

March 7, 1994

EVENING SITTING

COMMITTEE OF FINANCE

**General Revenue Fund
Education, Training and Employment
Vote 5**

Item 1

Mr. D'Autremont: — Thank you, Mr. Chairman, Madam Minister. I hope you had a good supper. What I'd like to discuss now is — before I get into some other items — perhaps the role that you see for the minister. As the minister, what is your role with the Department of Education? Are you there as an administrator or are you there as an advocate for education, to deliver the best possible education for Saskatchewan? What do you see your role as, as the minister?

Hon. Ms. Atkinson: — Before I answer that question I want to answer the questions that you raised prior to supper. And at that time the critic talked about the NDP's (New Democratic Party) record in taxation, as well as the previous administration's record when it came to taxation.

One of the comments that you made that I'd like to correct you on is that the NDP promised that we would get rid of the provincial sales tax. We did not promise that. What we did say was that we would not harmonize the provincial sales tax with the national goods and services tax because we thought it inappropriate to extend the PST (provincial sales tax) to restaurant meals, to books, newspapers, and services.

So the promise that my colleagues and the leader of the NDP, the member from Riversdale, made prior to the 1991 election was that we would not extend the provincial sales tax on all of those goods and services that are taxed under the GST (goods and services tax).

I guess the other point I'd like to make is that it has long been the position of my party that the goods and services tax is not a fair tax in that it is not based on one's ability to pay. It's based on the goods and services that all of us have to purchase, and that really it is an unfair tax on those lower income Canadians.

When you said that . . . in your previous remarks you said that the gas tax was a mistake, that you shouldn't have removed the tax on gasoline. I just want to remind you that it cost the taxpayers of this province over a billion dollars. We now have an additional billion dollars to our deficit because it was revenue that was lost. And I think the thing that we can say about the gas tax is that it's a fair tax because it's based on the miles that one travels. And there are many people who don't have vehicles and therefore they don't have to have this tax because they don't use gasoline.

In terms of your question, what is the role of the minister? I think it's fair to say that the Minister of

Education serves basically two roles. The minister, like all other ministers of the Crown, is a member of a provincial cabinet or Executive Council. We are involved in the decision-making process that occurs in terms of all government policy in all areas of the province. So obviously a minister, like all of my cabinet colleagues and government caucus members, would participate in the decisions that governments must make as they govern a province.

Now the second role that I see is not to involve myself in the day-to-day activities of the Department of Education.

But certainly the role of the minister is one of policy, in the area of policy, where governments obviously have to design and devise policy that is then implemented by those people who work in the department. As well I can say that I do see myself as an advocate for education in this province — as the Minister of Education — but I also am aware that I have a larger role in that I'm involved in all areas of government decision making and therefore the decisions are in the best interest of government-wide initiatives and in the best interest of all of the people in the province.

As you know our government has had a great deal of focus on trying to eliminate our provincial deficit as a result of the strategic work that we've engaged in in the last two and a half years. We can now say to our citizens that we have the lowest per capita deficit in the country. We can now say to our citizens that we will be the first province that gets themselves out of the whole concept of having continuous deficits. And we can now say to our citizens that times are beginning to improve, that we've begun to turn the corner, and that there will be economic and social renewal in this province.

Mr. D'Autremont: — Thank you, Madam Minister. I'll come back to your role as minister later. I just want to comment on some of the things you mentioned.

I found it interesting that you would describe the GST, or any harmonized tax on goods and services, as being an unfair one because certain segments of society you view as not having the ability to pay that, that they would be trapped into it and forced to pay it. Because, Madam Minister, that is exactly how I view utility rate increases. Everyone in this province has to pay their power bill. Everyone in this province has to pay their heating bill. Those items . . . Their telephone . . . Everyone, I shouldn't say everyone, but nearly everyone in this province regardless of their financial income, has a telephone and they're all trapped into paying any increases that may occur in those.

And when the government increases those, then those people on the low income are trapped into paying. Even if they may not use, say their telephone for long distance, that residential rate has increased very significantly and I have some figures some place that I can look up. But the actual numbers are not important here; what is important is that those things are being forced on the low income people who do not have the

ability to pay which you say, Madam Minister, is what you have a concern about.

When you look at the E&H (education and health) tax that has gone up from 7 per cent to 9 per cent, certainly it's not on services and it's not on food, but it's on every material thing that we buy in this province and those low income people are also trapped into paying that, Madam Minister. So while you may claim that the GST in your view is unfair because the low income people would have to pay it, I suggest, Madam Minister, that the low income people are having to pay much more than they did in 1991 because of your government raising utility rates and the E&H tax.

Perhaps we should get into some areas, Madam Minister, of spending money. I'd like to know how the capital funding criteria works. What is the criteria for choosing one project over another project when it comes to funding capital projects in this province for education?

Hon. Ms. Atkinson: — I want to thank the member for the question. The process for approving major capital projects has the following features.

The capital process is open to the public, so it's not a closed process. Changes to the facility planning guidelines make it mandatory to have a high percentage of relocatable construction. Capital projects are estimated by using different costs for different types of construction. And what we mean by that is, gym areas cost more to construct than, say, classrooms. The cost model also provides for increased construction costs when projects are located away from major centres and for small-scale projects. The funding formula is used to calculate a fixed maximum provincial contribution, and this allows school divisions to save on their contribution by reducing the total cost to the project. And the mill factor takes into consideration a school division's ability to pay in determining their share of a capital cost of a project. And the model encourages better utilization of existing facilities through consideration of availability of facilities within a 30-kilometre radius prior to project approval.

Mr. D'Autremont: — Thank you, Mr. Chairman. I wonder if the minister could table that document please.

Hon. Ms. Atkinson: — We can table that document.

Mr. D'Autremont: — Thank you, Madam Minister. I would have to guess that you have a limited amount of funds available for capital projects. When you have a number of projects which come forward that would seem to have an equal value, how do you determine which ones receive funding and which ones may be pushed back?

Hon. Ms. Atkinson: — We have a ranking process. We don't have that with us, but I can certainly give it to you. I can tell you that, in terms of this year's capital projects, there were two capital projects that were

announced last year. I think there's about \$14 million available for the Saskatoon Catholic school system for a new high school in the Sutherland area or Forest Grove area in Saskatoon. And in Regina the . . . or in . . . yes, in Regina, the Regina Public School Board is receiving funding for a high school in the north-west. And I think there's about another \$6 million that's available, and the projects that are going to be funded are all health and safety projects.

Mr. D'Autremont: — So if you have a concern for one of your schools and you would like to have some capital funding, it should be in the criteria of health-related concerns, health and safety, to get your funding in. I wonder if you could give us a list of those items that are currently being funded for capital projects.

Hon. Ms. Atkinson: — Okay, I can tell you for 1993-94, Wakaw School Division, the Bruno School, there's an addition in renovation; Waldheim School at Sask Valley, replacement and upgrading; Battleford School Division, the Maymont School, addition and renovations; Arcola School Division, the Stoughton School; Thunder Creek, the Mortlach School; Wilkie, St. George R.C.S.S.D., the St. George School; Wadena School Division, Kelvington School; Saskatoon School Division, Bedford Road School; Shamrock School Division, Foam Lake School; and Canora School Division, the Canora Composite High School. Those are the projects that were announced in 1993-94.

And '94-1995, those haven't quite been finalized, but certainly when we have them we'll give them to you.

Mr. D'Autremont: — Thank you, Madam Minister. The reason I brought this up is one of my local schools is interested in some capital funding, but their complaint is that they always seem to be getting pushed back on the list. And they were wondering exactly what the criteria was to actually, at the end of the day, get some funding to do their capital project on an elementary school. And so they were concerned as to what exactly the criteria was. This would be in the Oxbow School Division, the Carnduff Elementary School. And they felt they were being pushed back, that they couldn't get up close enough to the front line to actually receive their funding. And so that's why they asked me to bring this up, to find out exactly what the criteria was and how the formula worked, Madam Minister.

(1915)

Hon. Ms. Atkinson: — As I said earlier, because there are limitations to capital funding, the projects that will be occurring this year are in terms of health and safety issues, but we certainly can provide the Oxbow School Division and yourself with the criteria that the department uses to determine whether or not we have projects go ahead.

I will say this, that there is no — and I repeat no — political interference in the projects that are being determined by the Department of Education. It is

based on occupational health and safety.

I can assure you also of this, that the Minister of Education will not involve herself in determining what projects get approval and what projects don't. The criteria is established, and it's based on a set of criteria, and we're going to follow that criteria as long as we're the government.

Mr. D'Autremont: — Thank you, Madam Minister. I'm sure that all the school boards will be pleased to hear that, providing they have the criteria. Now perhaps they do; I don't know, but they were asking me what the criteria was. So one would have to think that they have some concerns about how the process is working. Once we get the list, Madam Minister, I may come back to that particular item.

Madam Minister, the school trustees association made a submission to the government relating to The Labour Standards Act and the review dealing with it. They had some serious concerns, Madam Minister, about the process before they even got into labour standards. Their concern was about consultation. They were very disturbed by the fact that they only found out that The Labour Standards Act was going to be reviewed and perhaps legislation brought forward on it, and they were not consulted.

They felt that with a employment body of approximately 18,000 people that they would be one of those areas that would be consulted. And it was only by accident, Madam Minister, that they found out that this review was taking place. One of their employees was involved through another sector and found out this was taking place. They have approximately 17,000 people working for them — 11,000 teachers, 1,000 administrative staff, and 5,000 support staff.

They found out about two weeks in advance that the consultation process was in place on this. They received the discussion guidelines for this particular piece of legislation on October 28 to attend a meeting of November 4. And then they were informed that their briefs were to be submitted by November 15, 1993. They were given an extension on that.

I would like to read a paragraph from the brief they submitted:

As a result, we received the discussion guide on October 8, for a meeting on November 4, 1993. We were informed that briefs were to be submitted by November 15, 1993, but that we would be granted an extension. On the basis of this limited consultation, it appears that the government will develop its policy with respect to labour standards reform and the government will defend those policies by saying that it consulted.

Issues for discussion at the community meetings were preselected. There was no indication of what the government perceives as problems with the current law or what new

policy the government is considering. We can only surmise from questions posed in the discussion guide, the direction that the government may be moving with regard to labour standards.

We are concerned that this is the beginning and the end of consultation, and that the next we hear of labour standards reform will be the day that the legislation is introduced in the legislature. We will have no prior opportunity to review proposed policy or legislative changes, and analyse their impact on the education sector.

But, Madam Minister, when I asked you the question dealing with what you saw as the role of minister, you talked of it being a policy area and as an advocate. And I would think, Madam Minister, that on both sides of that, that when you have a major employer in the province and you're talking of changing The Labour Standards Act, if the Minister of Labour didn't consult with that group and notify them, that you, as the Minister of Education, would have consulted with that group and provided them with the information that something was about to happen.

So I think as both in the area of policy and advocacy, Madam Minister, it would have been incumbent on you to have consulted with this group, one of the major employers, probably one of the largest employers outside of government itself, Madam Minister.

Have you, as the Minister of Education, consulted with the SSTA (Saskatchewan School Trustees Association) dealing with the labour standards?

Hon. Ms. Atkinson: — I just want to say this to the member, that my colleague, the Minister of Labour, the member from Regina Churchill Downs, has met with the SSTA, once I believe, on one occasion for four hours and he is meeting again with the SSTA this Thursday, March 10, to again consult on this legislation.

I want to also say about The Labour Standards Act, and amendments to The Trade Union Act, that my colleague has gone all over the province, has been to many, many communities, including the community that I represent, to consult with the business community, the school community, as well as others who are interested in any amendments that might occur. So I think the SSTA would concur that they've had an opportunity to meet with the minister. They met with the minister for four hours and they will have another opportunity to meet with the minister this week.

Mr. D'Autremont: — Well thank you, Madam Minister. They have been consulted with perhaps since this brief was presented. But prior to the brief being presented in December of '93, they felt they had been missed, that they hadn't been consulted with when the first meeting was being held on November 4, and they didn't receive the discussion paper until

October 28. I think they have a valid reason to complain here, Madam Minister, that they were being, not necessarily excluded on purpose, but missed in the process.

And I think it's important that a group that represents 17,000 employees, when it comes to labour standards, should receive some consideration and at least be listened to and have discussions with.

Madam Minister, I'd like to go back to your comments on the PST, that your government — or your party when in opposition — hadn't promised to eliminate it. Well, Madam Minister, I have a quote from your leader, the current Premier, the member from Riversdale, taken from the leaders' debate of October 5, 1991. And he says, and I quote: the PST is not going to be around after October 21 if we're in power.

An Hon. Member: — That's right. We have the E&H now.

Mr. D'Autremont: — That's right. Even the member from Cut Knife-Lloyd agrees that that's what he said. Well, Madam Minister, you did eliminate the harmonization but the provincial sales tax is still in place, Madam Minister, and that has cost this province approximately \$250 million a year, the elimination of that tax.

Madam Minister, one of the items that the SSTA is also very interested in — and it came up at their convention last fall — was the bargaining system. They passed a resolution at their convention asking that the government implement what they call 4-4-1: four representatives from the SSTA, four representatives from the government, and one representative chosen by that group of eight, the ninth member being independent and sitting as the chairman.

Madam Minister, are you giving any considerations to that?

Hon. Ms. Atkinson: — As I said at the time, and the position hasn't changed a bit, that it is the position of the province of Saskatchewan that we are not prepared to change the legislation. We are prepared, however, to enter into discussions with the SSTA to determine who the ninth person would be. We're prepared to discuss with the SSTA a process for developing mandate. And I'm pleased to report to the member that we have had a number of meetings with the SSTA during the . . . over the course of the past two months, and that we are very, very close in terms of an agreement that will be satisfactory to everyone.

At the time I indicated that it is the view of the government that given we have a deficit reduction strategy, that we plan on getting to a balanced budget by 1996-97, that it is not our intention at this time to leave the collective bargaining process to the school trustees because it is our view that teachers are an important component in our public sector bargaining process.

Obviously the government wants to play a key role in that process because what happens to the wages and benefits of the people who are public employees, civil servants, or employed by third parties that receive funding from the province, obviously that has an impact upon our strategy when it comes to a balanced budget by 1996-97.

Mr. D'Autremont: — Madam Minister, thank you. I'm sure that the SSTA and that the local division boards across the province will be very interested in hearing that you are giving this serious consideration, and I would encourage you to do so and to implement a 4-4-1 program in some form. I think it's very important that the ratepayers in the public, throughout the school divisions, feel that they actually have some real control on the money that are being spent, that they are collecting through their taxes, their 60 per cent.

As it sits today . . . and it's been in place for a number of years, and I'm not sure how long that the government has had five members on the board, and the SSTA has had four. But what it amounted to at the end of the day was that the government of the day could make the decision within that bargaining group as to what they were going to accept, the STF's (Saskatchewan Teachers' Federation) proposals, or they were going to reject them or a combination in between. But it ultimately ended up with the government group, that five, making the decision.

I think it's very important that that be a cooperative effort, that it be meaningful for the members of the school boards that they actually have some control. So I would encourage you to follow through with that one and to implement some form of a 4-4-1.

Now I'm not sure what the STF is going to think about that, but I think they have to negotiate with the management board, no matter who sits there. One of the areas that is somewhat contentious and, as you noticed earlier, I didn't necessarily agree with my colleague from Kindersley and his comments on amalgamation. Exactly how will your pilot projects work, Madam Minister?

Hon. Ms. Atkinson: — Well I can tell you there are times when, in all political parties, when we don't necessarily agree with each other. But obviously we arrive at our policy decisions through the democratic progress.

In terms of amalgamations and how they will work, we have said that there will be three to five pilot projects. We have had different school boards from across the province approach us with amalgamation proposals. At present the Saskatchewan School Trustees, along with LEADS (League of Educational Administrators, Directors and Superintendents), the STF, SASBO (Saskatchewan Association of School Business Officials), and the department, are devising a set of criteria that the pilot projects will have to meet. The criteria will be such that all projects will have to meet this criteria in terms of going ahead.

We'll have to take into consideration staffing issues,

because there are various collective bargaining agreements with various school divisions, which may differ. As well, there will have to be a public consultation process with local property tax ratepayers.

The SSTA, STF, LEADS, SASBO, and the department, will also develop a process for selecting the pilot projects, and they will also develop a process and criteria for evaluating the pilot projects.

There are many people who believe that amalgamation is going to solve a number of problems. To be frank, I'm not sure. And that's why we want to do the evaluation, to see whether in fact amalgamation does make educational sense, and whether or not there are savings to be made.

We are not yet convinced of those particular positions, and as you probably know, there are a number of people in the province who had some concerns about the report that was passed by the SSTA. They do not want blanket amalgamations. And it's the position of the government that we want to proceed cautiously and deliberately, and that's why the three to five pilot projects. They will only be for those school divisions that are willing, voluntarily willing to amalgamate. And this is not going to be forced on anybody.

(1930)

Mr. D'Autremont: — Thank you, Madam Minister. I agree that it has to be voluntary, that it can only work when divisions ask to amalgamate with someone else or if even portions of the divisions ask. You know it's possible that if you have a division that is centred in a number of different divisions, that portions of that division may wish to go with someone else because of their trading patterns, etc.

And I think that if it comes to amalgamations, whatever happens, it has to be done voluntarily; that it will not work if it's done like the health system was done. You'll have another major revolt on your hands, Madam Minister. And I think you can do it much gentler, and it will work if it's done voluntarily. And evaluation, I think, Madam Minister, is also going to be a critical part of this.

You mentioned savings. Well if you look at school closures that have happened across this province, the divisions have said, well we can save money if we close that school. But in some cases a large number of the parents and the public in that area question whether or not the school division took into account all of the factors involved, such as transportation costs, which increased when those schools were closed. So I think it's very important in this issue of amalgamation that it be done voluntarily.

A large number of the smaller school divisions are afraid of this. They think they're going to be swallowed up, that their schools are going to be closed, that their tax base is simply going to be stolen by a larger school division to fund one of their large

schools.

Madam Minister, when you are looking at the capital funding projects that you have in place, do you take into consideration such things as amalgamations? I know that there are . . . I have received some complaints that some school divisions are trying to build schools to gain an upper hand once amalgamations take place. The claim has been made that some divisions are looking at building a larger school in hopes that they will be able to maintain their school once amalgamation takes place. When you're looking at your capital funding, does that play any part whatsoever? Do you look at the possibilities of amalgamations?

Hon. Ms. Atkinson: — No, we do not.

Mr. D'Autremont: — Well, Madam Minister, perhaps, maybe you should be. You know if you're looking . . . and I don't mean to be critical on this because I've received some concerns — not the same people — but other concerns that when you're looking at the capital funding right now, is it really going to be worthwhile to build or improve in school A if amalgamation takes place down the road a year or two, whatever. Is it really worthwhile putting the capital funding into that school when there may be another school down the road a short distance? Have you taken that into consideration at all?

Hon. Ms. Atkinson: — As I said earlier, our capital funding at this point, because of our limited financial resources, is based on occupational health and safety. We are not building, with the exception of the two schools, one in Saskatoon and Regina. There are no new, brand-new schools that are being built. We are doing repairs. That is the extent of our capital construction.

I can assure you that we see this pilot project process as a . . . it's a response to what the Saskatchewan School Trustees Association wanted in terms of their report. We were not prepared to go to 35 school divisions in the province. We wanted to see whether or not there were educational or are educational benefits to our students. We're not sure of that. We're not sure if bigger necessarily means better.

We wanted to be sure that there were financial benefits. There may not be. We wanted to ensure that there are appropriate processes to personnel, elections of trustees, there are contracts and financial managers. This is a fairly complex process and we wanted to see if total regrouping or restructuring was required in the amalgamation proposal.

So as I said earlier, the criteria has not yet been developed. We're just going through the developmental process. We've said there are three to five projects for those school boards who voluntarily want to amalgamate. No one, and I repeat, no one — or school division — will be forced into this process.

Ms. Haverstock: — Thank you, Mr. Chair. And, Madam Minister, I welcome you and the opportunity

this evening to ask you questions, and I welcome your officials as well. I recognize that your department really did try to do the right thing by informing the various education agencies affected by cuts in funding, that the axe would be falling. And I have spoken with many who are feeling the impacts of these cuts, and I think it is important to realize that while people have had time to prepare for the pain, it still hurts nevertheless.

And I suppose it is somewhat like telling someone not to get hungry next week because you are warning them in advance that there won't be any food. The cuts have been very deep in education, and they have been painful, and I am sure that you, Madam Minister, can acknowledge this. I believe that it is incumbent upon you and your officials to give us a sense of where your department is heading now that you are more than halfway through your mandate as government. And I think that people want to know what direction is set for education. The mandate defined in the budget is, and I quote:

. . . to provide leadership in the development and operation of education and training in the Province, as well as labour market planning.

And I would assume that, in this model, leadership does come from the top. Will you articulate, Madam Minister, what your department sees as the vision for education in Saskatchewan and what you intend to deliver as your ultimate goal for the people of Saskatchewan?

Hon. Ms. Atkinson: — I want to thank the member for her question. In terms of the issue of funding reductions, I will say this: that minus 2, minus 2, and now minus 4 announced a year ago is significant. There is no question about that and we acknowledge that. The point that is made is this, that when you look at education and health spending, they are the two largest budget items. As I said earlier to the opposition critic, education spending is some \$888 million in the province. Interest on the public debt is \$842 million. When you have a deficit reduction strategy, in order to get yourself to a point where you can have a balanced budget, there's no question that you have to look at the two big budget items, and that's health and education.

As a result of those reductions, decisions — and tough decisions — have had to be made at the school division level and the community level. The thing that I appreciate is the fact that all of our partners in this process — and I'm talking about school divisions, teachers, students, superintendents, directors of education, secretary-treasurers — have made a tremendous contribution to the turnaround that we're presently experiencing.

Saskatchewan can now say that we have the lowest per capita deficit in the country. And as I said earlier to the opposition critic, I'm advised by the six bankers from New York that were here on budget day that Saskatchewan will be the first province to make its way out of the various fiscal messes that have been

created across the country. And that certainly does give us some reason to be optimistic about our future.

In terms of the vision of education and what do we plan to do, we have, in the last two years, undergone a major review of the entire education system in the province of Saskatchewan. We have reviewed the community college system. We've had the universities review. We've had the SIAST (Saskatchewan Institute of Applied Science and Technology) review. We've had the high school review. We've had the private vocational review and I think that's it. We've had five reviews in the province. We are presently putting together a strategic plan with all of our post-secondary educational partners for post-secondary education in this province.

We've had, I believe, two or three meetings where we have SIAST, the two universities, the private vocational schools, the aboriginal institutions as well as the regional colleges sitting down and devising a strategic plan for post-secondary education in order that our students and young people can have access to post-secondary institutions. We hope to release our response to the reviews in June of this year.

Secondly, we have said that with *Directions* and the core curriculum process that was begun in the early 1980s, that it's time to complete the process. And therefore with the high school review that has just occurred, there are a number of recommendations that are being made by the advisory committee. And the government has said we will respond to the advisory committee's recommendations by the end of March or early April.

And once we respond this will allow us to get on with the process of renewing high school curriculum in this province which is over 20 years old. I sometimes find it shocking that we do not — and I think the member will have some appreciation for this — that we do not have incorporated into our high school curriculum, many of the works of Saskatchewan writers, poets, novelists, and we don't know our own literature and poetry. And obviously it will be important to devise or revise our curriculum not only in education, but the sciences, mathematics, as well as other subject areas. And we hope to have all of our curriculum development work done by 1996-97 in high school in the core areas in order that our students really can have one of the best educations in this country.

Finally, in terms of the vision for the department, we have an expanded mandate in the last year and we are now responsible for training and employment.

With the federal government's decision to overhaul the social safety net in this country, I think it's appropriate to say the department is looking forward to renewing the social security system in this country. We think, and certainly I believe and my colleague the Minister of Social Services believes, that this is our opportunity to redesign social programs that came about as a result of the Depression and the Second World War.

Having been the previous minister of Social Services and now the minister responsible for training, I think it's fair to say that when you try to do things there are often impediments that come about because of federal rules, and I'm sure the federal government feels the same way. And we are approaching this process of social renewal in this country along with our provincial and federal counterparts as an opportunity to make life better for people, not worse.

We think that we need to ensure that the young people in this country have hope, have employment opportunities, but there are some challenges, and the challenge will be this: training for what? Because if you look at the history of training programs, we train people for jobs that aren't there. It is often difficult for our post-secondary institutions to respond quickly because of entrenched processes, I could say.

It often is problematic when you may have a region of the province that requires some training in a particular area, but because of the courses that are in that area, they can't seem to adapt quickly. So what we're looking forward to, in terms of the federal government process, is an opportunity to design a social security system that is flexible, that is equitable, that provides accessibility to people, and in fact will make people's lives better.

This can't simply be an exercise in deficit reduction or offload onto the province. It has to be a genuine exercise where we work collaboratively and in consultation with each other. We do so with a set of principles that will lead to better educational, employment, and training opportunities for our citizens.

Ms. Haverstock: — Thank you. Mr. Chair, Madam Minister, I understand then that that is your vision for education for Saskatchewan. What are the specific public policy objectives that drive your department?

(1945)

Hon. Ms. Atkinson: — If you look in our annual report, you will see the vision statement for education. As well, the Education Council is presently renewing a vision statement for education and that will soon be released for the public.

But I can say this: that the vision of our department, and certainly in terms of our planning that's going on with post-secondary institutions, is that we're trying to design a system that . . . we call it the seamless web where people will have opportunity to lifelong learning; that people will have the opportunity to be educated in and trained in the area that they choose. And they will also have, obviously, jobs. That will be important.

But if you care to look at the annual report, that certainly is the vision statement for the department and the Education Council will soon be releasing a renewed education vision statement for the province.

Ms. Haverstock: — Thank you. Mr. Chair, Madam

Minister, who's established the objectives that you've outlined, and what means do you use to communicate them to your employees as well as to those in education at large?

Hon. Ms. Atkinson: — The establishment of the vision process as defined in the annual report, I understand, has been done in consultation with all of our education partners, and the partners are many. We have all of those partners in K to 12 education as well as all of the partners in post-secondary education.

In terms of how they are communicated to the public, there are annual reports that are communicated to the public, we have regional offices in various parts of the province. They obviously are communicating the vision statement or the objectives and goals to the public. As well, in terms of internally, how those goals are given to or relayed to our employees, I understand that there are staff workshops, and staff have the opportunity to have input into the visions statements, I'm advised.

Ms. Haverstock: — Thank you, Mr. Chair, Madam Minister. What management structure is in place in your department to ensure that your objectives are achieved, and where necessary, corrective action is taken?

Hon. Ms. Atkinson: — Obviously you're trying to get at something and it might be helpful if you just put it on the table so I know what you're getting at.

Ms. Haverstock: — Well, Madam Minister, I do have a specific way of addressing this. I start at the larger part and I keep getting narrower. It's sort of like outlining what one's objectives are, outlining who in fact would be responsible for meeting those objectives, the time line involved, the measurability involved, the ways of ensuring that expected versus actual results do match. So that's really where I'm getting at.

What I'm really wanting to know is, is there a structure in place in your department, since you have, I believe, stated a vision, you have outlined some objectives, that I'm assuming therefore that there is a structure in place to ensure that the objectives are being achieved. And so I'm wondering what that structure is so that we can determine whether or not what your plans are, are actually plans that are being met.

Hon. Ms. Atkinson: — We have a policy and planning coordinating unit. The associate deputy minister, who is with me this evening, is responsible for policy and planning. We have regional offices in various parts of the province. The regional offices are just in the process of being expanded in a sense that historically they've tended to be K to 12 regional offices, and they're going to take on an additional role in that they are now also going to be there and available for those people involved in post-secondary education. My understanding is that the policy and planning coordinating unit is charged with the responsibility of articulating the vision to our employees in the field.

Ms. Haverstock: — Thank you, Mr. Chair, Madam Minister. You've enumerated different kinds of objectives and I'm wondering if you can tell us what criteria are actually used to ensure that you're meeting the objectives that have been outlined by the Department of Education?

Hon. Ms. Atkinson: — I'm advised that we have evaluation units that are built into each major division. The department has a post-secondary side and a K to 12 side. I'm advised that we have advisory committees advising the department on various areas of educational policy so that we have input from all of our educational partners.

If you look at the work of Education historically in this province, not much is accomplished without the collaboration and involvement and input from all of our educational partners. We certainly have that history in the K to 12 system where LEADS, the SSTA, the STF, and SASBO, along with the department . . . Basically it devises much of the policy. It's a collaborative process.

In the post-secondary side we are now in the process of bringing together all of our partners in post-secondary to put together a post-secondary strategy for the province in order to avoid overlap, duplication, and waste. So I think it's fair to say that there's a lot of input goes into educational policy in the province based on a collaborative process.

Ms. Haverstock: — Mr. Chair, Madam Minister, did any organizational changes take place in your department, or are they planned for this year, that will make your department more responsive to those you would consider your clients? Do you have any plans or have things transpired already?

Hon. Ms. Atkinson: — There is a new organizational structure that was implemented by the department in December, I am advised by the department will make the department more efficient. If you look at our funding reductions in our department, I think Education has had a 30 per cent reduction in its operating expenses in the last four years. I think if you look at the funding that comes from Education, 97 per cent goes to third parties, 3 per cent goes into the department. Administrative costs have been reduced by some 30 per cent and with that had to come a new organization or reorganization chart. But we'll get that chart for you.

Ms. Haverstock: — Thank you very much. I appreciate that. Speaking of cuts, there will be a decrease of \$14.3 million in operating grants from K to 12 alone in the education system. In addition to this, boards face additional costs of \$3 million in teachers' salaries, in new benefits for teachers, estimated to cost a quarter of a million dollars. Salary increases for non-teaching staff are estimated at \$2.5 million. Natural gas increases for those boards are going to be \$390,000. UIC (Unemployment Insurance Commission) and CPP (Canada Pension Plan) increases in excess of \$1.5 million, and workers' compensation premiums increases of \$125,000.

Madam Minister, what study have you made of the local tax base to determine whether it is feasible for local authorities to pass on these increased costs that have been passed on because of education costs . . . decreases, cuts. Have you investigated whether communities can support these cuts and if so, would you please forward your impact studies that you've done?

Hon. Ms. Atkinson: — Well as I said earlier, education and health are the two largest expenditure items of government. Over two-thirds of the government's budget goes to third parties. When you are in a position where you must reach a zero or balanced budget, obviously cuts have to be made. And so we've seen reductions in Education, Health and all government departments. No government department has been spared, and consequently no citizen in this province has been spared.

All of us have been asked to join in our endeavour to reduce the deficit and to get to a balanced budget. We have the largest per capita debt in this country. I don't think anyone will dispute that. When you're in the process of trying to renegotiate some of the long-term debt that's come due as a result of nine years of waste and mismanagement, you have to have bankers and bond dealers that are prepared to lend you the money to pay off the debt that's coming due.

We weren't a very . . . Saskatchewan wasn't a very good risk. And in order to allow ourselves to renew some . . . renegotiate some of this debt that was coming due, we had to do some things. And one of the things we had to do is we had to show the bankers and the bond dealers that we could get ourselves to a balanced budget in a short period of time.

No one has been spared in this process. We've all been asked to contribute to this process. And that means everybody — rural, urban, northern, young, older, in between — everybody. And it's my sense that all people have been asked to participate and all people will enjoy the benefits once we turn the corner.

Ms. Haverstock: — Thank you, Madam Minister. Do I take it then that there have not been studies made to determine whether or not communities can support these kinds of cuts and the increased responsibility on their part to make up for it at the local level?

Hon. Ms. Atkinson: — What I can say to you is that all communities have been asked to participate. All citizens in this province have been asked to participate in our deficit reduction strategy.

We understand that it has meant some tough decisions on the part of local school divisions, municipal governments, hospitals, I mean everybody. Everybody has been asked to participate in this process and obviously there have been concerns expressed about that process. But we can now say we have the lowest per capita deficit in the country; that we will reach our balanced budget barring some

unforeseen circumstance like federal Liberal offload.

But we are making our way to the point where we can stand up in this House and announce that we've reached our balanced budget. It allows us to renegotiate some of the debt that the members opposite racked up over the last nine years. And it allows us to say, because we're meeting our targets, that there will be no further funding reductions to school boards in this province for the fiscal year 1995-1996.

Ms. Haverstock: — Thank you, Mr. Chair, Madam Minister. I'm sure we should thank our lucky stars as far as equalization payments from the federal government which assured that you made your deficit reduction target which you would not have done otherwise.

The current level of provincial funding is viewed by many as simply inadequate to maintain a quality education program in Saskatchewan. This is what many people have come forward and been very concerned about, people, many of whom to whom you've referred this evening, directors of education and others. And you did make reference earlier that in 1992 there was a 2 per cent increase in the provincial grant, 1993 another further 2 per cent cut, and this year the funding decreases by 4 per cent.

The loss of the foundation grant program has already resulted in rural and urban school closures and program cuts especially in areas like library, music, and in guidance. And last year the number of teachers employed by school divisions was reduced by more than 250 people.

Madam Minister, can you give us a summary analysis of how many teaching and teaching assistant positions will be lost at the field level this year as a result of the 4 per cent additional cuts taking effect with this budget?

(2000)

Hon. Ms. Atkinson: — It's interesting, I've had the opportunity to be around the province since the Alberta government brought down their budget, and since a number of people have gone to various federal conferences and seen what other provinces and jurisdictions are doing, and what I can report to the House is this, that Saskatchewan has taken a gradual approach to deficit reduction of minus 2, minus 2, minus 4.

Our neighbours in Alberta will cut out of their education system over 10 per cent this year, post-secondary some 18 per cent in a two-year period.

In Nova Scotia last year they cut minus 4. This year I'm told that they're probably going to cut minus 8. That's the Liberal government in Nova Scotia. Every government across the country has similar problems to Saskatchewan — they were spending more than they were taking in.

The only difference is this: Saskatchewan has the worst debt in the country, we have the lowest credit rating in the country, and we had a difficult time borrowing money to pay back some of the debt that those people over there racked up. So we had to put together a plan.

And as I said on budget day, there were six bankers from New York or bond dealers, or from investment houses, and they said this . . . I asked them: what do they think of the speech? They said it was too long. One of the shortest budget speeches, I'm told, 17 minutes.

But they did say this:

Saskatchewan has the lowest debt per capita deficit in the country.

Saskatchewan will make its way out of the fiscal mess that this country is enduring before anybody else.

Saskatchewan has a prudent financial approach through program reductions and small tax increases.

Saskatchewan is making its way out.

Obviously there have been program reductions in our communities when over 60 per cent, 66 per cent, of your budget goes to third parties; cuts have to come there. I've said that our department has taken a 30 per cent hit in the last four years. We've shrunk our administration. We're encouraging other institutions to do the same, to try not to affect programs in the field, front-line services. But we can say to our partners that there'll be no funding reductions next year. Alberta can't say that; Manitoba can't say that; Nova Scotia can't say that; Quebec can't say that. We can; we're through it. We've made our way through it and things are starting to turn around. And I think that if you talk to people who've been outside of the province, particularly in Alberta, they appreciate the fact that this government has taken a gradual approach, that we have notified our partners a year in advance of what to expect the following year. That's allowed school divisions an opportunity to do as much planning as possible.

Obviously there are impacts; we don't deny that. But we think that we have been able to assist school divisions in minimizing the impacts by giving them advance warning.

Ms. Haverstock: — Thank you. Mr. Chair, Madam Minister, I'll repeat my question. Can you give us a summary analysis of how many teaching and teaching assistant positions will be lost at the field level this year as a result of the 4 per cent additional costs taking effect in this budget?

Hon. Ms. Atkinson: — I am advised that there will probably be 250 teachers retire this year and 100 teachers will get out of the field of teaching, and that

we expect a 1.5 mill rate increase.

Ms. Haverstock: — Thank you, Madam Minister. Decreased funding has created a situation in many school divisions — and most of these rural, of course — that they do not have the capacity to accommodate the kinds of decreases we're talking about. And I understand very much where it's inviting to turn and look to other provinces. But we do talk about the uniqueness of Saskatchewan, and this is really our circumstance here. You do know that we are a very different kind of province, in particular the way in which we're spread around a province slightly smaller than the state of Texas. So to try to make and draw comparisons simply from one province to the next, I don't think is really worthy of what it is we're trying to address with our own unique circumstances here.

In many places, Madam Minister, there is simply no fat left to cut. And this is a reorganization of education virtually being driven by what it is you've been referring to this evening, and that is purely by dollars. It's the fiscal bottom line.

Well my understanding is that you've cited now on different occasions — both late this afternoon with the member from Souris-Cannington, and this evening you repeated — about the people who were present during budget day. That in fact, many of the circumstances we're facing were abominable things to face regardless of who would have taken over administering this province.

And no one tries to undermine the seriousness of the financial situation of Saskatchewan, but in many instances what this is is a question of some choices and particularly of being able to hear what people are saying. I know that you tell me that you're hearing what people are saying around the province, but this is also what they're talking about.

They are feeling that there needs to be some way of determining long-term solutions from the department to offer to the boards of education for the crisis that has been created through the cutting of all of these funds. There are many places that don't feel that there's anything else for them to give. And they really wonder, even at their own community level, how they can manage any more.

And one of the things that is very striking is that in each and every statement that's made in this House, people like to make reference to the federal government, and that one change from the federal government will throw your entire plan off. Well, Madam Minister, there have been fundamental changes that have been put upon people. And for people to simply indicate — as members opposite often do — that you are operating in the dark from the federal government . . . I happen to have met for an hour and a half with the Prime Minister of Canada last Thursday night and we travelled on the same plane together, going to the same destination, and one of the things that became very clear is that all of you knew exactly what was coming.

He acknowledged that the Minister of Finance in Saskatchewan had received a call from the Minister of Finance federally; that there was no big surprise at all; that people knew what was going to be happening with equalization payments; and they knew what was going to be happening overall on that budget day.

And one of the things you're saying is that somehow everyone should be rest-assured and feel much better because everything is simply going to come to an end now, except if the federal government does something to knock things off whack. Well people at local levels are saying that what you've done has actually knocked them off whack. They really are feeling very insecure about their financial situation, and that the taxpayers' pocket is only one pocket.

Now as much as we can't do anything to change the federal government's policy, the one thing over which you have control is the provincial government's policy. And one of the things that people want to know is what are the long-term solutions that your department is proposing in order to deal with the difficulties that these local school boards have been facing, especially those who are feeling that they may not be able to recover from the cuts that they've been facing.

Hon. Ms. Atkinson: — Well, Member, I hear what you're saying. The only difference is this, that if you look at municipal governments in the province, I think in 1992-93, they had over \$43 million sitting in reserves, RMs (rural municipalities). If you look at school divisions in this province, they had money sitting in reserves. We had no money sitting in reserves anywhere. We were flat broke. I won't say flat, busted broke; that's not proper English. But we were flat broke, and that was the reality. We didn't have any reserves anywhere to sort of try something here and try something there. There was nothing. So we were in a position where we had to make some difficult decisions.

And I guess we made the decisions that we made — minus two, minus two, minus four — hard decisions but gentle decisions in comparison to what other provinces are doing.

Now I know you will say that Saskatchewan is unique, and I agree with you. I agree that we are unique. We have less than . . . maybe a million people now, less than a million people in a very large area. We are different than Nova Scotia. We are somewhat different than Manitoba, a little bit different. They're more diversified. We're different than Alberta.

But our approach has been different as well. What we have done is reduce funding; there's no question about that. We've given our partners one-year-in-advance notice. No other province is doing that. We've got the information out to our partners in education before Christmas in order that they could make some plans.

We are in the process of devising a distance education strategy because we have some very real issues,

agreed, that we have to face in terms of how do we deliver an education system to citizens living in remote parts of Saskatchewan, rural and northern. We can't put kids on the bus for three hours one way and three hours going the other way. When I was a child getting on a school bus, 7:30 in the morning was pretty early for a little kid, and we still have kids getting on the bus at 7:30 in the morning.

We have fewer people living in rural Saskatchewan. We have fewer young people who are having families living in rural Saskatchewan. And so it sort of begs the question, how do we have an education system that people can have access to not only K to 12 but post-secondary as well.

And we think that by putting some additional resources into SCN (Saskatchewan Communications Network Corporation) because the federal funding runs out at the end of March, that we will be able to have a distance education agency that will assist us in making sure that our citizens, regardless of where they live in this province, have access to an education system.

Now we're just in the process of putting that together. We have various people who are involved in distance ed in the province, assisting us in doing that. There are some school divisions that have looked at various ways of having interactive television, interactive media to assist them.

We have an interesting situation at the Eston-Elrose School Division where a teacher in one school is teaching the kids in the other school, calculus. And the teacher in the other school teaches kids in the other school, I believe it's physics. And that's the way that they're preventing high school closures, by having a teacher in each school teaching to the other school. And therefore both communities can save their local school, which I think is a creative way.

I mean Saskatchewan people are very creative and innovative. And we think that with the help of people across the province that have some expertise in the area of distance education, we can provide educational services to people.

I think that's all I can say in terms of your question. I know what you're saying, but given the financial circumstances . . . and I don't want to harp on it, but if you were sitting over here you'd be harping on it too. Because I come from an education background. There are many, many, many things that need to be done in education, there's no doubt about that. I'd love to see an increase in funding for special education students, and you have some knowledge in that area.

There's much more to be done in ensuring that individual students have access to individual programs. And it's difficult to do that when you don't have a lot of money. But I think that the good news is that there won't be any funding reductions next year.

In terms of equalization payments, you mentioned that earlier. Thank goodness for the federal

government. There was a time in this province when we did not receive equalization payments. And those times were in the 1970s. We were not a welfare province. We were a have province. We sent money to Ottawa.

Well we are a have-not province now. And the way this country was formed and the way Confederation was formed in this country, those people who didn't have it assisted those people . . . or those people who had it assisted those people who didn't have it. In the good old days, we used to assist other parts of Canada. Well it's not the good old days for Saskatchewan any more. We have the highest debt in the country. We have the worst credit rating in the country. We get, quote, welfare payments from Ottawa.

But we think we can turn that around. We will be the first province out of the fiscal mess that other provinces are in. We will have a balanced budget by 1996-97. We have the lowest per capita deficit. This province has a history of sacrifice and we will sacrifice in order that we can be a sovereign province and control our own destiny and control our own government.

Some Hon. Members: Hear, hear!

(2015)

Ms. Haverstock: — Thank you, Mr. Deputy Chair. Madam Minister, it is interesting, I think that there have been many concerns raised about the fact that there were equalization payments, transfer payments, whatever, that did not come from Ottawa, that had created problems prior to October of 1993. So I think perhaps it wouldn't do us any harm periodically to acknowledge that things have changed, and that they did change under the circumstances, for your budget, in enough time to actually assist the people of Saskatchewan, the province of Saskatchewan.

I do think it's very telling indeed as well, that when the federal budget came down there was never any mention of the previous administration. There was never any mention of Brian Mulroney. And in fact it was very telling last week that there was a very interesting conversation last week, when a speech was given to people in Saskatoon where the comment made was, that sitting in the House of Commons Mr. Chrétien actually did know — as a member of that House and paying attention — what the financial circumstances were, facing the country. And that was one of the reasons why he wanted to be Prime Minister of the country, in order to address that issue. I think that it's in significant contrast to what we have had in the province of Saskatchewan where we've had endless comment made about who in fact has made the problem — created the problem — and now you're trying to solve the problem. I don't think that that has really gotten us anywhere except for a lot of people feeling hopeless.

Madam Minister, boards of education are now picking up 55 per cent of the operating costs of K to 12 education. And what do you believe is a fair

percentage share to be borne by the local boards, given their limited access to funding relative to the tax base that you have as a provincial government?

Hon. Ms. Atkinson: — I can say to the member this: that my position has not changed since my days in opposition. And I support us eventually getting to 60/40, where 60 per cent of the cost of education is borne by all taxpayers in this province, and 40 per cent is borne by local property taxpayers. I continue to hold that view and so do my colleagues.

I guess my question is . . . it would be useful, I think, since we're trying to engage . . . I think you want to keep this a non-partisan debate because you don't want us to talk about the Liberals in Ottawa and you're saying that we shouldn't blame the previous government, even though Paul Martin, the day after his budget, blamed the previous Mulroney government. But I guess what I'm interested in knowing is . . . you know, help us; tell us what you would do. What would you cut? What would you cut? Given that we have to get to zero; given that we have to renegotiate some of the debt that these people racked up; given that we have to get the fiscal madness that has gone on in this country for the last decade under control: what would you do? I'd really appreciate hearing from the Liberal Party and the Liberal leader because obviously you have some good ideas. I don't think it's good enough to stand there and criticize. What is your position?

Ms. Haverstock: — Mr. Deputy Chair, Madam Minister, you were doing far better when you were attempting to answer questions rather than asking the questions put to you by the member from P.A. (Prince Albert) Northcote.

I will ask again: you indicated that what you thought would be a fair percentage share borne by local boards would be 40 per cent. Do you believe, Madam Minister, the impact of your funding cuts is balanced between rural and urban areas, or do you agree that rural areas are now less able to offer complete programs than their urban counterparts?

Hon. Ms. Atkinson: — If you look at the foundation grant formula, it has not changed in this province over many years. Our government has not changed it. It's the same formula that was there prior to our election. The foundation grant formula is based on enrolments. It's weighted by enrolments. The pattern of rural migration to urban areas obviously has an impact upon the foundation grant and the monies available to various school divisions.

Let me say this, that for the 1994 school year, rural school boards are estimated to receive an additional \$78 million over and above the basic per pupil funding in recognition of the differing and more costly realities of rural Saskatchewan. And I will say this: that in rural transportation they will receive \$55.6 million; the small schools factor \$9.4 million; sparsity factor \$5.4 million; and an enrolment decline factor — because when a school has its enrolment decreased there is a transition phase — of 4.4 million, for a cost

of \$74.8 million for rural boards. I should also tell you that rural boards receive a higher per pupil basic rate, and it's 5 per cent higher than urban boards, which provides them with an additional \$12.5 million.

Ms. Haverstock: — Thank you, Madam Minister. Would you be willing to table that document? Thank you.

You're saying then that there are mechanisms in place to ensure that rural secondary students will not be at a disadvantage to get a program that they will need to qualify for post-secondary entrance requirements? Perhaps you can describe the mechanisms that are in place that are going to ensure that rural secondary students will not be at a disadvantage to get the programs that they need to qualify for post-secondary entrance.

Hon. Ms. Atkinson: — As I said earlier, we presently have just received a report of the High School Advisory Committee that has made a number of recommendations in terms of kind of curriculum we need to develop in the province for students in grade 10, 11, and 12.

You are correct in saying that there is some worry, particularly in rural Saskatchewan — and this is not new, this is not a new worry — that school divisions need to provide those students, for instance who are interested in going into medicine, with the three sciences and the two mathematics, the geo-trig and algebra. That is why we are involved in our distance education strategy, to try and get our distance education training agency up and running in order to cope with the kinds of issues that you raise.

As well there are school boards that are looking at, I suppose, consolidation of their high schools in order that they can have enough students to provide a physics, a chemistry, a biology, the geo-trig and the mathematics, but we think that we should be able to assist those school boards that have remote areas and transportation distances are far too large in terms of our distance education agency.

Ms. Haverstock: — Thank you, Madam Minister. There's been considerable tinkering with the funding for curriculum and instruction. What assurance can you give us that the core curriculum initiative is securely on track and that there are sufficient monies and support for new curriculum developments?

Hon. Ms. Atkinson: — Well I can say this, that we have just appointed Dr. Margaret Lipp as the person in charge of curriculum in the province. That was a welcome appointment by all of our partners in education.

I can say this, that we are committed to developing and implementing and supporting core curriculum in this province. That once we can respond to the high school review which I want to do by the end of March or early April, we can get on with the task of revising our curriculum for students in grade 10, 11, and 12, particularly in the core subject areas. We hope to have

all of that work done by the 1996-97 school year.

Now that certainly won't mean that the curriculum will be implemented or piloted but it will be designed or revised. The curriculum work will be done. So we are committed to continuing the process begun in the early 1980s with *Directions* in core curriculum and I think you will see that very shortly when we respond to the high school review.

Ms. Haverstock: — Thank you very much, Madam Minister. I want to be on record as well saying that the appointment of Dr. Lipp was a very welcome one. Can you quantify the impact that cuts to social services and health will have on the resources available to teachers who must deal with a wide range of overlapping issues in schools and comment on the plan that you have in place to ensure that there will not be a shortfall in the resources available to teachers for support?

Hon. Ms. Atkinson: — There has not been to my knowledge, any funding reductions in social services. That is one area where we have not reduced spending. It is our view that those most in need and those most vulnerable should not have to suffer as a result of some fiscal imprudence in the last nine years.

I can say this, that we have developed an integrated services approach where Health, Education, Social Services, Justice, Municipal Government are coming together to have an integrated approach to children and youth in this province. And we believe that instead of departments being in their own little separate boxes, and cooperating and collaborating, that we can ensure that teachers can do what they're trained to do, and that's teach students; and that those people, such as mental health workers, social workers, and others, can support the teacher by taking a more integrated and collaborative approach to service delivery.

Ms. Haverstock: — Thank you, Madam Minister. Your department is mandated to provide leadership training . . . pardon me, leadership in training and labour market planning. Will you table the list of studies that have been done on the current status of our workforce in Saskatchewan and the future requirements of our workforce in terms of training and education as they relate to the economic development vision for Saskatchewan?

Hon. Ms. Atkinson: — That's a very good question. One of the things that I found useful in the 1980s was a report done by Flora MacDonald, the federal minister, when it came to labour market studies and availability. We're just in the process of doing that because in order to devise a post-secondary system that is integrated and . . . not integrated but coordinated, and prevents duplication overlap, we need to know the — I'll use the word — manpower needs of our province in order to adequately address training issues. So we're just in the process of doing that. I can't provide you with current information, but once we have it, we'll give it to you.

Ms. Haverstock: — Thank you very much. Madam Minister, can you explain how the long-term goals of the ministry of Education directly affect the identified market niches of the Department of Economic Development? And will your department's mandate adequately address the needs of our future economy, and where is that articulated in your vision for the Department of Education? Is that all part and parcel of what you just made comment on?

Hon. Ms. Atkinson: — The *Partnership for Renewal* document identified six niche areas where there are opportunities for Saskatchewan business. Obviously there are opportunities for Saskatchewan people to be employed in those areas, and the Department of Economic Development, and Education, Training and Employment are working in a collaborative way in order that we can assist people in being trained in the areas where we think there will be opportunities, but we need to have the labour market study first. We need to finalize how the regional economic development authorities are going to look, whether we want to create regional training authorities that could then work with those economic development authorities and the regional tourist authorities, if we go that route.

Hon. Mr. Shillington: — I move we report progress.

(2030)

General Revenue Fund Agriculture and Food Vote 1

The Chair: — I will ask the Minister of Agriculture and Food to introduce his officials to the members of the committee.

Hon. Mr. Cunningham: — Thank you, Mr. Chairman. With me I have Hartley Furtan — Dr. Hartley Furtan — the deputy minister. Behind me is Terry Scott and Dale Sigurdson, who are the assistant deputy ministers. And way at the back is Harvey Murchison, Doug Matthies, Terry Tangjerd, Lorne Warnes, Bob Donald, Merv Ross, Norm Ballagh, and Dick Leigh. Thank you.

Item 1

Mr. Boyd: — Thank you, Mr. Chairman, Mr. Minister, officials, thank you for your attention this evening. Mr. Minister, we'd like to start off with information on crop insurance to begin with. I wondered if you could just give me — just for quick reference here — what the breakdown of the cost of administration is between government, both federal and provincial, and the farmers' portion of it. Can you give me, in percentage terms, what that is?

Hon. Mr. Cunningham: — Yes, I certainly can. The administration of crop insurance is broken down 50 per cent by the federal government and 50 per cent by the provincial government. The farmers do not participate in the administration cost of crop insurance. Their premiums go into a pool which is matched by the two governments and paid out from

that pool. The administration is separate from that and funded equally by the two governments.

Mr. Boyd: — Thank you, Mr. Minister. I wonder if we can move our attention then towards the little shebang we had this weekend, or whatever you want to call it, Mr. Minister. I wonder if you could provide us with an agenda of the weekend, this past weekend.

Hon. Mr. Cunningham: — Mr. Chairman, we have here an agenda. If I could get a copy made of this and we'll send a copy across.

Mr. Boyd: — Thank you, Mr. Chairman. Mr. Minister, I wonder who was it that determined what the agenda for the weekend would be. Do you have some indication of who set the agenda — both the work schedule and the social activities?

Hon. Mr. Cunningham: — Mr. Chairman, there was a strategic planning group within the corporation which would have been in charge of setting the agenda for it and organizing this conference.

Mr. Boyd: — And, Mr. Minister, what was the cost to the taxpayers of Saskatchewan and the taxpayers of Canada for the weekend?

Hon. Mr. Cunningham: — Mr. Chairman, I don't know that all the bills are in that we can give it to the penny, but it's in the neighbourhood of \$70,000.

Mr. Boyd: — Thank you, Mr. Minister. How many people attended the weekend?

Hon. Mr. Cunningham: — Mr. Chairman, there were 476 employees and agents who registered for the convention.

Mr. Boyd: — How many people were invited for the weekend?

Hon. Mr. Cunningham: — Mr. Chairman, all the agents and employees of the corporation, which totals about 800, were invited.

Mr. Boyd: — Mr. Minister, noticing on the agenda there's a couple of things that I would like to ask about. There was a keynote speaker from 1:15 to 2:45 by the name of Gary Gregor. I wonder what his . . . what did his address involve?

Hon. Mr. Cunningham: — Mr. Chairman, Gary is a well-known motivational speaker who addressed the conference on motivation and teamwork and that sort of thing.

Mr. Boyd: — Mr. Chairman, Mr. Minister, in the evening there was a banquet and there was also another guest speaker by the name of Rick Worman, I think it is. I wonder if you could tell us what the topic of his address was, and the relevance to crop insurance.

Hon. Mr. Cunningham: — Mr. Rick Worman is a certified management consultant and speaker.

Donated his time, by the way, to come to this convention; spoke after the minister at about 9:30 when I left, and he was beginning to speak. So I think for the price of admission, it was very well worthwhile.

Mr. Boyd: — Thank you, Mr. Minister. Well I'll agree with you there. For the price of admission it would certainly be well worth it all right. It was just prior to the casino night that he started his address?

Hon. Mr. Cunningham: — Yes, as I say, it was something after 9 p.m. when he addressed and spoke to the group. I don't know how long he went because I left before he finished.

Mr. Boyd: — Thank you, Mr. Minister. Also in the work sessions, I would draw your attention to that, there was one topic by Kathy Fenwick — I'm having difficulty making out the name. What was her topic of that day?

Hon. Mr. Cunningham: — Her topic was humour in the workplace. This was one of the concurrent sessions that went on concurrently with agricultural trends and communications.

Mr. Boyd: — Thank you, Mr. Minister. In your mind, in your department's mind, did you determine . . . how do you determine whether the conference was successful or not? Or have you determined in your mind whether there was good value for the dollars spent by the taxpayers of Saskatchewan? And how do you judge that? Is it by the attendance? Or is it by the reaction to the workplace humour, motivational-type speakers? What is the criteria that you use to determine whether the \$70,000 was well spent?

Hon. Mr. Cunningham: — Well, Mr. Chairman, some of the topics covered were sales and project management and time management, so I suppose the ultimate test is whether or not we do a good job of sales this spring and whether or not farmers know what they're buying.

One of the things that I use to judge is talking to employees. And the short time that I was there, I sat at a couple of tables and talked to employees who said that it was very well worthwhile, and they had received some information that would be useful at home in their work. So I think the management will obviously be evaluating this and we will see how the corporation functions. That's the ultimate test.

Mr. Boyd: — Thank you, Mr. Minister. As well as the corporation evaluating it, the farmers in Saskatchewan are currently evaluating it, I would suggest, being at home on the weekend and talking to farmers in the curling rink and the hockey rink and that sort of stuff. They were coming up to me, Mr. Minister, and I would say a typical response was something like, you mean to tell me the Minister of Agriculture has okayed an expenditure of some \$70,000 for a weekend of essentially, of fun for the Crop Insurance employees?

Well break out the time, Mr. Minister, break out the time that was spent actually doing something that I would guess farmers would consider somewhat productive, compared to the time that wasn't spent on somewhat productive ventures, Mr. Speaker, and there's very, very little in this information that would suggest that there was hardly anything beyond a party for the weekend for the Crop Insurance employees. And I wonder if you'd care to comment on that and what reaction your office, what reaction your office has been getting since the information leaked out about the party.

Hon. Mr. Cunningham: — Mr. Speaker, Mr. Chairman, the information that leaked out was obviously wrong. The member obviously has very much false impressions of what went on there. This was not a time of fun and frolic. There was eight hours of sessions here.

As I said, I left at 9 o'clock and they were beginning to listen to a motivational speaker. These employees have, some of them, six to seven hours of travelling time to get here. Nobody got paid for being there on Saturday.

I think that this is probably very well worthwhile, and I would remind the members opposite that the progress that has been made in Crop Insurance since we've been in government, going back to 13,000 uncorrected errors in a corporation that was in a rather bad tangle at the time. And I think the progress we've made to date has been good.

We've got some ways to go, and I think this is one more step along the road to delivering a decent service to farmers. And certainly when I talk to farmers, one of the things that farmers tell me is that this corporation needs to be more coordinated, that you need to have the people in the CSO (customer service office) offices and the agents and the people in head office and the adjusters all knowing the total picture and all being able to answer questions. And that's what this is all about, to bring them all together and try to build a team.

Some Hon. Members: Hear, hear!

Mr. Boyd: — Thank you, Mr. Minister. You mentioned that one of the ways that you are going to evaluate whether the weekend was a success or not is by how many farmers you're able to sell crop insurance policies to this spring. And I'm wondering if you could provide for us this evening, how many people were in crop insurance in 1991, as compared to how many people are in crop insurance today.

Hon. Mr. Cunningham: — In 1991 we had 51,466; in '93-94 it's 45,796 customers.

Mr. Boyd: — Thank you, Mr. Minister. Looks like your party was a year late. You should have had it a year ago if you were trying to make some kind of a value judgement on how successful you were going to be.

What is your forecast for the upcoming year, for

1994's crop, of how many people will be in crop insurance?

Hon. Mr. Cunningham: — Well I think we've had this session probably three years too late and the reason that we lost customers back from that time period was the mess the corporation was left in when we took it over.

I think we are anticipating an increase in customers this year, or certainly an increase in the acreage that will be covered under crop insurance this year.

Mr. Boyd: — Thank you, Mr. Minister. I wonder if you could provide us with some detail of that rather than just your assumptions.

Have you done any kind of studies, any kind of indication that you would have that would support your claim here this evening that there will indeed be an increase in . . . What we are hearing in the rural areas of Saskatchewan is that there will be a cut-back rather than an increase in crop insurance acreage and the number of people taking up crop insurance, as well as a lot of people are looking at substantially reducing the coverage they have under the program rather than increasing it, Mr. Minister. And I wonder if you'd care to comment.

Hon. Mr. Cunningham: — Well, Mr. Chairman, we've certainly been concerned about the enrolment in crop insurance. I don't think farmers in this province can afford to be without it, and as a province we cannot afford to have farmers risking their livelihood because they're not in the program.

As you will know, and these estimates show, there are three enhancements that we have done to crop insurance. The premium rates will be frozen, or the rate will be slightly lower than last year. We've added three enhancements to the program. And as to how many farmers will sign up, or won't, will be a decision of the farmers and it's not very easy to predict.

We've certainly done everything we can with programing, and that's part of the reason for the conference, is to provide better service, that we'd keep as many farmers as possible into the program, and we have some hope that we will attract some who left the program in recent years.

Mr. Boyd: — Mr. Minister, I wonder if you would care to answer the farmers' concerns that we heard over the weekend.

What possible reason could you use to justify holding something like this in Regina under these difficult economic times on the farm, Mr. Minister? One fellow come up to me, and he was fairly quick-witted, and he said to me that times are so tough out on the farms in a lot of areas of Saskatchewan that having a burglar alarm on the waste-paper basket just isn't a Newfoundland joke any more, Mr. Minister. That's how difficult he has it on his farm.

(2045)

He said to me he doesn't see how anyone under these conditions that agriculture is going through can possibly, possibly in good conscience suggest that something like this is a valued use of taxpayers' dollars, Mr. Minister. I think he would rather have seen some reductions in premiums or some increases in coverage or something like that, rather than using the money in the frivolous way that you used it over this weekend, Mr. Minister.

In the past, as I understand it, there were regional-type meetings held around the province where people, Crop Insurance employees, travelled down for the day and then went back home — none of this other kind of frills besides the banquet and the casino night and auction. I wonder . . . I just noticed that now, Mr. Minister; what did the auction entail? What was the . . . did you auction off some items or what was the . . . how did that work?

Hon. Mr. Cunningham: — Mr. Chairman, there were some prizes that were donated for casino night. Again as I say, this was certainly in the evening. I know the members opposite don't believe in training of staff. We could have lowered the premiums or the coverage or whatever by two cents an acre instead of doing this. But I think, Mr. Chairman, that although things are tough in government . . . And this government has cut back in administration, have eliminated a whole lot of positions since we've been in power and created a leaner and meaner government. But in order to do that, you have to have employees who are trained, who are dedicated, and who are professional. And that's the reason for bringing these people all together.

Again the response was from many farmers that this is not a coordinated operation, and that's one of the very few complaints that we got left. We got our rate down substantially, and one of the things that we are hearing from farmers is that the different arms of the corporation are not as coordinated as they should be, and that's one of the reasons for bringing all the people in and doing it.

I would submit, Mr. Speaker, that not only government departments, but private industry as well does that. I think there's a convention starting tomorrow SARM (Saskatchewan Association of Rural Municipalities) is having. Those people are all paid for by their ratepayers at home, certainly a lot more money coming out of farmers' pockets to pay for the SARM meeting which they do twice a year than there ever was Crop Insurance. And are you saying that that's not worthwhile, that it's not worth bringing all the people into Regina, that we could have regional SARM meetings?

Mr. Boyd: — Thank you, Mr. Minister. Mr. Minister, I realize that this is an area of a great deal of sensitivity to you and your government and your back-bench members, as you can see them chirping from the floor about it. They're concerned because it points out that the kind of expenditures that you, as the minister of Crop Insurance, are willing to make on behalf of the taxpayers of Saskatchewan. And the farmers of

Saskatchewan don't agree with it, Mr. Minister, and you're frivolously . . . frivolously suggest that it's only 2 cents an acre, and big deal; 2 cents an acre, no big deal. Why would anybody be concerned about that, Mr. Minister?

Well \$70,000 to the average farm family in Saskatchewan probably represents about 4 years' net income of the last number of years, if not more than that, Mr. Minister. And, Mr. Minister, I would suggest to you that you should re-evaluate those kinds of things in the future. And I think that if given the opportunity, you would have cancelled that thing because you knew very well that that's a frivolous use of taxpayers' money, Mr. Minister.

I think you have better good sense than that. But because the thing was scheduled and you had no opportunity to cancel it at the last minute . . . I think you'd have done that, Mr. Minister, if you'd have had the opportunity. But unfortunately, we caught on to it a little bit too late, Mr. Minister. And the farmers of Saskatchewan are left, along with the taxpayers of Saskatchewan, picking up the tab for a very, very excessive weekend of entertainment for the Crop Insurance employees.

And you say, again frivolously cast off, and say private industry does it all the time. The difference is, Mr. Minister, private industry picks up the tab themselves, and you aren't doing that on behalf of taxpayers. Mr. Minister, the taxpayers are paying this kind of shot and I don't think they think it's a very good expenditure of their tax dollars whatsoever.

So, Mr. Minister, how can you in your mind justify, how can you justify this kind of expenditure when farmers out in rural Saskatchewan are struggling under the cost of the crop insurance program these days?

Hon. Mr. Cunningham: — Well, Mr. Chairman, the member opposite can insult the Crop Insurance employees all he likes. They did not view this as a frivolous weekend. They came and worked very hard. I think the member opposite would agree with me that many errors that Crop Insurance makes are dealing with farmers' money. Crop Insurance Corporation handles billions of dollars of taxpayers' money and farmers' money, and often errors can amount to \$70,000. So if you have a corporation that makes 10 fewer errors, it's probably well worthwhile, certainly to some farmers.

I might also mention that the Conservative governments in Alberta and Manitoba on both sides are both having a very similar conference to this. I wonder how the member would explain that.

Mr. Boyd: — Thank you, Mr. Minister. What was the cost to the participants, of the weekend?

Hon. Mr. Cunningham: — Mr. Chairman, I think they got a nominal expense of . . . travel expense of 10 cents a kilometre so they were out whatever else that cost. There was a \$20 registration fee that they paid

for. They got no wages for being there on Saturday. The agents who came in spent both Friday and Saturday on their own time to attend this conference. So I think it took some dedication on people who drove from places like Shaunavon and Meadow Lake and so on to come to a conference. It certainly took a lot of their time and effort and they put a lot of effort into this weekend.

Mr. Boyd: — Thank you, Mr. Minister. If I understood you correctly, the Crop Insurance employees that attended on the Friday received payment? They received their regular wages in addition to the rest of it?

Hon. Mr. Cunningham: — Mr. Chairman, of course the employees who are on salary were not docked a day's pay.

Mr. Boyd: — So, Mr. Minister, what is the real cost of this then? If there was 476 people that were there in addition to . . . so they weren't working in the office back home, obviously. They were at your conference. So there were 476 people there. Does your tab of \$70,000 include that, Mr. Minister? What are the wages of those . . . what I'm asking, I guess, is what are the wages of those 476 people for that one day?

Hon. Mr. Cunningham: — Mr. Chairman, to begin with, as I said, the agents received no remuneration. Certainly there will be no extra cost to make up the work for . . . the employees will probably work longer hours to catch up what work may have been done. But there was no additional cost to having these people there.

Mr. Boyd: — So what happened to the offices of Crop Insurance on Friday, March 4 at Meadow Lake or at Kindersley or anywhere else? Were they closed, Mr. Minister?

Hon. Mr. Cunningham: — No. We left staff at all the offices so that they were manned. I think there would have been a minimum staff who were not at the conference who maintained the offices during the Friday.

Mr. Boyd: — So, Mr. Minister, how did you determine who got to go to the conference and who didn't get to go? Did you have some kind of a casino night to determine that, Mr. Minister? Or was there a short-straw type contest? Or how did you determine the folks that actually got to go relative to the ones that had to stay home?

Hon. Mr. Cunningham: — Mr. Chairman, that was worked out with the employees themselves. They volunteered to stay and man the offices for Friday.

Mr. Boyd: — So you had people that actually volunteered to stay back home and miss the little shebang in Regina here. Stay at the Ramada Renaissance Hotel in Regina here, miss all of the fun and activities and frolicking, the keynote speaker and the casino night, the auction — all of those things, Mr. Minister. That's really interesting to note that.

I think, Mr. Minister, you should be able to provide us with the cost of those 476 people just on any one given day. Let's not even call it March 4. Just give me the cost for one given day, of those 476 employees.

Hon. Mr. Cunningham: — Mr. Chairman, the member opposite continues to insist on slamming Crop Insurance employees who work very hard on behalf of farmers in this province, and I think that that is unacceptable to accuse employees.

I think if the employees thought it wasn't worthwhile, they certainly would not have come in. I certainly don't think that anybody would drive all the way from Meadow Lake to be here because there's a casino night at 10 o'clock at night to have a little bit of fun. I know the members opposite are into gloom and doom, but we certainly don't discourage our employees from having a bit of fun after the workday is done.

Mr. Boyd: — Thank you, Mr. Minister. What kind of service would have a farmer been able to get on Friday, March 4 when he arrived at his Crop Insurance office to discuss, for example, the upcoming programs that you're talking about. He walks into the office, this given farmer, I don't care whether it's in Meadow Lake or Kindersley or Rosetown or wherever. What kind of service could they expect? Or would they walk up and the receptionist would say, I'm sorry, there's nobody here today; I don't know nothing. Or what's the deal? What would they have received that day?

Hon. Mr. Cunningham: — Mr. Chairman, there were qualified staff in every CSO office.

Mr. Boyd: — Mr. Chairman, Mr. Minister, on that day then, you said that there was service available. So would you consider it to be a full range of service, or a skeleton type service, or how would we categorize that?

(2100)

Hon. Mr. Cunningham: — Mr. Chairman, there were adequate staff to cover the situation. My deputy points out to me that I made a miscalculation. It should be .2 cents per acre, not 2 cents an acre.

Mr. Boyd: — Thank you, Mr. Minister. So there was good service available that day. There was adequate service available that day. So what do we need the 476 people for, Mr. Minister, if there was adequate service available that day, Mr. Minister? I mean that begs the question, I think, Mr. Minister.

And we get into the area of almost the ridiculous when we start talking about this, Mr. Minister, because I think that's what the farmers were saying to me on the weekend. They went into their Crop Insurance office and there was nobody there, basically. They looked around and they said, can you give me some details on the program? And they said no, the agents are away and the adjusters, they're away, and I got the short straw so I had to stay here. Mr. Minister, that's what

happens when you have these kinds of things. And people are paying the shot for them and they don't like it, Mr. Minister.

The farmers I think would have rather had the \$70,000 taken out of your salary rather than spent on that sort of stuff, Mr. Minister. I don't think it's a very good expenditure of taxpayers' dollars in these economic times, Mr. Minister. So you know I can't help but wonder why you would want to have gone ahead with such a thing. What was wrong with the regional type meetings that you had in the past that made you determine that this was necessary?

Hon. Mr. Cunningham: — Well, Mr. Chairman, again I think there's a difference of opinion. We think the money spent on training and personnel development is well worthwhile, and we do that throughout government. And I think any government or any company that neglects to do staff development is going to find itself in a great deal of trouble.

Regional conferences — we would have had to have the resource people to all the regions. We could not have gotten all the people together, which was one of the things that our staff were asking for, and one of the things that, as I repeat again, that farmers have been telling me — that this corporation, because they never see each other, they're not as coordinated as they should be. And this is one effort to try to pull the whole corporation together and come out with a strong, efficient team to do the sales program for this spring.

Mr. Boyd: — Mr. Minister, you provided us with an agenda for the weekend. And when a person has an opportunity to view this . . . And I'm going to publish this, I think, in my report from the legislature because I think the farmers of Saskatchewan would be very, very interested in knowing what went on at that conference that cost the taxpayers that kind of money, Mr. Speaker.

And I would guess if you total up the hours here it doesn't come anywhere near eight hours of actual work time that was taking place there, Mr. Minister. So I think you have an explanation . . . you owe an explanation to the farmers of Saskatchewan as to why you'd be doing this kind of thing under the most difficult of circumstances.

You suggested that the Crop Insurance agents, the Crop Insurance people themselves have been asking for this kind of thing, Mr. Minister. I don't think that they had a whole lot of choice, quite frankly. When your employer sends you an invitation and says that here's a . . . we're having this policy workshop over the weekend, I don't think there's very many people that would suggest or think to themselves that it's not a requirement of their job, Mr. Minister.

So to suggest to the farmers of Saskatchewan that this is okay somehow or another, and it's only a minor little cost, Mr. Minister, I don't think is acceptable at all. And I don't think the farmers believe that either. So maybe you'd like to . . . maybe it would be a good opportunity to send some kind of explanation to the

farmers of Saskatchewan as to what went on. To get your side of the story out, shall we say? If you have a credible story, I'm sure farmers will give you . . . the taxpayers will give you the benefit of the doubt on this, Mr. Minister.

But over the weekend in discussions that I had with farmers, there was no benefit of the doubt, Mr. Minister; they were saying it wasn't a good use of money. It wasn't a good taxpayer expenditure, and they seriously doubt your competence now, Mr. Minister. And I wonder if you'd care to comment?

Hon. Mr. Cunningham: — Mr. Chairman, I don't know that the member opposite should be lecturing us on what's a good expenditure. We don't think that \$870 million a year in interest is a good expenditure, but we make it anyway.

Mr. Chairman, farmers may well have agreed, if the member opposite is giving them false information and telling them that the Crop Insurance employees were in there just to have a party and frolic. They would obviously not agree with that. I don't think that farmers in this province are averse to civil servants who serve them being trained and upgraded and knowing the programs that they're dealing with and delivering a good service to farmers.

Mr. Devine: — Mr. Minister, I would be just interested in getting a little bit of information about the coverage in '94-95 compared to what it used to be, and I will break it into three categories. If you look at 1991, and you might have it . . . or try '91, the year you got elected, if you look at the number of farmers — I think you've given us that, 50-some thousand; maybe you could give it to me again — the number of acres that were insured and the dollar value of the coverage. In other words, what could you get protected for and what was the coverage bought and the amount of premium paid?

So if you've got the number of farmers, the total acreage, and the protection which . . . and you might have a symbol for that or some measure of it, that is the premium paid or the coverage . . . In other words on the typical farm, what could you get for what you paid?

Because I want to compare it today because obviously — I mean we'll agree to disagree — I don't think you've got nearly the coverage, and that's why your numbers are down. And I don't think you've got, number one . . . I'm sure you'll find that the number of farmers is down. Number two, I think you'll find the acres are down. Number three, I think in many cases they just took the minimum coverage just to stay with it and they're not really serious about the coverage.

So can you give me any comparisons, and you must have some ballpark there, of not only the number of farmers, but the number of acres and the extent of the coverage and the premium it costs to cover that, '91 versus the last year, which would be '93-94.

Hon. Mr. Cunningham: — Well, Mr. Chairman, I gave

the numbers on the number of participants: 51,466 in '91-92 versus 45,796 in '93-94. The acres covered in '91-92 is 28,209,622. In '93-94 it's 19,536,072. Premium totals — 161,124,037 in '91-92 and 191,533,268 in '93-94.

Mr. Devine: — So you're saying that the numbers dropped from 51,000 to 45,000; the acreage dropped from 28 million to 19 million; but the premium to cover went from 161 to 191 million?

Hon. Mr. Cunningham: — Yes, that's true. And the premiums are a reflection of the risk, as you well know, partly because of bad crops in the '80s and a deficit that would run up the crop insurance during the reign that you were in charge of it.

Mr. Devine: — Well, Mr. Minister, you are telling me you expect the number of farmers and the number of acres in crop insurance to increase with your recent announcements. And what you've given me here is that you have raised the premiums significantly, even to handle about a fraction of the acres in the last couple of years. Is that what you want to tell the farmers? That your premium is going to go up and the acreage has gone a way down but it's a much better deal. And you think and you honestly expect the number of farmers and the number of acreage and the coverage to increase in '94-95.

Hon. Mr. Cunningham: — Again, for next year the premium rate at least will go down very slightly. And of course as the member opposite knows, each risk area is actuarially sound on its own basis on each crop so that there is shifting around, but the actual premium rate will drop a bit. I think it's oversimplified to say that the gross premiums are up. You have to realize that last year we had record acreages of lentils, peas, canola and a lot of higher value crops which have higher coverage. So that also reflects in premiums.

Mr. Devine: — Well, Mr. Minister, maybe your officials — I'm sure they could; I've had the opportunity to work with them — maybe they could calculate, just so that we can get it here, the decline in the acreage for me and the increase in the premium on a percentage basis.

And then if you say that the premiums are going to fall a little bit, what impact do you think that might have on the acreage coverage? In other words, you've dropped from 28 million acres to 19 million acres. Could you then work that out into percentage terms, and then compare that to increasing the premium from 161 million up to almost \$200 million for that smaller coverage in a percentage term. And then tell me what percentage you think farmers are going to buy, given that ratio.

If this goes out in anybody's newsletter, I mean if it goes out in the Wheat Pool's handbook and they said, for heaven sakes that's going to be the plan, I, you know . . . You expect the farmers to actually increase coverage with this. I just want to know if you could give me a little bit of sort of what you base that on because I'd like to go . . . We could look at some

forecasts or even some probability of whether in fact they would follow perhaps your logic there.

Hon. Mr. Cunningham: — Well, Mr. Chairman, as compared to last year, the premium rate will be slightly down. And again I say that only over averages, and as the member well knows that shifts between risk areas, between farmers. The coverage will be up slightly this year because grain prices moved up, so there will be some increase in the coverage and also incidentally in the nominal amount of the premiums.

I guess what we're saying is that we've got basically the same program that we had last year with enhancements of spot loss hail and multiple crop options which allows farmers to use the whole-farm approach and have a lower premium if they choose that option. And we've got an option for diversification for new crops.

So we have basically the same program that we had last year with a very slightly lower rate and these new options. And I hope even better service from our staff.

Mr. Devine: — All right well, I guess you don't have a calculator, but we did a little calculating here. But what it looks like is that there's about a 30 per cent drop in acreage and about a 20 per cent increase in premium which is a massive change in a relationship; that you're charging them 20 per cent more from 161 to \$191 million on 30 per cent fewer acres because you went from 28 million down to 19 million acres.

And then you come along now — just so that I understand — and you say, but there are going to be more farmers buy into this because we got spot loss hail and we've got some specialty crop options in a basket that are really going to make it attractive. Now you're going to have to explain those options to farmers like myself and others to even, I would think, get people reasonably interested in going back into crop insurance.

Could you tell me . . . I mean are you saying that there's going to be a modest decrease in premium? What are you talking about and what kind of coverage can you get in terms of spot loss hail and specialty crop options that would make you so optimistic that farmers are going to get a good deal and they're going to get back in with more acreage and better coverage and so forth?

Hon. Mr. Cunningham: — Well, Mr. Chairman, we do not, as you know, set the crop insurance rates or the coverage. Those are set by an actuary. Crop insurance is governed by a federal-provincial agreement and the numbers are calculated by an actuary. And when there are losses, insurance premiums go up.

Crop insurance is still a good deal for farmers. For every dollar that a farmer puts in, \$2 are paid back to farmers. That's the basic way the system works and over the past number of years, not only have they got back \$2 for every dollar they put in, but they've gotten \$600 million extra. I have the officials crunch

numbers over the last ten or twelve years and we found that over that time period, 84 per cent of farmers have gotten back more money than they've put into crop insurance.

Certainly we don't like to charge higher premiums and we would like to avoid it but that is the program that we are stuck with — cost-sharing premiums, I might add, that were taken on by your government when you were in power. But that is the premium regime that we have and until crop insurance experiences better premiums or we're able to convince the federal government to write off some of the debts or something can happen with it, those are the premiums that are available.

We've done what we could to increase the viability of the program. We've added the options at some extra cost to us that we think will help farmers. The spot loss hail was one option that comes up over and over again when I talk to farmers and farmers tell me if we had spot loss hail I'd be back in it. I don't know whether they will or not. That's a business decision that farmers will make. If they feel they can afford to be without insurance, then obviously they won't join the program.

(2115)

Mr. Devine: — Mr. Minister, what you're saying is that you expect the numbers of farmers and the acres — I don't want to put words in your mouth — to increase as a result of the changes that you've made. Now obviously the numbers and the acres have decreased substantially. You acknowledge that.

Now you're saying that you think that you're going to turn this around. Everything's based on actual numbers, and I think we're under the same federal agreements and laws. We've been here for 10 or 15 years; it's a federal-provincial crop insurance mechanism. Can you give me an example . . . Can you illustrate why you think the speciality crop basket option and the spot loss hail is going to increase the protection that much that you're going to get farmers to turn around and say, oh I think this is really going to be a good deal, particularly given the fact that you said that you're going to drop the premium.

Could you tell me, on the average farm — or I'll give you one or I'll give you mine — what the premium decline will be and what kind of coverage do you think you're going to be able to provide to get some renewed interest? Because you've got substantial drop in numbers any way you look at it.

Hon. Mr. Cunningham: — Well on average, again using averages, premium rates . . . and remember I'm saying the premium rates are going down. The coverage is going up; rates are going down. Rates on hard red spring wheat will be down 4.8 per cent; durum will be down about 5 per cent; barley down about 3.6; oats will be even; flax down 1 per cent; canola down 1.5 per cent.

Some of the coverages: hard red spring wheat, the

coverage was going from 2.99 a bushel, high price option, to 3.13 a bushel, I believe the number is. So it's a slightly increase in some of the prices which will give a higher coverage. These numbers I quoted you are not an actual premium; that's in the rate as a percentage of coverage.

Mr. Devine: — I wonder if you could give me an example of the coverage and the protection difference. Just pick an average farm and we'll put on say a thousand acres. And you've got 500 acres of wheat, and a couple hundred acres of a specialty crop, and a hundred acres of flax or canola, and give us a breakdown of what the coverage or protection and the premium is. And you can give me, well recently your changes from '93-94 compared to '94-95 and then compared to . . . I think it would be fair to the farmer because the farmer probably will know why he changed, but do it for '91-92.

Hon. Mr. Cunningham: — Mr. Chairman, as you well know and the members opposite well know, crop insurance, again, is different for risk areas. It's on individual coverage for individual farms. Obviously, would have to have a lot of data to do information on . . . (inaudible) . . . farm. This is one of the reasons why we spend so much time training our staff is because this has to be worked out on individual farm basis. I might add that the premium increase that we got last year under the crop insurance agreement was as a result of an agreement that was signed in 1990 by the previous provincial government and the federal government which required the actuary to do . . . to do a study in 1992 and be implemented in 1993, so those premiums were the result of the agreement that was signed by yourself in 1990.

Mr. Devine: — Now I just want to ask again: you can't take a typical farm and give me the comparisons of the coverage and the premiums either from '93-94, even during your administration, '93-94, '94-95, to give me an example of what the coverage might be for an oilseed and wheat and a speciality crop from year to year.

I mean it seemed to me, even in terms of marketing you must have taken to your crop insurance people and your agents and others and said, well, this is about what it would work out to be. Here's a typical farm. Or here's in crop zone or area X, one, two or three and let's compare year over year so that at least they could explain.

Because without doing that, I don't know how you can forecast that farmers are going to like your coverage, your package, any better. Because it doesn't wash. I mean you and I both know that if you put more speciality crops in it, you're going to dilute the coverage you have in that basket, either for the majority crop or something else. It will weigh . . . it will balance out. Now you're going to have to make some changes in the premium or changes in the coverage to help him have better protection and explain that to him or he's . . . I don't understand what you're talking about. I know the premiums up and I don't think my coverage is there. So I . . . wouldn't it be reasonable to

get a ballpark farm comparison?

You telling me you can't . . . you can't make those kind of comparisons on a typical farm over from one year to the next?

Hon. Mr. Cunningham: — Well I could do on an individual farm, but you might well find that one farm in one risk area who had one experience with drought in '92 or '91 would have a totally different picture than somebody else in another area. I've given you the averages for the rates across the province and the total numbers.

One of the things that we do and one of the reasons again that we train our staff, is that each individual farmer will get a breakdown on his farm and we can even do what-if calculations and so on. And each farmer will sit down with his agent and have a breakdown of exactly what his coverage will be and what his rates will be on his individual farm. That's part of the individual coverage and that's part of why we have to maintain good service.

We have to explain to the farmers exactly what his coverage is, exactly what his premiums are, and what he can expect from us. And then he or she has to make the decision based on his or her own good business judgement.

Mr. Devine: — All the information that you have, could you send over or . . . I mean on all the rate changes, the premium changes, the coverage, the percentages you gave me for spring wheat and durum and flax and some other things — you gave me prices that you might have — and the whole combination. And I suspect you have it by risk area. You must have, by risk area. Is there . . . I mean maybe I'll have to work out an example. I'll sit here and we'll work out an example by risk area and say, well here's what it used to be and here's what it is now, to give the farmer a bit of protection.

Mr. Minister, the problem that you face is one of credibility and confidence. The farmer is worried that he has to have a total wreck on all his commodities in order to get a payment under your system. That's why they're signing off and the acreage is down and down and down — acreage is down 30 per cent. They don't trust you, frankly, because you've made dramatic changes and you've raised premiums and you've got less coverage.

And now you're kind of, it looks like, you're kind of just fooling around the outside, say we can throw in a few of these speciality crops into a basket. What does that do to the total basket, what does it do to the probability of getting paid, and what does it do to the premium? See and you haven't given me any answers there. They don't know what you've done to the formula.

And the same with including spot loss hail. What does that cost him and what's the coverage? Can you give me an example? You'd have a section farmer, you brought in spot loss. How does it compare to

Municipal Hail, that is the coverage and the premium? Why wouldn't he just go with Municipal Hail as opposed to buying your basket here? Can't you give me any illustrations, examples of how you have improved the system this year when he knows that it's just been going downhill for the last three years.

And the farmers speak for themselves. I mean their acreage is down 30 per cent — from 28 to 19 million. And you've raised the premium on that smaller acreage up to \$191 million.

So he's from Missouri . . . I mean, he really would like some examples and some illustration on how your new basket or previous baskets would work by risk area. Take the average of a risk area. Try it out, as an illustration. You must have give something to the agents.

Hon. Mr. Cunningham: — Certainly the agents would work out for each and every farm in the province all those numbers for the farmers so that they can do that.

The spot loss hail, the premium will be between 1.5 and 3.5 — an average of 2 per cent. The farmer will pay half of that. So on average, 1 per cent buys them spot loss hail. It is not comparable to buying hail insurance from a hail company because it is spot loss hail. But that's the cost, and I can break it down on individual farms. That will vary from township to township depending on the hail risk.

Mr. Devine: — Mr. Minister, I'll ask once more and then I'll just assume that you can't give me or the farmers typical examples of farms in risk area year over year over year.

Now I think you can. I think you've got computer capacity to do that. I think you can punch out a dark brown soil zone. I think you can take Regina heavy clay. I think you can take parkland. And you can put together a risk area and say here's what the typical coverage would be. Just do one for canola and spring wheat. Give me some comparisons. Just take a typical farm in the risk area. I'm sure you could crunch out those numbers. Then we can really talk and see what you're doing.

In fact what we think is the case, if you won't do that, is that the farmer's continually going to reduce his coverage under Saskatchewan Crop Insurance, when that is not the case, and certainly not the extent that we find in neighbouring provinces. And you know that's the case. And if I'm mistaken, I want to know.

So can you make comparisons year over year in the province of Saskatchewan that would give us some confidence that you've turned the corner? And do you have any idea if other people can? And if in fact it's possible, I'd certainly like to know. Because if you can't, then we must assume that it's not any better. It's going to get worse. The premiums are high. The coverage is poor. And farmers are going to continue to abandon millions and millions of acres to crop insurance when this is the home of crop insurance.

We've got half the farmland in Canada and it's abandoning you and your policies. I mean you have a credibility problem there and I'm just trying to find out if you've been successful at all in kind of bringing it back, because obviously they're not buying it the last couple of years at all.

Hon. Mr. Cunningham: — Well, Mr. Chairman, we have not made dramatic changes to crop insurance. I might point out that Alberta and Manitoba have only 70 per cent coverage option, where in Saskatchewan we have an 80 per cent coverage option. Their prices for grain are similar to ours, and their average yields are whatever their average yields are.

So I think . . . we'll send over the data on the different rates on the different risk areas. I don't have data on every farm in Saskatchewan here. And again, we can do typical farms, but the danger of that is that there is no typical farm in Saskatchewan. Every one will be different. Everybody is on an individual yield, and so it is their own individual yield over the past 10 years that determines what their coverage is, and risk areas, of course the rates vary up and down.

Mr. Devine: — Mr. Chairman, what I also want to know is . . . and you might not be able to dig this up and you probably won't, but you see my concern is that the farmers and the public in rural Saskatchewan and obviously in the cities — because there's no stores on the farm, they've got to come to town to spend their money — have lost a great deal of coverage and a great deal of money in the last two or three years because of your administration.

And we've had serious weather problems which we all acknowledge, and you've acknowledged, and it's cost them dearly. And they took out insurance to cover that. That's what crop insurance is for. I can't prevent a drought, I can't prevent a frost. And they've been hit hard. You know that. In your area, my area, all over the province.

And they have . . . I mean we don't need to go through the GRIP (gross revenue insurance program) arguments, but they made major decisions on crop insurance protection, renegotiated bank loans, bought machinery, leased, sold to their kids, all kinds of things, and then had the rug pulled out from under them. They lost a lot of money because the coverage wasn't there.

Now that's why you have a serious credibility problem here and across the country when it comes to, well now you have the solution on crop insurance. And it's not confidential. This is something that we've been through. We were looking at it before. Your own officials in advising our caucus said, under the new plan that was initiated here in the province of Saskatchewan — your plan — if there's a wholesale drought or a wholesale frost, they admitted it'll be unmitigated disaster. And that's what happened. Unmitigated disaster. There will not be the protection.

Now they have seen that happen to them. And you're saying now that you think they're going to come back

into crop insurance because your credibility is up, your examples are up, your premium is going to be lower, and your coverage is going to be better. And you have no example and no illustrations, just sort of trust me, it's going to get better and they've lost, I don't know, you pick a number, 25, 35, 45, \$50,000 a farm that was hit with frost that cut them off, or drought or combinations thereof. A lot of money, compared to Alberta and Manitoba.

Now with that kind of loss, and the members opposite, the members opposite can laugh at those farm families that have put up with this, but it isn't funny. It's not funny, it's serious stuff. It's just like the symbolism of having a \$70,000 party at their expense. Some of them lost \$70,000 of farm by you changing crop insurance. You know it; we can find them in every zone and you had a \$70,000 party.

(2130)

Now if you're going to change this for the better, don't you think you could have better examples and take the time to put together illustrations so that the average farmer in each risk area could say, now he's talking, that makes sense. They're kind of getting their senses, they're coming back together. Because you're talking real families — and they're NDPS, Liberals, Tories, Reformers and everything else. These are good Saskatchewan people that want to know they've got adequate coverage in crop insurance.

Mr. Minister, under your new crop insurance, can you give me comparisons, '91-92 versus '93-94 if we have a frost that goes across the province or a drought or a weather disaster — and that's what crop insurance is about, it's a production insurance — can you give me interyear comparisons on what happens to a farm if it gets wiped out this year versus three years ago?

Hon. Mr. Cunningham: — Well, Mr. Chairman, the crop insurance in this year is at 80 per cent coverage, at least that's an option that farmers have available. Again farmers can choose 80 per cent, 70 per cent, 60 per cent, 50 per cent, whatever they decide is necessary.

Mr. Chairman, Crop Insurance is now out in the country holding public meetings explaining the changes to crop insurance and explaining the program as it exists, and we're having 35 public meetings to explain those programs. Farmers will be able to sit down with their agents when they come to buy insurance and they will know exactly what their premiums are on their farm and what their coverage will be and what their options are when they buy the high price, low price, market price option; or take 80 per cent coverage, take 70 per cent coverage plus spot loss, or whatever options they choose. The numbers will be available for them and they will be able to make those decisions in the best businesslike manner.

Mr. Devine: — Well let me try this. Could you give me the best option you could buy here, pick a couple of risk areas if you like. Let's take spring wheat, 80 per cent — the highest coverage, the best you can get -

what can you get covered for and compare it to '92-93, '91-92, and then tell us the cost of that. And then do one for — say — an oilseed like canola so that we get an idea of how you've changed it. Premium and the coverage — you should be able to do that.

Hon. Mr. Cunningham: — Well, Mr. Chairman, the premiums I've given, I passed across the floor. The coverage levels are 80 per cent of the individual average yield. I think any farmer can do those calculations. If you insist that we do a calculation on a typical farmer, we can certainly do one on a risk area. I do say though that there are no typical farmers. Each farm is on individual crop insurance.

Mr. Devine: — Well again, Mr. Minister, we'll just have to advise the public that you can't give us an example of taking the best coverage you can buy right now in Saskatchewan — '94-95 — on this year's crop, spring wheat, the highest 80 per cent high-priced option, and what's the premium? Can you give me that? Give me a couple . . . Give me one risk area. Then go back and compare it to '91-92. And give me the premium. Give me the coverage.

Hon. Mr. Cunningham: — We have, to oblige the member, worked out a typical farm, as he says. We took somebody who would be in risk area 4 who had 500 acres of wheat and 200 acres of canola. Assuming a 30-bushel long-term average yield for wheat and 20 for canola, the total premium for '94 would be \$8,921. The same premium for '93 would have been \$9,515. So we got a slight decrease in premium for that risk area.

Mr. Devine: — Could you give me the coverage and then do that for '91-92?

Hon. Mr. Cunningham: — We don't have our '91-92 prices with us. We came here to answer estimates on this year's budget, not back to '91-92. But if the member wants it, we can certainly look up price options and punch in the numbers if that's of any relevance.

Mr. Devine: — I wonder if you could give me the coverage difference in '93 versus '94. You've given me what the premium is, and I'll just note that in looking at the risk area no. 4, that you had the largest percentage decrease in the premium in that risk area.

I wonder if you might give me one where it's sort of average or maybe one on the other side where it's the highest increase, and then we can look at that. But can you give me the coverage comparisons in those three years, or those two years, '94 versus '93, in that same area and the same risk area, and then we'll take it from there.

Hon. Mr. Cunningham: — Mr. Chairman, the coverage in '94 would amount to \$72,832. The coverage in '93 would amount to \$70,330. So we've got a slight increase in coverage. We've got a slight increase in coverage and a slight decrease in premiums.

Mr. Devine: — Could you do that same calculation for an area that didn't have this big, dramatic drop in premiums for spring wheat? You've got the highest drop. Could you get one that perhaps had . . . go to the other end, or give me an average and go to the other end, so we can see if it was just the luck of the draw that you picked risk area 4.

Hon. Mr. Cunningham: — Mr. Chairman, I think we should . . . We've sent the coverages over. We can send the numbers, the coverage, and the averages over, and the individual can work all the examples that he cares to work out.

He's asked for one for a risk area. We could go on all night. As I said, we've got 45,000 customers, and every one of these calculations will be different. And I don't know what we prove by going through all these calculations because what we're saying is on average the premium rate is going down a bit in this province, just very slightly overall, and the coverage is going up slightly because of increasing prices.

So now we can do those calculations all over. They vary, obviously, from risk area to risk area as the member points out. Some risk areas the premiums are not dropping as much as they are in others. Some crops are actually going up in premium. So we could do 10 million examples of farmers. I think it's more productive to have the individual farmer go in to the agent, work out the numbers for his individual farm, and he can see exactly what it is that he's buying.

Mr. Devine: — Well, Mr. Minister, you see the thing we're getting at is that you just told us that you're going to have, I think it's 35 meetings, regional meetings, out talking to farmers. Right? Now I used to participate in those, help design the tables and examples and so forth, and I'm sure you will. Why can't you give me an illustration of what you're going to be giving the farmers in those 35 meetings? Now if you say each farmer has to go to the agent and go figure it out, then why the 35 meetings? What are you going to tell them at the meeting?

Let's assume that is one of the 35 meetings. You have 11 officials behind you. You've got calculators and computers and lots of smart people there, more than you'll have at the regional meetings. I'm a bona fide farmer. This is a bona fide farmer, and there are lots of them in the room. Why can't you tell us what the road show is? Give us some examples. Give us some illustrations. Show us what it's going to be like. And I'm prepared to see this because this is serious business, a billion-dollar business for a lot of people here, a lot of lives.

So it's not good enough to say, well you've managed one back-of-the-cigarette-package calculation and that should be enough for me and the estimates. And you've got a room full of people who've got all kinds of expertise. And your colleagues can joke about the impact on farmers but it's serious impact. You have lost thousands of farmers in crop insurance and they have lost millions of dollars as a result of your changes, so it's no joke. And I'm sure you're not

laughing but your colleagues can maybe try to lighten it up a little bit; but this is serious business for your political hide but more so for their lives. Serious.

So do you think you could give us an example or give us a 15- or 20-minute summary of what you do at the road shows? Why do you do them? What do you give? Or do you just say, Mr. Farmer, here's the numbers; we can't do your farm but trust me, if you run it into the agent — assuming that they're not in Regina — they'll work it all out for you. Why have the meetings? Now you must have something you're going to say to them. I'd be very interested in knowing what illustrations and what kind of information you're going to be giving to them, and why you couldn't share that with us here.

Hon. Mr. Cunningham: — Mr. Chairman, we would be glad to share the whole road show with the members opposite; in fact we could do it here. We could do it somewhere else if you want to be informed. When we go out to the country meetings we're explaining the three options: how they work, and what the options are, and how they may be beneficial or not beneficial to farmers so that they understand clearly how the three new options work.

We will also show them the rate decrease in the different risk areas which we have showed you, which says that: if you're in risk area 4 and your rate went down 5 per cent or whatever it did on hard spring, and down 1 per cent on oats and coverage, a new price for wheat is 3.13, and you can then punch in your average yields and see what your coverage is. In fact we would be delighted to put on that show for the members opposite, as we've done for our ag caucus, to inform them of what's happening.

But again you asked for an example — we calculated out an example and it comes out as one might expect. What I'm saying is we've got very slight decrease in rates overall and we've got a very slight increase in coverage because of prices moving up. And we can obviously work out examples that will be an exception to that. We can work out examples as we have that will obviously show that. We can calculate those options all night, but I don't think that it adds anything to enlighten the members opposite.

(2145)

Mr. Devine: — Mr. Minister, you must be . . . if you've done this for your caucus . . . You have? Is that true?

An Hon. Member: — It's true.

Mr. Devine: — Okay. Could you give some illustrations you'd use for your caucus? If the NDP MLAs (Member of the Legislative Assembly) had said, well give me an example. Tell me how the risk thing works with respect to . . . or pardon me, the spot loss hail coverage works. Give me an illustration of how I will be better protected. Tell me about the indemnity, whether I can get covered by somebody else as well. Just go through an example of that so we know what we're . . . an idea of what you're doing at these 35 meetings, so that we get a sense and a flavour for what

your plan is and how you're going to explain it to farmers, and why you're so confident that the coverage and the acreage and the number of farmers participating is going to go up.

Hon. Mr. Cunningham: — Well we're confident because crop insurance is still a good deal and we think the enhancements have added to it. How much it will go up again will be up to the farmers to decide. And we don't get to pick a number for premiums. They're actuarially calculated and that's what we're stuck with to sell the farmers.

As to what we say about spot loss hail, we explained how spot loss hail works. That the premium coverage will be available on coverages up to 70 per cent only. That the premium will be between 1.5 and 3.5 — average of 2, which means an average of 1 per cent for a farmer to buy spot loss hail. That it will be true spot loss hail coverage; that there will not be double-dipping on it. And we go through the whole option of how spot loss hail works. And if you don't understand how that works, ask some questions and I will try to explain to you how spot loss hail works.

Mr. Devine: — Well that's what we're trying to do. I'm asking you questions and I'm having difficulty in getting you to give us illustration. You carved out one and then that's been about as far as you've been prepared to go. Don't you have a . . . you must have some charts. And you could give me some illustrations or some examples of what you're taking out there to the farmers.

Because I'll tell you where we're heading, is that we've seen the charts and the numbers from years ago. And the coverage that you would have here don't compare. They don't compare to neighbouring provinces and they don't compare to the past.

So that's why I'm not so sure that people are going to have as much confidence in your new deal as that you might think. I mean you could perhaps get a hundred-and-some thousand dollar coverage — maybe a \$120,000 coverage for a less premium under previous packages before you changed it. And you say you have no choice; the premiums are there; they're set by the governments, federal etc.; it's actuaries.

No, you made big changes. You're making changes now. So either you're responsible or you're not responsible. You are responsible for the changes in crop insurance and coverage and premiums in the last two or three years, since the fall of '91. You are. Okay? Now you're going to make some more changes.

The last ones that we had out there, I didn't recall 35 meetings of song and dance because people were rallying saying, don't do this, you're going to hurt us. So now you can afford a \$70,000 party and you can afford 35 road shows. So where they're saying, what are you up to? What's really going on? Because the premium changes and the coverage changes are not nearly what they used to be and certainly not close to what they are in neighbouring provinces.

I wonder if, Mr. Minister, could you . . . I mean you said to me you can't do this. I'm going to ask your officials, somebody there, to go dig up this farm for the next time around, this farm, risk area 4, 500 acres of wheat, 200 acres of canola, 30 bushel, 20 bushel, the premium and the coverage in '91-92.

Second thing I'd like to know because farmers want to know, that farm along the Manitoba border and the Alberta border, how is the coverage in my land over there compared to here in Saskatchewan? They'd be really interested in that because they — as you know because we hear about it here in the House — it seems to me they have a deficit in Alberta and they have a deficit in Manitoba. It seems to me there's deficits everywhere across Canada. Okay?

So you're fighting a deficit and fair ball. They're doing it. Premier Klein as you know is in the news a lot, he's taking it on, other premiums are as well . . . premiers are. I would like to know if you . . . well I'm asking, I want to . . . comparison of similar risk areas along neighbouring borders because we have farm land, farmers have farm land, neighbours, relatives and so forth on either side, because I don't think the numbers have fallen in Alberta and Manitoba like they've fallen here. Is that correct? You can get me that. Or we can get it from our third party counterparts. I'm sure they can dig it up and be happy to provide it to us or neighbouring provinces, we can still talk to some of those.

We'd like to know what the coverage is. We'd like to know the comparisons. Because I think, Mr. Minister, what your song and dance should show in the 35 meetings is that the coverage here has collapsed and your officials and good people forecasted that. They said, if there is a widespread drought or a widespread frost or a widespread production weather-related problem, it's an unmitigated disaster in Saskatchewan, you will not get covered. And that's exactly what happened.

So I want you to, if you can't do it tonight, I want you to dig up that same farm in '91-92 and I want the comparisons in Alberta and Manitoba because I'm sure that you can get them. And we'll have to go . . . if you won't get them, we'll get them and then and we can bring them up and we can ask and then we can just compare the viability of farming and the premiums and the coverage in the prairie provinces under your administration versus either the past or neighbouring jurisdictions. And we've gone through some of that before in this House and you have not fared well, didn't fare well at all.

And that isn't even touching the revenue side. This is just crop insurance that you're looking at. If you look at the revenue side and all your complaints . . . well that's another issue that we're going to get into but would you agree, Mr. Minister, to bring those figures back to the House or get your officials to do it. I'm sure you can get '91-92 on the same farm; I'm sure the same risk area. And at the same time would you pick another risk area and do the same thing so that we can make these comparisons?

And that's just fair ball, because I know if you go from town to town in 35 meetings, you've got to have every risk area covered and every typical farm. I did. I was all over the province, had lots of meetings. The agricultural caucus did; we did it all the time. So you've got to have it available. We would ask for that so that we can be prepared here in the House if we have to ask you questions. I mean it's our responsibility to scrutinize the king's money. We're going to see if you are really doing what you say you're going to do here and provide fair coverage for the premiums you're charging.

Fair coverage. Not that you've been really miserable and now you're a little bit nicer. But what really is the coverage and is it worth it? So, Mr. Minister, do you think that you could agree with my request to bring those comparisons back to this Assembly so that we can pursue this in some detail and particularly in light of what you're going to say at those 35 meetings?

Hon. Mr. Cunningham: — Mr. Chairman, if the member opposite is referring to the dog and pony show when they implemented GRIP, I was at some of those meetings and the thing that every farmer told us there was that it was a waste of time going because they didn't have any answers. I can assure you that my officials that are on the road now do have answers to the questions.

I've explained to you how spot loss hail works. The crop insurance is the same in Alberta and Manitoba. They use the same grain prices that we do. They have different average yields and if they have higher average yields obviously they have higher coverage.

The only changes that we made to crop insurance was we moved the option from 70 per cent coverage up to 80 per cent coverage which was again an option. Farmers could have stayed at the same old program. If farmers chose, they could be still on the same program, crop insurance program, that they were coming into this. We offered them 80 per cent coverage last year or the year before. Many, many farmers took that 80 per cent coverage which gives higher coverage, which you have been saying that it isn't high enough. We actually increased coverage from 70 per cent to 80 per cent, and again this year we've offered options. Nobody has to take spot loss hail if they don't choose, or any of the other options that we've put forward.

The officials have done another calculation on another risk area. This is risk area 7, which is the one I think that you mentioned, where the premium is not . . . the increase is the same; there's no decrease. On this farm with the 500 acres of wheat and 200 of canola, the premium in '93 would have been 4,888. The premium in '94 would be 5,041. So indeed the premium did go up a bit. On the other hand, the coverage would be \$70,339 in '93, and the premium in '94 would be \$72,824. So a slight increase in premium and an increase in coverage.

We can go on through . . . and that may again apply to

one farm in that particular area. But a farmer who grows different crops, who has different average yields, will again have different coverages. And we can go through all the risk areas and all the farms until we get them all worked out.

But those rate increases are there for the farmers to see, and we will show them to them in the country meetings, and the agents will have their individual yields and the exact calculations that they can make to calculate for their farm, what it's going to cost them for coverage and what coverage they will have.

Mr. Devine: — Well thank you, Mr. Minister. I appreciate the second example. I will ask you to confirm that you can get your officials to get '91-92 in the same risk areas for the same acreage, premium and coverage, so that we can discuss it. And will you give any commitment at all to comparing a typical size farm like this in neighbouring provinces, that you could provide for at least discussion purposes here.

Hon. Mr. Cunningham: — Well again my officials assure me that they will do what they can to get numbers. I think there may be some difficulty as some of the crop insurance premiums are buried in GRIP in both those provinces. But we can certainly get the '91-92 numbers, and probably work something up from the neighbouring provinces.

Mr. Devine: — Thank you, Mr. Minister. I appreciate that. I want to just turn to part of the GRIP program, the revenue insurance. Could you describe for us where revenue insurance is in the province of Saskatchewan? And just in a sentence or two, briefly compare sort of the direction of where it is here versus the neighbouring provinces.

Hon. Mr. Cunningham: — Well in Saskatchewan, we have lower premiums and we have less, smaller deficits. And all provinces, as the prices have moved up, anybody getting average crops will probably not get pay-outs this year in any of the provinces. The potential for pay-outs next year is difficult to assess at this particular time.

(2200)

Mr. Devine: — Mr. Minister, isn't it fair to say . . . I think that you and your colleagues may have criticized GRIP, and particularly the revenue insurance because you said . . . I think the Premier is quoted as saying, well prices go down, and as they go down you get less coverage and eventually won't get any. And Crop Insurance officials said, well it's cyclical; prices go up and down. You want to get good payments when they go down and then obviously you recoup when it goes back up.

And I heard a lot of criticism from people like you about, well sure it's okay, but what if prices keep going down and keep going down and they never go up. And you had a lot of people really frightened.

Now under those circumstances, and I'm sure that you will recall that — under those circumstances

where they were going down, you kind of pulled back and said, well we're not going to participate. And so the payments in Saskatchewan were not nearly as high as they were in other places.

Now prices are going back up. And guess what? You say, oh gosh, we've got a little bit of a surplus here in Saskatchewan. We don't have as big a deficit as the neighbouring provinces. Isn't that nice? And the neighbouring provinces says, well no, the farmers got the payments in those difficult times, not the government. Now on the way back up you say, well Jeez, it might not pay out because the prices are going up.

Could you tell me if that's an accurate assessment of what happened in the province of Saskatchewan? Prices went down and you criticized it. You formed government in '91-92 and said, oh well, we'll end this program. And certainly when you look to . . . say well it's going to cost the farmers . . . it cost the government and we won't give it to the farmers, and then it turns around and comes back up.

And now I think I've heard you say and there's been some publications that you're quite happy that you have less of a deficit in that revenue account than neighbouring provinces. Could you comment on how the farmers have received money in neighbouring provinces, if you're prepared to make the comparison, how the farmers fared on revenue in Alberta and Manitoba compared to Saskatchewan.

Hon. Mr. Cunningham: — Well again, that depends on the individual farmers. Just let me remind the member opposite that that deficit will be paid off in part by farmers as well, so they're now in a position where they're not likely to get a payment and they're going to have to continue to pay large premiums until they get the deficit paid down.

I think if the member opposite is defending GRIP program he's the last farmer in this province who still wants GRIP.

Mr. Devine: — Mr. Minister, I'm just asking you to comment on your statement I believe you made, is that you were happy that you had a surplus or more money in your revenue insurance than other jurisdictions. Now we got most of the farmers in the Prairies right here. We had just as difficult a time with those low prices as anybody else. Now if I'm not mistaken, it almost sounded like you were very proud of the fact, and happy, that you were building up a surplus in that revenue account compared to other jurisdictions here on the Prairies. Isn't that what you said?

Hon. Mr. Cunningham: — Mr. Chairman, if you're asking if this government is proud of not spending money they don't have and running up huge deficits that taxpayers and farmers have to pay off in future years without any responsibility, yes, we are proud of that. We stand by our farmers as best we can in this province.

I think the member from Arm River has quoted in this House as saying: if we'd have had a crop disaster it would have been a \$3 billion deficit in there. That would be a fair burden on not only the taxpayers of Saskatchewan, but also the farmers who would be responsible for their share of that deficit. And it was very much, I think as Alberta and Manitoba will find out, short-term gain for long-term pain.

Mr. Devine: — Mr. Minister, you haven't answered my question. You are saying that you are happy that the farmers in Saskatchewan didn't get their insurance coverage and that the money is in your coffers and not in the farmers' hands.

They bought the insurance. They had a difficult time, but they couldn't collect the revenue. And you are saying: here we are; we're really happy that we in the NDP administration are happy that the government has got a surplus in those revenue coffers. Mind you, in Manitoba and Alberta the farmers got the money, but not in Saskatchewan. And you're saying that you are in fact proud of that. That's good. It's a good comparison. And the farmers should feel good about that. And now that prices are going up, of course that they're not going to get any money. And when they were going down, you're the guy that took it away. And you're happy about that.

I just want to understand that so we know a little bit about whether we should believe that you really have the farmers at heart when you're talking about your crop insurance changes.

Hon. Mr. Cunningham: — Mr. Chairman, we're not happy about anything about GRIP. It was a terrible program from the start. It's not a great program as we've corrected it. We have give notice to get out of it. Farmers that I talk to are saying, what the hell can you do to get me out one year sooner. I don't think that . . . This program was a disaster from start to finish, and I don't think we're happy about any part of it.

Mr. Devine: — Well, Mr. Minister, all I'm asking you is to defend your statement. Is it true that you are happy with the surplus in the revenue insurance that's here? And it's much higher here than it is in neighbouring provinces under the same international price schedule. In other words, and I won't put words in your mouth, in other words farmers got less money here under the program than they did in neighbouring provinces, and you're happy with that. Is that true?

Hon. Mr. Cunningham: — Mr. Chairman, the farmers have gotten back something like \$2.77 for every dollar they paid into it. We are certainly happy that we don't have either our farmers or our government wrestling with a huge deficit to deal with. The surplus in this fund is not yet established; there may indeed not be a surplus in this program when it winds down. And we certainly would like farmers to have as much money and as many pay-outs as they can get, but if it comes out of them being stuck with paying off those premiums over a period of time, that is not great for farmers either.

Mr. Devine: — But we've got to ask, Mr. Minister, do you understand what insurance is based on? You just finished saying it's based on actual numbers, 20-year cycles, federal-provincial law, and all of that. So if you have back-to-back disasters, you pay out. And then when the prices go up and production is good, you get it back. That's what it's for. That's insurance. Not the whim of a minister comes in and says, oops, I don't like the direction of the cycle, I think I'll cut it off here.

And then as it seems, two years later, you are proud of — I think you said — 300-and-some million dollar surplus in that revenue account that didn't go to the farmers. And the farmers are asking, well isn't that what we bought it for? It was, as your officials said, if we have a frost it's unmitigated disaster; they're going to need the money. I won't put words in his mouth but there's no coverage here. Well that's what happened. And I think you said, and I think you — if we can find — you were proud of the fact that you had 300-and-some million in your piggy bank when the farmers didn't get that.

And now you're saying, well insurance is something . . . we wouldn't want them to pay out because later they'd have to get it back. Is that what you're saying? I mean don't you realize that insurance means that if it's a disaster you pay, and in the good times you get it back, and it's based on cycles. That's a fundamental premiss of crop insurance or any insurance. And you've just finished sort of buttressing your whole argument on these . . . are national and federal-provincial agreements based on actual numbers. And yet you don't seem to ride with it.

So again I want to ask: is it true you have over \$300 million today? Or you just put out a release . . . it's something like \$300 million in the revenue insurance side. And could you give me any comparison in terms of how much surplus they would have in neighbouring provinces?

Hon. Mr. Cunningham: — Well we do not have a \$300 million surplus in our account. That's some projection that might happen if grain prices stay up. And in a sense, if grain prices are up, that's good news because farmers and producers will get something from the market-place. The neighbouring provinces are going to have . . . do have significant deficits in their programs. And the member says that this was an insurance that was actuarially sound, which is certainly not at all true.

Crop insurance is a program that was designed to be actuarially sound over a 25-year period. The adjustments that were made last year was because that the number crunchers are saying that it was no longer actuarially sound. Nobody, but nobody, ever predicted that the GRIP program would be actuarially sound over any time period. And the people who had designed the program talked about a new program as soon as GATT (General Agreement on Tariffs and Trade) came along. And this was a short-term political program to get certain governments out of some political trouble and was never designed to be actuarially sound and was going to leave the

provincial government and the farmers holding the bag on it and was a program that was a disaster from start to finish. And that's why we've given notice to be out of the program. In one more year, we're out.

Some Hon. Members: Hear, hear!

Mr. Devine: — Well it's interesting to see that your NDP colleagues are clapping when you're saying that you're . . . and I think it's correct. We'll confirm that you said you reported to the ministers' conference, Ag ministers' conference, you had \$320 million either in or forecasted in your revenue insurance in the province of Saskatchewan. Now if you've done that, you shouldn't be ashamed of saying so. Did you say that? Did you forecast it, say it, use that number at all in front of other Ag ministers, that you had that kind of money potentially here in the revenue insurance? Because we're going to confirm whether you did or didn't.

Hon. Mr. Cunningham: — There is a potential for being 320 million in there. I suppose there's a potential for there being even more than that. If the national grains bureau prices are right for this year and for into the future and the crystal ball is right on, that's a potential that there will be that much surplus in there. If that surplus is there, then what happens to it is not spelled out in the agreement. One would assume that at least the farmers' portion of it would go back to farmers. But that is not there yet. I think if the wheat price were to drop 50 cents a bushel or if the French were to dump their wheat on the world market before GATT, we well could have a deficit in the program at the end of that time.

Mr. Devine: — Well there's two points here then, Mr. Minister. So you're acknowledging that you said it, and we want to just get that on the record. Now imagine a minister who has cut farmers off 50,000, 40,000, up to \$70,000 a piece because he changed the program, going to a convention of fellow Ag ministers. And it must have sounded a little odd but maybe almost like you're bragging, that you had \$320 million potentially in your revenue portion of your crop insurance.

And they must have looked kind of odd at each other and said well, you know, I wonder if he runs around at his 35 meetings . . . At your 35 meetings coming up will you, on my behalf or members of the legislature, make sure you announce to all the farmers that go to the 35 meetings: by the way, Mr. Farmer, you didn't get your revenue insurance and that part of GRIP when it was a disaster. But I'll tell you the good news is we have \$320 million potentially in a surplus because we didn't pay you. Will you advise the House whether you and your officials will do that at the 35 meetings across the province in the spring?

Because, Mr. Minister, you've taken the money right out of farmers' pockets and then run off to a meeting some place else and you have just been very flippant about it, how well you have managed. And you've lost not just crop insurance customers, you've lost farmers and generations of farmers.

And you know it because you say . . . I've been to enough campaign meetings to know. Oh maybe when it goes down it'll just . . . it'll never end, it'll just work out to nothing; you've got to get out from under this. And even at that time canola prices and flax prices were starting back up, and everybody . . . and you can't tell me that there wasn't actual numbers went into the GRIP program and revenue insurance. I sat with the officials; we crunched numbers and we looked for 25-year intervals and 20-year intervals. And it wasn't just this province. It was every province in the country, everyone in Canada.

Well, Mr. Minister, just so we know sort of whether we can have confidence, and farmers can have confidence, in your crop insurance numbers, will you advise us, or will you confirm to the House, that when you're out talking with farmers, in the 35 meetings, that you will mention out there — and very clearly — that you have accumulated potentially \$320 million because you took it out of their pockets and put it into yours; and then have the courtesy to compare the figures to neighbouring jurisdictions because I'm not so sure that other provinces are even going to get out of revenue insurance.

And you might be able to confirm that for me because farmers . . . as they're looking at these prices going up and saying, well that's not a bad thing, I can chase that up as we do in our productivity on our own farms.

But, Mr. Minister, I wonder if you'd make that commitment in the House here tonight that you will make sure you describe what you've done with all the revenue money you took out of their pockets and were so willing to share with other ministers across Canada when you got to the national meetings.

Hon. Mr. Cunningham: — Again, Mr. Chairman, I will certainly provide any estimates of what we expect to happen in programs to anybody that wants to hear them. In fact a press release went out predicting what we think will happen for the balance of this year.

But I might add that each \$10 a tonne increase in the price of hard red spring wheat results in a \$75 million reduction in the pay-out. Pay-outs changed \$244 million — the estimates from October to January — so this is a very fluid number. The member opposite brags about the number of people in crop insurance in '91-92, and indeed there were 51,466 in crop insurance and the reason was that they were coerced into it with the GRIP program that had come along.

All through the reign of the members opposite from '82 on to '91, the numbers were 43,000, 43,000, 46, 48, 46, 45, 49. And our numbers this year are 49,466. So the only anomaly was the one year when they were coerced into having crop insurance because of the GRIP program that was set up as a re-election plan in 1991.

Mr. Devine: — Mr. Minister, you're saying that there must have been an election in every province across Canada, when for years we worked on crop insurance

and made changes. We made many changes in Saskatchewan. I mean in terms of the salvage program — there was no election — lots of changes. Saskatchewan has been responsible for making changes in crop insurance for years and years and years, and hopefully for the improvement of farmers.

The problem we have with your changes, is that it's not for the farmers. We just can't see the benefits. So again I want you to confirm that you will tell the farmers on those 35 meetings, where you've put the money, and why you've got extra money, and I would like you to compare it to other provinces.

(2215)

The same cycles you talk about apply to Manitoba and Alberta. What we find out is that there's a lot more money in the hands of farmers over there, in either jurisdiction. Still is. And yet you were running to national meetings, say, well gee, we could have over 300 million in the bank here that the farmers didn't get. Aren't we doing good. That's appalling.

I don't think you . . . Would you do that at your own constituency level? Is that what you do? You run around and tell them in your riding that you have salvaged \$300 million by taking it out of the farmers' pocket, not paying them. And in neighbouring jurisdictions in Manitoba, just a baseball throw away from your place, or over here in Alberta, that they got the money. And then this is your claim to fame.

I mean you have cut the number of farmers and raised the premium. Premiums have gone up to \$191 million, and farmers and acres go down. You're just hosing them, charging them a lot of money and then on the revenue side you're even bragging because you didn't pay it out. Gosh. And you think it's a . . . well I'll tell you, your officials aren't laughing much. Even your colleagues aren't laughing. I'll tell you the farmers aren't laughing. No wonder the member from Shaunavon decided to pull the pin. I'm sure it was an unmitigated disaster when you tried to convince your colleagues that this was the case. It didn't help farmers.

Crop insurance. If you look at the *raison d'être* of crop insurance, is to protect farmers against production losses due to things beyond their control, and you've just changed that historically.

So here you are today . . . then they talk about political gauche. You were here today talking about you expect farmers to believe you that things will be better, that you're going to give them. I think commodities will be better, no question. I think there's tremendous renewed optimism in agriculture in North America because of very low interest rates, good moisture conditions, and commodity prices.

What I'm trying to find out is if you can have crop insurance keep up to that. You can collect premiums and have your little piggy bank but what bothers them is they say, you know what, when it comes time to pay out, boy do things ever change, because in their

experience you didn't pay them. You took \$300 million at least, and many, many thousands and tens of thousands per farmer and you put it in your little piggy bank and then you're — looks like you're bragging about it, which is not . . .

Mr. Minister, will you explain the revenue insurance at your 35 meetings, what you've done with the money and make the comparisons to other provinces and take an average farmer, and if you're really proud of it you'll have no problem. You'll have no problem at all. They'll say, well, I'm really glad the government's got the money and the farmer didn't get it. You'll have no problems if you're really right. And if you're not right, then maybe you'll gear a different story.

Would you be prepared to make that commitment that you'll do that at your 35 meetings?

Hon. Mr. Cunningham: — Well, Mr. Chairman, it's interesting to note that the member opposite is opposed to changes that we made to crop insurance, moving coverage from 70 per cent to 80 per cent, is opposed to spot loss hail and is opposed to insuring new crops and the other options that we have put forward.

Mr. Chairman, he thinks that the old GRIP program was the best program in the world. Why are all the other provinces moving towards it? All the provinces are saying, what we need is a new safety net, a whole-farm safety net that's not commodity specific and that's a better cap to small and medium-sized farmers and that does a better job. Certainly we don't hear anybody in the world except the member opposite saying that this program was a good program, and I have no trouble explaining to farmers why we're getting out of a bad program.

Mr. Devine: — Will you make the commitment to explain this accumulation in money in Crop Insurance on the revenue side at the 35 meetings? Yes or no?

Hon. Mr. Cunningham: — Well there certainly is no accumulation of money in Crop Insurance as the member opposite well knows, and certainly the press release went out to everybody in Saskatchewan, at our best guess as the national grains bureau is saying that what might happen to the GRIP program, and that's certainly no secret.

We'll make the estimates that come out, and we certainly hope that we have good grain prices and that there is no need for pay-outs and that there is a surplus in GRIP program. I know the members opposite would sooner have poor prices and pay-outs. But I think most farmers would sooner get their money out of the market-place if that's possible, and we're certainly happy if prices go up, and they do get the money out of the market-place.

Mr. Devine: — Mr. Minister, will you explain your \$320 million surplus in revenue insurance to farmers at your 35 meetings?

Hon. Mr. Cunningham: — Mr. Chairman, I'm not going to be at all 35 meetings. We certainly will explain to anybody that wants to hear what's happening in revenue insurance, and I don't think that's a big secret. If the grain prices move up, there will be a surplus. If the grain prices go down, there will be a deficit, and that's the nature of the program.

Mr. Devine: — One last time . . . I mean of course they do, even in neighbouring provinces in the rest of the country. But will you be prepared and have your officials there. This is a public meeting. These are not partisan meetings. Have your officials be prepared to explain the accumulation of revenue money, revenue insurance, in the province of Saskatchewan, under these conditions that apply across the West and then be prepared to explain why the situation is significantly different in neighbouring provinces. That's all we're asking.

I mean you've made the statement, so you must be proud of it. You'd better arm your minister, at least your professionals, when they go out there because it's a hefty amount of money. And isn't it nice that prices are going up. And isn't it very good that we've got low interest rates and that we've got very good moisture.

Believe me, you must have lived in the province when those conditions didn't exist. I know I was here: 18 per cent interest rates and drought and very low prices. And people needed help, and they certainly were looking for Crop Insurance to make its commitments. So we would appreciate if you would at least, Mr. Minister, have your officials prepared to describe that situation at the 35 meetings.

Hon. Mr. Cunningham: — Certainly my officials are very familiar with the program and how it works. I might point out that in 1991, under the old program, paid out in the fall and when the estimates come in in March, there was change in grain prices, and producers had to pay back what they'd already paid out. That's how the estimates varied under the old program. It hasn't changed. That's one of the unfortunate things; we are not able to put any predictability into this program. It's still a very unpredictable program and we could be anywhere from huge surpluses and pay-backs of initial payments, or we could be in large surplus positions. That's one of the faults of this program and one of the reasons why we're getting out of it.

Mr. Martens: — I wonder if the minister would explain why in the '91-92 *Public Accounts* that the Crop Insurance had \$150 million loss, and explain to us whether in fact that was official, the loss; and why the minister didn't put that into his '92-93 *Public Accounts* book so that the public could know that you overstated your \$85 million of loss and have yet to have brought it forward in any of the financial statements that the public have been able to see. And I'd like to have that answered, Mr. Minister.

Hon. Mr. Cunningham: — Mr. Chairman, this is the

same question that the member opposite asked in Public Accounts. Again what we had was an estimate from national grains bureau in 1991, and based on those prices the loss would have been approximately 235 million. When the final prices came in it was only 150 million which meant it was 85 million less than originally estimated. The 1992 to '93 financial statements do not include the adjustment for the \$85 million.

At March 31, 1993, the effective \$85 million overestimate of the 1991 revenue insurance final payment was corrected in the corporation's financial statement. The accounting for this is all in accordance with the accounting standards, has been examined by the corporation's independent auditors, and I will send a copy of this answer over to the member if he wants to study it in detail.

The committee reported progress.

The Assembly adjourned at 10:30 p.m.