

The Assembly met at 2 p.m.

Prayers

## ROUTINE PROCEEDINGS

### INTRODUCTION OF GUESTS

**Hon. Mr. Koskie:** — Thank you, Mr. Speaker. Mr. Speaker, it gives me a great deal of pleasure to introduce to you and through you to the members of the Legislative Assembly, 22 grade 10 students from the Muenster High School. They are accompanied by their teacher, Paul Reist; chaperons, Sharon Blanch and Della Thiemann.

This has been an annual event for the grade 10 students from Muenster and I would like at this time to have all members join with me to extend a warm welcome to the grade 10 students.

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

**Hon. Mr. Koskie:** — Also, Mr. Speaker, in your Speaker's gallery we have Watson Elementary School represented by 34 grade 6 students. They're accompanied by their teachers, Bernice Gerspacher, Ted Biemans; chaperons, Al Gerspacher, Debbie Fetter, Shelly Frederick, and Brian Scheuchuk. I'd ask all members to join with me to welcome the students and the chaperons and teachers from the Watson Elementary.

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

**Mr. Toth:** — Thank you, Mr. Speaker. Mr. Speaker, I'd like you to recognize . . . there's some individuals sitting in your gallery and I believe there are a number in the west gallery — concerned men and women from across the province, across the city of Regina, who took time out of their daily schedules just to spend some time on the lawn and calling out to our God Almighty just for divine guidance at this present time in our province.

And I'd just like to mention they're from representatives from Big Sky Free Methodist Church, Faith Baptist Church, Morning Star ministries, Hillsdale Alliance Church, Rosewood Park Alliance, Fort Qu'Appelle Alliance, Weyburn Pentecostal, people from Moosomin, Northside Baptist, Avonhurst Pentecostal, the Sunrise community, Speak Out Canada, and Community Impact.

And I want to welcome all these people to the Assembly here today.

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

## ORAL QUESTIONS

### SaskTel Holding Company

**Mr. Swenson:** — Thank you, Mr. Speaker. Mr. Speaker, today my question is to the minister responsible for SaskTel. Madam Minister, on April 28

you signed an order in council which transfers a large portion of both the assets and the liabilities of SaskTel over to a holding company. I wonder if you could explain the reason for these transfers.

**Hon. Mr. Mitchell:** — Mr. Speaker, I'm sorry to have to say to the hon. member that while I'm acting for the minister responsible who is absent today, I'm not familiar with this transaction and therefore will have to take notice of it.

**Mr. Swenson:** — Thank you, Mr. Speaker. To the Minister of Justice then, on this next question. Mr. Minister, according to the OC (order in council), you transferred SaskTel's interests in SaskTel International, Leicester Communications, Information Systems Management, DirectWest publishers, a number of cable companies, SaskTel mobility assets, and all of SaskTel's property and buildings, including the head office building in Regina, to this holding company. You also transferred \$145 million in debt over to the holding company.

This seems to be a very significant transaction, Mr. Minister. Your government professes to be open and accessible and you didn't even bother to announce it or bring it up in this Legislative Assembly. You simply signed an OC that juggles around millions of dollars of government assets and liabilities and, I believe, hope that no one would bother to ask you a question.

Mr. Minister, if this transaction is as you say, in the best interests of the government and the people of Saskatchewan, why was it not announced in this Legislative Assembly?

**Hon. Mrs. Teichrob:** — Mr. Speaker, I thank the hon. member opposite for that question. In the fall of 19 . . . or the spring of 1992 we introduced into this legislature a piece of legislation setting up or establishing the holding company. And we made a full and free explanation at that time and in committee on the Bill as to the purpose for setting up the holding company, being prepared for the regulatory environment changes that the federal government was in the process of putting into place, so that those areas of commerce within SaskTel corporation that would not be subject to regulation would be held separately. And that was a subject of discussion in this legislature.

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

**Mr. Swenson:** — Thank you, Mr. Speaker. Question to the same minister. Madam Minister, the debate that took place over that particular piece of legislation dealt with the problems of SaskTel and the CRTC (Canadian Radio-television and Telecommunications Commission) and long distance regulations.

What you have done in this particular OC is go far beyond simply long distance. This is every part of SaskTel and its operations including many companies that I'm sure most taxpayers have never even heard of before.

Madam Minister, could you tell me why the transfer price in each one of these components sold to the holding company was given as book value? With the exception of the buildings and the properties, none of these book values have been provided. Madam Minister, will you provide that information to the Assembly?

**Hon. Mrs. Teichrob:** — Mr. Speaker, we would certainly, in the honest, open, and accountable way that we do business, be prepared to provide the member with this information. It's not something that I have at hand so I would take notice.

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

**Mr. Swenson:** — Well, Madam Minister, on a transaction this size which obviously deals with assets spread all over this province, assets that are held in conjunction by other entities besides SaskTel, you would think that you would know more about what was going on here.

Now, Madam Minister, why was the transfer price of all of these assets at book value rather than fair market value? Wouldn't this transaction better reflect what you are doing if you used fair market values in your evaluations? And could you provide us with the difference, Madam Minister, between the book value and the fair market value for each of the assets transferred.

**Hon. Mrs. Teichrob:** — Mr. Speaker, in reorganizing the affairs pursuant to the legislation that we would provide for this, we would rely on the advice of experts — financial experts and legal experts — as to the organization. And we would behave accordingly to protect the interests of the people of Saskatchewan who are the shareholders of both the SaskTel corporation and the holding company.

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

**Mr. Swenson:** — Thank you, Mr. Speaker. Question to the same minister. Madam Minister, we're talking about \$145 million here. We're talking about the transfer of assets all over this province.

Now, Madam Minister, what this Assembly needs is simply not some offhand explanation about your experts. Your experts haven't been doing well lately. What the province wants to know and what the taxpayers want to know, Madam Minister, is the inside of this particular deal.

Madam Minister, could you provide us with the fair market value of all the assets transferred to the holding company and what the total amount of that transfer was. Would you do that?

**Hon. Mrs. Teichrob:** — Mr. Speaker, the orders in council that the member opposite referred to would reflect the numbers in the transaction in an open and accountable way and would reflect the best interests for the people of Saskatchewan who own all the assets

of the company prior to the transfer, and who continue to own them subsequent to the transfer.

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

**Mr. Swenson:** — Thank you, Mr. Speaker. Question to the same minister. Madam Minister, I have the OC here, in all its dozens of pages. The questions I have asked you are not answered in the order in council. Once again your government is pushing through a complex set of financial data by OC and saying to the public, trust us even though we aren't willing to disclose all of the information in this order in council.

Now, Madam Minister, that is why the Provincial Auditor has been asking for the opportunity to audit Crown corporations, major transactions like this one. If everything in this OC is as sound as you say, Madam Minister, then why not let the Provincial Auditor have a chance to go through it, pass judgement on it, and let's see if what you say about this large order in council and \$145 million of taxpayers' money is as is.

Madam Minister, will you let the Provincial Auditor do that?

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

**Hon. Mrs. Teichrob:** — Mr. Chairman, the operations and the accounting for this kind of transaction is the subject of financial advice from within the corporation, the supervision of the CIC (Crown Investments Corporation of Saskatchewan), the CIC which is audited by the Provincial Auditor. So the details of these transactions are transparent to the Provincial Auditor.

This legislation was assented to in December of 1991, so I correct my earlier statement. I knew it was one of the first sessions of the House; it was the opening session in the fall of 1991. So it's been debated here now over a year and a half ago.

I think that we were preparing ourselves, and we explained at the time, to protect the interests of the people of Saskatchewan and the telephone rates in Saskatchewan from the predatory actions of the CRTC and your Tory friends in Ottawa, and what they were doing to the regulatory environment for telephone companies.

I suppose I wish, the people of Saskatchewan might wish, that this same accountability would have prevailed, for instance, when millions of dollars were paid to George Hill without public accounting.

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

**Mr. Swenson:** — Thank you, Mr. Speaker. Madam Minister, what is at issue here is closer to a half a billion dollars in total. There's \$145 million in debt alone which you are moving around without this legislature being informed about. A half a billion dollars is the total impact of what you've done here, Madam Minister. That wasn't done by one minister alone. That is obviously a cabinet decision.

Madam Minister, we've asked you some questions about numbers in this document. Would you now please answer the questions about the difference between fair market value and book value on a transaction that covers a half a billion dollars, Madam Minister.

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

**Hon. Mrs. Teichrob:** — Mr. Speaker, I would just point out to the member opposite that the value . . . for instance let's take the asset being the head office. Whether it's held by SaskTel or whether it's held by a holding company for SaskTel doesn't affect the value of the asset. And I think we've tried to explain the reason — that we were simply reorganizing the affairs of the corporation, anticipating changes in the regulatory environment.

And I just want to quote from *Hansard*, December 19, 1991 referring to that telecommunications Bill. The House Leader, Mr. Neudorf:

Thank you very much, Mr. Speaker. I don't think we have any major problems with the Bill. In order to facilitate expediency we'll let it go into committee . . .

So there wasn't a problem with the Bill at that time, the purpose of which was explained. The order in council is pursuant to that legislation and we think that we are serving the best interests of the people of Saskatchewan.

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

**Mr. Swenson:** — Thank you, Mr. Speaker. Madam Minister, the question at hand today isn't what you promised a year and a half ago in this legislature. Because what you had promised a year and a half ago has been broken in each and every case. I can bring up a dozen subjects where you haven't kept your word, Madam Minister. You haven't been true and honest with the people of this province in the implementation of . . . you say one thing in here and you do another outside.

Madam Minister, this moving around of a half a billion dollars in SaskTel's assets without having the OC cover off a number of the issues, Madam Minister, are you setting this corporation up for privatization? Are you doing that, Madam Minister?

**Hon. Mrs. Teichrob:** — Mr. Speaker, interesting. I just want to read from *Hansard* again on December 19, 1991 where I moved second reading of The Saskatchewan Telecommunications Holding company Act. I said at that time:

As many members will be aware, this legislation is designed to allow for the reorganization of SaskTel in anticipation of federal regulation by the Canadian Radio-television and Telecommunications Commission.

Unfortunately the federal government does have the legislative authority to regulate SaskTel if it decides to go ahead with the amendments that are required.

And to my recollection you voted in favour of the Bill at that time.

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

**Mr. Swenson:** — Well, Madam Minister, as I said before, what you say in here and what you actually do are two different things. I mean, did you tell the truth about protecting health care? No. Did you tell the truth about not raising taxes? No. Did you tell the truth about helping farmers? No. Did you tell the truth about patronage? No.

Madam Minister, no one in the province today believes you when you say something any more, because you simply haven't kept your word with the taxpayers and voters of this province.

Now I ask you once again, Madam Minister, is it possible that these moves are being set up in order to privatize portions of SaskTel?

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

**Hon. Mrs. Teichrob:** — Mr. Speaker, the comments of the member opposite are beginning to border on hypocrisy. He talks to us about privatization. He talks to us about accountability.

We said, we said that we were passing this legislation to allow for the reorganization of SaskTel in anticipation of the federal regulation by CRTC, the predatory actions of the federal government into the area of operations in our provincial telephone company. We've moved pursuant to that legislation. We are reorganizing the assets using the telecommunications holding company and the enabling legislation.

We haven't changed the value of any of the assets. We are making this move to protect the assets of the people in Saskatchewan from that competitive environment and from those predatory actions.

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

**Mr. Swenson:** — Thank you, Mr. Speaker. Question to the same minister. It seems, Mr. Speaker, that maybe now we're getting down closer to the truth here. We all know the other day that Madam Finance Minister was asked about harmonization, and she said it's actually a good idea; she just couldn't bring herself to say the word.

Well we asked the Minister of SaskTel about privatization. And we know, we know the problem that these people have with the P-word, Mr. Speaker.

So, Madam Minister, now we get reorganization. Harmonization we can't say. Privatization we can't

say. But we can say reorganization.

Madam Minister, you are moving around a half a billion dollars of the people's assets. You aren't disclosing all of the information. Madam Minister, why don't you use the P-word if that's what you're up to and tell the province of Saskatchewan exactly what you have in mind for SaskTel and its components. Why don't you do that, Madam Minister?

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

**Hon. Mrs. Teichrob:** — Mr. Speaker, I'd just like to remind the member opposite as well that one of the first pieces of legislation that we passed in that session was a Bill to establish SaskEnergy, which was a corporation that the members opposite had tried to privatize. I have no problem saying that word, but that is not the issue.

We have explained over and over again why we set up the telecommunications holding company. You agreed with it at that time. I don't know when you've changed your mind. We haven't affected the value of any assets; in fact by doing this, we are protecting the value of the assets in the interests of the people of Saskatchewan.

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

#### Review of Crop Insurance Agents

**Mr. Martens:** — Mr. Speaker, and, Mr. Minister, my question is to the minister responsible for Crop Insurance. Mr. Minister, a while back we learned of a witch-hunt that was taking place among Saskatchewan Crop Insurance marketing agents. A number of these agents were being called into the head office in Melville, told to bring their computers and all their files and were being forced to choose between resigning and being dismissed, even though in most instances these agents had excellent work records.

Mr. Minister, can you tell me how many Crop Insurance agents were fired as a result of this witch-hunt, and how many have been replaced, and what is the process of choosing their replacements?

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

**Hon. Mr. Cunningham:** — Mr. Speaker, there was a review of some Crop Insurance agents. The contract under which they were working had no system for evaluation or performance of Crop Insurance agents. What we did was we called in a number of agents and went through their work record with them and assessed their performance ability and their desire . . . whether or not they desired to continue on. I think there were, if memory serves me right, about nine who are no longer with the contracts. They have not been replaced; none of these have been replaced. The areas have been divided out amongst existing contract . . . or existing agents in the areas.

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

**Mr. Martens:** — Mr. Speaker, and Mr. Minister, I understand that the agents that were let go, one was near Prince Albert, and I also understand that one Michael Feschuk, NDP (New Democratic Party) MLA (Member of the Legislative Assembly) for Prince Albert from 1971 to 1982, is taking classes at Melville at this point in time and is involved in either an agency or an adjuster's responsibility. Will you confirm or deny that?

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

**Hon. Mr. Cunningham:** — Mr. Speaker, we will undoubtedly be replacing some agents — or not agents, but particularly adjusters — at some point. I do not know whether Mr. Feschuk has applied or is in training at this time.

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

**Mr. Martens:** — Well, Mr. Speaker, I find this utterly amazing. The minister is responsible for a \$500 million transfer in SaskTel, don't understand anything about it, can't answer questions in this Assembly that deal with numbers, that deal with facts, and now you're trying to tell me that you don't understand whether Michael Feschuk is in Melville at this point in time taking classes to be an adjuster or an agent. Would you tell us what you are responsible for and why you're getting paid that exorbitant salary if you don't understand what's going on in your corporation?

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

**Hon. Mr. Cunningham:** — Mr. Speaker, it doesn't surprise me that the members opposite don't understand this. I think in the previous administration that the ministers had a lot to do with the hiring and firing and personnel at very low levels of the corporation.

I want to tell the members opposite that this government operates in a different fashion. We have an administration, we have a hiring process, we have the Public Service Commission, and we have a process by which people apply for jobs and get them based on their competence and their ability, and not based on their friendship or political lines or connections to ministers.

I know that the members opposite don't believe that because it's not the way they operated government, but I want to assure you, Mr. Speaker, that is the way that we operate this government.

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

**Mr. Martens:** — Well, Mr. Minister, the truth about your government is that this restructuring is all just being done to replace individuals who have a track record of competency with ones that are litmus-tested red and represent a part of your NDP organization.

And I want to just . . . why was Zach Douglas brought

forward the other day as an individual who is responding to the involvement with the Minister of Economic Development? And why is Gordon Nystuen involved in the Gaming Commission? Lisa Thomson? Why is Oren Reiman and Jack Lloyd being involved in your government when you say you don't do that sort of thing?

Mr. Minister, my question to you is this. Will you admit that your Crop Insurance restructuring is nothing more than a witch-hunt designed to make room for more NDP patronage appointments? And will you admit that the number of perfectly capable agents were let go? And will you also admit that a number of these people that you are letting go don't meet the requirements that you set out in the blood test, as the member from Elphinstone said the other day?

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

**Hon. Mr. Cunningham:** — Mr. Speaker, again I point out that this reorganization and restructuring of Crop Insurance has been to deliver more efficient service and to deliver better service to farmers. I am proud of the record of Crop Insurance. I think we have made great improvements in our ability to deliver service and do a better job of service to farmers.

Mr. Speaker, I think the member opposite maybe doesn't understand the word competence. This hiring based on competence does not mean . . . and I think that somebody who has voted NDP is restricted from ever having a job with this government. After all, I think if we were to stick to hiring Tories, we would have very few to hire.

So, Mr. Speaker, what we have is a professional process for hiring people, and that is what we have done in this government and continue to do.

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

**Mr. Martens:** — Mr. Speaker, my question is to the minister responsible for Crop Insurance again. In March 1991 the Premier stated that the people in your government would not . . . in no uncertain terms that the partisan people, party people, defeated MLAs and candidates shouldn't be getting government appointments. That's what your Premier said in 1991.

Now I want to ask you: how come you have all of these people? You didn't tell the truth about that. You didn't tell the truth about health care. You didn't tell the truth about taxes. You didn't tell the truth about helping farmers.

Will you admit that your government gives preferential treatment to NDP supporters? Will you admit that any time you have a problem firing perfectly capable people, any time you need to make room for another NDP hack, that's what you do? Isn't that a fact, Mr. Minister?

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

**Hon. Mr. Cunningham:** — Mr. Speaker, I think again the member opposite does not understand the basis of competence. No, we do not hire on the political litmus test, and I guess they don't believe it again because that may well have been the method by which they hired.

I have here one of the people that the member opposite has called incompetent is a Mr. Lloyd. I would like to read a letter here from Grant Devine when he was premier. It says:

I would like to . . .

**The Speaker:** — Order, order. Order, order. Order. I think the minister knows that he cannot use the names of individuals in this chambers.

**Hon. Mr. Cunningham:** — I apologize, Mr. Speaker. I was reading from the paper for the member from Estevan when he was premier:

I would like to commend you for the outstanding work which you and the other members of the ad hoc committee did in bringing together the parties in the Midale dispute. The committee has put together a very useful report which succeeded in getting the groups to discuss matters.

Considering the highly emotional nature of the dispute, I am sure that you've had to set the stage for the recent discussions through many hours of tactful diplomacy.

Thank you for a job well done.

That's what the former premier said about Mr. Jack Lloyd who they are now saying that this guy is incompetent and hired because he was a New Democrat. I think that's hypocritical.

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

**Hon. Mr. Wiens:** — Mr. Speaker, before orders of the day, I ask leave of the Assembly to make a statement which will be of interest to all members.

Leave granted.

(1430)

## ANNOUNCEMENTS

### National Forest Week and Arbor Day

**Hon. Mr. Wiens:** — Thank you, Mr. Speaker, National Forest Week and Arbor Day help to increase awareness of the importance of trees and forests and the need for continued careful management of these vital natural resources.

Arbor Day is a symbolic and meaningful activity which emphasizes the importance of conservation and environmental concerns. To plant a tree is to demonstrate our faith in the future and reflects our commitment to the next generation — the promise

that our children will inherit viable forests and a healthy ecosystem.

Mr. Speaker, I am pleased to have been able to preside over a tree planting ceremony this morning which was held in recognition of National Forest Week and Arbor Day. This event was made even more significant by the presence of representatives of the state of North Dakota, Lieutenant Governor Rosemarie Myrdal and State Forester Larry Kotcham.

The participation of Ms. Myrdal and Mr. Kotcham shows the level of commitment which exists to the preservation of our environment and demonstrates international cooperation to attain our common goal of sustainable living.

I would like to thank also a number of students, groups from Herschel, Pilot Butte, Milestone, and the Campbell Collegiate Alternative Education Bell Ringers for their significant contribution to the events of this morning. They were accompanied by their teachers and their parents, and in their personally created statements about the future, brought the spirit of the need to live sustainably to all of us who are adult and need to work in a policy creation which in fact results in that sound future for these, our children.

I ask all members of the Assembly to join with me in recognition of that goal and of the official designation of today as Arbour Day and of this week as National Forest Week. Thank you, Mr. Speaker.

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

## WRITTEN QUESTIONS

**Hon. Mr. Lingenfelter:** — Mr. Speaker, I move to convert the question to motion for return (debatable).

**The Speaker:** — Motion for return (debatable).

## SPECIAL ORDER

## SECOND AND THIRD READINGS

## APPROPRIATION BILL

### **Bill No. 57 — An Act for granting to Her Majesty certain sums of Money for the Public Service for the Fiscal Year ending on March 31, 1994**

**Hon. Ms. MacKinnon:** — I move that Bill No. 57, An Act for granting to Her Majesty certain sums of Money for the Public Service for the Fiscal Year ending on March 31, 1994, be now read a second and third time.

**Mr. Swenson:** — Thank you, Mr. Speaker. I want to take this opportunity, on this final portion of the interim supply Bill, to make a few comments to the legislature and to the public at large.

Mr. Speaker, as you know in the past we have seen this government bring in a number of interim supply Bills and all the way through the process the opposition has not been provided much in the way of answers.

Mr. Speaker, taxpayers around this province, and indeed around Canada today, are wanting government to come forward with economic plans that are realistic, plans that, Mr. Speaker, divert themselves from the political process and dwell solely with the reality of the economics in which we face ourselves.

During questioning in this last interim supply Bill, the opposition members asked the minister responsible a number of questions which had arisen out of the previous interim supply Bill in this Legislative Assembly. And I think they were questions that were very, very pertinent; they were reasonable; they were the type of thing that I believe a provincial government should be watching on an ongoing basis. They were issues that, Mr. Speaker, will tell Saskatchewan taxpayers whether we're on track, off track, exactly what is happening to the economy of our province.

As you know, Mr. Speaker, when the NDP government came in they brought forward a number of economic analyses — analyses that were done while that party was in opposition, that was very definitive about the levels of taxation that Saskatchewan people could handle, and were very definitive about how Saskatchewan people should be taxed.

Mr. Speaker, we have seen in the last 16, 17 months of time that this government has been in power, almost a total reversal, a total flip-flop on the issue of taxation. The very issues that the NDP Party highlighted while in opposition about how retail growth would be affected, about employment, about almost every indicator in our society today that they said was true while in opposition, all of a sudden in government now seem to want to either totally reject, ignore, or simply not talk about.

We all know, Mr. Speaker, the projections that were made in last year's budget about employment level, about growth in the economy, about taxation. And I would say to you, Mr. Speaker, the proof is in the pudding that none of these targets was achieved.

The out-migration of people from our province has continued unabated. Personal income taxes, sales taxes, taxes on our utilities, all over our economy, Mr. Speaker, the ability of you and I as family members, as contributing members of our society, that ability has been impaired, Mr. Speaker, by the current government that we have in Saskatchewan today.

I heard on the news coming in this morning, Mr. Speaker, that the average Canadian family for the second year in a row has had a drop in income, of real disposable income; that the average Canadian family is paying more in taxes than they have in any time in their history.

And yet, Mr. Speaker, when we ask the Finance minister, the associate Finance minister, questions about these trends, questions about where our

economy is going, questions about how the government is strengthening our economy so that our unemployment rate will drop, so that the out-migration will cease, so that people will exercise the entrepreneurial spirit that many Saskatchewan people have so that they in turn will invest their life savings, so that they in turn will look for new opportunities to employ others, we simply are told by this Finance minister that she doesn't have the figures, that she doesn't have the numbers, that she has to rely on someone else to garner them.

Yet we see that department in the business of polling on a continual basis. We see this government polling on a continual basis. We see the Deputy Premier get hundreds of thousands more dollars for his department. We see him get more PYs (person-years) to be the minister in charge of government advertising and polling. Oh, and I shouldn't forget, the keeper of the provincial seal.

**An Hon. Member:** — And the NDP national campaign.

**Mr. Swenson:** — And the fact that he does attend the odd NDP federal meeting just happens to go along with the job.

Well, Mr. Speaker, I would think when one was so definitive in opposition with what I'm sure at the time was fairly limited resources, and being very, very definitive on certain issues around employment and taxation and out-migration, that in government we would have had answers coming from this NDP administration in those areas of economic concern to the people of Saskatchewan.

They come into this legislature, they ask for one-twelfth; then they ask for two-twelfths this time, Mr. Speaker — in some cases five-twelfths — and say to Saskatchewan people, to Saskatchewan taxpayers, that I don't have any relevant information as to how well my economic game plan is doing. That that will all come in due course.

Well unfortunately, Mr. Speaker, the due course after granting two-twelfths this time will mean that this Legislative Assembly probably won't be in session. The members of the opposition won't be here on a daily basis to ask this minister questions. That we'll be into the summer months of July and August and there will be no one in this Legislative Assembly — probably, Mr. Speaker — to make this minister come forth with the answers that were promised. And I believe that is done intentionally, Mr. Speaker. I believe it is done so that they hope that Saskatchewan taxpayers and people will simply allow this government the freedom to carry on through the summer months and not give any indication about where we're going economically.

Mr. Speaker, if the polling is being done, then I would say to you that the results of that polling could be available to this Legislative Assembly every 30 days, that we wouldn't have the Deputy Premier saying that I don't have to release that information to you on that

regular basis.

It astounds me that the Department of Finance can spend the kind of money they do, polling each and every month almost, and yet not have any answers, any answers at all when we say how are we doing with out-migration. How is the sales tax hike from eight to nine doing out there as far as retail business? How are we doing at the gas pumps? Are the volumes up? Are the volumes down? How is the Saskatchewan business sector reacting to the budget brought down by the member from Saskatoon? And yet we get no answers at all, Mr. Speaker.

The reason that the questioning in interim supply this time, Mr. Speaker, did not go on as long as it did the time before is the simple case of frustration that occurs to members of Her Majesty's Loyal Opposition in the face of stonewalling and no answers. Mr. Speaker, there's very little point in taking up the time of this House if we can't get cabinet ministers to answer those vital questions.

Mr. Speaker, I can remember the members of the New Democratic Party while in opposition taking days and days and days in interim supply and were provided many more answers that what we've seen this opposition provided for in the last two years of interim supply motions.

It goes back to that promise made by this government, Mr. Speaker, not to use special warrants. I remember in this Legislative Assembly, sitting in the government benches, and listening to the tirades come forth from members of the New Democratic Party on the use of special warrants. But they come in here; they bring them forward, and they simply say, well we're going to do it this time, but we won't do it again.

It's like all the promises made in this Legislative Assembly, Mr. Speaker, by this party. The pledges made by the member from Riversdale when it came to patronage — they don't mean anything today. The promises made on taxation — they don't mean anything today. The promises made to the farmers of this province who are going to go out and try and seed a crop this spring — promises made, promises broken.

That is why, Mr. Speaker, there is such a sense of frustration. I think that's why you see, Mr. Speaker, people, taxpayers in Saskatchewan, buying advertising, prime advertising time on TV, saying to this government, it's time that you started to live up to some of the things that you preached about while in opposition.

Mr. Speaker, I believe in the question of interim supply, that if this minister had any confidence, any confidence at all in that document that was tabled in this legislature — a document that is fraught with politics — that this government should have been prepared to come into this Assembly and answer the kind of questions which have been asked of it now many interim supply motions in a row.

(1445)

Mr. Speaker, I am sure, I am sure that this government and the Department of Finance have been able to analyse how many jobs have been lost because of the increase in sales tax in this province. They have been able to analyse the downturn that has occurred in certain sectors of our economy by hiking fuel taxes.

The issue in my home community of Moose Jaw came to fore recently, Mr. Speaker, on the issue of taxes on fuel use by the railroads in the province of Saskatchewan. City council in Moose Jaw, brotherhood of railway workers, brotherhood of engineers, people all through the community of Moose Jaw and surrounding area where so many hundreds of jobs are tied, tied to the railway economy in this province, lobbied this government strong and hard to review the issue because there was over 200 jobs at stake, there was an annual payroll of between 7 and \$8 million, and there were some economic opportunities attached to the railway industry that needed addressing.

The mayor of Moose Jaw, Mr. Speaker, after the bid was lost to the city of Winnipeg, said that it's obvious that this government had not done the proper analysis that was necessary when we're talking about over 200 jobs on an annual basis and between 7 and \$8 million in payroll.

Now I don't know how much personal income tax, Mr. Speaker, those people would have paid. I don't know what the increase in traffic and business done by the railroads in this province would have paid. But I can tell you, Mr. Speaker, that any time the province of Saskatchewan has the opportunity to work with an industry which is natural to us, which is one that we cannot live without, then I would think that the government would get down and sharpen their pencil and they would at least come forward with some reasoned economic arguments.

In the case of Moose Jaw and the CPR (Canadian Pacific Railway), that obviously hasn't occurred. It was simply rejected out of hand that we will lose X number of dollars on the fuel tax and that there is nothing else going to come back to the province of Saskatchewan because we were willing to work with someone, we were willing to do our economic analysis.

Well, Mr. Speaker, we have been making arguments like that to this minister and this government from the time that they assumed office. If they don't have the information, then they should go out and get it. But my suspicion is, Mr. Speaker, that they do have the information and that all we are dealing with here is the politics of cover-up, the politics of justification, the politics of trying to cover our political tracks from the promises we made in the fall of 1991 and the reality that we're dealing with in Saskatchewan today.

We've had the recent example, Mr. Speaker, of the Piper Aircraft deal, which was announced with such fanfare by the Minister of Economic Development and the then-Finance minister, evaporating into thin air. I

would say to you, Mr. Speaker, that the government didn't do their homework on that one either.

And that is why people in the province of Saskatchewan are saying what in the world am I paying all this tax for; why would I work those extra hours; why would I take the chance to go out and employ someone else if I've got a government that simply either won't or isn't motivated enough to do the proper analysis and tell Saskatchewan people exactly where we are?

We've seen this government, Mr. Speaker, come up with all sorts, all sorts of justifications in order to hide behind other people. It's like we say in here, Mr. Speaker, in nearly each and every question period: this government will light up the blame thrower and try and blame somebody else for each and every thing that affects people in this province, that affects taxpayers.

It's always somebody else's fault, Mr. Speaker. It's never the fault of this bunch because they either don't do their homework, or if they have got it done, they don't want to reveal it because it would break some of the promises. It would show Saskatchewan people that the promises of 1991 were simply hollow rhetoric, hollow rhetoric that was talked about for political purposes — for the burning desire of the member from Saskatoon Riversdale to be the premier of this province. Had nothing to do with economic reality, what the best and most orderly way would be for the economy of this province to work.

And that is why, Mr. Speaker, we have challenged Finance minister after Finance minister of this government to say: you've made an analysis of the effects of harmonization at 7 per cent on the economy of this province in 1991, and you said it would take away so many jobs that it would hinder certain aspects of our economy.

So we have asked time and time again to show the people of this province how those specific sectors are doing now that we have a 9 per cent sales tax, that our unemployment record has gone up, that the only inflation being created in the province of Saskatchewan is by government taxation, and that out-migration has continued to be a reality instead of being reversed, as the people in the New Democratic Party promised Saskatchewan voters and taxpayers such a short time ago, if we simply did away with harmonization and did it their way.

Well what it seems to be coming down to, Mr. Speaker, is that the reason they don't want to give this analysis is simply because the Finance minister can't bring herself to say the word harmonization. She tells the media, she goes to New York, she goes different places, and she says yes, it looks like it would be a good idea, but I can't say the word. Then maybe integration, integration would be more palatable.

Well, Mr. Speaker, that's why people in this province don't trust the NDP Party any more and why they don't trust the members of the cabinet any more,



because they would rather play upon words. They would rather play upon words than come clean with the analysis and the actual numbers that Saskatchewan people need in order to make business decisions, that Saskatchewan families need in order to figure out where they're going to find the money to pay the taxes with. Where are they going to find the money to educate their children with?

Mr. Speaker, the other shoe is going to drop in this province over the next couple of years.

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

**Hon. Mr. Wiens:** — Mr. Speaker, with leave, for the introduction of guests.

Leave granted.

### INTRODUCTION OF GUESTS

**Hon. Mr. Wiens:** — I hesitate to interrupt the member opposite, but my wife Cheralyn and my daughter Nicole are in the audience, Mr. Speaker, and I take this opportunity to introduce them to you and through you to the members of the legislature. Cheralyn came in this morning with the students that participated in the Arbor Day and National Forestry Week celebrations this morning. And Nicole is just home from university and preparing for the summer.

So I welcome them and introduce them to all of you. Thank you.

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

**The Speaker:** — Why is the minister on her feet?

**Hon. Ms. MacKinnon:** — To close debate.

### SPECIAL ORDER

### SECOND AND THIRD READINGS

### APPROPRIATION BILL

#### Bill No. 57 (continued)

**Mr. Swenson:** — Thank you, Mr. Speaker. I can assure the minister that I have a few more comments to make before we close off this debate.

As I was saying before the break, Mr. Speaker, the other shoe is going to drop in this province over the next couple of years, and it's going to drop in a big way. Because what this Finance minister has done is offload onto municipal government and school boards, newly formed health boards and others, like we have never seen offloading in this province before.

So along with the upfront indicators, Mr. Speaker, that we've been asking questions about, about analysis about, we have another half a billion dollars. And those aren't my numbers, Mr. Speaker. Those are

numbers that school boards and others are putting forward as saying what the potential is for them to pick up over the next two years.

This half a billion dollars, Mr. Speaker, is going to add to the already burdensome debt that many of these areas feel, the already burdensome tax load that the average home-owner and property owner in this province faces.

When we see mill rate increases approaching potentially, potentially double-digit numbers, Mr. Speaker . . . By the time you pick up for the education budget, a teachers' contract is yet unsigned, the new health districts, contracts and arrangements which we know nothing about, Mr. Speaker — the potential, the potential for Saskatchewan taxpayers in a lot of areas could be devastating.

And I'll give you an example, Mr. Speaker, where this hidden agenda will come forward. As you would know, Mr. Speaker, as a former Health minister in this province, that when a community comes forward for an integrated facility, there was a sharing arrangement on the financing tied to a mill rate structure in that particular community.

On special care homes, Mr. Speaker, the community was expected to pick up 15 per cent of the capital costs and have a portion of mill rate over the next 10 years attached to it. That figure, I believe, Mr. Speaker, is 15 per cent.

On the integrated facilities, Mr. Speaker, that number was 50 per cent; and that the mill rate increase tied to that particular institution be not more than five mills annualized over the next 10 years.

So what you have in the case of the province of Saskatchewan, Mr. Speaker, is all of these integrated facilities, which this government just shut down, took away their acute care funding, knowing full well that those acute care beds in those institutions have already been borrowed and annualized against up to 50 mills over the next 10 years, and they no longer exist.

So all of those municipalities now which went out and borrowed money, which said to their taxpayers, for this facility you have up to 50 mills over the next 10 years attached to that facility, they no longer have the acute beds that they went out and issued debentures for, or went out and borrowed in some other way in order to handle.

Mr. Speaker, this has occurred all across the province of Saskatchewan. And people are phoning us and saying that this is fraud, that we the local district went out and had to borrow this money because we had to live up to our 50 per cent commitment, and now the beds have been taken away but we're still holding the bag. We're still holding the bag, Mr. Speaker, for those intensive care, acute care beds, and we don't have them any more.

Mr. Speaker, that is only one example of dozens that

exist around this province that are going to happen when this half a billion dollars in offloading by this government is felt. And I would suggest to you, Mr. Speaker, that come June, July, down the road when a lot of this starts to hit, that the numbers that the minister has been floating around will simply not come true. That when the business person on Main Street, Coronach who is responsible for up to 50 mills on an intensive care, on an acute care bed in that facility that no longer exists but they still have to pay the bill, that is going to prohibit that person in Coronach from actually going out and expanding their business or hiring more people.

(1500)

And yet nowhere does this minister come clean with the numbers of the analysis that we've asked for in regards to issues like sales tax, in regards to personal income tax. Because if they did, Mr. Speaker, I'm afraid that the numbers would show that not only was their analysis in the fall of 1991 wrong, that every bit of analysis that they've done since then on how to make this economy grow in the province of Saskatchewan also rings hollow.

Mr. Speaker, the big pledge of the NDP Party in 1991 was that they were going to create jobs in this province like we've never seen jobs created before.

Well, Mr. Speaker, I would say to you that that is totally false, that those words are totally hollow, that they are without substance, because people, Mr. Speaker, are voting with their feet. They are simply leaving this province in droves to go to other jurisdictions where governments actually do what they say they're going to do, not something entirely opposite.

Mr. Speaker, this minister has had ample opportunity to stand in this legislature and say that our economic analysis and our economic game plan is creating jobs all over the place. She could do it sector by sector by sector, and yet we have heard nothing. When we ask for those numbers, she volunteers nothing. It is only under extreme badgering, Mr. Speaker, that we have been able to obtain any information at all from this Finance minister or the associate Finance minister on what is actually happening to the economy of the province of Saskatchewan.

We know, Mr. Speaker, we know in the health care field alone that there will be substantial lay-offs all over rural Saskatchewan. We know, Mr. Speaker, that even if we took the government at their word and that there would simply be role changing occurring and not actual closure of institutions, that there will be many of our towns and smaller cities and villages that will feel the impact on Main Street.

One of the reasons, Mr. Speaker, that so many people were on the steps of this legislature — union people, business people, concerned board members from all over the province — is that they don't believe this government has done any of the proper due diligence or analysis that would be necessary to implement

massive change in the health care sector without totally disrupting the socio-economic fabric of much of our province. That this is simply a seat-of-the-pants move by this government without the forethought and the human decency that should go with dislocations this large.

I would think the Minister of Finance would be interested in what is happening to the tax base of that many communities. I think the Minister of Finance would want to know the impact on personal income tax of the changes in the health care system. I would think the Minister of Finance would want to know about the impact on goods and services that are provided to those institutions, many of which are either sourced in our province or close by.

But we have seen no analysis, Mr. Speaker, on what that impact will be. That the government simply goes out and says, here it is, boys and girls in rural Saskatchewan, here it is. Accept it and cope. And if there is major economic and social impacts, well we'll worry about that when the time comes.

Mr. Speaker, the former government was criticized roundly by this bunch about the Fair Share program, and they said, you haven't done your proper economic analysis about moving government employees to other areas besides Regina. That you haven't done the proper social-economic impact that will occur on those communities and the city of Regina by moving out employees.

And, Mr. Speaker, they encouraged hundreds and thousands of people to come to the steps of the legislature and complain about the impact on families that that program would have.

Well I would say to you, Mr. Speaker, if those communities which have had their health care sector devastated by this government had an opportunity today to access government employees and departments from the city of Regina, I would say to you, they would jump at the chance. Because they know what the economic and social impact would be on their community because they've just had their health care sector devastated. That's why they were here in their hundreds such a short time ago, Mr. Speaker.

But this New Democratic Party roundly criticized Fair Share because they said that homework hadn't been done; that you couldn't move families out of Regina to other communities; that it was going to cost too much; that the social impact would be too much.

Mr. Speaker, in the health care sector alone, we have seen this government do far more than Fair Share ever could have dreamed to have done to the city of Regina, and yet it's been done all over this province. And when we ask questions about those impacts on Saskatchewan people, Saskatchewan voters, Saskatchewan taxpayers, we're told that it doesn't exist, that it doesn't matter, that we should blame someone else for those impacts.

So you can see, Mr. Speaker, why there's a certain level of frustration by the members of the opposition when the minister comes in with interim supply and asks for two-twelfths and simply says, this is the way it is.

All over this province, Mr. Speaker, people are concerned about the economic picture, about the employment picture, about their ability as a family and a community to carry on and do the things that they know are necessary to keep this province going and vibrant.

They know and they're saying to this government, Mr. Speaker, instead of always getting in our road, maybe it's time that you used that word that you're so fond of and you started to cooperate a little bit with Saskatchewan families and Saskatchewan taxpayers. That you started to cooperate a little bit and not use that word in a political context, as these people are so fond of doing all the time, but honestly go out and talk to people and make assessments and provide people with some answers before they launch off in various directions.

I think if they did that, Mr. Speaker, then there would be an honest opportunity for people to create some employment in the province of Saskatchewan. There would be some opportunity for people to create new taxpayers instead of having the existing ones leave our province each and every day. If there truly was some cooperation and if these people were not hidebound by ideology, hidebound by the promises made in 1991 and this constant need to cover up, then I think we could get somewhere.

Because I can tell you, Mr. Speaker, people are asking questions such as, the recent spot price for uranium was \$7 a pound; and yet in this latest budget document, uranium, of all the non-renewable resources, was the one that was pegged to have the largest projected increase. Now \$7 a pound, Mr. Speaker, will be a spot price and we know that spot prices go up and down. But I would suggest to you, Mr. Speaker, that long-term contracts follow spot prices.

And the Associate Minister of Finance, who was the Energy and Mines minister in this province for a while, knows that those long-term contractual prices tend to follow that spot. When you're hitting \$7 a pound, Mr. Speaker, which is almost an all-time low, it's very difficult for anyone to read the budget and believe that this is going to be the highest projected increase of all our non-renewable resources.

And that's why people are doubting the document put forward. That's why people are saying to us, ask some questions about where their economic indicators are going. Because \$7 uranium, Mr. Speaker, isn't going to pay nearly as much as what the government has projected.

Mr. Speaker, you must have an economic game plan in place that can survive the ups and downs of the world commodity markets. Former premier of this

province, Allan Blakeney, was asked in the early 1980s, after the government had launched off into a number of Crown corporation ventures dealing with non-renewable resources, he was asked by the media, they said: Mr. Premier, what will happen to the Saskatchewan economy if all of these resources go down at once? And the Hon. Allan Blakeney, the former premier of the province, he said it would be an unmitigated disaster, Mr. Speaker, an unmitigated disaster for the province of Saskatchewan.

Well, Mr. Speaker, that unmitigated disaster happened to this province in the 1980s. All our resources prices all fell at once. The price of grain, Mr. Speaker, has not recovered to this day from 1985. Yet this government makes projections based on non-renewable resources which people are starting to wonder about.

Mr. Speaker, is it any wonder that we want this minister to come forward with some answers? If this is reality, then maybe, Mr. Speaker, the reality of a 9 per cent sales tax is simply untenable. If this is reality, Mr. Speaker, then maybe the fuel tax on diesel locomotives is simply untenable. Mr. Speaker, there are certain things that this government have hung their hat on, and if they are not on track and they are not true, then, Mr. Speaker, certain things become untenable for Saskatchewan taxpayers.

Mr. Speaker, this province can't afford to have its population dip to where it did in the early 1970s. Eight hundred and ninety thousand people simply aren't enough taxpayers in this province, Mr. Speaker, to maintain the social-economic infrastructure that we have in place here.

And my fear is, unless this government is open and accountable and cooperative with Saskatchewan people, that that's the direction we're taking — that we aren't going to see the level of activity that is absolutely necessary to have our personal incomes rise, to have new taxpayers created, and to have that out-migration slowed down and stopped; and in fact, Mr. Speaker, the natural assets and attributes of this province used constructively to draw people here.

And, Mr. Speaker, that is why this opposition has felt so much frustration with this Finance minister and this administration. I hate to say it, Mr. Speaker, but I almost wish that this legislature was in session long enough for this minister to bring in another interim supply motion, because at some point in time, Mr. Speaker, the answers are going to have to be provided.

I don't think this government can hide to the next election. I don't think Saskatchewan's economic fabric will survive long enough to hold on to the next election, if they don't start coming clean, if they don't start using the proper words, instead of having a play on words.

And, Mr. Speaker, it's time that this government actually lived up to some of the promises of October of 1991, instead of simply blaming someone else for each and every failure.

(1515)

**Ms. Haverstock:** — Thank you very much, Mr. Speaker. I appreciate the opportunity to bring forward some of my concerns regarding the Appropriation Bill at this time.

As you know, the last time the interim supply was before this legislature, I asked many, many questions; a number of questions directed to the Associate Minister of Finance at that time. We received no answers on this side of the House.

And it was to my great disappointment upon leaving that afternoon — I left and looked up in *Hansard* from previous years what would be deemed appropriate questions to ask during interim supply — and I found it quite striking, Mr. Speaker, that the member from Regina Victoria, who was sitting in the Chair that day and regarded my questions out of order was in fact one of the MLAs who asked of the previous administration many, many questions that were extremely far ranging, far more specific, and what I would deem far less appropriate, than the questions I was asking that day.

I do hope that with the Minister of Finance with us this afternoon, as well as the Associate Minister of Finance, that perhaps they will be more welcoming of some of the comments that I'll be making this afternoon, and I do hope in future that we will be able to have some more specific answers to concerns raised.

In developing the budget and assessing the extent of the monies that are being asked for today, I know that the Minister of Finance had to have made a forecast concerning the performance of our economy. In fact just this week, Mr. Speaker, the federal government released its own forecasts and they predict a double digit unemployment figure for both this year and next year. We have to ask: how does this have an impact on the employment of people in our province, and has our government in fact predicted employment will go beyond the sagging 426,000 jobs in our economy? We have to then ask how this will have an impact on the overall growth or lack of growth in the economy.

The last time we were discussing interim supply in this House, I raised the following issues. We knew that the mid-term financial report that the Minister of Finance brought forward — the previous Finance minister brought forward — they told us that the state of the economy was the reason why the revenues in the previous budget were inappropriate. They were inaccurate because the revenues were down because the revenues from taxation were down.

Now last year the government raised taxes in order to get an additional \$340 million in new revenues and before that budget the Conference Board of Canada predicted a rate of growth in Saskatchewan of 2.2 per cent. By the time their mid-term report was filed, Mr. Speaker, the report indicated that a revised rate of growth was in fact .5 per cent.

And we now have to contend with the same kinds of factors that were present before. Granted we had to contend with crop failure having some bearing on this, tax increases very much contributed to the downward revision of the province's projected economic growth, but overall it does appear as though taxes are what have a stranglehold on the economy of our province. Governments tend to think, for some reason, that they have money but it's taxation . . . the taxation, the tax dollars of the real people that are the lifeblood of government.

One of the things that I am truly wanting from this government are some clear indications, Mr. Speaker, of what sorts of things they've considered in order to make sure that their numbers are right this go around. They're asking for one-twelfth of the overall budget — one-twelfth — and yet we have very little information as to whether or not these numbers are going to be correct, given the overall circumstances in the province.

For example, this last week, Mr. Speaker, the government was given a report by His Honour Mr. Willard Estey regarding the NewGrade upgrader in which our province happens to be a partner with the federal government as well as Federated Co-ops. That report called upon an injection of increased capital from the province of Saskatchewan and the federal government and western Federated Co-operatives. And I, like most of the people in our province, want to know if this in fact is now going to have an impact on the overall budgetary predictions.

We have to ask: is there a chance that arrangements regarding the upgrader are going to disturb or upset the spending plans of the government? Are they going to add extra expense so that this figure before us that we are voting on today no longer represents one-twelfth of the total expenditure?

Similarly, Mr. Speaker, what other factors really go in to this overall figure of one-twelfth? Is the government banking on improvements in oil prices, in grain prices and retail sales this year? And if so, what are those predicted improvements?

As you are quite aware, Mr. Speaker, I have asked on many, many occasions: has the government done a cost-benefit analysis? What sort of impact analysis has the government done to ensure that in fact certain increases in taxation is not going to be very, very seriously affecting the kind of revenue that we're expecting to have in the long term?

And as you know, there have been so many changes in the areas of health care and drug plan costs and many other things that are going to change the way in which people, who are consumers, spend their dollars, as well as those many people who are affected as far as their own jobs are concerned. And that too will have an impact on whether or not they will have any kind of monies to spend.

Is the government banking on different kinds of

improvements that have not been clearly outlined?

And I'm asking the Minister of Finance because people want to be ensured that an advance of monies that they're asking for is in fact going to be one-twelfth and not end up being one-sixteenth of a revenue shortfall or a series of unpredictable expenses, like higher Saskatchewan Assistance Plan payments for example.

Earlier this week the federal government had its bond rating lowered by a Montreal based firm. This Montreal based bond rating agency leads one to ask a question, if in fact this will have any impact on our borrowing costs in the province of Saskatchewan. And what we need to know are those unpredictabilities, Mr. Speaker, whether or not that in fact has been factored in to the monies that are being requested today.

If our national bond rating is lowered, will the bond rating for provinces like Saskatchewan also be lowered, placing all of the budgetary items, the budgetary figures, out of whack, along with advances like those in The Appropriation Act that we're looking at today?

Similarly, in this last week the government has made a flurry of changes and decisions regarding the health care of our province. Indications are that these decisions are going to result in some 700 job losses in many of the small towns throughout Saskatchewan.

Although these lay-offs are not likely to occur *en masse* until October, although I think several dozen were announced today, I think it's 51 — I stand to be corrected — in Weyburn, plus another dozen over the next week or so. People in the service industries that depend on the health workers in a community like Ponteix really are going to be feeling the crunch of these people losing their jobs.

And I pointed out this past week, Mr. Speaker, that when we're talking about 23 or 24 people employed in health care in Ponteix, Saskatchewan out of a total population of 630, that's like 7,200 people losing their jobs in one fell swoop in a city the size of Saskatoon.

Those individuals are taxpayers, Mr. Speaker. Those individuals are the ones that take the money that they earn and they take them to their local stores and they spend them in our province. Those are the individuals who pay taxes, in turn providing us with the kinds of government services that we get.

And I think it's very important for us to be able to know, has the Minister of Finance determined, calculated the extra costs that are likely to take place in this interim supply in advance to cover the eventuality that these people will have to rely more on government services now that they are becoming unemployed. There is so much talk, Mr. Speaker, about retraining, further education of individuals who in fact will find themselves forced onto the Saskatchewan Assistance Plan. And I have difficulty in understanding, with the numbers before us, whether

or not all of these things have been considered in the mix.

In this advance that is being requested, Mr. Speaker, the people deserve assurances that with some accuracy it really is going to amount to one-twelfth of overall expenditures.

Last summer, as we know, it was very cool and the agriculture sector in this province suffered extensive damage as far as crops were concerned. It's interesting to now look at what the long-term forecasts are across the province. And predictably they're unpredictable, Mr. Speaker, which of course again opens a wide range of possibilities as far as crops being substandard again. And it is very important that we have some understanding that when the province is dealing with our finances, with the only thing that we have that we turn over to them, is to ensure that they are going to treat every dollar that they receive from taxpayers in the most cautious and judicious way possible; and that while doing so, they are going to really take that they've factored in all of the unpredictable factors that may have a bearing on the way that we can have some cash flow moving in this province.

So one of the questions of course that I had hoped that we would get from the Minister of Finance is whether or not there was a calculation of extra costs, as far as major crop failure, into the budgetary figures that we are going to be faced with deciding upon today.

Mr. Speaker, a lot of talk has been given as far as our being able to rely upon predictable rates of growth in our economy. And one of the things that was quite disturbing in the last interim supply was the fact that it was going to be paid in part by a further \$193 million in new taxes. And I know that the Royal Bank projected a respectable rate of growth for Saskatchewan in 1993, but they did say one thing that is very important. They said that that rate of growth was contingent upon taxes — contingent upon significant new taxes, to quote them directly.

Many do think that \$193 million is a significant amount of new taxes. So what guarantee do we have that there's going to be able to be a balance of revenues with expenditures that we are really being asked about today?

Now I am not prepared to vote against an interim supply Bill that would prevent third parties in this province from being able to receive the dollars that they require. But I do want the people of this province and the members of this legislature to understand that I think that it is incumbent upon the government to be able to provide members of the opposition with the kind of information that they require in order to make good judgements about what the government is doing.

And I am truly disappointed, Mr. Speaker, that we were able to receive so few pieces of information that would leave one feeling comfortable about this particular interim supply.

So with that, Mr. Speaker, I shall close.

**Mr. Toth:** — Thank you, Mr. Speaker. Mr. Speaker, I would like to add a few comments too before we move further in discussion or passage of the interim supply Bill before this Assembly.

As we've seen over the past year, the past year and a half — and my colleagues have raised it; certainly, the Leader of the Liberal Party has raised the issue too — on a number of occasions we've brought forward questions, specific questions asking of the minister how she intends to indeed gain the revenue to be able to expend the money that she's bringing forward or brought to the House.

And I realize that the money that the minister is asking for is one-twelfth. But whether it's one-twelfth or whether it's the total year's expenditure, Mr. Speaker, it's incumbent upon the minister to be a lot more realistic and a lot more real with the people of Saskatchewan as to where the money is coming from and how it is indeed going to be expended.

And I say that, Mr. Speaker, because there are many people throughout the province of Saskatchewan who are very concerned with the decrease in funds that they are seeing and the operational grants that are coming to their organizations.

And I can remember being on the opposite side of the House when we formed government in the late '80s, the first time I was here, and the present government, the then opposition, continually lamenting the fact that the government of the day was not putting the required funds in place to service or to allow the educational sector or the health sector service their community or provide the services or provide adequate funding to allow for proper education of our students, from the K to 12 and into the university system.

And I noticed a headline this week talking about the . . . the headline reads: "EDUCATION REFORM (CUTBACKS)". It starts off:

If you thought reforming Saskatchewan's health-care system has been a stormy process so far, wait until a new wave of reform hits the education system.

The clouds are already gathering.

All over Saskatchewan, in school districts like Saltcoats, Arcola, Oxbow and Indian Head, the budget axe is coming down and is forcing schools to cut back.

Kindergarten-to-Grade 12 schools are scrambling to cope with the fact that provincial operating grants have been cut two per cent this year and will be cut another four per cent in 1994.

And certainly the interim supply Bill that the minister is bringing forward addresses some of that, because some of that funding will be rolling out into the educational sector.

And I want to point out the fact the headline in one of the locals in my constituency, brought out the very point that this article in the *Leader-Post* of May 3 is raising, the fact that one school board is losing \$200,000 in operational grants this year, and next year will be facing a further cut-back of another \$400,000.

And you know what that means to small communities? You know what that means to rural Saskatchewan? You know what that means to the student body and the school boards? Do you know what that means to the educators, the teachers who are working in those small communities?

Mr. Speaker, when you take a look at the reduction in foundation grants going to school boards; you look at the reduction and the grants going to health boards across this province . . . and of course we're all aware of the debate that has taken place over the last number of weeks, in fact months, regarding the diminishing funding to health care and the formation of regional districts. We look at school boards. The facts are becoming very real.

And this morning I just stopped on my way into the city just to visit a gentleman who is terminally ill with cancer, and just to drop by for a minute. And as I was walking out of the hospital the one person said . . . I asked how things were, how she was doing, and she said, well she was feeling fine, but she said a lot better than she'll be feeling in the near future as the realization of the reduction in their funding comes through, and the possible reduction of staffing in that hospital comes through.

And so when you look at funding, the Minister of Finance I believe needs to be a lot more clear, and a lot clearer to the taxpayers of Saskatchewan, the public of Saskatchewan.

Mr. Speaker, the taxpayers are not only demanding a reduction in taxes, as I find out the tax paying public of Saskatchewan, even though they would like to see a reduction in taxes, they are willing as well to reach into their pocket and dig a little deeper to provide essential services and the dollars that are needed to provide the funding for essential health care, the funding for education. And especially when you look all across our rural communities.

And the viability of our rural communities, Mr. Speaker, depends a lot upon the jobs associated with the health programs in those communities, the hospitals that are in the communities, the home care boards, the care home services, and specifically education.

And, Mr. Speaker, what happens as reductions start to come through and hospitals are closed and schools

(1530)

are closed, Mr. Speaker, is that families are affected. The incomes from working in the health and educational area that were kind of propping up, say, the family farm or small business or gave a working family just those extra dollars they needed to maintain a healthy lifestyle and give them the reason to believe that they could provide for themselves and their families, that disappears. It becomes a . . . it really has a moral impact on these families. It creates a state of depression, discouragement, and stress.

And we're going to find that. And I've seen that over the last three or four years, even in my area and as I've travelled around the province. And, Mr. Speaker, I'm finding that it's becoming even greater. There is a lot of concern out there.

Mr. Speaker, I realize that there is so much more that could be added in this debate. And I also understand that, as we brought before, we would like in the future to have the minister . . . see the minister to be a little more direct and a little more forthright in letting us know where the revenues are coming from and exactly how they're going to be expended, even if it's just for a one-twelfth or the interim supply, as we're debating here.

Because there are people across Saskatchewan, as I've indicated, really want to know how the funding is going to be appropriated, where it is going to be placed, what emphasis. Is there an emphasis on caring for people? I think that is one of the most important things we need to take into consideration.

However, Mr. Speaker, I believe there's other issues that need to be discussed in the Assembly today and therefore I'll take my place and allow for the movement of the interim supply through the House.

**Hon. Ms. MacKinnon:** — Thank you, Mr. Speaker. Just a few comments to clarify some issues. First, with respect to the process, this is interim supply; it's not estimates. So detailed questions of the kind that have been asked by members opposite — the member of the third party, for example — are more appropriately asked in estimates.

This is interim supply; this is not special warrants. When the previous administration used special warrants, they were heavily criticized for bringing a budget before the legislature, proroguing the legislature without ever passing that budget.

And there is a distinction to be made between doing that and what this process is. This process is, there's a budget before the legislature. The legislature has not had an opportunity to review the budget in detail, but hospitals, schools, and other institutions require interim funding.

With respect to statistics, the members opposite know that there's a delay in providing statistics, that governments are not made aware of what the employment figures are, what the retail sales figures are until at least six weeks after the time period. And so the statistics that we could not provide were statistics

that simply are not available to any level of government with respect to this budget year.

Regarding harmonization, the position of the government is clear and consistent. We have opposed harmonization because it would force the provincial government to tax all commodities and services currently being taxed by the federal government. We have opposed doing that. But the idea of reducing the administrative costs involved in tax collection by having a common system is a possibility, but only in the future if the federal government changes its position.

With respect to taxation, the members opposite mention taxation is a problem; the member of the third party mentions taxation is a problem. I would point out the experience of New Brunswick, a Liberal province. The recent budget increased income taxes, unlike our budget which did not increase income taxes. I would also point out in New Brunswick the level of sales tax is 11 per cent and it's 11 per cent on all goods and most services.

Finally with respect to projections, this government has been totally forthright and comprehensive in the projections it has put before the public. It has said . . . and I've said it time and time again in this legislature. We took economic forecasts of external agencies, what they projected for the province for the next four years. We put into those numbers the changes, all of the changes associated with this budget, and we have come out with four-year projections. Here is what we project with respect to economic growth. Here is what we project inflation to be for 1993, 1994, 1995, 1996. The same with retail sales, employment personal income, and the list goes on.

When we were in New York, investment dealers said they have never before seen any level of government in Canada come out with a plan that is so comprehensive and so detailed.

I think perhaps, when the members opposite talk about a budget that is fuzzy and is based on optimistic projections, they're confusing our budget with the budget recently brought out by their counterparts in Ottawa. If you compare our economic forecasts with the economic forecasts recently released from Ottawa for the next four years with respect to employment, with respect to economic growth, with respect to interest rates, their budget is much more optimistic. I hope that they're right.

I would conclude . . . Because the members opposite do not seem to have the kind of faith in Saskatchewan that external agencies have, I would conclude by reading into the record some of the comments made by external financial agencies about the recent Saskatchewan budget. This is Wood Gundy. Wood Gundy said about our budget:

The success of Saskatchewan's medium-term strategy hinges on its ability to generate sufficient revenue over the next 3-4 years. The Province's forecast of reasonably strong growth

(average real GDP growth of 2.3% over the next four years) should be enough to generate the necessary revenues. The underlying (assumptions with respect to the dollar and interest rates) their 1993 economic forecasts are similar to our own . . . Saskatchewan's Balanced Budget effort sends a strong signal to the financial market participants.

Burns Fry says this about our plan:

The deficit reduction program appears attainable . . . (It) gives the province a good chance of retaining its credit rating.

Canadian Bonding Rating Service — which by the way downgraded the federal government — confirmed Saskatchewan's credit rating and said this:

The province has taken stern, but positive, measures in order to cut both its deficit and its debt.

Finally, Nesbitt Thomson in April 1993 said this about the government's balanced budget plan:

. . . the Government's Balanced Budget Plan, based on conservative economic assumptions, (that is, cautious economic assumptions), calls for a budgetary surplus to be achieved by 1996/97.

We are confident they expressed their confidence that these targets will be met. They say:

Consequently, in an environment which recently has been characterized by downward pressure on provincial credit ratings, we believe that Saskatchewan may well be the first Canadian province to be upgraded in the present economic cycle . . .

They go on to say:

Saskatchewan has achieved a tremendous single year turnaround in its deficit compared to fiscal 1991/92. The Province's operating budget is now among the most positive in the country.

They go on to say:

While all Canadian provinces face similar problems of large deficits and debt loads as well as high taxes, Saskatchewan is demonstrating leadership in finding and implementing solutions.

They continue to say:

Saskatchewan has implemented a credible medium-term plan intended to eliminate the deficit by fiscal 1996/97.

They conclude by saying:

Saskatchewan has already made considerable progress on the deficit front, despite the economic environment, and is beginning to reap the rewards of its self-imposed discipline.

Mr. Speaker, I rest my case.

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

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

(1545)

## GOVERNMENT ORDERS

## ADJOURNED DEBATES

## SECOND READINGS

### Bill No. 38

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Mitchell that **Bill No. 38 — An Act to amend The Saskatchewan Human Rights Code** be now read a second time.

**Mr. Swenson:** — Thank you, Mr. Speaker. Mr. Speaker, I rise today to make some comments on a piece of legislation that certainly has generated a tremendous amount of interest. It has generated a tremendous amount of controversy, and one that I think that all Saskatchewan people are looking to their elected representatives to handle in a very proper and forthright manner. I think, Mr. Speaker, that Bill 38 has generated more correspondence with my office than any piece of correspondence that I can think of in the eight years that I have been a member of this Legislative Assembly, that people who have been around here for some time tell me it has generated more correspondence than any issue that they can remember, period.

Mr. Speaker, and that is not simply true about the members of Her Majesty's Official Opposition, but from comments that I have seen in the media is also true. The government members in this Legislative Assembly and also, I believe, to the member from Saskatoon Greystone, who has also received a tremendous amount of public input in regards to Bill 38.

Let me say categorically, Mr. Speaker, that no one individual or group of people in this province wants to see a proliferation of intolerance in our society today. Mr. Speaker, the constituents of Thunder Creek, the riding that I've so proudly represented since 1985, reject discrimination categorically. Mr. Speaker, my party and my colleagues in this legislature categorically and fiercely oppose discrimination against people in the province of Saskatchewan and indeed the country of Canada and indeed I believe around the world.

Mr. Speaker, it was a Saskatchewan person, a Saskatchewan prime minister, a proud Saskatchewan citizen, who led the charge back in 1960 against the



racial discrimination which had become rampant in the country of South Africa. And that was the Hon. John George Diefenbaker.

Mr. Speaker, by listening to the media and listening to people in this Assembly, the NDP would like us to believe that they are the sole defenders of minorities, that they are the sole defenders of people in our society who have in the past been discriminated against by other members.

Mr. Speaker, I think that rings very hollow these days. It was in this Assembly only a year ago we saw the unilateral changing of legal and binding contracts with Saskatchewan people — the rights of Saskatchewan people to seek redress in the courts of our province were taken away by the NDP majority in this province in this Legislative Building. But because you happen to be a person who tills the soil, you aren't allowed to have a legal and binding contract any more in the province of Saskatchewan. That is the legacy of this party that claims they are the only ones who can defend the rights of minorities. Well the 60,000 farm families in this province, Mr. Speaker, who had that happen to them are a minority in our population.

Recently, Mr. Speaker, we have seen the rights of 52 communities trampled upon by this Legislative Assembly. They say that the use of closure in this Assembly has trampled their rights as small rural communities to have their voices heard and respected by the government of our province.

So, Mr. Speaker, when we're addressing the issue of rights, the rights of the individual, the rights of groups, the rights of minorities in our province, it is not without some wonder that people in the province worry about their rights being protected by a political party and a government who so callously stripped away the rights to the court system just a short time ago because it didn't fit with their political agenda in the province of Saskatchewan. And that is why people are saying that the defenders of medicare have turned out to be the champions of "I don't care."

Yes, Mr. Speaker, governments need to protect those who are singled out and treated unfairly. Mr. Speaker, that is why in this country we've had a Bill of Rights, protection which came about, not from an NDP government but from a Progressive Conservative government; protection which took John Diefenbaker 40 years of advocacy to bring about.

Mr. Speaker, I, like so many Saskatchewan citizens, have a copy of the Bill of Rights displayed in my home. It is something that we as a province took a whole lot of pride in — that one of our native sons would take a lifelong crusade to its fruition so that Canadians would have a Bill of Rights.

Mr. Speaker, I would just like to quote from that particular document. This was assented to on August 10, 1960 by the Parliament of Canada. And I read from Part 1:

1. It is hereby recognized and declared that in

Canada there have existed and shall continue to exist without discrimination by reason of race, national origin, colour, religion or sex, the following human rights and fundamental freedoms, namely,

- (a) the right of the individual to life, liberty, security of the person and enjoyment of property, and the right not to be deprived thereof except by the due process of law;
- (b) the right of the individual to equality before the law and protection of the law;
- (c) freedom of religion;
- (d) freedom of speech;
- (e) freedom of assembly and association; and
- (f) the freedom of the press.

And as you know, Mr. Speaker, that document goes on at great length in a number of areas, to ensure that Canadians set out for themselves some reasonable rules for us to live by as a society.

As Mr. Diefenbaker said on introduction of that Bill on Canada Day so many years ago: It is one of those steps which represent the achievement and the assurance of that degree of liberty and freedom under law that was envisioned by the Fathers of Confederation. I think it embodies a pledge to all Canadians, this heritage of freedoms I pledge to uphold for myself and all mankind — which he did both on the national stage and the international stage, Mr. Speaker.

And I know at the time there were those with political agendas that scoffed at Mr. Diefenbaker's Bill. They said it was tokenism. And I just remind people in this Assembly, that the Supreme Court of Canada in judgement on the Drybones case decided that the Bill of Rights does and will protect the rights of Canadians in the preservation of fundamental freedoms.

At the time, Mr. Diefenbaker said, the Drybones' judgement makes it clear that as long as the Bill of Rights is on the statute books of Canada, it will be the protector of liberties of every Canadian, however humble.

It is my belief that there exists ample protection from discrimination for every Canadian, Mr. Speaker, as the Bill of Rights asserts. As you know, Mr. Speaker, when the Constitution of Canada was repatriated in the early 1980s there were various clauses assigned to the Canadian Charter of Rights and Freedoms that dealt with individual rights in our country.

And I would quote from section 15, which is equality rights:

Every individual is equal before and under the law and has the right to equal protection and equal benefit from the law without

discrimination and, in particular, without discrimination based on race, national or ethnic origin, colour, religion, sex, age or mental or physical disability.

So, Mr. Speaker, we have a proud tradition in this country of guaranteeing the rights of individual citizens. Not in any way creating anything special for each and every one of us, but simply saying that as a society and as a group of people that there are rights and freedoms that are inherent to us, and that if we use those rights and freedoms properly, Mr. Speaker, we can build a just and sound society where citizens will not be singled out because of the aforementioned areas. And both the Charter of Rights and Freedoms and the Bill of Rights is very consistent in that regard.

Mr. Speaker, we now get to the Bill at hand in the legislature of Saskatchewan. It is therefore my belief, Mr. Speaker, that Bill C-38 has more impact on matters outside the realm of protection for individuals from discrimination.

Mr. Speaker, it is my belief that this Bill has many potential ramifications in the areas such as: the definition of families, the make-up of marriages, and the tax and employment benefits which accrue from such arrangements, changes in adoption regulations, and the promotion of certain lifestyles in education programs.

Mr. Speaker, we have heard assurances from the Minister of Justice that this is not the case. But I'm afraid, Mr. Speaker, we have heard the words but we have not seen the substance from this minister to back up those words. Unfortunately this government has had an uncommon regularity when it comes to breaking the commitments and promises that it has made to Saskatchewan people.

We as Canadians, Mr. Speaker, are all aware that once written in to be charters, Bills and regulations such as Bill C-38 are open for interpretation by judges and courts of law.

And that, Mr. Speaker, is where the tremendous volume of mail, of phone calls, of concern comes into play. Without the concrete assurances written into law by the minister, can anyone in this Assembly — or outside it — honestly say how a court may interpret the phrase: on the application of any person, the commission may approve or order any program to be undertaken by any person if the program is designed to prevent disadvantages based on sexual orientation.

How can that be interpreted? That is the question, Mr. Speaker, that I don't pose to this Assembly, but that hundreds of people, my constituents who are no different than constituents all over this province, who are no more upscale or humble, who are no more unfriendly to their neighbour than people anywhere else . . . how can I answer that question to those hundreds of constituents?

(1600)

Can the minister really assure my constituents that sexual orientation programs will not be ordered when the judges are left to determine the meaning behind the phrase such as: the commission shall develop and conduct educational programs designed to eliminate discriminatory practices related to sexual orientation.

What exactly is the commission ordering to be developed? Are these pamphlets? Are these brochures? Are these television programs? Are they changes to the curriculum in the school system? I don't know, Mr. Speaker. But once again I say to you, those are the questions that good, honest, hard-working, family-orientated souls in my constituency and all around this province are asking me and writing to me about.

And I'm sure they are asking members of the government the same questions: who will do . . . and what will be the result of that interpretation?

Mr. Speaker, I have heard those in this Assembly and around the province say that Saskatchewan people are bigoted if they ask the questions about same-sex marriage and will it be allowed by the commission. The minister says no. But people out there, Mr. Speaker, in the "small c" conservative society in which we live, I believe have the right to have the minister spell out in very definitive legal terms their concerns in that regard.

I have heard people in this Assembly and outside it say that people are bigoted if they talk about the adoption of children by same-sex couples. Mr. Speaker, they are not bigoted. They are products of the society in which they live. They are good, honest, hard-working citizens and taxpayers who through our history, Mr. Speaker, have shown their concern for their neighbour, their neighbourhood, and their community, and have always been there to support each other in time of crisis.

Mr. Speaker, I have heard them ask the questions dealing with our school system and the promotion of a lifestyle and an orientation which is foreign to many of them but which they don't want taken over the heads of the very parents who build and maintain and run our school system.

And they are simply saying, Mr. Speaker, they are simply saying, be very forthright with us, be very definitive with us, because we are not bigoted people. We are not the kind of people that discriminate against our fellow man or our neighbours. We are not the kind of people who will stand for their fellow human beings denied, as the minister said, housing, denied the opportunity to work, denied to have the opportunity to be a taxpayer.

Mr. Speaker, that is why I say to the government today, you have an opportunity to assuage the fears of Saskatchewan people by being very forthright and upfront. There are ways . . . And this opposition caucus, Mr. Speaker, we'll be bringing forth amendments that we believe that there are ways that the minister and his government can take those fears

away from Saskatchewan people in a way that will make Saskatchewan society truly one that is without discrimination.

And that is why, Mr. Speaker, this caucus and this party have said to the government, if you are truly reform-minded and democratic, that on some of these issues which strike at the very fabric of Saskatchewan people, perhaps it's time that this Legislative Assembly took another leap forward — another leap forward that would allow each and every member who represents a constituency in this Assembly to have the opportunity to truly stand in their place and vote according to the wishes of their constituents after all debate and amendments have been presented in this Legislative Assembly.

That truly this is an issue where Saskatchewan people are saying, it is time that the very fabric that we live in be represented by the people that we have elected in a way that leaves no doubt in the minds of those particular constituents that their member is in tune with their wishes.

See, I don't see this exercise, Mr. Speaker, of allowing members that opportunity, I don't see that as muzzling individual rights. I don't see that as being threatening to any minority in the province of Saskatchewan. I don't see that as bullying anyone, Mr. Speaker, because it is the ultimate expression of democratic will. And I think the challenge would be to a government, Mr. Speaker, knowing full well the feelings of so many Saskatchewan citizens, that they would want to bring forward legislation that would allow each and every member of this Assembly to stand in his or her place with a clear conscience on these issues that affect so many people in such a strong moral and psychological way.

Mr. Speaker, the principles that were in the Bill of Rights, the principles that are in the Charter of Rights and Freedoms, are ones based on strong individuals working collectively when faced with those issues. And when those strong individuals exercise their individual rights, Mr. Speaker, they will truly have protection against discrimination on any basis.

And I think that it's important in this debate, Mr. Speaker, that not only members of my caucus, the government caucus, the independent member from Greystone stand on their feet and express their views on how Saskatchewan people will express their democratic rights and will express themselves on issues of discrimination against their fellow citizens.

It is an ideal opportunity, Mr. Speaker, for this province, as the Minister of Justice is wont to say the other day, to once again take the lead, a lead that was provided by Tommy Douglas, a lead that was provided by John Diefenbaker, but also a lead that says: your assurances have been listened to, your concerns have been listened to, and that no one in our society has any more rights than anyone else.

And because we don't have any more rights than anyone else as individuals, Mr. Speaker, we will

continue to grow and build and have a place that we and our children will be very proud to inherit. Thank you, Mr. Speaker.

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

**Hon. Mr. Penner:** — Thank you, Mr. Speaker. Mr. Speaker, I am pleased to rise today in support of the proposed amendments to The Saskatchewan Human Rights Code.

First of all, I would like to commend and congratulate the Minister of Justice for the very fine speech he made on second reading in explaining the contents of the Bill and the intent of the Bill. And I want to take this opportunity to congratulate him for the very fine job that he did.

My remarks will be brief, Mr. Speaker. And I'd like to preface my remarks with some comments about my personal background, my beliefs, and my convictions. Mr. Speaker, I am the son of immigrant parents who moved here from the Soviet Union in 1925. I grew up in a family of 10 children. My parents were farmers, and my father was an ordained minister in a rural Mennonite Brethren church in south-west Saskatchewan.

In our household we were diligently taught the teachings of the Scriptures, and in the mind of my father issues were pretty much either black or white. He had very strong convictions and attempted to impart to his families the values that he cherished.

Mr. Speaker, in spite of what I considered some narrow views held by my parents, I always sensed sincere understanding and tolerance towards people who held different views. There was a tolerance to different viewpoints but not a compromise of beliefs and values.

I was taught that all human beings are created equal. Each person has worth and has the right to be treated with respect and dignity. The differences that exist among us do not diminish us as a society. Diversity adds to the uniqueness and multifaceted aspects of our communities.

During my lifetime, and particularly as a young child, I was the victim of discrimination on the basis of religion, the language I spoke, and the fact that I was the son of an immigrant who spoke differently, dressed differently, and was poor.

Mr. Speaker, I hated discrimination. But unfortunately, I didn't learn too well because I admit, to my shame, that I was also the perpetrator of discrimination. I did not enjoy being discriminated against, and likewise found no pleasure in practising it, even if it was only to get back at those who treated me badly.

I believe we all need to be more tolerant. In my view tolerance implies that either individually or collectively, we will not discriminate against individuals or groups who are different. People of

different sexual orientation are included in this category.

Mr. Speaker, I personally do not agree with the homosexual lifestyle. I believe this because of my religious background, based on the teachings of the Scriptures as they were taught to me and as my church interprets them. I acknowledge however that neither I nor my church have all the wisdom necessary to ascertain the will of God in the Scriptures.

Mr. Speaker, the critics of this Bill maintain that the homosexual lifestyle is a sinful lifestyle, and on this basis it is all right to practise discrimination. I find this reasoning unreasonable. I could quote the Ten Commandments. The violating of one or all of these commandments is sin. Is it logical or reasonable to say that discrimination should be condoned on the basis of someone violating any of the Ten Commandments? Would you deny someone access to public housing or education because that person has told a lie or has stolen something?

Most of the opponents of the amendments base their opposition on the beliefs of the creed of their church. I have read many creeds and statements of principle of different religious organizations and churches. I have not found one that has a statement in their creed that either promotes or condones discrimination.

I have spoken to strong opponents of the amendments, and every one of them maintains they are opposed to discrimination. If these people are sincere in their opposition to discrimination, then they will have a great deal of difficulty voting against these amendments.

(1615)

Mr. Speaker, the amendments that are proposed do not provide special rights or status to individuals of different sexual orientation. Individuals of different race, creed, religion, colour, or sex do not have special rights or status just by the very fact that they are listed in the original Human Rights Code. Neither will people of different sexual orientation receive or expect special rights or status.

The amendments of this Bill have nothing to do with one's views on the homosexual lifestyle: whether I think it's wrong or right; whether I think it's sinful or not; whether I condone it or condemn it. These amendments deal exclusively with a matter of discrimination. If you believe discrimination is acceptable, then vote against these amendments. If you are opposed to discrimination, then vote in favour of these amendments.

The way members of this legislature vote on this issue will speak loudly and clearly as to their level of tolerance and compassion. Many people have sacrificed their lives to protect the views and issues of minorities. Today in Saskatchewan we are taking a step at amending legislation to prohibit discrimination.

Mr. Speaker, I will be supporting the amendments to Bill 38. And with that, Mr. Speaker, I move that we adjourn debate on Bill 38.

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

Debate adjourned.

## COMMITTEE OF THE WHOLE

### Bill No. 46 — An Act to amend and repeal The Farm Purchase Program Act

**The Chair:** — I would ask the minister to please introduce the official who is with him here today.

**Hon. Mr. Cunningham:** — Thank you, Mr. Chairman. The official with me is Harvey Murchison. He's the director of administration.

#### Clause 1

**Mr. Martens:** — Just a few questions. One of the questions, Mr. Chairman, and Mr. Minister, are there any issues outstanding as it relates to payments to be made or disagreements between clients and banks, and banks and the department? Are there any of those issues outstanding on the farm purchase program?

**Hon. Mr. Cunningham:** — Yes, there are several, probably in the neighbourhood of 15 or 16 which are still overpayments or underpayments and some settlements to be required. I believe it allows till October 31 to . . . There's one payment still to be made and 15 that are overpayments that we have to collect back at this time.

**Mr. Martens:** — Would you be able to tell me roughly how many of those kinds of individuals there were in the program? Were there quite a few of them that you had to go collect on or that had overpayments or underpayments on?

**Hon. Mr. Cunningham:** — There were relatively few. I think there were 6,900 participants in the program and as I say, there are 15 overpayments that are still outstanding. And we don't have the exact number. There were others, but not a large number.

Clause 1 agreed to.

Clauses 2 to 8 inclusive agreed to.

The committee agreed to report the Bill.

### Bill 47 — An Act to amend The Farm Financial Stability Act

**The Chair:** — I would ask the minister to please introduce his official.

**Hon. Mr. Cunningham:** — Mr. Chairman, the official with me is Merv Ross. He's the manager of the program.

#### Clause 1

**Mr. Martens:** — Thank you, Mr. Chairman. Mr. Minister, would you explain one of the items that you raised in your address to the Assembly here. The procedure for issuing guarantees will be streamlined by eliminating the need for an order in council for each request for a guarantee. Will you explain what you're doing there and the reasons for that?

**Hon. Mr. Cunningham:** — The present procedure, Mr. Chairman, is that each increase in loan guarantees or each new loan guarantee has to be approved by an order in council. There are a large number of these. It sometimes holds up the process because no increase can be given until it gets time on the cabinet agenda. So what we've done is move to allow the deputy minister, I believe, to make these guarantees and then approve them as a batch by cabinet.

**Mr. Martens:** — So, Mr. Chairman, and Mr. Minister, if there was five of them come into your office for an increase of \$5 million on a guarantee, then you are going to just put them in a batch and put them in there so that the whole of the guarantee is increased by that amount? Or how exactly are you going to work that? I think I need more details on how you're going to handle that.

**Hon. Mr. Cunningham:** — Mr. Chairman, the procedure will be for the cabinet to pass an OC authorizing the Minister of Finance to guarantee loans from lenders that fit the prescribed terms and conditions and also a limit as to the total amount. And those will then be approved. When individual loans come in, they will not require an OC for each individual association.

(1630)

**Mr. Martens:** — So, Mr. Chairman, and Mr. Minister, the process will be that your department and the program coordinator, Mr. Ross, will collect all of these. They'll send them over to the Minister of Finance as they come in, or are you going to wait for a batch of them to come in and then do it?

Because I notice that when we were doing our annual meetings around the province with the feeders association, there were some concerns expressed about the fact that if the individuals and their associations gave up some guarantee money, that then if they had to have an expansion on the guarantee within the framework of their own association, if they gave up some, then they wouldn't get it back quickly enough if they all of a sudden had to have more. And that was a concern that was expressed.

I wonder if you would confirm for me that this will be on an item-by-item basis, that it will go to the Minister of Finance and that they will then authorize that.

**Hon. Mr. Cunningham:** — Yes, that's true. That's the purpose, really, of it, is to speed it up.

You're absolutely right. We are asking the associations to reduce their total guarantees if they are

not actively using them to keep our total guarantee exposure down. And this will hopefully streamline the process so that they will be able to get increases in it faster rather than slower.

**Mr. Martens:** — The next point I want to ask about, it says that cabinet will be given the authority to establish a limit on the amount of the loans which may be guaranteed during the fiscal year. Would you give me an explanation of that? And I have some questions about that then.

**Hon. Mr. Cunningham:** — Right. This just gives the cabinet the authority to put a limit on the total amount of guarantees out. I think the limits that have already been set this year is 30 million for the feeder associations in total and 15 million for breeder associations.

**Mr. Martens:** — Those limitations, Mr. Minister, are they on what the guarantee actually is, or is that on the volume of dollars lent through the banks to the associations? Or can you describe for me exactly what that 30 million represents and the 15 million represents?

**Hon. Mr. Cunningham:** — What those limits will include is the total guarantees that are authorized to the various lending associations. So if an association has a limit of a million dollars that they guarantee, whether or not they're using it all, the million dollars would be what would be counted as part of the guarantee.

**Mr. Martens:** — I'll rephrase the question. Is the \$30 million the amount of money that is the guarantee portion, or is that the total volume of the lending that the bank does to the individual or the association?

**Hon. Mr. Cunningham:** — Yes, that's the guarantee. The 25 per cent that we guarantee is \$30 million.

**Mr. Martens:** — Okay. So that actually in fact on the \$30 million, if that's 25 per cent there's outstanding volume of \$120 million in total.

**Hon. Mr. Cunningham:** — That's correct.

**Mr. Martens:** — Okay. And on the \$30 million at any given time, do you have a record of the volume of contribution that the farmer has made in the 5 per cent allocation to that fund, how many dollars that would be on hand at, let's say, an average on a month? Have you got that volume of dollars?

**Hon. Mr. Cunningham:** — We don't have that exact number with us. The feeder associations, there's guarantees of just under \$100 million. Most of the time there's about 60 per cent is about as high as it gets that are actually outstanding, and 5 per cent of that would be the guarantee.

So just using some rough calculation, it's probably around \$3 million of money in the insurance funds. We can get those exact numbers, if you like.

**Mr. Martens:** — So roughly there would be \$3 million in the feeder. Does that include the breeder association too, or the cows, or just the feeder?

**Hon. Mr. Cunningham:** — No. That did not include the breeder. The breeders have about . . . authorized about 48 million. And I don't know what percentage of that would be outstanding. But there's a 10 per cent assurance deposit on that, so that would be in addition to the feeders.

**Mr. Martens:** — I would take it then that it could be between four and four and a half million dollars roughly that would be outstanding or in the assurance fund by producers. Because this one works a little different than the other one, and it would likely be that the volume of dollars that you have guaranteed would be there.

**Hon. Mr. Cunningham:** — Right. Actually the closest guess we come is maybe three or three and a half, so probably six or six and a half in total in assurance funds.

**Mr. Martens:** — Okay. Just so that the people listening will get an understanding of this, make the observation on this that the assurance fund put in there by the members is the first money at risk. The individual's money is at risk first and then the assurance fund of the individual and then the assurance fund of the feeder association, and then the risk is against the . . . guarantee by the provincial government. Is that correct?

**Hon. Mr. Cunningham:** — That's correct.

**Mr. Martens:** — Then going on to the third item that I have here, and that is that lenders have approached the government to ask what procedures they are to follow if they foresee a loss in relation to a loan. The procedures were not spelled out in the previous legislation. In this amendment the procedures and guidelines are clear. These guidelines will minimize risk and it will ensure the guarantee is not jeopardized by a lack of action on the lender's part.

Would you provide for me a scenario . . . or first of all, the amount of things that the lender has to go through in relation to delivering the program so that he is in the right position as it relates to collecting the guarantee if the individual reneges on his commitment to the bank.

**Hon. Mr. Cunningham:** — What is required in the process for the lending institution is that in the first instance to get financial statements and financial information from the members of the association before they advance money.

Secondly, basically, is to monitor loans, and if there are difficulties, if they see difficulties, to talk to the association. And an obligation to realize on security if the loan becomes delinquent and before . . . it's their obligation to realize on the cattle that they have for security and then go through the process of talking to the association and then talking to us to get

government guarantee.

**Mr. Martens:** — Okay. So you spell them out and so that they will be required to have a financial statement, to monitor the association in dealing with the client who is the association, realize on the loan and the cattle.

In what ways are you suggesting to the bank to do that? Are you making recommendations to them or are you asking them to follow their own lending pattern procedures? Because each bank will have more or less a procedure but they could be different. Are you establishing one for all of them?

**Hon. Mr. Cunningham:** — We're hoping to establish one set of rules whereby we will call in the lenders and representatives from the association to try to work out one set of rules for everybody.

What we need mostly from the lending institution is monitoring the financial aspect whether or not the loan is paid. The way the program is set up, there's a local . . . the livestock association itself has a local supervisor who is responsible for checking cattle. We have a provincial person who checks.

So from the point of view of the cattle and the security and so on, that is quite well taken care of through the program mainly by the associations themselves because they have the assurance fund at risk. And what we require from the bank is some way of keeping track of the financial progress that's being made and when loans become delinquent and so on.

**Mr. Martens:** — In the area of the feeder association, that's a little less difficult to do because you have to zero out your loan every year. For the breeder association, it's a little bit more difficult.

Would you think that you would have different procedures in dealing with the security and the questions that you would give to the bank to ask how their security or the risk is being handled?

And I'll just give you an example. Because you have to zero out your loan on the feeders every year, that means that the bank has to renew that commitment every year basically to re-establish that individual on an ongoing loan basis.

But on the breeder one where they take a five-year loan and then pay it down, the difficulty I see in this one is that an individual will have to pay down his loan 20 per cent per year on his cow loan; he then can choose to reinvest, if he wants to, that 20 per cent in some more cows to purchase. So that by the time he gets down to his fifth year where he's paid off his final one, he still could have \$25,000 in loan that he has to buy down on a regular basis again.

And each year he takes 20 per cent of, let's use the maximum of \$25,000, he has to take that \$5,000, he has to pay five off of that one. When he does the second one, he's got to take the second payment off the first five and the first payment on the second five.

Do you follow me?

And how are you going to ask the banks to manage that? Because we're slowly coming into that process now where that is a difficult one to do, both for the bank and for the supervisor and, I suggest, perhaps from department standpoint too.

(1645)

**Hon. Mr. Cunningham:** — The banks now have a yearly inventory, a yearly account by members, so they have each member . . . they will have, you know, the number of loans, when it was made, how many payments were made, and that. And the association will have . . . they will do a yearly inventory of the cows and whether or not the calves are there. So between them they should have a pretty good handle on what's happening and avoid the problem where loans go into default and members lose their insurance fund.

**Mr. Martens:** — Okay. I'm asking these questions for a reason, Mr. Minister, and that is that I don't disagree with branding, but each one of these cows is going to have to be branded. You buy these, let's say 25 cows for \$25,000, each one of them has a calf and each one of them has to be branded, so you've got 25 that come in the first year. Then you decide to buy . . . well you make the decision when you take the loan to buy down \$5,000 off of that 25,000.

You turn around and you borrow that again and put that 5,000 back in there in five cows, so you got 30 cows on this loan program. Next year you're going to have 30 calves — well give or take — and by the time you've gone through this in five years, you're not going to have 25 or 30 cows or 40 cows branded, you're going to have all of these offspring branded besides that. And it conceivably could involve your whole herd by the time you get through five years of livestock.

The bank only really should have a guarantee on the 25 cows you bought first and all the subsequent loans you took, but they in fact would have security on anything that's branded, right? And that causes a serious concern.

Now where does anyone else come into the process if you want to go to the same lender and take as security some of the cattle that you have already branded with your own brand plus the association brand, and those are not under the legal authority of the bank or they're not a collateral for the bank.

So there are many people who have this as a problem. And it doesn't fit on the feeder associations because they have that annual cut-off and the cattle go to market, but on the cow one it makes a significant difference as to how that's handled.

So you could have the majority of your cows in the security of the bank and the government by the time you get the whole thing paid off, and that causes a serious concern in relation to the producers. I don't

know exactly what the solution is, but I'd like to hear if you have a solution to that concern that is expressed to us.

**Hon. Mr. Cunningham:** — Yes, that is a concern. You raised a good concern there.

One option that we're looking at and we're recommending to lenders is — as you know the association brand is a shelter with something above it — what they're recommending is that when you buy cattle in '93, you would put a 3 under the shelter and that would identify those as being bought in '93, in '94, and so on. And when the . . . then the bank would be able to release those cattle as no longer being needed for security. So the ones with a 3 brand would then be released and be eligible for other securities. So that is one solution that seems to be workable for that problem.

**Mr. Martens:** — The question I have then is: do the calves need to be branded with a 3 and the 4, the same as the cow in the year under review, if you want to put it that way, or do they just have to have the shelter brand?

**Hon. Mr. Cunningham:** — No, we would not recommend putting the number on the calves. They would be branded just with the shelter brand. And once that payment is made, a portion of the payment is paid off, any calves remaining can then be transferred, albeit they would have this shelter brand on them.

**Mr. Martens:** — Now, Mr. Minister, those calves are come to the fall and they come under the feeder program. Now what do we do? They really aren't identified under the feeder program. If you don't take a loan out for a feeder program, you don't have to make a loan through your association to have a loan financing those. But on every occasion the seller should in fact really identify whether in fact those calves are still coming through on the feeder association, even though they're not coming through on the . . . with the cow plan. And so that raises another concern that individuals have raised.

And the reason I raise this is not to be difficult, but it is going to get very serious. In fact I heard one brand inspector say that it won't be long until all the cattle in Saskatchewan are going to have a shelter brand on them. And that is a serious problem, I think.

And because it won't . . . Because then your guarantee is at no risk, because all you have to do is just take in all those cattle and you've got all your loan paid for over and above, many, many times, and yet they are not a part of the guarantee and the farmers maybe have a problem in how they can access that inventory for lending from a different lender on a different occasion. And so would you explain to us how you perceive that to work.

**Hon. Mr. Cunningham:** — What we're recommending where there's a possibility of confusion between cattle that are purchased through

the feeder association and cattle that are on the farm from the breeder association, would be either branding in a different location or, again, branding with a number . . . an extra brand to identify them. But it certainly will become a bit of a problem. As an old brand inspector myself, I know that there's going to be some confusion surrounding it.

**Mr. Martens:** — I'm going to go back to the banker here. In the event of a claim, this provision will ensure — the provisions that you have in there about the procedures — will ensure that lenders have followed appropriate procedures. Do you have your lenders being audited on an occasional basis to see whether they are following the procedures? Does your supervisor, provincial supervisor, go to visit the lenders in certain areas? Or what's the procedure there?

**Hon. Mr. Cunningham:** — To begin with, the lenders are required to send in monthly reports to us. We also visit them on a regular basis to see that they set up the accounting properly and that they are monitoring the collection of the monies.

**Mr. Martens:** — I am also a member of one of these associations, Mr. Minister, and we changed banks because of interest rates and better interest rates. But I've also noticed that better procedures . . . and I'm not going to ask you to identify banks that are better than others, but I've noticed that the bank that we have and are doing business with now has way better procedures than the other bank that we had. Are you finding this as well and is that a concern that you need to address when you're dealing with a guarantee?

**Hon. Mr. Cunningham:** — There certainly are differences between banks. We have set minimum standards and most banks go above that; some do not. Some are not very familiar with the program or if there is a change in loan managers, you know, we'll find that they're not as familiar with the handling of it as some banks who've handled it longer and so on. But yes, there are some differences between lenders and we would like to streamline the routine as much as possible so that they have one policy for all lenders.

**Mr. Martens:** — Do you have any credit unions at all who are involved in this?

**Hon. Mr. Cunningham:** — There are 9 or 10 credit unions that are now involved.

**Mr. Martens:** — Is this gaining public support? Or is this nine . . . have they been there awhile? or is this improving as it goes along? Because I think they had a lot of concerns as to how the program was working with respect to a provincial guarantee and a local guarantee and each individual. Could you elaborate on that for me a bit?

**Hon. Mr. Cunningham:** — Yes, I think that the number of credit unions that are involved is growing. The number of associations is growing; the program is growing. So I think credit unions are becoming more active.

**Mr. Martens:** — Is each credit union based on its own provision for that loan to guarantee, or is Credit Union Central working through this, or is it the responsibility of each individual credit union to become involved in this?

**Hon. Mr. Cunningham:** — No. Each individual credit union has to handle this on their own, and that's one of the reasons for the downfall of some of the smaller credit unions. It's a large amount of money and a large amount of liquidity problems that they have to keep before loans that are not outstanding. If there's a large guarantee or a large approved amount and not that much used, it's a problem for small credit unions. So that's one of the problems with the credit unions.

**Mr. Martens:** — The next question I have . . . to reduce the amendments are . . . of the legislation, to reduce the risk to the assurance fund and the government guarantee, the amendment insures that liens cannot be placed on such cattle. How are you going to do that so that others can't place liens on that or a caveat against it?

**The Chair:** — Order. It being 5 o'clock, the committee will recess until 7 p.m.

The Assembly recessed until 7 p.m.