

The Assembly met at 2 p.m.

Prayers

**ROUTINE PROCEEDINGS**

**PRESENTING REPORTS BY STANDING, SELECT AND  
SPECIAL COMMITTEES**

**Standing Committee on Public Accounts**

**Deputy Clerk:** — Mr. Martens, chair of the Standing Committee on Public Accounts, presents that committee's fourth report.

**Mr. Martens:** — Thank you, Mr. Chairman. I will go through this report and read it into the record, and then at the conclusion of my remarks I'll move a motion.

Your Committee (Mr. Speaker) considered the following Order Of Reference from the Legislative Assembly, dated May 4, 1993:

That the Special Report to the Legislative Assembly by the Provincial Auditor on Bill 42, *The Crown Corporations Act, 1993* be referred to the Standing Committee on Public Accounts.

Your Committee agreed to present an Interim Report with respect to Recommendations Nos. 1 and 2 of the Special Report which read as follows:

- 1) Subsection 33(2) of Bill 42 should be amended to state  
— The Provincial Auditor shall audit the records, Accounts and financial statements of CIC;
- 2) Subsection 33(4) of Bill 42 should be deleted.

**Recommendation** (no. 1)

Your Committee does not concur in Recommendation No. 1 of the Provincial Auditor's Special Report.

**Recommendation** (no. 2)

Your Committee concurs in Recommendation No. 2 of the Provincial Auditor's Special Report.

**Recommendation** (no. 3, Mr. Speaker)

Your Committee recommends that its Fourth Report to the Legislative Assembly be taken into consideration by the Standing Committee on Crown Corporations during that Committee's deliberations on Bill 42, *The Crown Corporations Act, 1993*.

Your Committee will present a further report after it has considered Recommendations Nos. 3 and 4 of the Special Report and the relationship between the Provincial Auditor

and appointed auditors (is what items 3 and 4 deal with).

Your Committee (also) notes that the Provincial Auditor is presently the Auditor for the Crown Investments Corporation (which is CIC). CIC has indicated that it is prepared to continue this appointment for a specified period of time subject to further review at the end of the term.

Mr. Speaker, I want to add to this report a number of items. I want to thank the Provincial Auditor for his contribution, both in viewing and providing his view of The Crown Corporations Act, Bill 42. I want to thank him for his involvement in the discussion today in the Public Accounts Committee meeting. I also want to thank the Clerk for his assistance in the protocol for the committee and the work the committee did.

I guess one of the things that was resolved, Mr. Speaker, was the items that I mentioned. However, I want to point out to the members of the Assembly that there was very heated debate about what will be in the future in items 3 and 4, and I'm sure that the committee members will be honing their debating skills in relation to those two items as they deal with them. And we will provide to this Assembly an interim report that deals with that.

So with that, Mr. Speaker, I move, seconded by the member from Saskatoon Idylwyld:

That the fourth report of the Standing Committee on Public Accounts be now concurred in.

**Mr. Cline:** — Thank you, Mr. Speaker. I just want to add a few brief remarks to what the member from Morse has said. As the member said, this is an interim report of the committee designed to facilitate the passage through the process of Bill 42, The Crown Corporations Act, 1993. So we've dealt with the first two recommendations in the Provincial Auditor's special report related to that Bill, and we've adopted one and not adopted the other.

With respect to recommendation 1 of the Provincial Auditor, which we have not adopted, I'd just like to point out that the main issue that it really deals with I think, the relationship between the Provincial Auditor and appointed auditors, remains to be dealt with by the committee and will be dealt with by the committee in due course when the committee deals with recommendations 3 and 4 of the Provincial Auditor's special report, which really bring that issue, bring that issue up in a more substantive way or more general way.

And I can also report, as indicated in the report, that the non-adoption of the first recommendation of the auditor does not affect the fact that the Provincial Auditor is now the appointed auditor, in effect, for the Crown Investments Corporation, and that will continue.

I think I speak for the majority of the members on the committee when I say that we believe the mandate of the Provincial Auditor is best dealt with within the confines of The Provincial Auditor Act, as he himself has indicated in his special report. We do not therefore feel that the Crown Investments . . . or The Crown Corporations Act should specify that the Provincial Auditor will be necessarily the auditor for CIC (Crown Investments Corporation of Saskatchewan). We feel there is a broader issue involved which will be properly dealt with and addressed when we deal with recommendations 3 and 4 of the special report.

I want to join with the member from Morse in thanking the auditor and the officials from CIC and the staff of the committee who were very helpful to us in facilitating consideration of the recommendations germane to Bill 42 in a very timely fashion.

Thank you.

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

**Mr. Boyd:** — Thank you, Mr. Speaker. Mr. Speaker, I just want to take a few moments to touch on the concurrence motion. To start with, I also want to thank the Provincial Auditor, an officer of this Assembly, for the fine job he is doing on our behalf. I also want to thank the chairman for the restraint he has shown and the great sense of fairness he displayed on the committee.

But, Mr. Speaker, I must also report to the Assembly some profoundly disturbing events that occurred in the Standing Committee on Public Accounts this very morning. And I must say that reading the verbatims of the committee, while giving a strong indication of what happened, cannot convey the emotional, personal, and vitriolic nature of what occurred.

Specifically, Mr. Speaker, the members of the Assembly must be informed that a government appointee this morning launched into a blistering and completely unacceptable attack on an officer of this Assembly, the Provincial Auditor. The president of Crown Investments Corporation, Mr. Donald Ching, this morning went far beyond legitimate discussion and entered into what can only be characterized as a frontal assault on the Provincial Auditor.

Mr. Speaker, the day this Assembly tolerates an appointee of the Premier dressing down one of our officers is the day we must shut this place down and let them rule by decree.

Mr. Ching must be reprimanded, and knowing that the Premier will not do it, let the record show at least that this behaviour has not gone unnoticed. Mr. Ching should receive a message through the debate that the next time he appears before any committee of this legislature he should not conduct himself as if he is amongst buddies in a bar-room brawl debate just because members of the committee are made up by the majority of NDP (New Democratic Party)

members.

As one member, I fully intend on demanding proper behaviour from government appointees, and government appointees had better be prepared to account to our officers with decency and respect for which they are entitled. Mr. Speaker, that did not happen this morning. It was said, Mr. Speaker, by the Leader of the Opposition while he was chairman of Public Accounts that there is only one person, one institution in this system of government that has no other agenda, that is truly accountable, and that is the Provincial Auditor.

Members need to go back to *Hansard* and reflect on those remarks of the Leader of the Opposition, and I just want to reiterate them here, Mr. Speaker. Mr. Speaker, I for one will be voting against this motion.

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

**Mr. Van Mulligen:** — Thank you, Mr. Speaker. Mr. Speaker, I thought I had attended the Standing Committee on Public Accounts meeting . . . Public Accounts, their meeting this morning to deal with the questions that . . . or the issues that are referred to in this special report. But now listening to the member for Kindersley, I'm wondering if we were at the same meeting.

The member for Kindersley now in the House accuses one of the witnesses that was called before the committee of launching an attack on the auditor and uses words like frontal assault. But not once — and I'll certainly concede that both the auditor and the officials from CIC were given an opportunity to present their opinions on the issues that we dealt with, and both parties did so frankly and completely — I never once, never once heard the member for Kindersley in the committee, Mr. Speaker, or for that matter any other member of the committee, evince concerns about the manner in which those opinions were expressed.

**An Hon. Member:** — Grandstanding.

**Mr. Van Mulligen:** — I don't want to use the word grandstanding, Mr. Speaker. I'll leave that to others to do so. But not once, not once did we hear, not once, and the record will show, not once did we hear from the member for Kindersley during the course of the committee expressing any kind of concern whatsoever about what it is that the CIC had to say.

Now the rules of this Assembly, the rules of this Assembly certainly provide that if questions of privilege, questions of privilege arise in committees, that the committees should deal with that and make some appropriate recommendation to the Legislative Assembly, that it's not incumbent on the member to get up in the Assembly to make comments that, in my opinion, have no bearing in reality. He could have done so in the committee. And I can only question why the member didn't do that.

Others have used the word grandstanding; I wouldn't want to do that.

I also want to point out, Mr. Speaker, that differences of opinion between CIC and provincial auditors go back some years and were especially strong and noticeable during the course of the last administration. Differences of opinion I guess will continue to be there. The question really is: how does the committee choose to deal with that?

I think the recommendations that we have before you, at least in these limited questions, are reasonable ones and agreed to by all the members of the committee, I guess, except for the member for Kindersley, who said he's not going to agree with it even though one of those recommendations is something that the auditor is asking for in his report. And now he chooses to disagree with, and saying that we should go along with the auditor. I can't quite figure out the logic of the member's comments in this regard, but my guess is it may not be the first time, Mr. Speaker.

Mr. Speaker, I agree, I agree with the comments that the member for Morse has had to make in moving the adoption of the report and the member for Idylwyld has made in seconding the report. I'm really at a loss to understand the comments from the member for Kindersley because again we both attended the same meeting, I thought, until I heard his remarks, Mr. Speaker.

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

The division bells rang from 2:15 p.m. until 2:19 p.m.

Motion agreed to on the following recorded division.

#### Yeas — 39

Romanow	Lautermilch
Van Mulligen	Calvert
Thompson	Hamilton
Tchorzewski	Johnson
Lingenfelter	Draper
Teichrob	Whitmore
Shillington	Sonntag
Koskie	Flavel
Solomon	Cline
Atkinson	McPherson
Kowalsky	Wormsbecker
Carson	Crofford
MacKinnon	Stanger
Penner	Knezacek
Cunningham	Harper
Upshall	Keeping
Hagel	Carlson
Bradley	Jess
Lorje	Haverstock
Pringle	

#### Nays — 9

Swenson	Toth
Devine	Britton
Neudorf	D'Autremont
Martens	Goohsen
Boyd	

## INTRODUCTION OF GUESTS

**Mr. Whitmore:** — Thank you, Mr. Speaker. To you and through you, Mr. Speaker, I would like to introduce guests today that are in your west gallery, that being 30 grade 8 students from Rosetown Central High School. I am representing them today on behalf the Hon. Berny Wiens.

The teachers today in attendance with them are Mr. J. Wiebe, Mr. Norman Cline, and I will be meeting with them at 3 o'clock for photos and drinks and discuss the activities that have gone on this afternoon in the House. So I call on the Legislative Assembly to welcome them here today.

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

**The Speaker:** — Before I recognize the member from Kindersley, I would like to remind the member from Biggar that he is not to use the personal names of members in the House but their constituency or the portfolio that they represent.

**Mr. Boyd:** — Thank you, Mr. Speaker. Mr. Speaker, to you and through you to members of the Legislative Assembly I'd like to introduce three Christian academy schools seated in your gallery, Mr. Speaker. One of them is from my constituency, a community called D'Arcy — the Wordshop Christian Academy at D'Arcy, the Swift Current Christian Academy at Swift Current, the Cottonwood Christian Academy at Regina Beach. There are 31 students, Mr. Speaker.

Mr. Speaker, the folks from my constituency at D'Arcy are . . . the principal is Marion Wallis. And I see her husband Don is also with us this afternoon and also the children from that school as well as I notice a good friend, Loriann Thompson, from that school and community as well. Mr. Speaker, I'd like everyone to welcome those folks here this afternoon.

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

**Hon. Mr. Penner:** — Thank you, Mr. Speaker. I would like to join with the member from Kindersley in welcoming these students to the Assembly this afternoon. One of the schools, as the member mentioned, is from Swift Current, and I'd like to welcome those members here this afternoon. And I plan to meet with them right after the Assembly . . . after question period. Please welcome them.

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

## ORAL QUESTIONS

### Economic Growth Predictions

**Mr. Boyd:** — Thank you, Mr. Speaker. Mr. Speaker, my question is to the Premier. Mr. Premier, more evidence of your government's failed economic policies are starting to come forward. Your doom-and-gloom message is beginning to bear fruit.

The Conference Board of Canada has revised its

economic growth prediction for Saskatchewan for 1993. The Conference Board is now predicting that our economy will grow by only 1.8 per cent this year — the second lowest growth rate in all of Canada. And they attribute this reduction primarily to the effects of your budget, Mr. Premier.

Mr. Premier, just last week you stood in this House and boasted about the exceptional growth the Conference Board was predicting for Saskatchewan. Mr. Premier, now that the Conference Board has drastically reduced its growth predictions for our province, will you admit that your policies are failing to create economic growth and jobs in this province? And will you also begin to work with the business community in this province as well?

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

**Hon. Mr. Romanow:** — Thank you very much, Mr. Speaker. Mr. Speaker, the hon. member's question is clearly not rooted in a proper reading of the Conference Board's latest predictions.

If the Conference Board predictions are read carefully and closely, it will be noted by the hon. members that the Saskatchewan economy tracks a very positive trajectory, whether it's either on the Conference Board or on the Saskatchewan Department of Finance figures.

The average growth in the period assessed is 2.1 per cent under the Conference Board and 2.3 per cent under the Saskatchewan Department of Finance. Moreover the Conference Board predicts, for example, there are slight variations, but it predicts that by the year 1995-96 that there'll be 14,000 more new jobs as opposed to the Department of Saskatchewan Finance forecast of only 5,000. This, Mr. Speaker, indicates a positive trajectory.

But moreover while I'm on my feet I should also tell the members of the House that we have just today been informed that Moody's of New York has confirmed Saskatchewan's A3 debt rating upon a completion of their credit review. And it says it has confirmed it because, quote — the government has:

Demonstrated efforts by the current government to implement a comprehensive multi-year fiscal plan to stabilize and improve the financial performance of its budgetary accounts, as well as manage the accumulated exposure to numerous Crown and commercial venture investments.

Mr. Speaker, that's positive evidence that we are on the right track.

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

**Mr. Boyd:** — Thank you, Mr. Speaker. Mr. Premier, just last week you were bragging about the exceptional growth predicted by the Conference Board of Canada. And now that they've reduced that growth figure, you no longer seem to value their

opinion.

Mr. Premier, it's just like the Saskatchewan business coalition. If you don't agree with the Premier in this province, he sticks his fingers in his ears and said their opinion doesn't count for anything any more.

It's time, Mr. Premier, you started facing reality. It's time you started to admit your economic policies are failing Saskatchewan. It's time for you to sit down with business in this province, rethink some of your destructive taxation policies, rethink your plan to impose a further \$200 million payroll tax on business in this province, and find a new direction that would create jobs rather than driving them away.

Mr. Premier, will you do that? Will you sit down with the business community of this province?

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

**Hon. Mr. Romanow:** — Mr. Speaker, I think I have said this on many, many occasions in previous question periods, as my colleagues, the Deputy Leader and the Minister of Economic Development, have said — I'll repeat it again one more time — we are not fighting with the Conference Board. The Conference Board projections of today have downscaled the projections that they had earlier for all the provinces and the federal government.

In fact, I said in my first answer that the Conference Board projections show a positive trajectory which is very close to the Department of Saskatchewan Finance. That was my proposition.

My second proposition is the one that my colleagues have been making and I have been making, and I repeat again: we continue to work with business. The fact that we have received a confirmation of this credit rating, given the very precarious situation fiscally that we were left in, the very fact that the Moody's rating agency says we're on the right track, on the right track fiscally and economically, the very fact the Conference Board predicts 14,000 more new jobs by '95-96 — I hope they're right; I hope they're wrong actually; I hope there are more than 14,000 — all of these are indicators that the course that we have adopted and have chosen is the right one.

Now we didn't get into this mess overnight. We got into it over nine and a half years of waste and mismanagement. We need a little more time to turn it around. But I tell you, Mr. Member, we are in the right direction and on the right path.

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

**Mr. Boyd:** — Mr. Speaker, Mr. Premier, but it isn't turning around. Your prediction of growth in this province — and the Conference Board — has been revised once again. They go on to say that their prediction of . . . Down. They go on to say that their prediction of 1.8 per cent growth is probably too optimistic because of your budget.

They say, and I quote: Since the full impact of the budget measures has not been included in this outlook, growth will probably be somewhat lower.

That's what they said, Mr. Premier. They're predicting the second worst growth rate in the country, and you're trying to pull us down even further.

Mr. Premier, over the weekend StatsCan came out with economic growth figures as well for 1992. Mr. Speaker, the Premier likes to say that we've turned the corner, but the graph shows, Mr. Speaker, the graph shows — and I draw Mr. Premier's attention to it — Saskatchewan is the only province that is not expected to have any growth at all. And that's a result, a direct result of your policies, sir, you and your budget.

We are the only province with a decrease in personal income and the only province with a negative growth rate, according to StatsCan. Will you now admit, Mr. Premier, that your policies are failing and that you will try and do something to turn it around in this province?

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

**Hon. Mr. Romanow:** — Mr. Speaker, the hon. member hopscoches around in his facts and preface on the question about as badly as the caucus hopscoches around on whether or not there's a motion to adopt the report of the Public Accounts Committee. It's very confusing and contradictory.

We're talking about the Conference Board's updated figures. They say that the real GDP (gross domestic product) for 1993 is going to be 1.8, as compared to the Department of Finance's prediction of 2.8. So they are lower than we are. But next year they predict a GDP of 2.3. Our prediction is 1.6. They're higher than we are.

The point is, if you take a look at the entire trend line, it is on the same positive trajectory. There are differences, but it's going in the right direction. And when you get a confirmation of the credit rating of the province of Saskatchewan, given the dire straits in which we have been left, the huge bungles of financial mismanagement, the huge hole of debt and lack of economic activity that you and your colleagues left us, I only can say what I've said before. We have turned the corner. We are making progress. Is it good enough? Of course it's not good enough. Do we have to work harder to make it better? Of course we have to work harder to make it better. Do we listen to business as we do to labour? Of course we shall.

But please, Mr. Member, don't fly in the face of the facts. Accept what the facts indicate — that we have turned the corner. The Conference Board of Canada says we are going to post growth. And with a little bit of luck we're going to post a lot of growth.

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

**Mr. Boyd:** — Well, Mr. Premier, I think the people of

Saskatchewan are hoping for more than just a little luck.

The Conference Board says growth is going down. StatsCan says growth is going down. And you like to try and twist the figures around to say that you have turned the corner in this province.

Well, Mr. Premier, the corner has not been turned. In this province right now, there are 11,000 less jobs in Saskatchewan than there were in April of 1991 — 11,000 less jobs than in 1991. And that's a significant shortfall — 7,000 jobs alone in the manufacturing sector. And the Premier puts out a news release entitled: Premier pleased with increased employment. Unbelievable, Mr. Speaker.

Mr. Premier, when are you going to take some responsibility for your policies? When are you going to take some responsibility for the fact that the corner has not been turned, and your policies are failing Saskatchewan?

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

**Hon. Mr. Romanow:** — Mr. Speaker, I am perfectly prepared, as I must and as I am willing to do, to accept the responsibility of the government's policies because I say the government's policies are headed in the right direction.

What I've not heard from the Leader of the Opposition and the opposition group is an acceptance of responsibility of what you people have done to this province over nine and one-half years previously. And what you did is you brought this province to the point where the per capita debt is \$15,500; where the cumulative debt is \$15.5 billion; where we have the lowest credit rating of any province in the history of Canada.

We are staving off a huge fiscal crisis. And here we've come down with a budget which happens to gain the approval of the international business community, the majority of the business community in this province and in Canada, and we have a job boost according to StatsCanada in April of '93 compared to March of '93 by 4,000; and year end to year end, April of '93 to April '92 by 2,000.

Now the hon. member says that's not good enough. Well I agree with him. It is not good enough. But I tell the hon. member that it is one heck of a lot better than you people ever have had, given the waste and the profligacy that you've had in this province over the nine and a half years. And it is indicative of the fact that we have turned the corner.

Stop the doom and gloom. Join the people of Saskatchewan and this government in building again — building a brand-new Saskatchewan.

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

**Mr. Boyd:** — Mr. Speaker, the Premier likes to talk about the record of the previous administration. And

he says that nothing was happening under the previous administration.

And yet, Mr. Speaker, while in New York, the Premier delivered this speech and I'll quote just one paragraph from it:

And, many other national and international companies — Cargill, Hitachi, IBM, Northern Telecom and Weyerhaeuser, to name a few — all have substantial projects in Saskatchewan.

So while in New York the Premier likes to take credit for what was being done in this province by the previous administration, but the moment you land home here, sir, you say that there was nothing going on by the previous administration for economic growth in this province.

Which way is it, Mr. Premier? Is it that there is growth in this province as a result of previous policies and previous initiatives by the previous administration or, Mr. Premier, are there no growth initiatives under you?

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

**Hon. Mr. Romanow:** — Mr. Speaker, the facts speak for themselves about growth initiatives. The Statistics Canada has indicated that there is growth in the job sector. And the A3 confirmation rating today by Moody's is something which is totally contrary, Mr. Member, to what your government had for nine years.

For the nine years that the member from Estevan was the premier, do you know that there never was a maintenance of a credit rating of the province of Saskatchewan? I'm not talking even an upgrade, I'm talking a maintenance. You took seven reductions of credit rating as a result of all of these mismanagement and misadventures which you've launched.

Now you mentioned some companies being located in Saskatchewan. Of course they're located in Saskatchewan, and they do have major investments. That is a fact, and that is a truthful statement in New York and in here.

The reality is, however, that a lot of those investments involve huge, huge dollar sums of the taxpayers; produce few permanent jobs which tax dollars now we have to manage as part of the overall debt, which tax dollar situation relates and necessitates us to get the direction that we pursued. Of course that's the situation.

So I say to the hon. member opposite: you may not like the fact that Moody's has given us an A3 rating, but I want to tell you, what we've done in 18 months is twice better than what you have done in nine and a half years when you virtually brought this province on the edge of bankruptcy.

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

**Mr. Boyd:** — Thank you, Mr. Speaker. Mr. Premier,

Moody's believed your speech. The only thing is, is when you come home to Saskatchewan, you give an entirely different version of what you gave down in New York. You say that the job creation record of the previous administration, with things like Cargill and Weyerhaeuser was bad, but when you get down to New York, all of a sudden it becomes good news for the province of Saskatchewan and the investment dealers like Moody's down there.

Mr. Premier, prior to the election you said that higher taxes are the silent killer of jobs. Higher taxes do not create jobs; higher taxes take jobs out of the economy of Saskatchewan. This is significant, Mr. Premier, because it's about the only thing you said prior to the election that has actually come to pass.

Mr. Premier, we have seen two consecutive budgets chock full of massive tax increases and now we are seeing the results of that policy. Mr. Premier, taxes are indeed the silent killer of jobs in Saskatchewan and you are, sir, the grim reaper when it comes to job creation in this province.

Mr. Premier, can you tell us how many more jobs will be killed by your taxation policies before you admit that you are leading this province in the wrong direction?

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

**Hon. Mr. Romanow:** — Mr. Speaker, there are, I think, I'm trying to discern, but two themes of that question, if it's possible to discern the themes. One is what I said in New York. I'll tell you what I said in New York, but they know this. I said in New York that we have accumulated a \$15.5 billion debt over the last nine and a half years. They knew that. That's what I said to them, and they knew that.

But I'll tell you something else that I did not say in New York. I did not say in New York that Saskatchewan is so rich that you could afford to mismanage it and you still wouldn't bankrupt it. I didn't say that.

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

**Hon. Mr. Romanow:** — That was the member from Estevan who said that. Now the member asks a second question. He says how many more jobs are going to be lost. Well I hope not many more.

All that I can tell the hon. member is what StatsCanada has told the hon. member: that in April of 1993 compared to April of 1992, we've had 2,000 more jobs; that April of 1993 compared to March, 1993, we have 4,000 more jobs. The member cannot deny those figures. That is after our budgets.

I say that we have turned the corner and we fervently hope and believe that we're going to be heading in that direction. Join us instead of to continue talking doom and gloom.

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

### Crown Corporation Debt

**Mr. Swenson:** — Thank you, Mr. Speaker. My question is to the Minister of Finance. Madam Minister, could you tell me what proportion of the accumulated debt is Crown corporation debt?

**Hon. Ms. MacKinnon:** — Thank you very much, Mr. Speaker, for that question. The Crown corporation debt is a static number; it is not the majority of the debt. I can get you the precise figure. But the problem that the province of Saskatchewan has is the vast majority of our debt is tax-supported debt, which is like credit card debt. The only thing that underpins it is revenues.

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

**Mr. Swenson:** — Thank you, Mr. Speaker. To the same minister: Madam Minister, according to the blue book as of March 31, '93, approximately \$6 billion of the total accumulated debt is in Crown Investments Corporation. Matter of fact, that is close to about 43 per cent of the total debt of the province.

Madam Minister, you and your partner, the Premier, have been preaching since winning political power about how significant the province's debt is, which is almost half Crown corporation debt. Madam Minister, the Associate Minister of Finance yesterday in this House and again on April 22, when the member of Souris-Cannington originally brought the issue to the Assembly, said that reducing the debt in CIC by selling \$350 million worth of Cameco shares wouldn't have any impact on the accumulated deficit because the proceeds would go toward reducing CIC debt.

Madam Minister, as usual you and your colleagues are saying two different things when it suits you politically. You and the Premier travel around on your doom-and-gloom tour saying that the accumulated debt is \$14 billion, which includes CIC debt.

Now your assistant says no, the two can't be combined. Paying down CIC debt will have no effect on the accumulated debt.

Madam Minister, I think what your associate says is absolute hypocrisy. Which is it? Will reducing the Crown debt reduce the accumulated debt or not? Which is it?

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

**Hon. Ms. MacKinnon:** — Mr. Speaker, I think that question illustrates the kind of problem we had here in the 1980s. First of all, \$6 billion is not half of \$15 billion, okay? That's number one.

Number two, what credit rating agencies ask us is what is the total debt of the province? They say, you had somewhere near \$2 billion in loan guarantees. That's debt — the same as Crown corporation debt is debt, the same as Consolidated Fund is debt.

Now with respect to CIC, the problem with the Crown

Investments Corporation is the bad deals that we inherited from the members opposite. So if . . .

**The Speaker:** — Order, order. I'm sure the members want to hear the answer, otherwise they wouldn't have asked the question. Please, let the minister answer the question.

**Hon. Ms. MacKinnon:** — Thank you, Mr. Speaker. My point is this: with respect to the Crown Investments Corporation, any gain that occurs in the Crown Investments Corporation has to be applied to the negatives there. And the negatives in the Crown Investments Corporation aren't the Crown corporations themselves, they are the bad deals which we inherited from the members opposite and which the taxpayers of this province, through CIC, are still paying for.

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

**Mr. Swenson:** — To the same minister, Mr. Speaker.

Madam Minister, when it came time to account for your loan guarantees, you threw them in with the accumulated debt right away. Crown Life, Saskferco, people that are paying you commercial rates to have those loan guarantees, were quickly brought forward into CIC and added to the total provincial debt even though they're paying commercial rates on those guarantees.

Now, Madam Minister, I'd say it's fairly transparent. When it's politically expedient for you and the Premier, the Crown debt and the operational debt are inseparable. So you say the total debt of the province today, as the Premier said earlier, is over \$15 billion.

Now the tables are turned it's a different story. It's no longer politically smart to say the two are together, says the Associate Minister of Finance. Now your Associate Minister of Finance says you can't reduce the accumulated deficit by reducing the Crown accumulated deficit, which is absolute political duplicity, Madam Minister.

You have an opportunity to reduce the accumulated debt, as you define it when it's politically correct, by at least \$350 million. That represents 5 per cent of the total Crown debt out there, Madam Minister.

Madam Minister, why don't you take the opportunity to reduce the total Crown debt by 5 per cent? Madam Minister, take the opportunity.

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

**Hon. Ms. MacKinnon:** — Mr. Speaker, it's difficult to know exactly where the member is heading here. I guess what I would say is that the government inherited debt on all sides. Not only did the members opposite in the 1980s on average overspend a billion dollars every year with respect to the Consolidated Fund debt, they also saddled the Crown sector with a number of bad deals. They did it across the piece.

Now the member opposite . . . (inaudible interjection) . . . Would you like a list? Bi-Provincial, NewGrade, Cargill, and the list goes on — GigaText. Is the member opposite, in disputing these figures, suggesting that Saskatchewan does not have a debt problem? Because if he is suggesting that, I will get out a folder and read here for about the next hour and a half about different agencies saying we have a debt problem which was created by the members opposite.

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

**Mr. Swenson:** — Thank you, Mr. Speaker. Madam Minister, no one said you didn't have a debt problem. What we are saying to you is there is ways to address that, and you refuse to look at them, Madam Minister. It's politics. It's politics that's the real answer here, Madam Minister.

You could reduce the deficit by \$350 million with the stroke of a pen. But once again, Madam Minister, you and your Premier want to do what's politically correct, which means that that stroke of a pen can occur a lot closer to the . . .

**The Speaker:** — Order, order. Will the members please come to order so we can hear the member put his question.

**Mr. Swenson:** — Thank you, Mr. Speaker. It's obvious that the government doesn't want to hear the question because it's embarrassing. Madam Minister, what I am saying is that I suggest that this probably will happen, the stroke of your pen on Cameco shares will happen a lot closer to the election in 1995.

Don't you think, Madam Minister, when you and the Premier were in New York enjoying yourselves and the Premier was making this speech about Cargill and Hitachi and IBM and Northern Telecom and Weyerhaeuser, if he had said, and I'm adding Cameco to it and the government is selling its shares, maybe Moody's would have bumped it another notch, Mr. Premier, because you could have added a good privatization to the group that's already here, Mr. Premier.

Madam Minister, take the opportunity and show the people in New York that you're serious about reducing the deficit — sell the shares in Cameco, Madam Minister.

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

**Hon. Ms. MacKinnon:** — Mr. Speaker, I can assure the member opposite that we did not say in New York that we're taking advice on how to reduce the deficit from the members opposite. I can assure you of that.

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

**Hon. Ms. MacKinnon:** — In fact as my colleague said, we promised we wouldn't take advice on reducing the deficit from the members opposite.

I can also assure you that in New York we did not say

that we're taking advice on how to privatize from the members opposite, because they managed to privatize the Potash Corporation and lose for the taxpayers of Saskatchewan in the neighbourhood of \$400 million.

And you know, the nature of that last question shows the nature of the problem. Imagine if we were planning on selling some Cameco shares, imagine the intelligence of going out and telling the world that we're going to do that so that the price could go down and we could lose more money. That would not be sound business sense. We are running this province in a businesslike fashion and an orderly fashion and we're turning around the finances of the province.

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

## INTRODUCTION OF BILLS

### Bill No. 74 — An Act to amend The Saskatchewan Farm Security Act

**Hon. Mr. Cunningham:** — Mr. Speaker, I move a Bill to amend The Saskatchewan Farm Security Act be now introduced and read the first time.

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

**Mr. Neudorf:** — Mr. Speaker, before orders of the day, I ask leave of the Assembly to make a short member's statement on National Nurses Week.

Leave granted.

## ANNOUNCEMENTS

### National Nurses Week

**Mr. Neudorf:** — Thank you very much, Mr. Speaker, and thank you to all members of the House for this opportunity.

Mr. Speaker, I would like to recognize a group of men and women who make up a very important segment of our population, Mr. Speaker, namely, the nurses. This week is National Nurses Week and I'm sure that everyone in this Assembly will agree when I say that nurses are among the hardest working, most respected, and perhaps even revered members of our society, Mr. Speaker.

Mr. Speaker, nursing is not a new profession. Instead, it is one rich in tradition and heritage. Marie Rollet Hébert has been credited with being the first person in Canada to provide nursing care to the sick. Coming to Canada, as she did, way back in 1617, Marie cared for the sick alongside her husband Louis. And the tradition, Mr. Speaker, has continued for almost 400 years since.

I'm sure that I can speak for all members, Mr. Speaker, when I say that each and every one of us has a memory of being in hospital or visiting a patient or a loved one in the hospital. And along with those memories we are



reminded of the nurses who kept us comfortable, who encouraged us, who helped us in many more ways than just giving medication or changing IV (intravenous).

And I want, Mr. Speaker, to honour all nurses today and to give a sincere thank you for all of their hard work and for all of their dedication. And I would especially like to pass along my heartfelt thanks to those nurses in Saskatchewan, some 200 or so, who have lost their jobs, the nurses of many rural health facilities who are targeted for closure. And the many here in the city of Regina have, Mr. Speaker, put in years of service to the people of this province and they should not simply be cast aside. And these men and women should not be forgotten, and I wish them, and indeed all nurses in the province, well. And I offer any assistance I can be to them.

And I thank you for the time and the members for their time, Mr. Speaker.

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

**Hon. Mr. Calvert:** — Thank you, Mr. Speaker. I would like to join with the member from Rosthern, the official opposition Health critic, in recognizing this as National Nurses Week in Canada, and with him and all members, I'm sure, in this House, of congratulating and thanking all of those men and women who in our province and in all of our communities serve through the profession of nursing.

Mr. Speaker, I had a wonderful opportunity not too many weeks ago of visiting a seniors' residence here in Regina. And at that time I met a woman who is now in her 92nd year who served many years ago as a rural public health nurse out of Gravelbourg. Nurses have provided health care in our province for a century and longer. They have been integral to health care in our province and that remains true today, Mr. Speaker.

Indeed as we move through the process of health care reform, working with nurses' organizations like the SRNA (Saskatchewan Registered Nurses' Association) and the Saskatchewan Union of Nurses, SUN, Mr. Speaker, working with nurses themselves, we can foresee — and it's happening already — an expanded role for the profession of nursing in our province.

Mr. Speaker, I am very pleased today to be able to stand in the House and announce that a new program has just been initiated through SIAST (Saskatchewan Institute of Applied Science and Technology) of advanced clinical nurses training that will provide new skills for nurses to adapt to new realities, particularly in the north part of our province.

Mr. Speaker, I am pleased to be able to say in the House today that as a result of the budgetary process this year we have seen some shift of funding into the area of home care and community-based services. And we know that there will be expanding roles and new opportunities for nurses to go to work in that field.

Mr. Speaker, I simply do want to join with the member

opposite and with all members in thanking and congratulating those men and women of the nursing profession in our province who on a daily basis serve the people of Saskatchewan.

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

## ORDERS OF THE DAY

### PRIVATE MEMBERS' MOTIONS

#### Resolution No. 7 — Future Strategy for Saskatchewan Agriculture

**Mr. Upshall:** — Thank you, Mr. Speaker. Mr. Speaker, again it is a pleasure for me to get up in this Assembly and move a motion along the following lines:

That this Assembly commend the provincial government for having the foresight to develop a comprehensive strategy for Saskatchewan agriculture for the future, and that the provincial government be further commended for its excellent consultation strategy and public relations process which has involved eight regional meetings around the province with farmers, communities, and the agriculture and food industry who will help develop the agricultural plan for the future.

I will be moving that motion later on, Mr. Speaker. But I want to make a few comments first.

Mr. Speaker, farmers in Saskatchewan are today facing the realities of the '80s. What I mean by that, Mr. Speaker, is that up until 1988 this province was supported by a federal treasury that every person in Saskatchewan contributed to. And because agriculture is an industry that benefits the national picture — because the majority of the product is exported, especially in the grain sector, and much of the red meat industry provides a lot of activities and jobs in this province and right across Canada — the federal government provided the funding in the crisis situations right up until 1988.

And, Mr. Speaker, what happened in 1988 was the wisdom of the government of the day. I can remember very well the many trips to Ottawa that the former premier took, and every time he went down to Ottawa he came back with a little bigger share of the Bill.

**An Hon. Member:** — Stay home, please.

**Mr. Upshall:** — That's exactly right. We kept telling the former premier, please stay home and save us some money.

The point, Mr. Speaker, is that now Saskatchewan farmers and taxpayers provide 60 per cent, 60 per cent, Mr. Member, just listen; 60 per cent of the funding comes from within the walls of Saskatchewan, and 40 per cent comes from the federal government. And in crop insurance now, 75 per cent of the funding comes from within Saskatchewan, and 25 per cent comes from Ottawa.

And now we are facing that reality.

We've come through periods of farm programs that have not addressed the problem. And with this motion, Mr. Speaker, what we are saying is that the present Minister of Agriculture, the former minister of Agriculture, have started a process, and this process involves consultation with the people of Saskatchewan to try to develop, to look at, the strategies that we need for the 1990s and the year 2000.

And, Mr. Speaker, it won't be a strategy of allowing the federal government to offload on the backs of Saskatchewan taxpayers, farmers, and others. But we've seen the strategy, and now the reality hits. Mr. Speaker, the members opposite stand in their places day after day, and I think it was on day 47 asked a question on agriculture. While we have gone around this province for the last year or more, 18 months, consulting, working with the federal government, the members opposite have been woefully silent.

(1500)

And I want to talk about a couple of very, very important issues to the future of this province, Mr. Speaker. One of those issues, Mr. Speaker, is the current barley issue. Have we heard a positive word on behalf of the numerous . . . In fact I think just about every group in Saskatchewan, barring a couple, who want to see the authority of the Wheat Board maintained and have barley retained under the sole marketing power of the board.

Our Minister of Agriculture just a couple of days ago just got up in his place and tried to introduce a motion, an emergency motion that would unanimously send the message from this legislature to Ottawa saying to Mr. Mayer, leave barley alone; don't remove it. And what did the members opposite do, Mr. Speaker? The members opposite denied leave to move the motion. When the overwhelming majority of the people . . . one survey showed 90 per cent of the people in this province want the Wheat Board to be the sales agent. On the recent issue of barley, over 70 per cent of the people or 80 per cent of the people said there should be a plebiscite at least, and over 70 per cent, Mr. Speaker, said that they did not want barley removed from the board.

And as we went around the province, as the Minister of Agriculture and others went around the province consulting with people, with the regional meetings to shape a strategy, that's what we heard time and time and time again. Don't let the board go. Removing barley just weakens it again.

But the members opposite and their cousins in Ottawa — and I must add, the 11th member of the opposition, the Liberal leader . . .

**An Hon. Member:** — I thought she was on your side.

**Mr. Upshall:** — Again, well we're not sure about the member from — where is he from?

**An Hon. Member:** — Maple Creek.

**Mr. Upshall:** — Maple Creek. He says he thought she was on our side. Well we never know what side she's on, that's the problem. Because I can recall reading a clipping about 10 months ago where the 11th member of the opposition, the Liberal leader, said the board has too much power. The Canadian Wheat Board has too much power. It's got a monopoly; we got to get rid of it. And then the other day she seemed to indicate, well, maybe she was on the right side of the barley issue.

I don't know what side she's on but I know what side you're on, and I don't know which is worse. One may be smarter than the other.

But I know why the member from Maple Creek wants barley out of the board, because he's fairly close to the U.S. (United States) border, and the studies show that some of the farmers on the south side who can access a market in the U.S. can . . .

**An Hon. Member:** — Sixty miles.

**Mr. Upshall:** — Sixty miles, he said, and access a market, a spot market in the U.S. Might be able to get more for their barley.

And the member who is elected from Maple Creek is wholeheartedly agreeing with me, Mr. Speaker, and what he's saying to the people, the rest of the farmers in this province basically who aren't within 60 or 100 miles of the U.S. border, you can go you know where. That is the self-centred, right-wing ideological greed that drove this province into despair, and now we're trying to maintain and retain and reverse the process, and we hear in question period the silly questions of you're not doing enough.

Basically what they're saying is you're not fixing up the mess we made quick enough. Basically that's what they're saying, and trying to defend the record. Well I tell the member from Maple Creek as I tell the member from Kindersley, who I'm sure will be licking his wounds from the smacking he took today in question period, I tell them that they were represented not only to represent your constituencies, but also to represent the people, all the people of this province, to make sure that we have systems in place to market our grain, such as the Canadian Wheat Board.

Mr. Speaker, major farm organizations — Saskatchewan wheat board, Canadian Wheat Board Advisory Committee, even Keystone Agriculture Producers in Manitoba, the Prairie Pools Incorporated, the malting industry . . . now there's a curious point. The malting industry saying, don't let the barley go. They don't want barley to go, Mr. Speaker, for one reason: they want assurances of supply. And once we get on a dual system, basically an open market system, they then know they won't have assuredness of supply.

Mr. Speaker, I could go on on that issue much longer,

but in the time that I have I want to move on. But I just want to end up by saying, the members opposite even in opposition haven't learned the lesson they should have learned in government. You don't govern on ideology and greed and self-centred symbolisms. And that's what they're continuing to do. Exactly like the transportation issue.

When we went around the province, Mr. Speaker, the meetings around the province that were held with the farmers of this province, the other major issue was transportation. Mr. Speaker, I want to start talking about transportation by acknowledging one fact and congratulating the Minister of Agriculture of Saskatchewan and the Minister of Highways — and I defy anyone to say this is wrong — of single-handedly, if I might use that term for two people, stopping the federal government from changing the method of payment.

They were at meetings and the government has been at meetings, several meetings, in the last 18 months and everybody in the room and all the provinces basically were saying, change the method of payment. The Saskatchewan government, Minister of Agriculture, Minister of Transportation said no, and fought hard — as we in this Assembly fought hard — as we tried to move motions about transportation to retain the method of payment the way it is and have the members opposite deny or speak against.

Mr. Speaker, we've succeeded again. I hear people saying, especially the opposition members, well it's going to go anyway; we may as well get something else going. It's going to go anyway.

Well, Mr. Speaker, I started farming in 1974. The first issue, the first issue that I started working on and have continued to work to this day was the method of payment . . . first of all the Crow rate and then the method of payment.

And people are saying, well it's going to go so we might as well get on with something different. Well, Mr. Speaker, 18, 19 years have gone by and yes, the transportation issue has changed somewhat. It's been weakened. The federal government is again shirking their responsibility, but we still have it. And that's the point. We still have it.

And had it not been for the Government of Saskatchewan and the two ministers in particular, Mr. Speaker, I tell you I don't know whether we still would have had it. But this government, these ministers and our members, Mr. Speaker, are backing the farmers of this province right to the hilt. Because we know it doesn't matter how you slice it — you can talk about diversification which is good, and we continue to diversify. The Minister of Economic Development has put plans forward. The Minister of Agriculture, along with the partnership program, are formulating plans to develop and diversify — but the fact of the matter is, Mr. Speaker, in the grains industry the majority, the overwhelming majority of the product is exported. And we can diversify, let's say, 10 or 15 per cent of what we grow in grain. We still have 85 per cent

exported.

Mr. Speaker, the subsidy that is involved in exporting that grain was \$760 million, and as I say, it's been declining. The federal government now are going to blackmail. They say, it's going to be cut 10 per cent this year, 10 per cent next year, 15 per cent the following year, and thereafter 25 per cent a year.

What they're saying is, you know, the gun's to your head; you're going to lose it unless you change it. But the fact of the matter is, Mr. Speaker, it's \$700 million that farmers of this province rely on to market their grain, to market their grain to a world market where every dollar that comes from that product is a new dollar to Saskatchewan, that benefits every person in this country. Every person.

And for the life of me, Mr. Speaker, I do not know why the members opposite and the Liberal member — the 11 members of the opposition — try to fight that. That money is going to be gone, and then what are we going to do?

Well I hear some people saying, like the member for Morse and member for Maple Creek, well we're going to develop our livestock industry. How are we going to develop our livestock industry? Well we're going to have cheap . . . (inaudible) . . . We're going to have cheap products so that we can get the livestock industry moving and we can sell a product.

Well that's sounds good, but I wonder how many people are going to grow barley if it's going to be cheap enough to make this great livestock industry. The livestock industry can and will flourish in this province but it won't be because of cheap barley. It'll be because of good marketing systems. It'll be because of organization in the industry. And I'll tell you, knowing the cattle people in this province from feedlot to cow-calf operators, they have to be one of the hardest working, most ingenuitive groups I've ever seen.

And we are working with them, as government. We have a red meat stabilization committee together, and I have learned so much from those people and I have learned their desire to make the cattle industry work. They understand the economic situation and they will make it work.

But the members opposite's arguments, coming back to my point, Mr. Speaker, is that if you change the method of payment the world gets to be a better place. Well we've seen it slip dramatically, and the world in Saskatchewan in agriculture hasn't got to be that wonderful place. But it's the old marketing philosophy. Open it up. Those who can survive and beat out their neighbour, they win. And those who don't win, they leave.

Mr. Speaker, the reason for this motion was to let the people of this province know by way of consultation meetings and the consultation strategy, that we are concerned about the agricultural industry. And it surprises me that the members opposite stand . . . or sit

idle in their place I should say, when for 10 years they were saying they were the saviours of agriculture. And since the election they have hardly addressed the issue.

I wonder if the concern, Mr. Speaker, was for the farmers when they were in government, heralding themselves as saviours of agriculture, or for the members of government to get re-elected at that time. Because since the election, as I say, the issue has hardly arisen. I think it's pretty obvious, the hypocrisy. Mr. Speaker, this being one of my favourite issues, I could go on for a long time, but I know there are other members who want to speak so I'll wrap up.

I want to ask the members opposite one question, and I include all 11 members of the opposition. If you are genuinely concerned about agriculture in Saskatchewan, will you please quit the negative, desolate, desperate attitude that you have. Because if you talk about wanting to build this province — you say we're not doing a good enough job in agriculture, economic development — if you're talking about wanting to build this province, you have to create an atmosphere of optimism, security, a base from which to grow.

But all I hear day after day, Mr. Speaker, is the fact that everything's so rotten and so terrible. I ask them not to do that. Because if they are genuinely concerned about the future of this province they will work with this government . . .

**An Hon. Member:** — There is no future.

**Mr. Upshall:** — Well the member from Maple Creek says there is no future. I wonder if his constituents think there is no future. Mr. Speaker, that's the type of attitude that we don't need. That's exactly what I'm talking about. The members opposite repeatedly try to create a climate here that's unstable. They did it by action in government by driving the debt up. And now they continue to do it by their vocal chorus. Mr. Speaker, I ask members not to do that.

And finally, Mr. Speaker, this government, by doing things like as stated in this motion, consultation, developing strategies for the future, will take us into the year 2000 and beyond with a solid agricultural industry by working together with the red meat industry, with the feather industry, the dairy industry, with the grains industry, by maintaining and fighting for the fundamental rights that farmers have: orderly marketing systems — the 11 members opposite are opposed to that, orderly marketing systems, transportation industry, by maintaining the method of payment; a strong Canadian Wheat Board to market our product around the world from a single desk so that we're not farmer to farmer competing against each other and getting a poorer and poorer price.

These members opposite, and I just will end by saying, if they want to help their federal counterparts in the next federal election, better get onside or I'll guarantee you there won't be one sorry Tory left in the federal government as there are only 10 left here.

Simply because the fundamental principles that we have been fighting for and have maintained this province and the farmers of this province have maintained them for years and years are coming to the point of destruction by Tories. It's been building for years and we're coming to a shaky point. This government will not stop fighting for those fundamental principles.

(1515)

Because it's institutions like the Canadian Wheat Board . . . it's the fact that we've had a history since the beginning of a transportation subsidy to maintain the farmer of this province, it's institutions that developed the orderly marketing systems that have made Saskatchewan what it is today. It's not the wide-open, dog-eat-dog free enterprise system.

There is competition within those systems, Mr. Speaker. And we all compete — farmer to farmer. But it's a healthy competition because we have the basis from which to work. And if we don't have that base, Mr. Speaker — and that's what the people of the province have been telling us in these regional meetings — if you don't have that base, you don't have an industry.

And I ask members opposite to please give your head a shake, put aside your philosophical rhetoric, your idealism of the free market ruling the world, and understand how this country was built and how this farming industry will be maintained. Please do that. Thank you, Mr. Speaker.

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

**Mr. Upshall:** — With leave, may I move my motion . . . (inaudible interjection) . . . Okay, thank you.

Mr. Speaker, seconded by the member for Turtleford, I move:

That this Assembly commend the provincial government for having the foresight to develop a comprehensive strategy for Saskatchewan agriculture for the future, and that the provincial government be further commended for its excellent consultation strategy and public relations process, which will involve eight regional meetings around the province with farmers, communities, and the agriculture and food industries, who will help develop the agricultural plan for the future.

Thank you.

**Mr. Johnson:** — Mr. Speaker, in standing to second this motion, I would like to first of all indicate that one of the things I appreciate about the consultation process that this government has been implementing in agriculture and in other areas and fields is the nature of it. If you looked at a short description of how the consultation occurred in the '80s you would see that it had a list of things that the government would do.

And the first thing on that little check-list of items that were necessary if you were going out to consult was to hire an ad agency. And once you had the ad agency hired, then allocate half the funds that you were going to use for the program or that you intended on spending in supporting agriculture or any other industry by turning half of the funds over to that ad agency and create a wad of glitter and work from that particular aspect before you got down to really detailing with things.

And this was not consultation. It was an attempt by the government of the day to ride through its policies, policies that for the most part impacted negatively on anyone that was involved in them.

Well, Mr. Speaker, the interesting thing that I believe that the member who moved the motion indicated this, but I would like to dwell on it for a little while, and that is the nature of consultation that the federal Conservative government is using with agricultural people, with farmers and that in regards to the Crow benefit.

Their suggestion is very simple. They have a plan to change the method of payment, a plan that would allow them then to remove any payment at all, and a plan that would allow for the implementation of payments that would be disruptive and payments that when they went into the community would not achieve any ... provide any stability to the agricultural community.

And so what they do is they come up when they went around with the transport committee hearings and asked the agricultural community and the farmers in it, they consulted with them what should be done in this regard. They got told and told in no uncertain terms to leave the payment with the transportation as it presently is, paying it to the railways and not to bother changing anything at all.

But when that was not what they wished to do, then they came out with this particular approach which said that they were going to continue cutting the \$720 million program and keep cutting it every ... 10 per cent a year unless the farmers and the provincial governments were willing to agree to the changes that the federal government want. And they consider that consultation. And the members opposite know very well that that's the approach that they're interested in in consulting.

Now, Mr. Speaker, this government has approached consultation with groups in a very direct and a very non-expensive manner and one that allows for people to express their opinions and provide input into the system. One of those is the paper that outlines the agricultural perspective for the province of Saskatchewan, and it's a document for public consultation and discussion. And it was published in February of 1993.

Mr. Speaker, this approach is not the glitzy approach, but it's a very down to earth approach of providing

information and asking people to comment on it. And that's what makes the process that this government has put in place as a consultative strategy one that you could rely upon and accept as compared to the previous government that had a system in place that was more beneficial to the advertising community than it was to the individuals who were being consulted.

Mr. Speaker, the indication is that there is changes coming in agriculture, and those changes are coming because of technological advancement in equipment, the changes of crops, and the nature of each of the grains and those type of changes. And the farm community could live with that and live, I would suggest to everyone, quite successfully.

But what they won't be able to survive with is a strategy that is bent on implementing programs and policy that will provide a destabilizing effect in the community, and that is what the members opposite are pushing when they are supporting programs like moving the feed barley out from underneath the Canadian Wheat Board.

Now this particular shift, if you go through the history of it, you can see that the federal government eventually, when they tried every approach they could and were turned down, they eventually went and commissioned a study by Carter. And the strange thing about this study is that they defined what he was to look at so narrowly that there was no other results that one could expect to occur than what he delivered.

He was told not to bother checking into the whole market, just check in to just a portion of it. And in doing that, if you don't look at the whole market and the impact that it has, but look only at a narrow perspective, you end up not viewing the ditches and not seeing any of the things that make this particular approach of taking the barley from the jurisdiction of the Canadian Wheat Board as detrimental as what it would be. And it would be detrimental for the areas of the province that grow the major amount of barley.

With those remarks, Mr. Speaker, I'd like to say that I will be supporting the resolution.

**Mr. Goohsen:** — Thank you, Mr. Speaker. I certainly appreciate this afternoon being given the opportunity to correct the record as misquoted by the member from Humboldt, along with a few other things that are generally misguided and twisted and wrongly put in all of this debate in this motion.

I can't for the life of me understand how anybody in this Assembly could stand up and try to take credit for an agricultural direction or policy that doesn't exist. How could anyone say that a ludicrous plan like the one that this government has, which is no plan, is something that we ought to applaud, that we ought to congratulate. I should think they would have buried this thing at least until two years down the road when they've at least had a chance to maybe show that there is a plan or to do something.

The reality is there is no agricultural plan, there is no consultation. There is no meaningful direction from this administration, in agriculture. They spend \$100,000 of Saskatchewan taxpayers' money to fly to Ottawa and came home with nothing, not even a suntan; a paid vacation for farm leaders and for a handful of NDP supporters. And all they got out of it was a holiday. Nothing for Saskatchewan farmers.

And they stand in this Assembly and criticize the past administration for having gone to Ottawa and getting money for farmers. It doesn't make any sense. The whole thing is absolutely ludicrous. In fact it would be laughable if it wasn't such a serious, serious problem.

And here we have a government that stands up in this Assembly and wants to take credit for helping farmers in a year when all predictions say that annual farm income this year will be \$5,000. Is that above the poverty line all of a sudden? Give me a break. That's way below the poverty line. Anybody that lived in the city of Regina that had a \$5,000 income would qualify for welfare. But Saskatchewan farmers don't. And you're going to take credit for that kind of record. You've got to be kidding.

You throw away the GRIP (gross revenue insurance program) program last year that would have brought in \$400 million more money to Saskatchewan farmers. And that's a fact. A plain fact that cannot be disputed. And what did that do to your economy in the province of Saskatchewan? It destroyed it, if you want to take a look at the record.

I've heard optimistic predictions about how money spins through a society. Some people tell me that up to seven times a dollar will spin through an economy if you have a new dollar coming in. An Ottawa dollar coming to Saskatchewan I consider to be a new dollar. You lost 400,000 of them. Spin that through Saskatchewan's economy by seven times and you've got 2.8 billions of dollars that are spent.

We also have people that tell us that it takes a working person until the middle of June — from January to June — before he works one day for himself. All of the rest of that time is spent earning money to pay taxes in the province of Saskatchewan.

That's something around 50 per cent of your wages that go for taxes — \$2.8 billion of spin-off money from the \$400 million that this government threw away. Threw away. Figure out the taxes at 50 per cent on that kind of money and you've got \$1.8 billion. A billion — \$800,000 in taxes that would have evolved out of the spin-off of having that money come in from Ottawa to Saskatchewan.

And they threw it away because of socialist philosophical principles. They would not deal with the Conservative government in Ottawa. Plain and simple as that. They absolutely refused to negotiate in good faith with anybody that isn't a socialist. And they threw away enough money even on the minimum amount.

I've also heard the story, Mr. Speaker, that 3 per cent is . . . or three times is the real spin-off — seven is too high. Let's look at three then just for a second — \$400 million times three — and you've got a billion, two hundred thousand dollars. Half of that in taxes spun through the economy is \$600,000, the very minimum amount of spin-off you could have had. That's enough to pay for our whole educational system in the province of Saskatchewan.

One of the biggest portfolios you got in the province could have been paid off by the spin-off of the tax dollars from one bad deal that this government perpetrated on the farmers of Saskatchewan. And they did it for politics, pure and simple. Partisan politics. And we will suffer in this province for years to come for that misguided adventure.

The member from Humboldt talks about the fact that we are causing depression. Well I'll tell you, Mr. Speaker, \$5,000 net incomes is depressing and you can't get away from it. Those people have a right to be depressed and they've got a right to be angry — angry with this government for throwing away \$400 million just so they could play politics; federal money lost because the NDP decided to declare war on the federal government and not deal with them.

(1530)

And now we see them declaring war on business in the province of Saskatchewan. That's the next thing. Now we've got a trend established. We're going to declare war on everybody and anything that makes a dollar or helps people to genuinely live a better life. And then they pass it off as saying oh yes, but the real issues are whether or not somebody sells a load of barley outside of the Wheat Board.

Well let's just straighten out the record for the member from Humboldt. Nobody in this opposition has said that we are against the Canadian Wheat Board or that we want to have it destroyed or dismantled. That is an absolute falsehood.

The reality is, though, that the Canadian Wheat Board shouldn't even be called the Canadian Wheat Board because it handles all kinds of other grains besides wheat, not to mention the oil-seeds; but just the feed grains alone probably comes to as much as the wheat that we're handling.

The reality is that it's a grain handling board and it makes mistakes — plain and simple. No organization, no structure is so indestructible that it can never make a mistake, and the reality is that the Canadian Wheat Board has done a really good job, and they're well worth having, and the members opposite will know that there are lots of ways to defend the actions and the record.

But they will also have to concede that mistakes are made and we have to analyse how come those mistakes happen and where they do happen. Where they happen and the reason they happen is because

the Canadian Wheat Board is used to trading in the international markets where they achieve the goals of selling massive amounts of grain in each contract. I've never heard of a contract that didn't include hundreds of thousands of tonnes of grain.

But the reality is also this, members: there are niche markets, small little markets, markets that the Wheat Board misses, and that's where barley fits into the scheme of things in the southern part of Saskatchewan and on the western boundary.

The Alberta feedlots are looking for grain. When they can't get them at home, they come to Saskatchewan; that's natural. The same thing happens across the border in Montana. If a rancher down in Montana wants 10 or 20,000 bushels, the Canadian Wheat Board wouldn't even know that he was looking for it. It's a very niche market, a very small amount.

But to the chagrin of the member from Humboldt, it doesn't hurt him if somebody in southern Saskatchewan sells two or three loads of barley to that feedlot operator or that rancher in Montana; it actually will help him because the reality is that the Wheat Board then has less barley to handle and there is less competition for the market-place that his grain is going to go to. If he's selling malting barley to Japan and there's less barley from southern Saskatchewan to compete for that market, he's got a better chance not only to sell it, but of having a better price, because that's how the supply and demand system work.

But I shudder to think that anybody in the NDP ranks would ever understand what supply and demand means. Socialists have never figured out that there is such a thing. They believe that you dictate the prices and that somebody comes and automatically pays what you dictate.

Well NDP times are hard times in Saskatchewan and you cannot get away from that. NDP times have always been hard times in Saskatchewan and they are getting harder and harder to take and the people of Saskatchewan are starting to wake up and smell the coffee in that area as well.

NDP times are hard times because NDP times are revenge-on-rural-Saskatchewan times and that reflects through a spin-off through the entire economy — \$400 million dumped down the tubes for philosophical reasons and a loss of tax dollars that could have bailed us out of almost all of our economic problems last year from one bad deal — all done for politics.

Rural revenge that costs us the hospital system in rural Saskatchewan is now impacting heavily on the cut-backs in education; teachers being laid off by the droves; nurses being fired in groups, not only one or two at a time but solid, massive groups fired all at one time; taxes up in every jurisdiction all through the province. And why? Because of one bad deal.

Four hundred million dollars that weren't allowed to spin through our economy could have paid for

everything we've lost in this whole system in the last year, and these people have the nerve to stand in this Assembly and try to brag about what a good deal they're doing. Well talk is cheap, Mr. Speaker. It takes money to buy food, and the farmers of this country and this province know that all too well. And they know all too well that it's this NDP government's stubborn, arrogant, political ways that have cost them this money and will cost them their farms.

They talk about consulting. South of No. 1 Highway there wasn't a meeting. They wouldn't dare go down there. They'd get run out on a rail. Some of them tried it; they had to run for their life. They had to have police guards to get them out of the buildings. There won't be an NDP going down there for a meeting, I can tell you, because the farmers have had it up to here with NDP partisan politics that costs them their farms and their lives and their incomes. Down by how many percentage points? You don't even know.

Well, my friends, I want just to add for your benefit that the minister talks about how he's going to renegotiate, renegotiate the farm policies and the farm programs. He's going to consult; he's going to come up with a new plan that's better than GRIP. Well I tell you straight out, you're not going to be able to do it because there is no way that you're ever going to put together a bureaucrat-driven program that's going to be the best possible for farmers.

I'll give you a bit of advice. Throw out the whole idea and get some cash to the farmers. Stop trying to put bureaucrats into the place of administering federal dollars and provincial dollars, creating jobs for bureaucrats. Get the money that's allocated to farmers to the farmers. Put it on a price of a bushel of wheat and the price of a bushel of barley at the elevator.

That's what you ought to be negotiating with the federal government and with the farmers. Put the price at the place where the people sell their stuff and get them the money. Stop fooling around with all these ideas of some more complicated bureaucratic programs that probably never will work anyway.

We've seen some of this tested, haven't we? They haven't worked. The members finally are seeing the light. We've got a couple of farmers back there that know very well that it's the cash that's the real thing that's important. And getting it into the hands of the people that it was intended to get it to — that's important. Now maybe we can start working together. We'll also get you to understand how the barley market works too, if we work on it for a while.

We have these niche markets, Mr. Speaker, that are so very important, not only in oats and barley but also in oil-seeds. And we have to have a central marketing agency because we do handle far more bushels of product in this province than we could ever eat or sell to our niche markets.

So never let it be said that we don't support a central selling agency to work in the international markets. But at the same time let's allow our producers the

option to take advantage of niche markets where they can make an extra dollar occasionally and do something to help themselves in a very depressed economy and a very depressed industry.

The members talked about the Crow's Nest Freight Rate Agreement. Mr. Speaker, I've heard about this ever since I'm a kid, and I'm not exactly a young man any more. So I've heard about it for a long time. At one time we jokingly said, I hope somebody shoots the Crow; I'm tired of listening to the stories about it.

But the reality is that it's very important politically and in reality, to Saskatchewan farmers. But I challenge the members opposite. In Alberta when reference was made to the Pools by the member from Humboldt, in Alberta, what does the Alberta Pool support? They don't support the Saskatchewan Pool position any more, do they? In Manitoba, what does the Manitoba Pool support? They don't support the Saskatchewan Pool position any more. They've changed, because times are changing.

I don't know if they've recognized that if we don't grab it, we're going to lose it. I don't know if that's their motivation or not. But that in itself has to be a motivation to grab something for Saskatchewan farmers.

And I'll tell you where we stand on the issue, fully and squarely. We stand fully and squarely on the proposition that those dollars belong to the Saskatchewan farmer. They belong to the producers on the land, and they should go to that producer in some form, and to nobody else.

If they don't benefit Saskatchewan farmers, then they are not being wisely and properly spent. And I don't care how you distribute it or how you figure it out, so long as the benefit accrues to the farmer in the percentage that we were promised under the original agreement. And that's our position, as I stand here.

Mr. Speaker, this motion is so absolutely wrong that I'm just forced to have to move an amendment. But just before I do that, I want to encourage the members opposite to do one more thing. Besides trying to get the producers some money at the elevator and getting a better plan that works there, pass a provincial law. I challenge you — pass a provincial law that would force all Saskatchewan retail sales of gasoline to contain Saskatchewan-produced ethanol at 10 or 20 per cent. I challenge you to pass that law and do something positive and really make the system of diversification work.

The member from Biggar can see the light. I can see it already. If 10 or 20 per cent of his grain has to go into ethanol, that's a market. Even a socialist will wake up if you tempt him with enough dollars. But it's real, and it'll work, and I challenge you to do it.

I'll go on with my motion, Mr. Speaker. I move, seconded by the member from Estevan:

That all the words after the word "Assembly" be

deleted and the following substituted therefor:

condemns the provincial government for its lack of vision and lack of comprehensive policy and programing to assist Saskatchewan agriculture today and in the future; and that the provincial government be further condemned for its lack of true consultation with our province's producers; and that this Assembly further condemns the provincial government for its emphasis on public relations rather than substance, which has evolved. Even the Premier making statements while in New York claiming that farm receipts are on the rise in this province, and making this claim with full knowledge that Agriculture Canada's forecast for this year calls for Saskatchewan farm income to fall 56 to 68 per cent from 1992 to less than \$5,000 a farm in realized net farm income.

I so move. Thank you, Mr. Speaker.

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

**The Speaker:** — Members, give me a moment to have a look at the amendment, please.

Order. I want to remind members again that amendments should be first of all . . . contain really no preambles. This one doesn't contain a preamble before but contains a preamble in the amendment.

And therefore I would . . . the Speaker does have the authority to delete, and I will do that and make the amendment in order and ask the members whether or not they will accept the amendment up to the words "rather than substance" and delete the rest of the amendment which should be part of the debate if the members wish to make it such. Otherwise I will rule the whole amendment out of order.

**Mr. Goohsen:** — We agree with your interpretation, Mr. Speaker.

**The Speaker:** — All right. The member from Estevan may continue. I will read the amendment so that the members know exactly what the amendment is.

Moved by the member from Maple Creek, seconded by the member from Estevan:

That all the words following the word "Assembly" be deleted and the following substituted:

condemns the provincial government for its lack of vision and lack of comprehensive policy and programing to assist Saskatchewan agriculture today and in the future; and that the provincial government be further condemned for its lack of true consultation with our province's producers; and that this Assembly further condemns the provincial government for its emphasis on public relations rather than substance.



(1545)

**An Hon. Member:** — You don't want a post-amble nor a preamble?

**The Speaker:** — No, no. That would be the amendment.

**Mr. Devine:** — Thank you, Mr. Speaker. I wanted to take a few moments to support the amendment that my colleague from Maple Creek has just made. And the reason that I want to do that, Mr. Speaker, is to just point out the hypocrisy that we see in the NDP administration and by the MLAs (Member of the Legislative Assembly) who are now bragging about their agriculture policy as we see farm income plummeting in the province of Saskatchewan, down to \$5,000 per farmer. It's fallen over 50 per cent, and they are bragging about their farm income policy.

We see the complete devastation of support programs, rural as well as urban, for agriculture, and the NDP are bragging about their plan and their policy and their consultation and how wonderful it is. Well just a simple question, Mr. Speaker. How can they brag about their plan when in the last 16 months farm income has been cut in half and people have lost their hospitals, have lost their support systems, lost their GRIP, lost natural gas, and have been taxed through the hilt. And they're bragging about this. How can they do that?

How can they credibly and honestly and sincerely feel good about agriculture and brag about their policies and their programs if in fact people are going through this pain? Why would they stand in the House and tell everybody how good the NDP are to farmers, to agriculture, to rural people. It doesn't make any sense.

Anybody watching this anyplace in Canada or anyplace in the world would say, well how is it out there in the agricultural world in Saskatchewan? To listen to the NDP, it must be very good, very positive, farm income must be way up; it must be quite good. Because nobody would ever make a motion like this unless it was quite positive out there.

And then when you tell them the truth, that farm income is now below \$5,000 a farmer and it's down over 50 per cent this last year; and on top of that power rates have gone up, gasoline prices have gone up, rural taxes have gone up, utility rates up, and they've cut out their bus service, they've cut out their support programs, and they've cut the rural service centres, they've closed their hospitals, they've taken away their schools, they've ripped up their roads, and they say, well how could anybody even think of raising a motion that bragged about NDP policy? It doesn't make any sense at all.

So the NDP raise this, and I'm going to support the motion from the member from Maple Creek because it's not credible; it's not honest. It's just straight fluff and just frankly partisan politics.

I want to reiterate what a lady said to me about the agricultural policy, and I used it in here when I was talking to the Minister of Health. What she said to me, how would you feel if you lived in rural Saskatchewan and this is what they were doing to your farm and to your community? How would you feel? And I think it's a fair question.

She said, we've had an NDP administration for 16 months and this is what they've done to me and my family and my farm. Now how would you feel if they came and did this to you? They took away my children's dental plan. They took away the protection I had for optometric and chiropractic coverage. They took away my protection on the prescription drug plan — dramatically. Costs hundreds and hundreds of dollars per family. They took away any protection for insulin and oxygen coverage. And then they took away my hospital. It's gone, closed.

They took away the jobs associated with the hospital, they took away my doctor, took away the druggist because the pharmacists aren't going to operate there without the hospital. They have taken away roads in my community. And then they've just announced they cancelled my bus service. It's gone — no more bus service. They're closing the school. They've taken away my senior citizens' heritage plan for the poorest of poor in rural Saskatchewan. And they've taken away the pension plan, the Saskatchewan pension plan.

So the pensioners have been hit, schools have been hit, low income seniors. And we're looking at the staff of the local senior citizens home saying, we will be next. They took away the natural gas system. No more natural gas distribution system. It's finished.

And as my colleague pointed out, they took away the farm support system which was cost shared by three jurisdictions. So my farm support systems are gone. And they raised all the fees — pasture fees, breeding fees. And all the taxes associated with farming have gone up. And my farm income now is \$5,000 on average per farm.

They took away any tax benefits from harmonization because we used to be tax free with harmonization. We got not only the GST (goods and services tax) back, but the PST (provincial sales tax). Farmers were sales tax free and businesses were sales tax free — both of them refunded. Took that away. They took away the farm service centres.

My children are looking to Alberta for a job because obviously you can't find it in rural Saskatchewan. My town is thinking of expanding the food bank and my town is thinking about not being a town because they're talking of even closing the church.

And then she asked, how would you feel if that happened to you in 16 months under a new NDP government? She says, what else have they got left to take? What else could they do to me?

And she says, well I finally figured out what else they

could do. They could take away my vote. They could take away my riding because there won't be enough people here to justify having a riding and they'll pass a new law way ahead of time in his legislature prior to the next election saying, we won't let the rural people have the representation they have because there's nobody there. So you take away their franchise.

And after all that she says, how would you feel about an NDP administration that promised no new taxes, health care support, costs of production in farming, promised viable rural communities, stick up for the farmer? How would you feel? She says, absolutely, totally betrayed; she will never, ever, ever even think about voting NDP ever, for what they've done to rural Saskatchewan.

And they campaigned, my gosh, on doing all of the positive things — helping to diversify, helping to build, provide the cost of production, good farm support programs, all of these great and wonderful things they're going to do, no increase in taxes. They didn't tell the truth. They didn't tell the truth.

Well now, Mr. Speaker, what I want to say to the members of the legislature, you can't fool this woman who identified all the pain that she's been experiencing here; you can't fool her. The NDP Premier can go and speak in New York and he can try to fool New Yorkers. He can say farm income is going up in Saskatchewan — he'll say that in New York. And when he's caught on it, he says, oh that was a different speech; CP (Canadian Press) got it wrong.

The NDP Premier, the member from Riversdale said in New York, farm income was going up and he bragged about farm income increasing. Back home we find that farm income is cut in half, and farmers are suffering and rural people are suffering, and he says one thing in New York and another thing at home. And these people stand up now and brag about their agricultural policy.

Then the NDP Premier says, well I can do one better than that. I campaigned against Cargill and Weyerhaeuser and upgraders. They're just terrible things, terrible, terrible for the people of Saskatchewan. There's no jobs in the oil patch, no jobs in fertilizer, no jobs in paper mills, no jobs in upgraders. It's a terrible thing to do.

Well when he's in New York it's just like agriculture policy. He has a new story in New York and we could quote from the speech. He says, and we have lots of very important and positive international people investing in the province of Saskatchewan.

Cargill is investing in Saskatchewan, and the NDP Premier brags about Cargill; Weyerhaeuser is investing in Saskatchewan in paper mills, and the NDP Premier in New York brags about Weyerhaeuser. And he says, we have international investment in share offerings. There's been privatizations in the province of Saskatchewan, and he talks about the strength of international investment in Saskatchewan. He does that in New York but when

he's here, he says exactly the opposite.

But we know that's been going on for some time. Because he would say one thing in Gravelbourg about hospitals and he'd say something else in Regina and Saskatoon. He'd say one thing in Harris, Saskatchewan about decentralization and he'd say something else in Regina.

And the agricultural policy looks like that. They don't know what they're doing. They don't understand diversification. They've campaigned against diversification. They've campaigned against allowing farmers to change their source of income.

Despite the NDP, and despite the NDP's great big hollering about freight rates and about the Canadian Wheat Board, the diversification is taking place among NDP members because they are saying, I'm going to have to grow mustard even though it isn't under the board. I'm going to have to grow oats, and they are. And they're going to grow lentils. And they're going to grow peas. And they're going to grow beans. And they're going to grow various kinds of specialty crops. Mr. Speaker, they're doing it regardless because they know their own agriculture policy is a complete failure — absolutely failure. If everybody was to grow just wheat, and just listen to the NDP, you'd all be broke.

Mr. Speaker, the NDP administration has cost the average farmer over \$50,000 alone just by wrecking the support programs. The last two years, if you look at frozen wheat, and you look at the lack of protection, the NDP administration has cost the average farmer \$50,000. And the NDP are standing in their place bragging about their farm program. What program? You'd have been better if you never did anything. Don't even get into agriculture. Don't even pretend you know anything about it. You've cost this province billions and billions of dollars because you wouldn't cooperate with the federal government.

As well, you've cost the farmers and rural people and businesses millions and millions of dollars because you wouldn't cooperate even in terms of putting the two tax systems together. Farmers could have tremendous benefits by having a sales tax free system in the province of Saskatchewan that generates money for the coffers in the province of Saskatchewan. In fact, harmonization pays for rural hospitals, and pays for programs like GRIP to support agriculture.

In fact that's why it was introduced. If you harmonize the two systems, you will have the money to provide the income. And at the same time, Mr. Speaker, you can make sure that farmers will get the benefit of having no sales tax in the province of Saskatchewan to compete with Americans or to compete with other jurisdictions like Alberta. But no, the NDP can't do that.

They don't understand it. They're raising every tax and they're hurting the economy. We see now that as a result of their farm programs and their farm policy,

Saskatchewan's gross domestic product is declining, not increasing and in good part because of rural Saskatchewan. It's the only province in Canada now on this chart that is actually seeing a decrease, a decline, a reduction in the gross domestic product. And the NDP are bragging about this.

The charts from StatsCanada and financial institutions speak for themselves. Saskatchewan is the only jurisdiction on the way down. And the place that's going down the quickest and the fastest with the most pain, in a free fall, is agriculture. And the NDP here are bragging about their policies.

This chart is led by agriculture. The agriculture people are below this in the chart. Their farm income is down 65 per cent. There is no change at all done the increase of gross domestic product. It's all falling through the floor.

And on top of that, you've cut their hospitals and cut their bus service and cut the rural support programs and cut the farm service centres. Take the very heart and soul right out of them and then probably cut their ridings. And you have added to this and you have the audacity to stand in here. And I suppose you're going to run around the province in the next federal election now, saying, oh vote NDP, and we'll protect you from the big, bad wolf. We'll protect you from whatever it is you're going to try to make them afraid of.

(1600)

The biggest threat to life in rural Saskatchewan in this province today is the NDP administration. The biggest single threat to farm viability, rural lifestyle, rural health, and community living is the NDP. And these charts now statistically confirm that, that you have hurt the economy and you've hurt farmers. You've taken away their support programs.

And members opposite say, well we didn't do that. Well did you take it away? Of course you did. Did you take away the hospitals? Yes, you did. Did you increase the price of gas? Yes, you did. Did you take away their support program? Yes, you did.

And he says, they knew exactly what the debt was and they campaigned against it, but they still promised cost of production, lots of support. And they say ah, forget that. They don't like to hear it.

They said they would help, and they have delivered pain. And they have hurt farm people. There are people that will never, ever vote NDP again because of what you've done. You have betrayed them. You've let them down. You've wrecked their families, wrecked their communities, closed their hospitals, ripped up their roads, closed their bus service, charged them for health care.

You care more about freight rates than you do the local hospital, and that's the truth. You'd rather argue freight rates than you would stick up for protecting the sick and providing health care support for people, and that's what they're talking about out there. You can

run around and say well, I can't go to the hospital on the Crow rate. That's all the NDP will talk about, freight rates, but they forget they took away the hospital.

You are more interested in freight rates than you are health care, and I'll tell you when you go to see the people the next time they'll be telling you that. You think freight rates are more holy and more righteous than people's families, people's hospitals, people's communities, people's nursing homes, and their communities.

And you put up these phoney straw men. Well I guess we'll have to have the next election on freight rates. Well what about people? What about their lives? What about their hospitals? What about their nursing homes? What about their life? And then it's a hypocrisy because as they argue about freight rates all the time, do you know what the NDP farmers do? They say hey, I can't make it with these freight rates and I can't make it this way. I'll have to grow something that is not under the Wheat Board and not supported by the freight rates.

And what do they do? They grow mustard, and they grow lentils, and they grow peas, and they grow beans, and they grow all kinds of different commodities, livestock. Livestock, just to get out from what they're preaching because they won't follow it themselves. No. They diversify. I think the past president of the Wheat Pool has gone totally into livestock agriculture, 300-and-some cows. This is the big defender of the freight rates and put everything through. Do you think cows are marketed under the Canadian Wheat Board? No. Well then why are the NDP growing cows? Why are they growing lentils and peas?

Well for heaven's sakes. It's just the hypocrisy. It's the absolute hypocrisy that they will not stick up for health care; they won't stick up for communities; they're more concerned about freight rates than they are people, and hospitals in communities. Well, Mr. Speaker, obviously this side of the House and the general public condemns the NDP, would not vote for their silly motion about bragging about how good they are in agriculture.

People are laughing at the NDP Premier who tries to tell the rating institutions that farm income is on the rise in Saskatchewan. And then he brags today because he says they've stabilized our credit rating at the bottom. It's not going to move. It's down there. They say it's okay. It'll stay where it is.

Well, Mr. Speaker, we had a plebiscite in the province for balanced budgets. We had a harmonization package that would balance the budget and pay for farm programs, and the NDP said no. The people said yes I think we should have balanced budget legislation. The people know that if you cooperate with the federal on agriculture programs, environmental programs, educational programs, or farm programs, you're going to be better off than going it alone. But no, the NDP says, we can go it alone; it'll

be magic. We don't need GRIP. We don't need harmonization. We won't have to raise taxes. We'll give you all this stuff for nothing and we'll balance the budget.

And do you know what, Mr. Speaker? They can't do it. All they can do is stand in the House and brag about their mythical plan.

Well, Mr. Speaker, let me just say this. The general public would not vote for the motion put forward by the member from Humboldt and the general public would certainly endorse the amendment put forward by the member from Maple Creek. I am certainly going to endorse that amendment and I move to adjourn debate, Mr. Speaker.

Debate adjourned.

**Hon. Mr. Lingenfelter:** — By agreement of the House, I would move that we move to Estimates, Committee of Finance.

Leave granted.

## COMMITTEE OF FINANCE

### General Revenue Fund Finance Vote 18

**The Chair:** — At this point I would ask that the minister please introduce the officials who are with us here today.

**Hon. Ms. MacKinnon:** — Thank you, Mr. Chairman. On my right is the deputy minister of Finance, John Wright; seated next to him is Len Rog, assistant deputy minister, revenue, pensions, and administration. Behind Mr. Wright is Craig Dotson, associate deputy minister, budget analysis division. And next to Mr. Dotson is Bill Van Sickle, executive director, administration division. On my left is Bill Jones, associate deputy minister, treasury and debt management division. And seated at the back are Gerry Kraus, the Provincial Comptroller, and Kent Walde, acting director, pension programs, public employee benefits agency.

#### Item 1

**Mr. Swenson:** — Thank you, Mr. Chairman. Madam Minister, today we don't have a great deal of time to discuss everything, but there's some issues that are very current out there with the Saskatchewan public that I think we should discuss here today. As you know all of the recent economic indicators that have been coming in show that your government isn't up to snuff as far as economics in the province of Saskatchewan and the ability of Saskatchewan people to have faith in your government to allow them to participate in the economy, provide jobs, and pay taxes in the future.

And particularly the business community, Madam Minister, is saying to you and to your Premier that it's time that we sat down and had a bit of a chat again

because the economic plan that your government put in place last September is turning out to be a fiasco, that the projections and the promises made there are quite simply ringing very hollow with the reality of the Canadian economy today. And it's time that you sat down with them to start reworking some of that particular plan that obviously isn't working, and they're talking about people being deceived, about a feeling of anger, feelings of rejection.

Madam Minister, your Premier then has the gall to stand up in this legislature and say that these people don't represent the business community of the province, that the chamber of commerce and the federation of independent business and the construction association and others don't represent the people that pay their dues.

Well, Madam Minister, as you know in the last two interim supply motions, we've asked you to bring forth your own analysis. And I notice in the budget here that we've got over \$4 million allocated, and you've got a deputy minister that's assigned to that particular section of budget analysis and how well you're doing.

Madam Minister, I think it's time that you started to come clean with the people of Saskatchewan, with this Assembly about what your budget has done to Saskatchewan's economy; what your budget has done to the business community; what your budget has done to the average taxpayer who now has less disposable income; and what your budget has done to those many thousands, those tens of thousands of Saskatchewan people that find themselves unemployed with no prospect of employment in the future and the alternative simply to be to go to the No. 1 Highway or go to the Yellowhead and hang a right and head for Alberta or British Columbia.

In other words, Madam Minister, what they're saying by marching with their feet out of this province is that they have no confidence, that there is a lack of confidence in your budget and in your financial direction and your ability to draw new business to this province. And that for all the promises made, all we've got so far are broken promises and nothing else — not one concrete thing.

Now, Madam Minister, I'm going to give you the opportunity to show us some results that your department has put together, to show Saskatchewan people that you are on the right track, that your increases in taxes and utility rates, in gasoline tax, that the potential taxes that you're going to impose on Saskatchewan business through occupational health and safety, through workmen's comp aren't going to drive our economy further into the hole than what it already is.

And, Madam Minister, I'm going to give you the opportunity to refute what the Premier said when you and the Premier and your officials were in New York and you told the people in the rating agencies, the people in New York, that there was major increases in net farm income that were going to help your picture

out.

And the reality being the net farm income in this province, by all analysis, Madam Minister, is going the opposite way; that we've got as much as a 68 per cent drop. And yet you use rising farm net income receipts as one reason for your economic indicators going up. Well, Madam Minister, you can't tell one story in New York and come home and tell another one.

So, Madam Minister, maybe you can start explaining first of all to the farmers of Saskatchewan who are in an income crisis, and then I'll give you the opportunity to move through the business sector and others, for you to provide some information to show them why they shouldn't be so angry with you, that they would demand an economic summit with you and your government to try and redefine the plans that you so glowingly sold to this province and the business community last September.

So, Madam Minister, perhaps you could start by telling us why you would go to New York and say that rising farm receipts were one reason for optimism, and in fact they are falling as much as 68 per cent in the province of Saskatchewan. Could you do that, Madam Minister?

(1615)

**Hon. Ms. MacKinnon:** — Mr. Chairman, thank you very much for that question. I attended all of the speeches given by the Premier and I listened very carefully to what he said because sometimes he answered some of the questions that would arise from the speech and sometimes I would answer some of the questions that would arise from the speech. And I can assure you that the Premier of Saskatchewan never said that there would be an economic recovery in Saskatchewan because of rising farm income.

I'm not sure that I know why the member opposite would have such confidence, that just because one press report suggested that, that this showed beyond a doubt that this was said. So all I can say is I listened to every speech; that was never said.

Now the member opposite raises the issues of the Conference Board of Canada economic forecast. And I think it's worthwhile reading these into the record, because for people who are open-minded about the future of Saskatchewan and in our present circumstances, this is very good news.

And what I would like to read into the record is the comparisons, what the Conference Board of Canada projects for Saskatchewan and what the Department of Finance has projected for Saskatchewan. And our projections take into account outside forecasts given by all agencies and also they take into account changes made with respect . . . as a result of this budget.

This year there is a difference in opinion. The Conference Board of Canada says growth, real growth

in the province is going to be 1.8 per cent, the Department of Finance says it's going to be 2.8.

However, next year the situation is reversed. For 1994 the Conference Board of Canada is significantly more optimistic about the level of growth than is the Department of Finance. The Conference Board says 2.3; Department of Finance says 1.6. And if you look . . . What you have to do is you have to look over the four-year period, from '93 to '96, and there's very little difference in the two forecasts in terms of economic growth.

There are other statistics included in that forecast. For example, the Conference Board of Canada makes projections with respect to unemployment. What's interesting is their projections are more optimistic than ours. We say unemployment in '93 is going to be 8.9 per cent; they say it's only going to be 8.5 per cent. Next year we agree entirely on the rates of unemployment.

And again if you look at things like personal income, we say personal income should rise by .6 per cent. Conference Board of Canada is much more optimistic. It says 2.2 per cent.

Now over the next number of months we will go through different forecasts. Some will be up; some will be down. There's another forecast came out post-budget which had growth in Saskatchewan at 2.7 per cent. And we'll fling these figures back and forth.

But unless the members opposite are just looking for the clouds in the silver lining, what they will have to focus on is every single economic forecast for the province of Saskatchewan for the next four years says the economy is going to grow; there are going to be more jobs created. And that is good news.

**Mr. Swenson:** — Thank you, Mr. Chairman. Well, Madam Minister, you may not agree with what the media report about what the Premier said while you were on your junket to New York, but they are quite confident, Madam Minister, in what they say. As a matter of fact, they're quite willing to stand behind the transcripts that they took at that meeting. They have no problem at all standing behind what they reported.

So I would say, Madam Minister, if you've got a problem with it, that you should talk to them. And if you're accusing them of telling an untruth, then do something about it. But they're quite willing to stand behind what they reported.

And I just can't believe, Madam Minister, for a minute that the Premier of this province, coming from a province where net farm income is just absolutely devastated — a good part by the programs brought in by your government, by the taxation brought in by you, Madam Minister, that you could even allude to the fact that Saskatchewan agriculture had any semblance of health attached to it at all.

Matter of fact, if you'd gone there and told the whole truth and nothing but the truth about our economy,

you would have had to tell them that it wasn't looking good at all. And you would have had to tell them that you had pulled out of GRIP and you'd done a whole bunch of things that were having an adverse effect on the economy. And I don't suppose you want to do that, Madam Minister, because you always like to tell the folks in New York one thing, and the folks at home another.

That's why when we refer to one of the many speeches that the Premier sent across to us, we talk about his glowing reports of Cargill and Hitachi and IBM and Northern Telecom and Weyerhaeuser and what great corporate citizens they are, and how they're adding to the employment in our province, and they're all substantial projects. And then he comes into this Legislative Assembly and out in Main Street, Saskatchewan, and he says all these are just terrible rotten people and they shouldn't be here.

I mean, Madam Minister, you can't go to New York and always give these mixed messages simply to define your own political well-being. But that's what you do. I mean I could read half of this speech in the verbatim here, and it would counter half the stuff that you guys stand up in question period and talk about.

Now, Madam Minister, those numbers that you just wanted to get on the record here in this Legislative Assembly, you should finish the statements off. When they talk about 1.8, they say 1.8 or lower. And the reason that it will go lower is because of the budget brought down by the Government of Saskatchewan; that the budget is having a serious impact on the economy. So 1.8 is the best in '93-94 that you're going to be able to achieve. But it will be probably significantly lower because of your budget.

And, Madam Minister, what the business community is saying is exactly that. Because of your budget — the only cause of inflation in the province of Saskatchewan today — because of your budget, you've got 16,000 less jobs, that your unemployment rates are up, that out-migration is continuing. And, Madam Minister, they want to sit down and talk to you about it.

So maybe what we should do first of all is get you to finish off the statement and answer this question. Why does the Conference Board of Canada give you 1.8 as your top end and say it will be substantially lower because of the budget that you brought down in the province of Saskatchewan. Madam Minister, why will it be substantially lower according to the Conference Board of Canada?

**Hon. Ms. MacKinnon:** — Mr. Chairman, I would gladly finish off that sentence. Because the disagreement again is about this year. They're lower this year; they're higher next year. But what matters most is not volume. It's not how much you pass through the system. It's the value of what you pass through the system, the value of what you sell.

What's interesting there is the statistics. They say next year — this is Conference Board of Canada revised — they say the value of what we produce in this province is going to increase by 3.7 per cent. We say it's going

to increase by 3.3 per cent.

So again if you want to try to go through numbers and figure out the most pessimistic interpretation of them, that's fine. And the people of Saskatchewan will judge you on that basis. But what I'm saying is that there is no cause for concern here. Considering the past of the province, this is an optimistic forecast.

I want to say a word with respect to Cargill and New York. What precisely would the Premier of Saskatchewan say in New York? Cargill, it does not exist in our province. He stated the fact that Cargill is here. But I can tell you when we talked to the bond rating agencies, we didn't have to tell them about the kind of deal that the previous administration signed with Cargill; they knew about it. And they knew that it was one of the major problems, one of the major liabilities that we as a government have to deal with.

So make the distinction between saying yes Cargill's here and comments about the deal. Yes, Cargill is here, but the deal signed with Cargill was not a deal in the best interests of the province. And that was said in New York as well, and it was said with the complete understanding of the bond rating agencies.

**Mr. Swenson:** — Madam Minister, the reason that you won't finish off the statement is because you know full well that the numbers you were talking about occurred last year.

I mean I just read the front page, or the business page of the *Star-Phoenix* yesterday and the president of PCS (Potash Corporation of Saskatchewan) is saying that the going price on potash is backing off, that the spot market is a lot lower.

You go to New York and you tell the folks that the price of uranium is up 21 per cent. The last reports in, even though Cameco's share value is going up, that the spot market is as low as \$8.

Madam Minister, the business community aren't stupid. They also understand what is going on in the world market-place. Madam Minister, your agricultural production, your net farm receipts are down as much as 68 per cent. Madam Minister, the projections for the next crop year starting in August for the price of all of the major grains and oilseeds, is down. Not up — down. That crop year is going to take you well into 1994.

Now, Madam Minister, with your agricultural community facing that, with a lot of your major commodities by their own reporting saying that they are off in their sales projections, and for next year, the business community and others are saying, you've got a serious problem. You're not admitting what reality is and you're not admitting what your budget is doing to people that pay taxes and employ others.

And that's why they want to sit down with you. Because they're saying this stuff, you can project it out as far as you want, Madam Minister. The reality is today, the reality is the

tax Bill, the reality is the jobless, the reality is nothing going on in the province of Saskatchewan. That is the reality.

And you have to go to New York and talk about all the previous deals done in this province by other governments in order to come up with any good news at all.

While you're answering my question, Madam Minister, I'd like to know what the existing interest rate is that Saskferco is paying the Government of Saskatchewan. What is the commercial rate that Saskferco is paying the Government of Saskatchewan on the loan guarantee that they have right now?

**Hon. Ms. MacKinnon:** — Mr. Chairman, with respect to the interest rate, there's a formula. The three-quarters of one per cent is the maximum; one-quarter of one per cent is the minimum.

But let me clarify what our concern is and what the bond raters' concern is. The bond raters' concern is simple. The previous administration has the Government of Saskatchewan on the hook to the tune of \$280-some million. It actually is probably more than that if we look up the number, \$280 million of debt, clear debt — \$288 million of debt to create under a hundred jobs. This is the kind of economic development the members opposite believed in and the kind of economic development that has caused the financial problems of the province — expensive, expensive jobs.

**Mr. Swenson:** — Minister, you says it's 288 million. Would you break that down, please, between direct investment and loan guarantee?

(1630)

**Hon. Ms. MacKinnon:** — Mr. Chairman, the 288 is loan guarantee alone. CIC has direct investment to the tune of 60 million. But what's key is what the bond raters say is a debt, is a debt. It's like somebody going to the bank and saying, you know, to the banker, will you give me a loan? And they say, well if you get a guarantee. And they come to you and you say, well listen, if the bank gives you the guarantee, I'll give you the loan. The people on the hook are the people who've given the guarantee, and that's the province of Saskatchewan. And that's what the members opposite have committed these taxpayers to.

And I thank the member opposite for mentioning that to me, because really what I'm saying is fewer than a hundred jobs for more than \$300 million, if you look at the total exposure of the taxpayers of Saskatchewan.

**Mr. Swenson:** — I missed your answer, Madam Minister, on the amount of direct investment. Could you please tell me what that was again?

**Hon. Ms. MacKinnon:** — As I said, it's approximately 60 million by Crown Investments Corporation, not by the Department of Finance. What the Government of Saskatchewan has is the \$288 million loan guarantee.

Crown Investments Corporation has, on top of that, in the neighbourhood of 60 million-plus in direct investment.

So as I say, it's over 300 million tax dollars exposed for under a hundred jobs.

**Mr. Swenson:** — Now, Madam Minister, back to the rate that you're being paid on the commercial rate. You're saying that it's only three-quarters of one per cent?

**Hon. Ms. MacKinnon:** — Three quarters of one per cent is the maximum; one-quarter of one per cent is the minimum. And we received 1.9 million in payments to the Government of Saskatchewan last year.

**Mr. Swenson:** — Madam Minister, would you give me that in dollars, please, for the last fiscal year, the amount of money that that amounted to?

**Hon. Ms. MacKinnon:** — \$1.9 million is what the government received in payment last year.

**Mr. Swenson:** — Madam Minister, how many people are currently employed there?

**Hon. Ms. MacKinnon:** — Certainly the figure that I heard most recently was 88, but let's be cautious and say fewer than 100 long-term permanent jobs.

**Mr. Swenson:** — Madam Minister, how many people were employed there at the peak of construction?

**Hon. Ms. MacKinnon:** — Well obviously we don't know the answer to that, but that information would be readily available. What matters to the long-term future of the province is how many long-term permanent jobs you have and what did you pay to get them.

So I think my point is, we as the taxpayers of Saskatchewan have been exposed to a liability in excess of \$300 million, which is one of the factors affecting our credit rating out there, the exposure on these deals. And in the long term we're looking at a hundred or fewer jobs.

**Mr. Swenson:** — Madam Minister, what would the income tax paid by the average person making 40 to \$45,000 a year, what would they pay in personal income tax and sales tax? You've got figures that show sort of a combination for gas tax, sales tax, personal income tax, that type of thing for an average individual.

**Hon. Ms. MacKinnon:** — Mr. Chairman, in the back of the budget address there are figures to that effect. We have \$50,000 income here. For example, an estimate is \$5,246 a year.

**Mr. Swenson:** — Thank you, Madam Minister. I'm told that there were about 1,100 people working there at the peak of construction. I was also told that their average salary put them in excess of \$50,000 a year

according to the money that they were making on that job site, considerably more. So get one of your officials to do a thousand times that number for me, please, and I'll ask you about it a little later.

Madam Minister, are you saying that as far as Saskferco goes that the province of Saskatchewan is getting nothing — nothing — from the people that truck fertilizer out of there, that the province of Saskatchewan is getting nothing in fuel tax for product being hauled both in and out of there?

Madam Minister, are you saying that the province of Saskatchewan is not getting anything from the railroads, both CN (Canadian National) and CP, who are hauling product out of there; that you are not getting any fuel tax from either CN or CP out of that plant?

Madam Minister, are you telling me that there are no royalties accruing to the province of Saskatchewan on products used in that plant for the production of nitrogen fertilizer? Are you telling me there is none whatsoever?

**Hon. Ms. MacKinnon:** — Mr. Chairman, thank you for that question. I'd be very pleased to answer that. The Government of Saskatchewan through Crown Investments Corporation has some \$60 million in equity. The cost to the taxpayer on an annual basis for the interest on that money is about 4.8 million. So it's 4.8 million we could have used for other purposes. Let's add in the 1.9 million that Cargill pays for the loan guarantee. The taxpayer each and every year is still out \$2.9 million in terms of interest that could have been used for other purposes — 2.9 million each and every year.

Nobody is saying that the people working at Cargill do not pay taxes. Of course they do. Nobody is saying that some employment is not created.

But what we're saying to the people of Saskatchewan is we're distancing ourselves from that particular approach to economic development, and we're doing it because the cost to the taxpayer of Saskatchewan in terms of the exposure is in excess of \$300 million to create fewer than a hundred long-term jobs.

If in fact we were interested in taking that pool of money — \$300 million, \$288 million in loan guarantees — and giving those guarantees to small business, we could create many, many, many more jobs.

And this is the wasted opportunity of the 1980s. The hundreds of millions of dollars in loan guarantees, direct investments into huge projects that are still draining the treasury of the province, created very few long-term jobs, rather than putting the emphasis on the people in the province who really create the jobs — the co-ops and the small businesses.

**Mr. Swenson:** — Madam Minister, does Saskferco pay a dividend to the province of Saskatchewan when it makes a profit?

**Hon. Ms. MacKinnon:** — Mr. Chairman, Cargill has yet to make a profit. We are not aware of any projections to the effect that they will be doing so. We would only get a return consistent with our equity.

But I think the key is looking at what Moody's had to say about these sorts of deals . . . (inaudible interjection) . . . Yes, yes. Well a little bit of information would help too . . . (inaudible interjection) . . . Yes, as my colleague said, a few facts help every so often.

They're talking about our plan to turn around the finances in the economy of the province, a plan which they endorse. And they say:

Success in curtailing government exposure to private sector venture debt and loan guarantees will be important to maintaining the current credit rating. This will determine the extent and pace to which Saskatchewan's overall financial position will benefit from current reductions in the budgetary deficit.

What they're saying is how we manage these sorts of investments and how we ensure that this government does not make the mistake that the previous administration made, will help to determine the future credit rating of the province.

**Mr. Swenson:** — Madam Minister, you said in the Assembly a short time ago that when you were in New York you said this was a bad deal; that you talked to Moody's about this one being a bad deal.

Now, Madam Minister, as per the agreement, can the province of Saskatchewan sell its investment in this plant at a future date? And when is that future date?

**Hon. Ms. MacKinnon:** — What needs to be pointed out is that the problem for the province of Saskatchewan is the level of exposure with this and other deals signed by the previous administration, because when the credit rating agencies look at the province, they look at all of the debt of the provinces.

**An Hon. Member:** — You know why you don't want to sell it? Because you know it's going to make you money. And that's why you're not going to sell it.

**Hon. Ms. MacKinnon:** — The member opposite asked from his seat whether or not the government would be prepared to sell it. I guess my point would be, until there's a track which is showing profitability, it's like many of the other deals. It's like NewGrade. We would certainly look at selling it if we could find anybody who would be willing to look at buying something like NewGrade. So many of those deals are based on such weak economic foundations that they will not be sold because we will not be able to find buyers for them.

**Mr. Swenson:** — Madam Minister, you are beginning to act like Alice in Wonderland; you fell down a rabbit hole somewhere here. We're not talking about



NewGrade. We're talking about Saskferco. I'm asking you questions about Saskferco and whether the government can sell its shares in Saskferco.

Madam Minister, Simplot just cancelled an expansion of their plant in Brandon because they can't compete against Saskferco. The analysis on fertilizer supplies, Madam Minister, in western Canada and the western United States is that they are extremely tight, that Saskferco is selling every ounce of product that they can possibly make at a very good price, Madam Minister.

Now the fact is that they are going to be making a profit. I asked you earlier: if they make a profit, what portion of that profit goes to the province of Saskatchewan? And I ask you again, can the province of Saskatchewan sell its shares in Saskferco as per the agreement, and what is that agreement, Madam Minister?

**Hon. Ms. MacKinnon:** — Mr. Chairman, I'm trying to be cooperative here. The questions the member opposite is asking are questions that should be directed to Crown Investments Corporation. That's where they will have all the details on these particular deals.

This deal, the equity investment from this deal, in this deal, does not come through the Department of Finance. So I'm trying to give you some estimates as to the answer. If you want the detailed, precise figures, the details of the contract, ask the Crown Investments Corporation.

I would also like to correct the member opposite with respect to the Manitoba project. The project collapsed because they could not get financing.

**Mr. Swenson:** — One reason they couldn't get financing, Madam Minister, is because they could not compete. Nobody is going to invest money in a fertilizer plant that can't compete against the one next door in Saskatchewan.

Madam Minister, you sit as the chairman of Treasury Board and you also sit on the board of CIC. Now if you're like the previous Finance ministers that I knew, they usually chaired over there or they had a big part to play in it. So, Madam Minister, you are well aware of all of that stuff and you can't hide.

The other thing, it was you that said on your New York trip that the bond rating people in New York said that Saskferco was a bad deal.

(1645)

Now, Madam Minister, there's certain criteria that bond rating agencies look at to determine a bad deal. And I'll refer you to the accounting recommendations of the Institute of Chartered Accountants where they have three criteria attached to doing an analysis, and I'd like you to tell me which one Saskferco falls under.

This is dealing with the uncertainty relating to the

occurrence or non-occurrence of future events which determine the outcome of a contingency. This section identifies the three areas of this range by a general description as follows: a) likely. The chances of the occurrence or non-occurrence of future events is high. Are you saying that Saskferco is likely to go bankrupt, Madam Minister? b) unlikely. The chance of the occurrence or non-occurrence of the future events is slight. Is it b)? c) not determinable. The chance of the occurrence or non-occurrence of the future events cannot be determined. Madam Minister, which one of those would you determine to be where Saskferco sits?

**Hon. Ms. MacKinnon:** — Mr. Chairman, this is not multiple choice. This is the estimates for the Department of Finance. The member opposite asked me, because I sit on the CIC board, for some general responses with respect to Crown Investments Corporation. He knows full well that if he wants the details he's going to have to ask the Crown Investments Corporation chair when that person is here.

With respect to Saskferco, the point is a simple one. Bond rating agencies look at the exposure of the province in terms of all kinds of debt, including guarantees and therefore they look at the guarantees on Saskferco with a lot of concern, and they say that the success of our plan to turn around the finances of the province will depend largely on our capacity to manage what we inherited in a financially prudent way. And we are assuring the people of Saskatchewan that we will do just that.

**Mr. Swenson:** — No, the point here, Madam Minister, is you said you went to New York — not the chairman of CIC — that you went to New York, and while you were there the bond rating agency said Saskferco was a bad deal. Now, Madam Minister, what I want to do is get to the bottom of this bad deal. I want us to lay it out here in the legislature for the Saskatchewan taxpayer why the bond rating agencies in New York say it is a bad deal.

Now I've given you the criteria that people use to judge bad deals with. You will not pick the one that Saskferco falls under. I am told, Madam Minister, by people fairly close to Saskferco that there were \$90 million in goods and services purchased during its construction; that there was 25 million in direct and indirect taxes paid. There will be 130 full-time jobs when the plant is at full capacity. It is a fully taxable corporation under all the laws of the province of Saskatchewan. There are several RMs (rural municipalities) and school divisions also taking taxes and profits and mill rates out of it.

Madam Minister, I want you to tell me why the bond rating agencies say that Saskferco is a bad deal, and I want you to tell me that the Government of Saskatchewan cannot at some future date sell their equity in Saskferco. And I want you to tell me, according to what you heard in New York, that if they did try to sell their equity in Saskferco, that they would take a commercial bath on it. And I want you to tell me

how you're going to take that commercial bath, because that's what you're trying to tell this Legislative Assembly and the taxpayers of this province. It's you, Madam Minister, who said that people in New York were concerned about Saskferco.

Now I asked you about taxes from trucking and fuel and railroads and personal income tax, along with the nearly \$2 million that you receive in direct fees. Now I think, Madam Minister, it would be proper for you to give an entire accounting to this legislature and to the taxpayers if you're saying in New York they want this deal as a bad deal.

So, Madam Minister, why don't you start accounting?

**Hon. Ms. MacKinnon:** — Mr. Chairman, I would be most pleased to do that. The main problem the province of Saskatchewan has with respect to bond rating agencies and other financial agencies is the level of debt. The province has a level of debt which is far too high for the population and the economy underpinning it.

So what the bond rating agencies see as a problem is that what this deal does, is it increases the level of exposure of the province to the tune of \$300 million — more than 300 — taking the guarantees into account and the equity. That's the problem. It's the problem, plain and simple.

**Mr. Swenson:** — Madam Minister, you still will not answer the questions. Can you liquidate that guarantee at a future date? Like what is the parameters on the deal? When can you start to liquidate that if you so wish, Madam Minister?

**Hon. Ms. MacKinnon:** — Mr. Chairman, those sorts of possibilities become realistic if the deal turns out to be profitable. Nobody in the province would sit here and hope that any of those deals, terms as troublesome as they were, don't succeed or don't become profitable. You hope that they become profitable. But until they become profitable, there's no capacity to liquidate because there's nobody willing to buy or to take over the guarantee.

**Mr. Swenson:** — One thing at a time, Madam Minister. As per the agreement, when does the province of Saskatchewan have the first opportunity to sell their assets in Saskferco?

**Hon. Ms. MacKinnon:** — Mr. Chairman, I'm trying to be cooperative. This is not estimates for Crown Investments Corporation. This is estimates for Department of Finance. What I can tell you about are the loan guarantees because they're under the Department of Finance.

If you want the specifics of the contract, then you have to wait until Crown Investments Corporation are here. And I'm sure they'll be most pleased to answer exactly those questions.

**Mr. Swenson:** — Madam Minister, that's simply not acceptable. In your own budget analysis you have an

analysis of CIC and CIC's debt. You just love to roll it in there when it's appropriate, at the right time. You just love to talk about the total accumulated debt of the province being whatever. And you use the Crown debt when you're out on the stump, when you're speaking, and I'm sure you used it at the appropriate times in New York. So, Madam Minister, that's simply not acceptable.

Now I would like you to answer the question, because you can't duck and hide with that flimsy excuse, Madam Minister. Just give us the answer and we'll get on with life in this Assembly.

**Hon. Ms. MacKinnon:** — Mr. Chairman, with respect to details about the contract, what I suggest is when Crown Investments Corporation is here ask about the details of the contract.

What the Government of Saskatchewan will do with respect to this deal and other deals is to manage what we inherited in the best interests of the province. And if there is an advantage to the taxpayer in selling an asset or getting rid of loan guarantees, obviously we are open to that. We have proven that with respect to Weyerhaeuser where we got \$150 million in loan guarantees removed . . . \$150 payment and another \$50 million in loan guarantees removed. So we will manage all of these deals which we inherited — good or bad — in the best interests of the province.

The committee reported progress.

The Assembly adjourned at 4:56 p.m.