Because there's no ability for the Crown Management Board to pay off that debt and therefore it has to be paid off through the Consolidated Fund. And it's simply a transfer of the debt. It's not written off.

Mr. Martens: — Who made the decision?

Hon. Mr. Tchorzewski: — The executive government will have made that decision on the recommendation of the Crown Management Board and the Treasury Board in putting together the final tables and the numbers in the budget.

Mr. Martens: — Right. Then the same answer applies, very likely, to the \$197 million and I'm asking you why.

Hon. Mr. Tchorzewski: — Okay, now once again we're talking about two different things. On the one hand we're talking about the transfer of the debt which is right before us on page 45 in the budget speech. That's the transfer of the debt. That'll be a decision of the executive branch of government in the finalization of the budget, on the recommendation of the Department of Finance and the Crown Management Board.

The writing off of the assets is something that will be done by the corporation and not the Department of Finance, involving their auditor, involving their accountants, and recommending to the board of whatever Crown corporations it might be — in this case it could be the Saskatchewan Water Corporation or the Crown Investments Corporation of Saskatchewan or any one of the others. But they're two different things we're talking about. They're not related.

Mr. Martens: — Yes, they are sort of related. They're related in the fact, Mr. Minister, they're related in the fact that the executive branch of government sits on the board of directors of Sask Water Corporation to make the decisions. That's how they're related.

The same cabinet ministers that sit on the board of directors sit on the cabinet . . . around the cabinet table. That decision was made by someone in cabinet of \$197 million. And you said earlier it was different than it's normally been done. Your officials can't recall that it's been done before.

And I need to know why you did it. That's what I would

like to know.

Hon. Mr. Tchorzewski: — I'm sorry, but there . . . once again, I think the member does not understand. The decision or the approval of the annual report of the Saskatchewan Crown . . . of the Saskatchewan Water Corporation wouldn't go to cabinet. It's not a cabinet decision on the annual report or the write-down of any assets. That would be a decision of that particular board and not a decision of the cabinet. True, there are some ministers who are on the board of the Saskatchewan Water Corporation. There are ministers who are on the board of the Crown Management Board but it's not the cabinet as such. It's a group of ministers who are appointed to look after a particular corporation. So it would not be a decision of the cabinet; it would not come to the cabinet table.

Mr. Martens: — Well, Mr. Minister, you got 11 members of cabinet. You have four of them made the decision to write off \$197 million. Now when you make that decision, you mean to say that these four people decided on their own one day in Moose Jaw that they were going to write off \$197 million and they never told you? Is that what you're telling me?

Hon. Mr. Tchorzewski: — Let me try to be helpful some more. None of the officials that are here would have been involved in any writing down of the assets. Nor would the Minister of Finance. Because it is not something that would be decided or involved with Finance officials. The officials that would have dealt with that and recommended to their board would have been the officials of the Saskatchewan Water Corporation.

And so you would have, when we're talking about the writing down of assets, not the cabinet, not the Department of Finance, but the Saskatchewan Water Corporation, who were here earlier tonight. And had the member asked the questions then, I'm sure he would have been able to find the answers. And I fail to understand why the member did not avail himself of the opportunity to ask the Water Corporation when they were here so that they could provide him with the answers.

Mr. Devine: — Thank you, Mr. Minister. Mr. Minister, on page 47 of your 1992-93 estimates on the bottom of the page in the footnotes you've got:

Interest on the Public Debt for 1992-93 includes: interest on \$875.0 million of debt transferred from Crown Investments Corporation of Saskatchewan . . .

Would you briefly describe what that debt was?

(2130)

Hon. Mr. Tchorzewski: — I think I understand the member's question. It is all of the items to which the debt that has been transferred is associated with. Is that what you're looking for?

An Hon. Member: — Interest on the 875 million.

Hon. Mr. Tchorzewski: — Yes, you want to know what

the 875 million came from. Okay, the 875 million came from . . . 361 million Potash Corporation of Saskatchewan, which is non-recoverable loss because of the privatization transaction; dividends — Crown Management borrowed funds to pay dividends when it had not enough revenues to pay dividends which was a decision that was made in the '80s — \$312 million; SEDCO (Saskatchewan Economic Development Corporation), non-recoverable loss from operations \$36 million; Sask Forest Products non-recoverable loss on operations \$24 million; Saskatchewan Diversification Corporation non-recoverable loss on operations \$14 million; Agdevco (Agricultural Development Corporation of Saskatchewan), once again same thing, non-recoverable loss on operations 6 million; GigaText, that project, non-recoverable loss on operations \$4 million. All of that adds up to \$875 million for which there is no capacity for repayment, and therefore it's a transfer of that debt from the Crown Management Board to the Consolidated Fund.

Mr. Devine: — Well two questions, Mr. Minister. In the event that there were some capacity for repayment, what difference would that make to that figure? And secondly you must have made some assumptions with respect to each one of these that it was permanently in a situation where it would be unable to recover any of the debt.

Hon. Mr. Tchorzewski: — Thank you for the question. It's a good question. If there had been the capacity for repayment of any or all of that debt, it would not have been had to be transferred to the Consolidated Fund. It would have remained in the Crown Management Board. It would have been paid back to the Crown Management Board by whatever incomes or revenues may have been generated because of wherever that debt was put into place.

How was the decision made on the identification of this debt which is unpayable? It was done by Ernst & Young in the report that was commissioned, report April 1992, I know the members have got it opposite. It's been a public report in which Ernst & Young has taken a look at the financial situation of the Crown Management Board and recommended that these items are debt that is not recoverable and therefore recommend it be transferred as we have done.

Mr. Devine: — To your knowledge are Ernst & Young members of the Canadian Institute of Chartered Accountants?

Hon. Mr. Tchorzewski: — I'm quite sure they are. I don't think there's any doubt about that.

Mr. Devine: — Well, Mr. Minister, then in the handbook, in the manual for the Canadian Institute of Chartered Accountants it gives three criteria and areas of range with respect to write-downs, and then it goes on to talk about the accounting treatment. And on page 3290.07 and 3290.08 it says:

This Section identifies three areas of this range by a general description as follows:

(a) likely . . .

(b) unlikely . . .

(c) not determinable . . .

And it goes on to say:

. . . The treatment of contingent losses in financial statements depends upon the likelihood that a future event will confirm that an asset had been impaired or liability incurred as at the financial statement date.

Now, Mr. Minister, in the event that these assets that you are talking about were in a situation where there was not permanent impairment, what would the difference be with respect to how you would treat them?

Hon. Mr. Tchorzewski: — Mr. Chairman, first of all let me respond to the question about permanent impairment or lack of permanent impairment. In the opinion of Ernst & Young, there was permanent impairment in these particular situations. If there was not, there would not be a write-down of debt in any kind of a circumstance, if there was some possibilities of this being repaid and it was reasonable. But in the opinion of Ernst & Young that was not the case. And so what has happened here . . . The debt doesn't disappear. I mean one should not . . . and I don't want to make the wrong statement to members of the House. This debt has not disappeared.

This debt has simply been transferred from the Crown Management Board because there's no ability in the Crown Management Board, with the projects involved, for that debt to be paid, and it's simply been transferred to the Consolidated Fund, because in the end the Consolidated Fund is responsible.

Now this year in the budget, I believe we are providing in the budget some \$39 million for the Crown Management Board because of a shortfall that will be there from their revenue and their expenditures.

So in the end the Consolidated Fund ultimately is responsible, because there is no capacity here for this debt to be repaid to the Crown Management Board, but has to be repaid by the Consolidated Fund.

We did what all of the accountants said we should do, and we transferred it to where it belongs, and that's the Consolidated Fund.

Mr. Devine: — Mr. Minister, we have letters on file, and I'm sure that you might, where accountants have said that you made this decision; that there was not permanent impairment in terms of the assets in the Crown corporations, like Potash and like Cameco, and that in fact you made the decision to say that this was a permanent impairment. And you've made that decision. All my colleagues are trying to do here tonight is say that was an executive decision by you and your cabinet colleagues so you could do what is known as take advantage of the big-bath theory.

Could the minister describe what, if any . . . He might not want to but I could afterwards. But are there any reasons

why you might want to transfer this debt the way you did, in a permanent way, to leaving it where it was, saying that there was some probability that it might recover or the assets might improve, or share values might go up? Can you think of any reason why you might have handled it the way you did as opposed to leaving it where it was, if in fact there was at least reasonable professional advice saying perhaps share values could go up in potash; share values could go up in uranium; and all of a sudden you might not have a permanent impairment; you have in fact an asset that is growing in value? Can you think of any reason why you might want to treat it the way you've treated it as opposed to leaving it where it was, if in fact there was no permanent impairment?

Hon. Mr. Tchorzewski: — Clearly if there wasn't permanent impairment, then this would not have had to happen. But in the opinion of Ernst & Young, in the opinion of the Gass Commission, there was permanent impairment. And in their recommendation, it was recommended that the transfer be made. And we took that advice. That's why we engaged independent experts to be able to give us that kind of information. And on the basis of the recommendation, the judgement was made that that should be done.

If you look at any statement by chartered accountants . . . and Ernst & Young, in the annual report of the Crown Investments Corporation, state very clearly that that is the position that has to be done, and in their judgement that that was the appropriate accounting procedure to put into place, so that some things that are not necessarily intentionally hidden, but may be hidden because they're not accounted for appropriately, are put where they belong so that the public or the legislature or whoever would care to take a look at it would be able to tell exactly where the debt is owed.

There was, in these cases, permanent impairment. There was no capacity in any of these cases for appropriate revenues to pay that debt, other than through the Consolidated Fund.

Mr. Devine: — Mr. Minister, how would you handle the situation in say a couple of years from now, if the value of those assets that you permanently wrote off improve? How would you record that? Say for example the Cameco shares, for example, went up by 100 per cent. How would you record that? Or any . . . the Potash Corporation shares went up to a large degree. And I think you're still shareholders in Cameco and shareholders in the Potash Corporation. What would happen if they doubled in value? How would you record that once you've written them off as of no value?

Hon. Mr. Tchorzewski: — Mr. Chairman, I just took a little while just to make sure that it was clear what I thought was the answer here. There is no Cameco share component in any of this transfer of the debt. I gave the member from Estevan a complete breakdown of all of the items for which debt has been transferred and it doesn't involve the Cameco shares.

Mr. Devine: — Are you saying, then, that you have permanently written off the potash shares and you have not written off the Cameco shares anywhere in this

budget? I'm under the impression, if I recall, you wrote off the Cameco shares. You said there was a net loss, and I think it was over \$100 million. You're saying here PCS (Potash Corporation of Saskatchewan) privatization loss was \$361 million.

What I'm asking you, Mr. Minister, is in the Potash Corporation and in the Cameco situation, what happens if the share values increase in both of those? And we can take them one at a time or we can get into this. And then I can go back through to the Property Management Corporation on health care assets, whether it's buildings or hospitals or others, and I can certainly go back into, Mr. Minister, land bank, why you chose not to have that as a permanent impairment when the value has dropped way over half. And certainly Cameco and potash shares haven't but you've written them off, but you didn't write land off as an asset.

So I want to know, Mr. Minister, on the case of potash and the case of Cameco and the case of farm land, how you treated them and how you would treat them if in fact the price of land doubles, the price of Cameco shares doubles, and the price of potash shares goes up by 100 per cent.

How would you treat them once you've decided to take this big bath as they call it — it's a bit of a joke in the accounting profession — the big-bath theory so you could have this huge debt all of a sudden come along and then you might happen to get lucky later. I want to know how you're going to handle that.

(2145)

Hon. Mr. Tchorzewski: — Well, Mr. Chairman, dealing with the transfer of the debt, the 875 million. First of all, no Cameco component is involved here. Secondly, on the Potash Corporation of Saskatchewan, the \$361 million is money that's gone. There are no shares related to that. It was during the sale and the privatization where the loss was taken. There is nothing which can back it up — no asset, no shares of any kind, nothing. It is just simply a loss which is backed up by nothing other than the Consolidated Fund, so the transfer of the debt has been made.

The \$312 million that was borrowed by CMB (Crown Management Board of Saskatchewan) so that CMB could pay a dividend to the treasury even though it did not have the revenue, money that was borrowed to pay a dividend, borrowed on nothing . . . I mean there was no asset there, just simply borrowed money. It's a loan to pay a dividend to the treasury which the treasury owes. There is nothing that can evaluate or inflate in value because there is nothing there other than the loan.

SEDCO is a . . . for example in SEDCO, straight loss of places where money have been lent by SEDCO, but either places have gone bankrupt or are no longer able to pay their payments. There's just straight losses for which there is no capacity to earn any income. That's the way every one of these transfers of debt is defined. And so therefore there is no opportunity for some future increase in assets or increase in value or some future revenue. There just is not that opportunity for all of this debt

transfer that has taken place here.

Mr. Devine: — Mr. Minister, I have here your speech, budget speech night. And you go through this paper loss to accumulate some debt all in one year. And you make the assumption that all of the debts that have accumulated over the years have no capacity of ever having any repayment, and I read to you the speech that you said:

In 1991, the Crown Investments Corporation of Saskatchewan (CIC) lost over 600 million, including:

— losses due to the sale of Cameco shares of \$166 million;

You said that. Now are you treating that as a permanent impairment, a permanent loss, is that what you mean? And regardless of the value of the shares of Cameco that is not . . . will ever be recoverable, is that what you're saying? And the same applies to, you're saying . . . and maybe you could explain, why you make the decision that the PCS loss was associated with the fact that there was a sale. There was a value on the books and then there was a sale. You said that there was a gap. The book value was something, then the market value was something else, and you said that there was a gap, and you've obviously made the decision that that could never be recovered regardless of the value of your shares in the Potash Corporation. So is that both Cameco and in the Potash Corporation, is that the situation?

Hon. Mr. Tchorzewski: — Mr. Chairman, first of all, let me deal with each of these two items that the member from Estevan raises. In the case of the Potash Corporation, it is an outright loss. There is no shares. The shares were sold. In the process of selling those shares, a loss of \$361 million was taken. So there's nothing there that can be used to pay back the amount of the \$361 million.

In the case of Cameco, here's what happened. The Cameco shares had a value. What happened under the previous administration that a decision was made to sell a certain number of those shares but at less than what those shares had been valued, considerably less, causing a loss of \$166 million.

Mr. Devine: — What happens if the shares go up?

Hon. Mr. Tchorzewski: — Well it doesn't do the Crown Management Board or the government any good; we no longer own the shares. They were sold. Somebody else owns them. So therefore a loss was taken on those shares. Now there are some shares that the government still owns, but they are not the shares on which the loss was taken. If they increase in value they will provide a different value but they've got nothing to do with the loss that was taken in the sale of the initial shares. Clearly there was a loss and it has to be recorded as a loss. Would the member suggest it should not be recorded as a loss?

But it was recorded as a loss because it was \$166 million, a loss because the shares were sold for \$166 million less than their value.

Mr. Devine: — Mr. Minister, the chartered accountants' association says if it's not a permanent impairment then you can't record it as a permanent impairment and write it off. And you've done this conveniently to give yourself the big bath.

The chartered accountants will tell you, Mr. Minister, that what you've done is unprofessional. You can't take an accrual accounting method, take everything forward that you thought might ever be written off, take the big bath and say we have 800-and-some million dollars in debt, and then on a cash basis from then on treat it as if you have a new method.

You can't do that because if in fact the Cameco shares improve that's not permanent impairment, and in fact, Mr. Minister, you have improved your value. The same if you had four sections of land and you sold one section to help stabilize your whole investment, and the other three sections double in market value, initially you have taken a hit, but you've improved your whole picture so that in fact the entire farm can be profitable.

So, Mr. Minister, do you understand the difference between permanent impairment and not. If you do, would you please explain to this House how you will account for the fact that if your shares in Cameco go up, or your shares in the Potash Corporation increase, double, how will you record it when in fact there hasn't been permanent impairment. How will you record it?

Hon. Mr. Tchorzewski: — Mr. Chairman, we're dealing with two different issues and I think the member knows that. First of all we're dealing with the \$166 million loss on the shares that were sold. Let me put it in terms that everybody can understand.

If the member from Estevan had a share worth \$100 and he decided to sell it at \$50, he would have taken a loss of \$50. Nobody can question that. If you have a share that's worth \$50 valued, and you decide to sell it at . . . or \$100 valued and you decided to sell it at 50, you lose 50. When the Cameco shares which were sold were lost, they were sold at value less than they were valued and therefore \$166 million loss was taken on those shares that were sold. That's the way it's recorded.

Now there are some other shares that remain, and they have a book value. If the value of those shares increases, there will be a gain; if the value of those shares decreases, there will be a loss. But they have got nothing to do with the shares that were sold and on which a loss was taken.

Mr. Devine: — Mr. Minister, clearly you don't understand how public companies are operated. No you don't. You're not only philosophically against it you don't understand it. Companies will offer shares to get some equity into their corporation, and they may do it at a rate that's favourable to the market so that in fact people will invest in that company and the company does extremely well, and the share values go up. And you have to be able to record that.

What we're asking you, Mr. Minister, what happens if the rest of the shares increases in value substantially? How will you record that? How will you record that? Could you

just simply tell us how you would record that net profit and that huge gain, if that happens.

Hon. Mr. Tchorzewski: — According to general accounting principles, commonly called GAAP (generally accepted accounting principles), you do not write up assets. You might have to write them down. That's what the people here, the comptroller, who should know, advises me. So you do not write up the assets. If there is a gain of that kind, they remain at the same value in the books.

Now I could be corrected, but if you sell them, if you sell the assets when they've increased in value, you will make a gain. If you sell them when they have gone, you will take a loss. And because some Cameco shares were sold when they were down from their book value, \$166 million loss was taken. The member from Estevan will think — obviously he must have — that that's a smart move. I think it was a wrong move.

It lost the people of Saskatchewan \$166 million which they cannot recover, because those shares that were sold are gone. Now the shares remaining, which are separate and removed from those shares that are sold, might increase in value; they might decrease in value. But their book valuation would remain the same. And you would only take a loss or a gain if you sold them. Hopefully, this government wouldn't sell them when you're going to take a loss because there's no purpose to doing that. I don't understand what the benefit would be. Clearly, taking another \$166 million loss would not be a benefit to anybody.

Mr. Devine: — Mr. Minister, I want to use your example, just for the people who are watching television tonight. If you had 10 shares in a company — 10 shares. And they're worth \$100 a piece. If you sold one of them for \$50 because you privatized the company . . . started opening it up. And as a result, the nine shares went to \$110. You lost 50, but on the other nine you made \$40. You're going to be up \$40 net for that company, and as an equity injection, and people are interested in investing in it. And you're saying, on your accounting method, you just recognized you took the \$50 hit, but you won't recognize that the rest of the corporation has gone up to the tune of \$90.

So we know why you did it, Mr. Minister, but we're just getting you to admit what you did. You took these theoretical losses which were not permanent and you accumulated them all together. The accountants don't even recommend it because they say it's non-permanent. It's not permanent impairment. And then you're telling us now that you can only record the losses. You can't record the gains.

Well, Mr. Minister, what a political, financial sham you have here. What you have done is accumulated things that you think might be a debt, even though you know in the neighbourhood of the Potash Corporation, and in Cameco, you have 160 million plus 360 million. You have 500 . . . \$600 million that you could have improvements in, and you've recorded as a permanent loss.

Now guess what's going to happen. As Cameco does well, the Potash Corporation does well, it improves in value. All of a sudden, through your good management, you're going to say, oh, we've got a net benefit. Well imagine, imagine.

Well, Mr. Minister, I would like to know why you didn't include land bank in this list of write-downs.

Hon. Mr. Tchorzewski: — Mr. Chairman, first of all, this debt we're talking about has not been written down. It's a debt that's transferred to the Consolidated Fund. The same thing has happened with the land bank. The assets and liabilities of the land bank were in the Heritage Fund. The Heritage Fund is gone. The Gass Commission said we should do away with these special funds. And the Heritage Fund in their opinion was not serving a useful purpose so those assets and the debt is transferred now to the Consolidated Fund in the same way as this has been done.

(2200)

Mr. Martens: — Thank you, Mr. Chairman. So the debt in land bank is no longer having interest paid on it from those agencies, the departments that have the asset. Lands branch has the asset or does the Consolidated Fund have the asset?

Hon. Mr. Tchorzewski: — Let me refer the member to the budget because I can direct him to the information which will, I think, help understand it.

On page 58 you will find that there is an item in the first grouping under assets: 1, 2, 3, 4 — fifth item down, "Investment in Agricultural Land" — \$130 million. That's the asset that's there. It's recorded as the asset.

Further down, under liabilities and accumulated debt, there is an item of debt for the Consolidated Fund, operations — \$8.1 million . . . or billion dollars. The \$184 million debt is recorded there because it's part of the debt.

If you turn to page 61, two pages over, that is all explained in the footnote — the second footnote which is provided there — and I refer the member to the footnote. And I'll just read it for the record. And it deals more than just the land bank, so I'll go through the whole thing:

Effective March 31, 1992 debt was transferred to the Consolidated Fund from CIC (\$875.0 million), Saskatchewan Property Management Corporation, (\$715.0 million) and Saskatchewan Water Corporation (\$183.7 million). Also during 1992-93, former Saskatchewan Heritage Fund debt (184.4 million) will be assumed by the Consolidated Fund.

And that refers to the land bank debt.

Mr. Martens: — How much land was purchased by land bank?

Hon. Mr. Tchorzewski: — We don't have that detail here, but I can get it for the member, but my people tell me we don't have it at hand.

Mr. Martens: — Mr. Minister, it was about 1.2 million acres. But let's just for round figures call it a million. If that land is worth \$100 an acre, how much . . . that would be \$100 million. If it's worth \$120 an acre, it's worth \$120 million. If it's worth \$160 an acre, it's worth 160 million. Right? So what's the value of an asset in relation to this. It would be worth about \$250 an acre on a million acres, is the net value to the Consolidated Fund at \$250 million. Is that accurate?

Hon. Mr. Tchorzewski: — The land that has not been sold but is still in the ownership of the province, has been valued at cost, and as you will see on page 59, that evaluation is \$130.507 million.

Mr. Martens: — Mr. Minister, now we're starting to get to the point of what we're driving at here. The total impairment by the province of Saskatchewan is \$130 million. That's not what the assets are. The assets are at least double that. Mr. Minister, the assets are at least double that. They're not \$130 an acre; they're \$260 an acre, which is actually doubled.

Now when you go to sell it, unless you make stupid deals like you did over there on the west side of the province selling . . . buying these assets for \$71 million from a former NDP (New Democratic Party) candidate, you're going to have a serious problem then. But you don't have total impairment in this item, nor did you have in Cameco, nor did you have in the Potash Corporation of Saskatchewan. And that's the point we want to make.

Now you deliberately make a point of doing one and not the other.

Now let's take another one here that we haven't been able to find, and that is the beef stabilization debt. How much was that?

Hon. Mr. Tchorzewski: — Mr. Chairman, once again that's a question that was asked in the estimates of the Department of Agriculture and the Minister of Agriculture did answer that question and *Hansard* will show that. And he tells me that . . . what was it, Mr. Minister?

An Hon. Member: — I believe it's about a hundred million dollars.

Hon. Mr. Tchorzewski: — The minister says, in his recollection, it's about a hundred million dollars.

Mr. Martens: — Mr. Minister, why wasn't that recorded in page 4 as a permanent impairment on the province of Saskatchewan?

Hon. Mr. Tchorzewski: — Because, Mr. Chairman, the province would have borrowed on their behalf and therefore it would have been included in the general provincial debt, the whole debt.

Mr. Martens: — Pardon me, Mr. Minister, I'm sorry, I didn't get that.

Hon. Mr. Tchorzewski: — Because the province would have borrowed that money on behalf of the stabilization

plan and therefore it would become part of the overall debt of the province, and it's recorded in the overall debt.

Mr. Martens: — Now we have an example of total impairment, Mr. Minister. Absolute, non-recoverable, and that's the point we want to make. What you've decided to take as a write-down in assets is not totally unrecoverable by the province.

In your land, for example, and it's the best example that you've got, the original cost was roughly \$180 million. You've got \$130 million of debt left and that \$130 million is about on a million acres of land. And that, Mr. Minister, is exactly what we're talking about; the value of that asset is still there and it's worth twice as much at least.

There is no, there is no total impairment, and you didn't put it in and it shouldn't have been in there. It was recorded accurately. But what we're saying is your Potash Corporation wasn't recorded accurately. Neither were your losses in Cameco. And that, Mr. Minister, is exactly what we're talking about. It's exactly. The difference between beef stabilization and the decision to cut that and use it as a loss, which didn't even appear on your total losses, and the land bank, is the contrast that we're making with the debt that you carried forward in the statements that you made on the \$875 million.

Hon. Mr. Tchorzewski: — Mr. Chairman, I guess there's two ways, maybe there's more than two ways, but there are two ways that are obvious in which you can deal with transferring of debt or the write-down of debt. And you can either do it on the basis of the advice of the auditors, the best advice you can get, the best advice that's available, or you can do it on some other reason that is not supported by the auditors. That's what we have auditors for.

All of the transfers of debt that have taken place, or any write-downs that may have taken place have been done on the basis of the recommendation of the auditors. And those are the only reasons in which in any case that has been done. Where there are no assets to generate revenues to pay a debt, for example in the Crown Management Board, it has been transferred to the Consolidated Fund because it is an obligation of the Consolidated Fund.

And that is done because the auditors have said that that's the way it has to be done. It is done in keeping with general accounting principles which we are applying in our bookkeeping and our auditing and in all of our accounting in the government so that we have one system that is nationally recognized and recommended for governments or any other corporations to be using.

Mr. Swenson: — Thank you, Mr. Chairman. Mr. Minister, that is pure unadulterated crap and you know it. Excuse my . . .

The Chair: — Order, order, order. I think that of all the adjectives that we have in the English language, I think that the member should use something that's a little bit more suitable for this House than the words that he's used. And I ask the member to keep that in mind.

Mr. Swenson: — Thank you, Mr. Chairman. I'll rephrase it — mush. If the shoe fits, wear it.

On one hand, Mr. Minister, we have this excuse on \$100 million on the beef stabilization fund because that was already borrowed money. Everybody in this province knows that most of the money that . . . for the Potash Corporation of Saskatchewan was borrowed money. And yet that money didn't show up anywhere. All of a sudden that was a pure, bona fide asset that you can now put a figure on and take a write-down on and call it a permanent impairment. All borrowed. All mush.

So, Mr. Minister, what we have here is pure, unadulterated politics. You have two opinions, two opinions from chartered accountants every bit as reputable as Ernst & Young on permanent impairment on Cameco. Matter of fact it's two to one — two to one on Cameco. There is no permanent impairment. The Institute of Chartered Accountants handbook gives the criteria that all of those firms operate under — all of them operate under.

Gass is talking about a different system that isn't in place in this province and isn't in place in anywhere in Canada today. You can't hide behind this one, sir. At the most you've got is divergent opinions amongst accounting firms. Nothing else. All of them use the same handbook, so I'm told. And when I went and obtained this particular piece of stuff, that's where it came from. It was from the Institute of Chartered Accountants and the criteria that they use.

Now tell me how borrowed money on the Potash Corporation can be treated differently than borrowed money on the beef stabilization fund. Tell me how it's treated differently. What if you paid way too much for it?

(2215)

Hon. Mr. Tchorzewski: — Mr. Chairman, let me take the member from Thunder Creek through this again. Money was borrowed for the purchase of the Potash Corporation of Saskatchewan. That's correct. That money was borrowed to buy an asset. That asset earned income — very substantial income, I might add, during that period of time, paid dividends to the treasury, very substantial — as well as paid the taxes and royalties that any other company would have paid.

But money was borrowed to purchase an asset and there was an asset there. When the Potash Corporation was privatized, the asset was sold and a loss was taken of \$361 million on that asset. There no longer is any asset, but the money that was borrowed to buy the asset . . . and therefore there is that loss of \$361 million remains with us, but there is no longer any asset because it was sold in the privatization. So it's now transferred to the Consolidated Fund because there is no Potash Corporation asset owned by the government that can handle that debt.

In the case of the Cameco shares, we're dealing with two things. We're dealing with the shares which are there still because the province still owns some shares in Cameco. That's one. They're also dealing with a separate item and

that is the shares that were sold at less than their book value and therefore a loss has to be recorded. Now whether the shares that are still there may increase in value or decrease in value has no impact on the fact that a loss was taken on the shares that were sold. Because they were sold at a loss and it has to be recorded as a loss. If the shares that are still there and owned by the province increase in value, they will stay at the same book value unless they are sold, according to the general accounting principles. And if they're sold, you would have to show the capital gain, and it would be recorded. But that will not take away from the fact that a loss of \$166 million was taken on the shares that were sold about a year ago. That loss is still there.

Mr. Swenson: — Well, Mr. Chairman, Mr. Minister, you still haven't explained to me how you can borrow a whole raft of money to buy the Potash Corporation. And I remember in the years after the Potash Corporation was formed, you took dividends every year. You weren't paying off. You were taking the dividend out. I'm told that you never even paid the interest on the money that you borrowed. So you've got a company that's all borrowed money that you're assigning a value to because you were stripping the money out of it as fast as it came in. And then somebody goes and sells some shares in it and you're saying, oh no, no; that was all free and clear. You were taking dividends on that every year. You weren't leaving that money in there. You'd borrowed all the money originally.

I mean, Mr. Minister, you had a nice little shell game going, but the simple fact is, on one hand you want to class it as bought and paid for totally while you were stripping dividends out of it every year, and you never covered it off. If that was the case, you should have never taken a dividend or anything out of that company for years and years and years. You would have had to free and clear it totally before you ever took anything out of it. You didn't do that.

Mr. Minister, there isn't a publicly traded company out there that doesn't get opinions every day on share offerings, and they may take a loss in a given year for a capital gain two or three years down the road. And I can envision lots of circumstances where, in about three years, in about three years time there just might be this opportunity to have a capital gain because we need a little cash to grease the skids for the next election. Well what have we got here? We've got about 20 per cent of the Cameco company that looks pretty ripe. Why don't we just sell that off and we'll come up with a little hard, cold cash. Or we've still got 11 per cent of the Potash Corporation and we need a little hard, cold cash. It's election time. And I don't suppose there'll be any of these great, big inhibitions by the Finance minister at that time when we need a little hard, cold cash. Then it'll be simply good business sense, won't it? It would be good business sense to take a capital gain. And that's the point, Mr. Minister, that we object to.

You have two accounting firms, who subscribe to the Canadian Institute of Chartered Accountants, who use the same handbook that Ernst & Young does, who say there was no permanent impairment. Somehow you got Ernst & Young to come up with that report. I don't know how.

Well you've got other ones that said opposite, you've got other ones that said opposite and the deputy minister has those letters on file because Cameco Corporation were forced to bring them forward. But you've made the decision to take the write-down.

Now, Mr. Minister, I think it's only appropriate that what you tell this committee tonight is that you made a political decision. As you told the member from Morse, the board of directors of the Water Corporation were all cabinet ministers. The board of directors of CIC are all cabinet ministers. Treasury Board is all cabinet ministers. In every situation, you have had cabinet ministers on the board and you have collectively made the political decision to take these write-downs now to clear the way for capital gains in the future. And you know it and everybody else knows it.

And if the shares of Cameco Corporation are 23 or \$24 in 1995 and the decision is made to sell some of them, you will record a capital gain. And no one, Mr. Minister, can dispute that you will have a capital gain and that those shares are stronger today because some of them were sold to the private sector than if they had remained in the hands of strictly a public company or of a government-owned company. And you know it as well as I do.

Hon. Mr. Tchorzewski: — Mr. Chairman, the Potash Corporation — let's just use that as an example for sort of a working model — is not any different than any business. It's bigger than most businesses but it's not any different. It had a debt. Money was borrowed to buy assets. The Potash Corporation made profits. Profits are only profits after all expenses, including the servicing of the debt. So the Potash Corporation was servicing the debt and at the same time making very substantial profits which then were paid as dividends, some kept in the Potash Corporation for its working capital and paid dividends to the taxpayers of Saskatchewan who were shareholders in the Potash Corporation.

So all of the things that the member refers to were being accomplished. There was debt, money was made, the debt was serviced, and after all expenses were paid including the servicing of the debt, the Potash Corporation still made substantial profits so that it could pay a dividend. When the Potash Corporation was sold at less than its value, a loss was taken, a \$361 million loss was taken. There are no more assets to pay for that loss.

That was not a decision we made. It's a decision the former government made for whatever the reasons. So it's a loss that now has to be recorded in the Consolidated Fund because it is a liability to the taxpayer of Saskatchewan. Now I don't know how much more clear one could put that. It seems to me very straightforward to me. Why it's not straightforward to the members opposite I don't understand.

But that's the way I understand it, that's the way all the accountants understand it, that's the way the auditors understand it because that's the way they recommended the government handle the debt that was there. On their recommendation we implemented the transactions that

are before us here today.

Mr. Devine: — If you had the Potash Corporation or any company, other public company, and you had 10 shares, and you wanted some equity in that company, and the shares were valued at, say the book value is \$100 a share, and you had 10 of them. But you needed some equity because prices were going down and you wanted an infusion of capital to make it more profitable. So you took a share and you put it out into the market at \$50. You'd lose \$50 on that one share, and you have nine left.

Now as a result of that transaction people were investing in it and encouraged by the Potash Corporation, and the shares went from say the hundred to \$110. You have nine shares left and those nine shares left are worth \$110, \$10 more, so they're \$90 benefit. You lost 50 and you made 90 so you end up with a net position of \$40 a share.

Now under your accounting, what you say is that the \$50 is permanent and no matter what happens the company can't do better. That's what you say and the public doesn't buy that; we don't agree with that. And that's precisely what you've said.

Now I will use the example of farm land. You bought a bunch of land bank land at let's say, on average, 500 bucks an acre. You jammed the price up, you paid too much. In fact, you speculated in the market and you paid the top for the farm land, 500 bucks an acre. Now the land goes down to \$200 an acre, drops \$300 an acre. Now some of it's sold back to farmers. Are you going to take that as a permanent impairment on what you have because some of it was sold back to the farmers at half price or a third? You didn't record that. All you've got is the interest on it.

Now you never paid any of the principle off on the Potash Corporation — none of it. You borrowed all this money — 4 or \$500 million. You bought the Potash Corporation. In good times you collect some dividends on it. Never paid it off. The market price goes down. We put it into the public sector so it can be traded, so you can have some equity.

And the same thing happens in the land bank. We inherited all this stuff from you. You bought land at twice its market value. Then it went down from 500 to \$200 an acre, but because it was yours and land bank, you didn't record it in here.

Now the permanent impairment, if it applies, applies to all the land bank land the same as it would apply to the Potash Corporation, the same as it would apply to Cameco.

Now, Mr. Minister, you tried to be a capitalist in going into the market, borrow money from Americans to buy the potash mines that Americans owned. And you paid way too much. And you paid way too much for farm land. You know it and I know it. You got a market value on the Potash Corporation that was way out of line. You bought it at the peak. And you just admitted that when you bought it you had a possibility to have dividends.

Well when you bought farm land at \$500 an acre,

obviously you knew it wasn't going to stay there. Well maybe it didn't matter to you because it was politically a philosophy, that you're going to buy it at twice the market value. In fact, you went in and you competed with farmers, drove the price of land up. And when people were worried about 22 per cent interest rates, you said, well don't worry, I'll buy your land. And you bought the land, and you paid way too much, and forced farmers to pay way too much. And then you have all these assets on your books at way above market value.

So, Mr. Minister, Mr. Minister, you are trying to tell us that you've got permanent impairment in the Potash Corporation that you paid way too much for, and you don't have permanent impairment in the land bank, and the land you paid way too much for.

How are you going to record the difference in the asset values and the benefit in the Potash or Cameco shares when they go up, compared to farm land and land bank when it goes up?

Hon. Mr. Tchorzewski: — This is a very peculiar logic we're hearing here, Mr. Chairman. In the case of the Potash Corporation, there is no permanent impairment. There is nothing there. Clearly, when the member opposite sold the Potash Corporation, he sold it at \$18 a share — bargain basement. Today those shares are worth \$26. But the taxpayers of Saskatchewan took a loss of \$361 million because of the bargain basement sale for which the taxpayer of Saskatchewan is liable — the \$361 million. It's got nothing to do with permanent impairment. It's got everything to do with the fact that all of the assets are sold at a loss. Nothing to do whether it was borrowed or not. The fact of the matter is that the Potash Corporation was making substantial profits; it was paying a dividend; it had a very valuable asset which were owned by the people of Saskatchewan. An asset which the member from Estevan decided to sell at \$18 a share, which today are worth \$26 a share; and took a loss of \$361 million, which the taxpayer now is liable for, and has no asset to support it with.

That's the story of the Potash Corporation of Saskatchewan. And, Mr. Chairman, there is no other alternative but to transfer it to the Consolidated Fund because it is owed by the Consolidated Fund and the taxpayers of Saskatchewan.

(2230)

Now the member says, if you had 10 shares at \$100 each and you sold one of those shares for \$50, somehow the member from Estevan seems to try to conclude that when you sold a hundred dollar share for \$50, you didn't make a loss . . . (inaudible interjection) . . . well you said that. Well yes, okay, so you took a loss. Now the other shares over time may increase in value. No denying that. But that does not take away from the fact that the one share you sold at \$50, you took a loss on it. And you have to record it, because you lost. You took a loss. When the Cameco shares were sold, there was a loss of \$166 million. That's recorded. It's right in the budget where it should be, rather than hidden somewhere.

It's a permanent loss, because those shares you no longer

have. You have some other shares which may increase in value, and you may gain on them if you sell them, but they have nothing to do with the shares already sold on which the \$166 million loss was taken. Because the government decided on the eve of an election — quite an inappropriate time to do it — to sell those shares at a loss for whatever reasons. I'm going to get into that. The member from Estevan may want to explain those reasons. But they were sold at a loss. Nobody can question that.

Mr. Devine: — Mr. Minister, the Canadian Institute of Chartered Accountants handbook clearly states:

The treatment of contingent losses in financial statements depends upon the likelihood that a future event will confirm that an asset had been impaired or liability incurred as at the financial statement date.

Now what that says . . . and accountants tell us, that you have decided to take this big bath, even though you know market prices could go up in the future, and then you can record the profit.

All we want you to admit here is that you have taken this loss in your first budget so that later you can say, well look at the loss that the previous administration had; but in 1995 when share values go up, look at the profit that your administration has. And that's all it is. We know it and you know it.

And on top of that, you paid way too much for the Potash Corporation and you paid way too much for farm land — land bank. And as a result of that . . . and you put way too much value even in terms of the book value for Cameco to start with, SMDC (Saskatchewan Mining Development Corporation).

So you were dealing with a fictitious number. You paid too much. When we put it out into the market, the market says it's worth this, and then you complain because it's traded. And if it goes back up and you can make a lot of money, then you can record it as your big profit. And that's all we want people to know. You can make it profitable and it can come to you because now it's publicly traded.

The second point I want to make, Mr. Minister, second point I want to make is, when companies go out into the market to get equity, they do so so it will improve their credit rating and the value of the company. And I want the minister to respond to the fact that we have a large co-operative in the province of Saskatchewan that is doing an equity offering. And I want to read to the minister why they're doing this equity offering and see if he would concur with this co-operative.

This is a large co-operative, and it says:

Under the current ownership structure, this co-operative has only two means available to finance its operations: debt and earnings. The directors and management of the company believe it would be unwise to increase our debt level substantially at this time. Our credit ratings could be adversely affected.

While the company has improved its earnings lately, they aren't sufficient to finance capital requirements in time to respond to our rapidly changing industry. The time for change is sooner rather than later.

Equity markets provide the necessary financial resources required. Equity markets enable the people making the investment to take an equity of ownership and stake in the company. Equity stakeholders succeed when the company succeeds.

Most of the money available for investing in equity markets comes from pension funds and insurance companies. The money in equity markets also comes from small investors. This also helps our credit rating.

Now, Mr. Minister, are you saying that a large co-operative in the province of Saskatchewan that wants to go out into the equity markets to improve its position by offering shares to replace debt with equity, is in a position where, if the shares they put out — I'd say \$10 a share — go first to \$8 a share and then to \$12 a share, that you think they're going to take a permanent write-down when they put that into the market?

Do you think any accounting firm is going to take the UGG (United Grain Growers Limited) co-op and consider that as a permanent write-down? If they put their shares on the market at \$10 then they go to \$8 and then they go back up to \$15, do you think any accounting company anywhere is going to take UGG shares and say, oops, you've got a permanent write-down; the big-bath theory is in — and that's the end of it?

Of course not, Mr. Minister. What they had to do was get into the equity market to start with, offer the shares so people knew what it was worth. In the case of Potash, I think they're 23 today; they were as low as 12. When we put it on the market at 18 and it dropped to 12, you said: oh, you guys don't know what you're doing; the market went down.

And then when the market goes up, you say: oh, you don't know what you're doing because the market is above what you put it at. What would you like to have — the shares lower or the shares higher?

You see the problem is, Mr. Minister, philosophically, you don't trust people investing in public companies. That's the problem. Because you cannot tell me or this Assembly or people in this province that there would be a permanent write-down of UGG if they put their shares out at \$10 and they dropped to 8. And that's what you're saying with respect to Cameco or anything else, is those share values will go up and they will go down.

And that's why the Institute of Chartered Accountants say that there's no permanent impairment, you can't take the big-bath theory, and you're going to have to record the profits when they occur.

So, Mr. Minister, would you just tell us clearly how you'll

record the profits of a public company when the share values say, double. Something that you have share values. The share values double and the province of Saskatchewan on companies that you have share values in, whether it's oil or potash or uranium or Cameco — how will you record that? Admittedly, if you sold, how would you record it and what would it look like?

Hon. Mr. Tchorzewski: — Mr. Chairman, according to all of the general accounting principles and practices, if you're holding some shares and they increase in value and you continue to hold them, you wouldn't record any increase. If you sell them, you would increase the gain . . . you would record the gain. But only if you sell them.

But if you had 20 shares at \$100 each and you sold 100 shares at \$50, you no longer own those shares. Your other . . . Or you sold 10 shares at \$50, you would take a loss. You no longer have those shares. You took the loss. You kept the other 10 and they increase in value, you would obviously gain if you sold those shares, but you still took the loss on the other 10. So there's no argument there. And that's all that's being recorded in the budget. It was a loss that we have to record.

Now if in the case of Cameco the shares we own increase in value and the province decides to sell them, then you would record the gain. But in the case of the Potash Corporation, the \$361 million loss, there's nothing to sell because there's no more shares because they are gone; they're sold. There's a small, minimal amount. How much per cent? Well it's a minimal amount because they were very rapidly disposed of. But they've got nothing to do with the loss taken on the share that were sold. The loss still has to be recorded because it is a loss.

Mr. Devine: — Well, Mr. Chairman . . . or Mr. Minister, Potash dropped to as low as \$12 a share. Why didn't you take the write-down at 12?

Mr. Minister, could I just get your attention for a minute? All right. Potash dropped to as low as \$12 a share. Why didn't you take the write-down at 12? They went down to 12. Why didn't you say, well gosh, the market went up and down, we wrote it off at the bottom. Why didn't you pick the bottom?

Well it went up and down. The shares went to 18, down to \$12, up to 23. Okay, why didn't you pick \$12? Why? Why didn't you pick \$12, the bottom, rather than just the price you picked for this budget address?

So you picked a number for this budget address. Right? You picked a number. And the market moves up and the market moves down. You picked a number. Why didn't you . . . well you had to pick a number. You had to pick the value of a share. You said they should have been worth X, and they went down here, therefore we'll pick that number and there's a loss. Why didn't you pick \$12 and really take a big hit? Why didn't you do that? Explain how you picked that number.

Hon. Mr. Tchorzewski: — Mr. Chairman, in the case of the Potash Corporation, we didn't choose a number. The former government picked a number when they sold them at \$18. That determines the \$361 million loss which

the former government determined because they decided that they would sell them at \$18. It's got nothing to do with anything that was done this year. We're simply recording a decision and the transaction that was carried out by the former administration. Got nothing to do with picking . . . (inaudible interjection) . . . Well the member from Thunder Creek keeps talking about for political purposes.

Well if the member from Thunder Creek is saying that Ernst & Young would make a public report with their credibility at stake for political purposes, then that's his opinion. I don't share that opinion. Ernst & Young will show me another report that was made by another accountant that says . . . (inaudible interjection) . . . Mr. Chairman, I ask the member from Thunder Creek to show the House another accounting firm that has provided a report on the Crown Management Board, or the Potash Corporation shares which were sold, which contradicts what Ernst & Young is saying. There is no such other report. If there is, I would appreciate seeing it.

I don't question the credibility of the work of Ernst & Young. It is a credible international or national firm with a reputation that is a good one, and they were engaged to do an independent analysis so that the government could take the appropriate decisions, and we did.

Mr. Swenson: — Mr. Minister, you deny that a reputable international accounting firm signed a letter to the effect that the sale of Cameco shares did not offer permanent impairment — and I would suggest to you a firm that is every bit as reputable as Ernst & Young. Do you deny that that occurred?

(2245)

Hon. Mr. Tchorzewski: — Mr. Chairman, a determination was made when the Potash Corporation shares were sold that they would be sold at \$18. Now during the period since then, they may have dropped to 12. In fact, the member says they did, but they . . . during the term of the former government, they dropped maybe as low as \$12. Am I . . . did they drop that low? They're now at \$26 but that's not in any way related to the fact that the initial shares were sold at \$18.

So we're talking about two different things here, and the member should try to understand. In the case of the Cameco shares, the Cameco shares were sold at . . . I don't know that we have that because we're not the Crown Management Board here. But they were sold at less than what they were valued at. They were sold at less than they were valued at. The member says 12.50, I'll take him at his word. But because they were sold at less than they were valued at, there was a loss of \$166 million. Now the shares that are still there are increased in value. They're at 16, but they've increased in value. And that's agreed; we don't have a disagreement here.

An Hon. Member: — That's not a permanent impairment.

Hon. Mr. Tchorzewski: — Well on the shares that are there now I suspect there's not a permanent impairment

because they may increase in value. But the shares that are sold are gone. So all that we're doing . . . we're not talking about . . . when we talk about transferring of the debt, we're not talking about permanent impairment. We're only talking of the transferring of the debt on the shares that have been sold and not the shares that are still there, which may or may not have an impairment. But on the shares that are sold, they're gone. There is a loss. We have to transfer that because there is no way we can recover the loss from those shares that are sold.

Mr. Swenson: — The question I asked you is, do you deny that there is a letter on record from people every bit as credible, every bit as credible as your opinion, that says there is no permanent impairment with the Cameco Corporation by selling shares. Do you deny that?

Hon. Mr. Tchorzewski: — Mr. Chairman, the Department of Finance has no knowledge of such a letter. If the member knows of such a letter then he should make it available to me. But as far as my officials in the Department of Finance are concerned — and they inform me that the Department of Finance has no knowledge of that.

Mr. Swenson: — Well, Mr. Minister, at the time of those offerings were members of the Department of Finance who I recognize in the room tonight as being the same ones as were in the room then in those discussions; know full well that Cameco Corporation sought opinions on permanent impairment from international reputable firms and received such. Your former boss and premier, Allan Blakeney, sits on the board of directors of Cameco Corporation now. Don't tell me that you don't know anything about the company, my friend. You can lead the people so far but you can't . . . you know, I mean we're getting it stretched a little far here, my friend, a little far down the road.

Now they have such a letter on file and your officials know it. It was referred to quite often in the discussions by people I suggest as reputable as those that you hold up to this legislature. Do you deny that?

Hon. Mr. Tchorzewski: — Mr. Kraus has referred me to . . . in the Ernst & Young they did indicate that if SMDC shares are to be held for the longer term than the Bunting Warburg Inc. report suggests, that the shares will increase in value and at least the current carrying value of 21.67 per share will be recovered. I think that must be what the member is talking about.

But we don't have such a report in the Department of Finance. I only refer to you a report that was . . . Ernst & Young did indicate to us. Clearly that's what they're saying. They refer to a Bunting Warburg Inc. report. But I don't know how that relates to the shares that were sold and on which the loss was taken. I don't understand how this applies in that particular case.

Mr. Devine: — How it applies, Mr. Minister, is that you can put together this non-permanent shell of debt and use it for your own political reasons in a budget and say, look at the debt we've inherited; it's not permanent but it's just there. And the value of those shares could increase and we could have a huge asset and way bigger than this, but

we won't record that.

And that's just what you've said. Because Warburg and others said this is not permanent impairment. As the share values go up, the value of the total asset increases and the province all of a sudden has a big net gain.

Because we have these shares now publicly traded, we can measure it, Mr. Minister. And all the stuff and hocus-pocus you talked about about buying the Potash Corporation but never had the courage to put it on the market is now measurable. It's now measurable.

And all we're saying to you, and you've now admitted, is that oh yes, we'll record this short-term debt as something that's there, we have to pay off for ever, but we won't happen to remind anybody in the budget that the share values could go up and we could have a handsome profit overall some day. Now isn't that fancy for this room and for the public in your first budget.

That's what we're doing. And accountants call that the big-bath theory. And it's not fair, it's not professional, and it's not accurate because it's not permanent. And you've just said so. And Warburg said so and others have said so. Because once you put it on the market, then the people tell you what it's really worth because they buy it and sell it.

You could nationalize all the companies you like and say the book value is X and you could pay way too much for it, borrow a whole bunch from New York bankers, and buy an asset that's a whole in the ground and say oh, it's worth all this, and you never have it valued.

When we put some of it out into the market and the public tells us exactly what it's worth, then you say oh my goodness, look at what they did. Well I'll tell you where the mistake was. You paid way too much for it like you did your land bank — way too much, way, way, way too much. And the other thing is you never paid it back. You never paid the Potash debt back and you never paid the land bank debt back, and then when we put it on the market . . .

Why didn't you take this big write-down on a quarter section of land? If we sold a couple of quarters out there to farmers in land bank at a half of what you paid for the land, why didn't you have a permanent impairment on all the rest of the land? Well the rest of it isn't sold either, my friend. The shares are still held by the government . . . (inaudible interjection) . . . That's exactly what he's doing. What a sham. He plays one game with one asset and another game with another asset. Well, well, well.

All we're trying to point out, and I'm glad we finally got the attention of the Minister of Agriculture, because his land like anybody else's went up probably in the 1970s and '80s to a high price. Land bank paid a lot for it. Then it collapsed. We sold some of it back to the farmers at a very low level and you should say well that's a permanent write-down. Now all that land that's left owning by the government has been written off.

But you didn't do that, but you're trying to do it in Cameco, and you're

trying to do it in potash, and you're trying to do it to others. Well, Mr. Minister, the public sees through this. This is a false accumulation, accrual accumulation of debt that is not a permanent impairment. It can go up when the prices go up.

So I'm glad you've had the courage, Mr. Minister, to admit, you've had the courage to admit tonight that it's not a permanent impairment and when the prices go up you could sell those shares that you have at higher prices and make a handsome profit. Even a profit higher than the debt that you've written off. And because it's now traded in the public sector and the prices can go up and down, we know the true value of it.

Now it's not a fictitious value that you could tell the voters of Saskatchewan that you paid X for the Potash Corporation, and you did the right thing. If you paid too much for farm land, which you did, and too much for the Potash Corporation which you did, we now know the mistake that you made. And you made a serious, serious mistake and the market has told you that. And now you've made an accounting mistake for your own political reasons — it's not a mistake, it's intentional — to have this sham, this sham you call a permanent debt when you now admit it's not permanent and you've got advice there from Warburg that said it's not permanent.

You just said it. You said the prices can go up, therefore the value can go up and if you sold it at a high value you'd make a profit. So it's nice to know, Mr. Minister, that you finally acknowledge it's not permanent impairment, that the debt that you show here is not permanent, and three years from now if the prices go up you could have a handsome profit.

So, Mr. Minister, we want you to know, well of course if you're going to sell it for a loss, you can sell it for a profit. And that's what happens on markets. That happens with farm land. It happens with Cameco. And it happens with potash.

So, there you are, Mr. Minister. The fact that you have now admitted that you can actually have a net profit on the Cameco shares is significant. And that's all we've been asking you to do. And that you record here a permanent loss of \$166 million is not fair. Because if you sell the shares, if they go to 25 or \$50, you could have a \$50 million net profit.

So I just want the minister to confirm if Cameco shares go to \$50 on the market, you could have a net profit that would more than offset the loss of \$166 million that you've got here.

Hon. Mr. Tchorzewski: — There's no doubt about that. If the present Cameco shares that the province owns goes to \$50, and if it was decided to sell them, you would get a gain — a very substantial gain. But the loss on the initial share of the Cameco shares is still a loss.

Mr. Devine: — Mr. Minister, I just want to make the point so the public knows, and the accounting principles state, that's not a permanent impairment on the shares of Cameco. Not at all. Because if you put some of them out into the market and then they start to trade, they can go to 12, they can go to 18, they can go up and down. That's

not a permanent impairment on the share structure, not for those that own it, not for those that have them. And in fact you can make a handsome profit on those share values, which, obviously we believe you will.

Mr. Martens: — Mr. Chairman and Mr. Minister, the same attitude that we had in December with this minister, the same attitude we've had in the Committee of Finance dealing with interim supply, is the same attitude that we've got with the minister today — he doesn't answer questions.

And I'm going to lay out a scenario, Mr. Minister and Mr. Chairman, about what I think happened in this whole process. We had a Premier going around the province from January 1 and on and saying, one day I have \$800 million worth of debt. The next day he says, I have \$1.2 million worth of debt. The next day he says, I have one and one-half billion dollars worth of debt. The next day he says, I have \$1.8 billion worth of debt.

Where does all this floating money go? And, Mr. Chairman, now we're beginning to find out. One day he was . . . This is the process of decision making that he was going through. He was deciding as he was talking to the public, should it be 1.8, 1.5, 1.2, 800 million? What should it be? Pick a number.

And, Mr. Chairman and Mr. Minister, what we have seen here today over and over points to the fact that that is what was happening. He was deciding as he was going along, because he hasn't got the capacity to lead this province anywhere, he was deciding on the basis of that, what he was going to do.

And then he was weighing in the balance: if I take \$1.5 billion worth of debt and put it in a pile and say that to the people who do the rating for the province of Saskatchewan, they'll say that that's too much. If I go at \$500 million, that's not enough. I can't blame enough on the PC (Progressive Conservative) government former administration. If I go at 1.2 that's still too much.

And if you take and add up 875; if you put \$100 million for the beef stabilization on there which is a total impairment, Mr. Minister, and you never put it on there; Sask Water of \$197 million, that is a total impairment according to what your Sask Water people say; you add \$166 million Cameco; 64 from the upgrader; 50 from Meadow Lake pulp mill — you've got \$1.452 billion worth of debt.

(2300)

It was always there, Mr. Minister, but what your Premier was doing, is he was deciding what is comfortable with the bond-rating agencies in New York; what is comfortable with politics; and we'll make a political decision at \$875 million. That's exactly what you did.

And that's exactly what this exercise has been, to explain to you so that you understand that the people of the province of Saskatchewan understand that Gass said you knew.

The Premier was on the radio. He was on the debate with

the member from Estevan. He said \$14.2 billion worth of debt. And that, Mr. Minister, is exactly the point we want to make — you said it, you knew it. And he was just deciding on where he was going to put the numbers so that he could be comfortable with the people of Saskatchewan so they would believe him.

And then run off to New York. And then when he found out when the bond ratings started to hit him in the lowering of the rate, then he said, oh we've got to go plug this hole. So then he had to go down to New York and help plug the hole. And he said this is the reason why; these are all old debts. He had to put in a backfire in order to protect himself.

And that, Mr. Minister, is exactly what the process was. This was not a decision based on a recommendation by an accountant. It was a decision made on the basis of politics. Strictly, wholly, solely, on politics at where that number was. And that, Mr. Minister, is exactly what this decision is; and that's the point we want to make in our discussion here today.

Mr. Devine: — Thank you, Mr. Chairman. Mr. Minister, in fact didn't you do something the same when it came to hospitals? It's my understanding, Mr. Minister, that the Saskatchewan Property Management Corporation had financed health care facilities. And you decided all of a sudden, you said, look we'll just take this as a permanent write-down, we're not going to help you with this, we're not going to make any of these payments, and all of a sudden you inherit yourself a nice little permanent debt.

It was already there that we were dealing with in the Saskatchewan Property Management Corporation, so that in fact you can tell the hospital in Melfort or the hospital some place else that I'll tell you what, we won't help you any more, we'll just assume all of this debt and we'll stop this transaction. So what you have is on paper a nice little comfortable write-down that you can show people when you read your budget.

Could you describe what you did in health care and the buildings there so that in fact everybody knows how you treated that debt so that you could top this up the way you have.

Hon. Mr. Tchorzewski: — Mr. Chairman, debt is debt. Debt doesn't change. There was debt in the Saskatchewan Property Management Corporation. The debt has been transferred to the Consolidated Fund but it's still the same debt. Nothing changed. Now why did the transfer of the debt take place from the Saskatchewan Property Management Corporation to the Consolidated Fund?

Because the Provincial Auditor reported that that was an inappropriate way to record it, because there was only one way in which the money owed by the Property Management Corporation could be repaid. It could only be repaid by grants from the Consolidated Fund, so therefore it's a liability of the Consolidated Fund.

The Provincial Auditor, the Gass Commission, both said the debt in the Property Management Corporation belongs in the Consolidated Fund. We took their advice

and we put it in the Consolidated Fund but that doesn't change the debt. It's still the same. It's still \$750 million. It's just appropriately recorded on the recommendation of the Provincial Auditor.

Mr. Devine: — Mr. Minister, that's the point. And Donald Gass on the radio — and we have quotes here — said that there was no difference in the debt between our administration and your administration when you took over. And he said it was frankly because of accounting principles. That's what it was, and you have used a different set of accounting principles to stack it up. And he says the main debt was because of the pension liabilities.

And now you have recorded the debt differently and you put it in the Consolidated Fund because of your accrual accounting of all those years. Stacking them up so you'd have yourself a nice little picture and say, oh well we opened the books and we found the debt. And you just admitted, Mr. Minister, there's no difference in the debt whether it was in the hospitals, the way they were financed by grants, or whether you said we'd put it in the Consolidated Fund.

Now we've had two major admissions here tonight, Mr. Minister. Number one, you're going to have capital gains on Cameco shares that could offset the losses you've recorded because it's not permanent, and you've said that. And number two, there was no difference in the debt the way we had it and the way you do it except the way you record it. And your increase in debt for the public consumption was just that — for public consumption.

And, Mr. Minister, the interesting part that my colleague raises here from Morse is that when you trucked all this down to New York and tried to explain it to them, they said, well, well, well. If that's the way you're going to record this and it is going to be permanent on the Consolidated Fund, I guess we'll have to rip your credit rating.

And the truth is and the facts are, Mr. Chairman, the credit rating went down and down and down until you and the Premier ran down to New York again and said, hold it. We're just playing a little accounting here. There's no different debt than we ever had. We're doing a little politics, frankly. Hold it, it's going to be okay. We're going to raise a bunch of taxes and we're going to get some money coming in. And even though we campaigned on tax cuts, we'll raise taxes and we'll actually get . . . we'll kind of work to get some of the revenue coming in to offset this. And that's what you've got here in your budget.

So you've admitted both of those things. And as my colleague from Morse points out, you got caught by the credit rating institutions and say, well look, if you want to deal with it this way, we'll take you seriously. If that's the way you want to account for it then I think, Mr. Minister, you do have a problem because you promised tax cuts in the campaign and you can't afford tax cuts. The debt's the same today as it was then. But if you're going to have tax cuts, you're in big trouble. And down went your credit rating.

So then you brought in your budget with all the tax

increases to kind of keep it from falling. So as a result, the public can now see through it. And you admitted tonight, there's no permanent impairment. Actually, this debt could turn into a profit. Number two, the debt's no different than when we had it because you said the debt was the same no matter where you put it. Fair enough.

But what really happened, and we're glad to see tonight, is you admit that what this is is a political document. Your budget address was pure, unadulterated politics and that's why it's been called a sham from the member from Thunder Creek and others. Because it's not accurate. And we finally tonight got through to you so that you can tell the public that in fact you can have a net profit where you've recorded this so-called permanent impairment.

And you also admitted, Mr. Minister, that as a direct result of your accounting changes, you've got a debt when the debt was exactly the same before. So we appreciate the fact, Mr. Minister, that you'd made those two admissions tonight and we'll certainly have it in *Hansard* to record.

Mr. Swenson: — Mr. Chairman, there were a number of areas in the generic questions that went over to the minister that we find incomplete. And I would like to bring them to the attention to the minister so that we can work on some of these things.

First of all I have a couple of comments, Mr. Minister, and I'd like you to respond to them, dealing with the staff that you have here. I noticed that every last one of them — and I have a L. Lockert, L. Prudun, L. Thacyk, Padfield — in less than a half a year all of your staff have gone up in salary range, some of them after only a few months. I'm wondering why all of these jumps occurred so quickly in your personal staff.

Hon. Mr. Tchorzewski: — Actually there were not increases in salary. The increase in the amount they're paid because they took on different positions. Example, there was a gentleman employed as my chief ministerial assistant, Mr. Kroll, who left on March . . . left about April . . . anyway he's . . . Here it is. He resigned May 31 and left to go to other employment outside the government. And what happened is that Lois Thacyk then moved into that position and therefore began to get paid at that salary level. And that same applies to all the rest of the staff. My minister's secretary also left and simply Ms. Prudun moved into that position and therefore took the salary level that that position pays. Ms. Lockert took the position that Ms. Prudun was making. They simply moved to different positions without an increase in salary other than the salary that is paid for those particular positions.

Mr. Swenson: — It was quite evident from the materials that you sent what happened, Mr. Minister. I guess it's . . . at the end the day, what's happened is everybody's ended up with a different position that has a little more money attached to it . . . (inaudible interjection) . . . Well, it's a different job.

I've been a minister also, sir, and understand how those staffing things work. But the point is that, you know, we were just out there nailing diabetics and chiropractic fees and we're doing all sorts of things, but you didn't hesitate, and that's . . . it's done creatively, so I just want to bring it

to your attention, Mr. Minister, that it was noticed.

In 1(b), I noticed that . . . (inaudible interjection) . . . well it's not my members, Mr. Minister, that are doing the yelling here. In 1(b), I noticed that on the terminations, you list the reason for most of them as personal. Now knowing a few of these people myself, I'm told that they were told to resign and I wondered why you would not just indicate that. So would you indicate for each person which of the resignations came at your request and for what reason you decided a resignation was necessary.

Hon. Mr. Tchorzewski: — None of these were initiated or moved for personal reasons or other ways at the minister's request or at my request. The only one in which there was a mutual agreement between the management of the department and the particular employee was one Mr. Barry Woulds where apparently it was decided that the approach that the government might want to take, Mr. Woulds might not fit into that. But that's the only case and there was a mutual understanding and agreement that Mr. Woulds would leave and that arrangement was made. But in no other circumstance in the department would that apply.

Mr. Swenson: — I only raise it with you, Minister, because all of your colleagues when responding, and I commend them for it . . . I mean even the Women's Secretariat was very forthcoming about these types of things. And if Barry Woulds was politically incompatible just say he was. In your response, just say he was politically incompatible and leave it at that. I mean everybody else did it. I just expected you would do the same.

Now in 1(g), in the secondments mentioned, was the department reimbursed by the seconding agency for the salaries of those employees? It wasn't clear in your response.

Hon. Mr. Tchorzewski: — The answer is yes.

Mr. Swenson: — And on question 2, I'd like you to confirm that the Department of Finance and any agencies that fall under your authority occupy no space other than three locations listed in response to question 2.

Hon. Mr. Tchorzewski: — That is correct.

Mr. Swenson: — Item 13. All the other departments have indicated to us what credit card reimbursement payments have been made to what individual since November 1, '91. Would you undertake to do the same.

(2315)

Hon. Mr. Tchorzewski: — Yes, Mr. Chairman, the credit cards are in the name of the individual employees.

We can provide information as to any reimbursements that were made on expenditures under the credit card that were incurred on behalf of the provincial government and therefore were paid as expenses. But there will be other things that were incurred as personal expenses which the province would not pay for, but as far as the items that the province paid for, we can provide that.

Mr. Swenson: — That, Mr. Minister, was the policy that other departments adopted, and we received the information that what people do on their own time is their business.

In item 15 I was a little curious as to your . . . you now have 49 lap-top computers, evidently for travelling, for people to work on while you're travelling. You've purchased an additional seven in the intervening time and in looking at some of the responses from other departments, you've got more than Education and Economic Development. In fact you've got more than, lots of times four other departments put together. And I'm just wondering, Mr. Minister, why your department has this need to have so many.

Hon. Mr. Tchorzewski: — Because of the nature of some of the work that's done there. There's a fairly good number of people in the department who are called auditors who are on the road and do auditing. This is a very useful, in fact necessary tool in today's work and therefore the Department of Finance will have a larger number of these kinds of pieces of equipment because of the nature of the work that people like the auditors do.

Mr. Swenson: — I can appreciate that, minister. I used to have a department that did a lot of auditing also, with Energy and Mines. They have people on the go all the time and I did take a look and you've got them beat all hollow too. So I'm hoping these things aren't going home a lot, that there isn't a lot of personal use going on.

I was disappointed in question 17 when asked . . . and all other departments were very forthcoming about audio-visual equipment and related stuff. And the answer I got back from your department was yes, you have some equipment. Well I'd like to know what you have. I mean other departments, there was no problem. We've never had a problem with . . . I mean that's a very poor answer.

Hon. Mr. Tchorzewski: — No problem. The department responded according to what they thought the question was, but if you want any other details please let us know what it is and we'll get it for you.

Mr. Swenson: — Now, Mr. Minister, in regard to question 24, the answer . . . I want you to confirm for the committee, Mr. Minister, that in your own office you receive no news monitoring service of any kind. In other words, Mr. Minister, there are no news clippings or reading transcripts, any of that type of thing that help the minister do his job? There's no clipping services at all — nothing?

Hon. Mr. Tchorzewski: — As we said in the response, neither in the department nor in my office do we engage a clipping service.

Mr. Swenson: — Well maybe I've found a new area for you to find a few more shekels, because in looking through the responses from other departments, I find that most of your colleagues do engage in that type of thing. They admit that they need and they use media monitoring services. So I guess you can discuss that.

Question 26. You say that the travel agency was given on the basis of a presentation. Can you give us a list of what other agencies were invited to make a presentation, how the invitation was made, and why that opportunity was not advertised.

Hon. Mr. Tchorzewski: — This firm made a presentation. It is being used, has been used on a temporary basis. No other firm made a presentation. That's something that's under review all the time, but at the present time that's the firm being used because that's the firm that made a presentation as to the kind of services they could provide to the department. No other firm made a presentation.

Mr. Swenson: — Who personally asked that firm to make a presentation?

Hon. Mr. Tchorzewski: — I'm told no one asked them. It was unsolicited. They approached the department. They did not approach my office.

Mr. Swenson: — Well just so I clearly understand it, this firm, out of all the firms around, just thought that the Minister of Finance did a lot of flying and his officials did a lot of flying, so I'll pack my bag and I'll walk up the steps to the legislature and I'll make my pitch. Is this what you're telling me, that the guy just walked through the door and . . .

Hon. Mr. Tchorzewski: — Well I know the member sounds a little cynical, but that's exactly the case of what happened in this particular situation. The firm made a presentation, made an offer, and it was looked at and the department decided that it was something that they should try, and they have indeed been trying it — and I'm told getting very excellent service.

Mr. Swenson: — What happened to the firm that you did business with last year?

Hon. Mr. Tchorzewski: — I am informed that for a period of time both firms were utilized. But over time, the people who make these arrangements found that the services provided by this firm of Lanigan Zimmer Travel was a superior service and therefore the department decided to stay with the one firm.

Mr. Swenson: — Well, Mr. Minister, I . . . You can appreciate why I'm cynical and why anybody watching the proceedings tonight might be cynical, given your public protestations about no tendering previously and how you were going to have this open tendering policy and invitation to bid and all that sort of thing. And I find it strange that that criteria is good enough for everybody else in government but it's not good enough for the guy that sets the rules, who is the Minister of Finance.

And I think I'd like your commitment tonight that the travel services . . . the travel services, on a criteria . . . If your officials have a set criteria that they need a performance evaluation *per se*, so that you're comparing apples and apples and not apples and oranges, that according to the criteria that your department sets, that people be invited to an open tender situation for travel services for your department. Public tender.

Hon. Mr. Tchorzewski: — Mr. Chairman, the department has no contractual obligation to this firm or any other firm. Other firms interested in making a submission would be looked at. But I want to just make one correction for the member opposite, in that the government is making progress on tendering many services that in the past were not tendered.

For example, the whole question of advertising and communication services, all of those are now tendered and in fact have been . . . The policy of the government has been praised by all of the firms in the province of Saskatchewan, and have been in fact been praised by the editorial writers in the press in the province of Saskatchewan because of the direction in which we are going.

Mr. Swenson: — I appreciate the kudos, Mr. Minister. But we're down to a very specific example here where I think you can set an example that the rest of the government obviously has to abide by. You're the guy that controls the purse-strings. You set the criteria. If the Minister of Finance is seen to be above-board and doing it open, and the taxpayer's getting the best bang for his buck, then there isn't a single minister, department, agency, or Crown that can do otherwise, because you've set the pattern that no one else can possibly break.

You will have what you publicly said you wanted to achieve and that is an open policy that the taxpayer is getting his best bang for his buck. And I said, you set the criteria but let everybody bid. And I think it's appropriate that you're the guy that's going to set the pattern here and you can make that commitment to the House.

Hon. Mr. Tchorzewski: — Mr. Chairman, I think the member may very well have a good point there and I'm prepared to take a look at it.

Mr. Swenson: — When will . . . how long will the looking take I guess is what I need to know.

Hon. Mr. Tchorzewski: — As soon as we get out of the House.

Mr. Swenson: — Mr. Minister, I can help with that or I can slow that down.

An Hon. Member: — We'll find out how serious you are.

Mr. Swenson: — No, we'll find out how serious you are. I'd like you to make a commitment that before the month of September is out that you will have a policy, apples to apples, that you'll go to public tender on your travel.

Hon. Mr. Tchorzewski: — Mr. Chairman, the department will undertake an internal review of the policy and present to me some recommendations which I will consider and then the government will have to make a decision.

Mr. Swenson: — I appreciate that, Mr. Minister, but I'm not going to get another chance perhaps for six months or seven months to hold you accountable. You are going to go off now and spend money because as soon as this budget passes you can do what you want.

And I don't think it's appropriate that I should have to wait till next March or April when you bring down another budget to find out if you're tendering or not on your travel. I mean there has to be some point here where we have a time line attached to it that you live up to your election promises.

Hon. Mr. Tchorzewski: — Mr. Chairman, the commitments of the government and the record of the government as we begin to change many of the policies of the former government where there was no tendering in anything, is that we are heading in that direction and we, in some areas, have already been able to implement that.

We do it in consultation with the people who are involved. We did it in the advertising. We did it in consultation with the advertising industry and the printing industry, and this is the same process that will take place in this or any other.

I've given to the member a commitment that the government will be undertaking that and I think it should not be simply a case of one department. It should be a case of a policy which is developed for the government proper as a whole, and that will be undertaken.

Mr. Swenson: — Well, Mr. Minister, it's late at night so we'll . . . It's on the record and I guess we'll just have to go from there.

I have one final question here. In question 32, I believe it was, we asked you about manuals that were used in your department, policy manuals. In other words, your indication from the response was that you have no policy on how to deal with the application of taxes, no policy on how to interact with business making various applications or reporting under various regulations.

I don't believe that you just make this stuff up as you go along and I believe that your administrative policy isn't done on a guess and a golly here.

We've already received, Mr. Minister, the PSC (Public Service Commission) manual and the financial administration manual but we would like a copy of the accounting and reporting manual.

Hon. Mr. Tchorzewski: — No problem. It's a fairly substantial document but we'll take the time and create the expense to reproduce it so that the member can inform himself about what the procedures and guidelines are.

Mr. Swenson: — I appreciate that, Mr. Minister. I'm sure it will be interesting reading.

Mr. Chairman, that concludes the written questions that I had. And if the minister can make the commitment that that stuff will all be sent over as quickly as possible, I think we can dispense with this.

(2330)

Item 1 agreed to.

Items 2 to 6 inclusive agreed to.

Item 7 — Statutory.

Items 8 to 11 inclusive agreed to.

Item 12 — Statutory.

Items 13 to 21 inclusive agreed to.

Items 22 and 23 — Statutory.

Items 24 to 28 inclusive agreed to.

Items 29 to 31 inclusive — Statutory.

Item 32 agreed to.

Vote 18 agreed to.

**Consolidated Fund Expenditure
Finance — Servicing the Public Debt — Government Share
Vote 12**

Items 1 to 3 inclusive — Statutory.

Vote 12 — Statutory.

**Consolidated Fund Debt Redemption,
Sinking Fund and Interest Payments
Finance
Vote 175**

Item 1 — Statutory.

Vote 175 — Statutory.

Vote 176

Item 1 — Statutory.

Vote 176 — Statutory.

Vote 177

Item 1 — Statutory.

Vote 177 — Statutory.

**Consolidated Fund Loans, Advances and Investments
Municipal Financing Corporation of Saskatchewan**

Nil vote.

**Supplementary Estimates 1992
Consolidated Fund Expenditure
Finance
Ordinary Expenditure — Vote 18**

Items 1 to 27 inclusive agreed to.

Vote 18 agreed to.

**Supplementary Estimates 1991
Consolidated Fund Budgetary Expenditure
Finance
Ordinary Expenditure — Vote 18**

Item 1 agreed to.

Vote 18 agreed to.

The Chair: — That concludes estimates for the Department of Finance and I would ask the minister at this point to thank his officials.

Hon. Mr. Tchorzewski: — Yes, Mr. Chairman. I want to thank the members of the opposition for their contribution and their questions, and I want to thank all of the officials who are here for their assistance in this. Just an example of the kind of sacrifices that people make sometimes when they work for the government — Mr. Wright informs me that tonight is his wife's birthday. I'm sure she's going to forgive him. If she is watching television, on behalf of all the members here, I'd like to wish her a happy birthday and send Mr. Wright home.

Hon. Members: Hear, hear!

Mr. Swenson: — Thank you, Mr. Chairman. I would like to thank the minister and his officials on behalf of the opposition for their being here at this late hour and trying to provide us with some of the answers that are necessary. And I go along with the minister in applauding people that sort of go that extra mile. There's been a few things missed on this side of the House this summer too and we all feel the same way. So thank you to the officials.

**Consolidated Fund Expenditure
Crown Investments Corporation of Saskatchewan
Vote 54**

Item 1

Hon. Mr. Shillington: — I will take a moment to introduce these long-suffering public servants. Seated beside me is David Hughes; seated behind me is Patti Beach.

I'll anticipate the first question. The list of questions which the member from Arm River and I really worked out in Public Service, we've taken the questions and I have the answers which I will ask our equally long-suffering page to take to you.

Mr. Swenson: — Thank you, Mr. Chairman. Mr. Minister, I notice that . . . and I don't have the generic set here with me for your particular . . . you have a lot of not applicables. Are those not applicable for one specific reason or is it a number? Can you just give a brief explanation.

(2345)

Hon. Mr. Shillington: — The overall explanation is that this is not a department and therefore many of the questions which were asked really have no application to a Crown corporation. That's the primary reason why they weren't applicable. Many of them related to whether or not I had any staff paid for and if so, did they have cars and so on.

There is . . . all of my personal staff and all of my expenses are paid out of the line departments. In fact, they're paid out of the department you just finished, Finance. I gave the member from Arm River complete details of that in the

estimates for SPMC. So you have all that information. But Crown Investments Corporation don't pay any expenses for any portion of my office and that's the primary reason for most of those because they relate to expenses of my staff.

Mr. Swenson: — Thank you, Mr. Chairman. Mr. Minister, if there is, upon review of this some dispute, is it appropriate for one of us to get together and see if we can work something out in the way of a response?

Hon. Mr. Shillington: — By all means, Mr. Chairman. If there are any errors or omissions in that or if there's any additional information you want we'll supply it unless it is . . . the position I took with the member from Arm River is that we will supply any information which would be available to you under the freedom of information Act.

If it's not permitted under the freedom of information Act we'll reserve the right not to give it to you. But the position I took with the member from Arm River is if it's available under the freedom of information Act — and virtually everything is — then we'll undertake to give it to you. And I give you the same undertaking. If there's any information the members of this Assembly want, and it's not included in that material, I'll give it to you if it's available under the freedom of information Act.

I don't think it's necessarily appropriate to ask members of this Assembly to go through the rather time . . . rather involving, time-consuming procedure under the freedom of information Act.

Mr. Swenson: — I agree, Mr. Chairman. If that's the only criteria then we'll live with it.

Item 1 agreed to.

Vote 54 agreed to.

**Consolidated Fund Loans, Advances and Investments
Crown Investments Corporation of Saskatchewan
Vote 165**

Item 1 — Statutory.

Vote 165 — Statutory.

Hon. Mr. Shillington: — I want to thank these two officials. They've had a long wait this evening. They have done so quite cheerfully and I think they're quite happy to assist this democratic institution in its work, so they're by no means complaining. I don't think that in any sense lessens our appreciation of their contribution this evening and I thank them.

Mr. Swenson: — Thank you, Mr. Chairman. I also would like to thank the officials and have them know that there was a very detailed discussion about some parts of their organization in an earlier discussion this evening. We were able to do it quite thoroughly, so I appreciate them staying for as long as they did tonight.

**Consolidated Fund Loans, Advances and Investments
Saskatchewan Gaming Commission
Vote 142**

Item 1

The Chair: — I'll ask the minister to arrange to bring his officials in.

Hon. Mr. Shillington: — That's going to be a touch awkward. They are some distance. What I have, I have the same list . . . I have the answers to the same list and I will again request the assistance of our long-suffering page here, give these to you. Give this to the member from Morse this time.

I publicly give the member from Morse the same undertaking as I gave to the member from Thunder Creek a moment ago. If there's any information which isn't in there, and which might be made available to you under the freedom of information Act, you've only to contact my office and we will supply it to you as soon as is reasonably possible.

I do not believe it's appropriate to ask members of this Assembly to go through the procedure of the freedom of information Act. I think you have a right to information as elected representatives upon request.

Item 1 agreed to.

Vote 142 agreed to.

Mr. Martens: — I just have one question for an observation. In our dealing with the Department of Agriculture yesterday or the day before, we dealt with the Horse Racing Commission and we asked a number of questions. What I want to know is who the board of directors are, the budget, and that sort of thing. I don't know whether that comes under the purview of a vote, however I'd like to have the same kinds of information provided to me that you've provided here.

Hon. Mr. Shillington: — Mr. Chairman, in response to the member from Morse, I'll provide that. I don't actually have that information with me. It's technically not part of this subvote. We'll certainly supply the names of the commissioners, the date they were appointed, and we'll answer the same questions that were provided on the previous two estimates and give the same undertaking with respect to the Horse Racing Commission.

If they have any questions relating to information which would be available under the freedom of information Act, we'll make it available to them as soon as we're able to do so. The Horse Racing Commission does in fact report to myself.

There are no officials to thank. I'd just point out to the members of the Assembly that the officials were here until about 11 o'clock. So I do want to thank them for having come here and made themselves available.

I also want to thank the members opposite for the efficient and efficacious way that these estimates were handled. I recognize you really asked the member from . . . the Minister of Finance most of the questions.

Mr. Martens: — Thank you, Mr. Chairman. I too want to have you extend to your officials our thanks for their

indulgence this evening.

The committee reported progress.

The Assembly adjourned at 11:54 p.m.