

The Assembly met at 1:30 p.m.

Prayers

## ROUTINE PROCEEDINGS

### INTRODUCTION OF GUESTS

**Ms. Murray:** — Thank you, Mr. Speaker. Mr. Speaker, it really is a great honour for me today to introduce to you and through you to my colleagues in the Assembly, a very special group of people seated in the west gallery. These are the alternate education program students from Campbell Collegiate. They've come here to visit with us for a while this afternoon, Mr. Speaker, accompanied by their teacher, Moira Lucas.

We're just delighted to see them here and I would ask all members to join me in welcoming them to this Assembly.

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

**Mr. Roy:** — Thank you very much, Mr. Speaker. I'd like to introduce to you and through you to the members of the Assembly, on behalf of my colleague the member from Melfort, 21 grade 6 to 10 students from the North East Christian Academy in Melfort. And they are seated in the Speaker's gallery. They are here with their teachers Mr. Wilf Loewen and Loy Dahlsjo; chaperons Rhonda Berstad and Marlene Fedosoff.

I look forward to meeting with them after question period to answer any questions they have about the procedure of the House or what they took in today. And I'd ask all members to welcome them very warmly here today in Regina. Thank you.

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

**Mr. Koenker:** — Thank you, Mr. Speaker. It's a pleasure to introduce to you and through you today a former constituent and dear friend sitting in your gallery, Mr. Peter Knelson from Saskatoon. Peter is not only a keen observer of the Saskatchewan political stage, but I want to tell members that he's also an avid reader, and a regular reader, of *Hansard*. So it's very good for him today to be here today and to see the proceedings live. He won't have to read part of them.

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

## STATEMENTS BY MEMBERS

### MLAs vs CBC Hockey Match

**Mr. Trew:** — Thank you, Mr. Speaker. Last night was hockey night in Saskatchewan. I'm pleased to report on behalf of the winning coach, fans — including the member for Regina North West — and the government MLA (Member of the Legislative Assembly) team, the results of last night's hockey game.

Notwithstanding the CBC (Canadian Broadcasting Corporation) report, earlier today, that the game was close enough to be a tie, give or take a point or two, your MLA team thumped the CBC 9 to 8.

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

**Mr. Trew:** — It should be of interest the CBC drew its players from all across Canada, and even had ringers from other than the CBC. While we, on the other hand, had . . . all players were MLAs, or at least liked MLAs.

Mr. Speaker, there will be an opportunity for revenge, Wednesday next at 10:15 in the Regina North West Arena. We MLAs are so confident of our team's ability that we're going to take on an all-media team next Wednesday.

Last night's hockey game, Mr. Speaker, was good fun and there was great sportsmanship displayed by both teams. As a result of the free-will collection supported by fans and both hockey teams, Chili for Children was the clear winner last night — \$237 will help feed hungry children. A big thank you to CBC and all who participated.

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

### Provincial 2A High School Basketball Champions

**Mr. Kluz:** — Thank you, Mr. Speaker. Today I would like to congratulate the Foam Lake Panthers. They're now officially the provincial 2A high school basketball champions. And not a single player is close to 7 feet tall. These players rely on skill and not atmosphere.

The Foam Lake Panthers, coached by Garth Anderson, won the championship game Saturday, March 19 in Regina. The provincial tournament called Hoopla '94 took place within the walls of the Agridome this year to large, enthusiastic crowds. The final game pitted the Foam Lake Panthers against Clavet, with Foam Lake rising to the occasion and coming out victorious. It was a well-fought battle by both teams, with the final score being a close 68 to 54. Both teams should be proud of their achievements.

Once again we see a fine mixture of academics and physical activities taking place in Saskatchewan. We should all be proud that within this province our children can receive such an elite and well-rounded education.

Mr. Speaker, I would like to once again congratulate all the teams, coaches, and schools involved in Hoopla '94 for their fine efforts. A special honour goes out to the Foam Lake Panthers for their provincial 2A high school basketball championship.

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

### Community Forests

**Mr. Koenker:** — Thank you, Mr. Speaker. I want to comment on a conference that I attended last weekend, Friday and Saturday in Saskatoon, sponsored by the SOS Elms Coalition of Saskatoon on: backyard to boreal forest.

This was a conference that looked at holistic and community forest practice, that was dedicated to exploring the ecological, economic, social, and educational aspects of community forests. And part of the emphasis on community forest was to look at the urban forest in terms of Dutch elm disease and what that means for our province.

I want to say to members of the Assembly and the public, that Dutch elm disease is a very serious concern in our province and that the government is committed to working with the SOS Coalition to look at the issue and to facilitate the addressing of the problem.

I want to congratulate those who were responsible for it — the president of SOS Coalition, Karen Taylor-Browne; Jack Walton; and all others who were involved. The presence of Herb Hammond, forestry expert from B.C. (British Columbia), and people from across Canada at this conference, was an added bonus that made it a real first-rate, educational experience.

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

#### **Drama and Music Festivals in Moose Jaw**

**Mr. Hagel:** — Thank you very much, Mr. Speaker. In my home community of Moose Jaw, one of the things that leaves the citizens feeling very proud of our community is the focus and attention that's given to our young people with the opportunity to develop their talents and their skills in the arts.

In my home constituency, Mr. Speaker, at Peacock Collegiate this weekend, the regional drama, high school drama festival is being held, from which the winner will go on to North Battleford for the provincial final, which I might point out, Mr. Speaker, was won last year by Central Collegiate from Moose Jaw.

But also last week and this week, Mr. Speaker, there is a two-week music festival taking place in Moose Jaw, which has given young people of our city the opportunity to — in competition — to display their talents in choir, band, instruments, and the remainder . . . remaining days, in song.

It will be of special interest to members of the Assembly, Mr. Speaker, that the highest mark so far, a 96, has gone to the Moose Jaw Children's Choir, many members of whom were here as part of our opening for the reading of the Speech from the Throne two years ago at the Assembly.

And I conclude, Mr. Speaker, by pointing out it will be absolutely no surprise to anyone in this Assembly that people from Moose Jaw, including the odd MLA or

two, are known to have a song in their heart.

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

#### **Destination Saskatchewan Award**

**Mr. Van Mulligen:** — Thank you, Mr. Speaker. Mr. Speaker, I rise to recognize a big winner in the 5th annual TISASK (Tourism Industry Association of Saskatchewan) tourist awards. The Saskatchewan Science Centre, which is located in the Wascana Centre and in my constituency, was awarded the Destination Saskatchewan Award in the attraction category.

How attractive is it? In 1993 the Science Centre attracted 240,349 people from Saskatchewan and from all over the world. Science centres are places where learning and fun are combined. People of all ages can touch, participate, and get involved in science and achieve a measure of science literacy while being entertained.

Some might think we are too small to support a top-notch science centre, but in five short years the Saskatchewan Science Centre has achieved a reputation as the best centre on the prairies and among the best in North America. The Science Centre is a non-profit community organization, operating out of earned revenues and community support, with very modest provincial and municipal grants.

I congratulate the board and staff for this well-deserved award and I encourage Saskatchewan citizens and corporations to support the continued development of the Science Centre. Thank you, Mr. Speaker.

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

#### **Upkeep and Tourism Development Options for Historic Sites**

**Mr. Sonntag:** — Thank you very much, Mr. Speaker. It gives me a great deal of pleasure to report on an area of my constituency that few people in this province are aware of, but an area I'm sure many would be interested in.

At a recent meeting in Frenchman Butte we met the MLA from Cut Knife-Lloydminster, from Parks Canada officials, Economic Development, SERM (Saskatchewan Environment and Resource Management), officials from the Government of Alberta, and most importantly, members of the Frenchman Butte museum committee.

The purpose of the meeting was to discuss the preservation, upkeep and tourism development options for the national and provincial historic sites associated with the 1885 Riel Rebellion in this area. The 1885 north-west conflict represents a unique and important part of Canada's history.

A large number of historic sites associated with the so-called third front of this conflict are located in

north-west Saskatchewan and north-eastern Alberta. These sites represent a significant historical legacy of Canada's past.

Artifacts have been found in this area that are believed to be the oldest in North America, Mr. Speaker. There are 159 registered archaeological sites in Fort Pitt, Frenchman Butte area, and 49 are considered to be of a significant nature.

The people in this area have done an amazing job of preserving many of the sites already. One would be remiss if I did not acknowledge Mr. Edgar Mapletoff. Mr. Mapletoff has worked tirelessly with the surrounding first nations, Metis people, and local communities to preserve these very, very historical locations.

I encourage all to visit this area. You will be very impressed with the rich history that it has to offer. On behalf of area residents, I encourage everyone to travel to Frenchman Butte just to view these sites. You will leave amazed with what we have right here in Saskatchewan.

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

## ORAL QUESTIONS

### Jack Messer Lawsuit

**Mr. Neudorf:** — Thank you very much, Mr. Speaker. Mr. Speaker, on the news this morning we all learned that the great one has achieved another milestone in his long and illustrious career. Yes, Jack Messer has now taken over his neighbour's farm.

To the Minister of Agriculture. Mr. Minister, it turns out that one of the terms of the sweetheart deal that you made with the great one is that he is going to wind up owning the Dierker farm — the farm that he forced his neighbour off of. And something really stinks here, Mr. Minister, and it's not the cow barn.

Mr. Minister, can you confirm that Jack Messer will be taking over the Dierker farm as part of the settlement of this case?

**Hon. Mr. Cunningham:** — Mr. Speaker, I would like to make it clear from the start what the role of government has been in this. We were named in a lawsuit by Mr. Messer with regards to a livestock operation of his neighbour. We paid nothing to Jack Messer. There's a potential settlement of \$20,000, out-of-court settlement, which we would pay to the Dierkers to help with the assistance of moving the operation.

This is not inconsistent. It was based on the advice from the Department of Justice as an out-of-court settlement. Because of the case, I think I could point out that in 1987 the members opposite paid 156,000 to somebody to move a poultry barn, which is a very similar situation. And that, Mr. Speaker, are the facts.

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

**Mr. Neudorf:** — Thank you, Mr. Speaker. Mr. Minister, it seems that Jack Messer got so used to using government money to buy up farm land back in the '70s that he wants to continue that farming practice in his own operation. What this settlement works out to, Mr. Minister, is a \$20,000 subsidy to help Jack Messer buy more farm land — Jack Messer's own personal land bank program, Mr. Minister.

An RM (rural municipality) map indicates very clearly that there was one missing link that he wanted to have, and now apparently he has achieved that objective that was standing in his way.

Mr. Minister, do you think that that's right, particularly considering Jack Messer's privileged position in your government? Shouldn't Jack Messer have to reimburse the government for the 20,000 subsidy that he received to help him take over his neighbour's farm?

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

**Hon. Mr. Cunningham:** — Mr. Speaker, in spite of the fact that Mr. Messer works for the government and despite the fact that the opposition obviously dislikes Mr. Messer, he has a right, as any citizen, to court remedies. When I was at the . . . attended the pre-trial hearing, the judge was very concerned that Mr. Messer was not getting the same deal that an ordinary citizen was because we were scared of the political fallout and were not treating him equally as we would treat anybody else.

This is a perfectly legitimate court settlement — out-of-court settlement — to deal with a lawsuit and it certainly was no special treatment whatsoever for Mr. Messer.

**Mr. Neudorf:** — Thank you, Mr. Speaker. Mr. Minister, you recently introduced a discussion paper on legislation to protect farmers from nuisance lawsuits. You did that just a few days ago. One of the stated intentions of that Bill is to prevent farmers from being unjustly forced to defend themselves against unwarranted lawsuits. And that's a good idea; we support that, Mr. Minister. Since most farmers don't make the kind of money that Jack Messer makes and simply can't afford to go on with lengthy legal battles, it might be simpler and less costly just to simply give up and move away.

Mr. Minister, did you or anyone in your department suggest that settlement of the Messer case be put on hold until this new process was put in place, so that Jack Messer and his neighbour could settle the dispute on an even playing-field? Mr. Minister, is there anyone in your government who's not afraid to stand up to Jack Messer?

**Hon. Mr. Cunningham:** — Mr. Speaker, that suggestion is somewhat ridiculous. It was Mr. Messer who was suing us. We were being told by the courts to appear in court. I was summoned myself to the pre-trial hearing. It wasn't an option that we had.

I'm glad that the member supports our consultation on a new Bill. We have many problems and we think there's a huge potential for increase in livestock in this province. And one of the things we need to increase livestock production is to make an environment where farmers and their neighbours can live and coexist without ending up in court, and that's what we intend to do. It has nothing to do with this particular case which was before the courts, and I think was . . . as a matter of fact, this case was well in the works when the opposition was in power. They were dealing with Mr. Messer.

**Mr. Neudorf:** — Thank you again, Mr. Speaker. Mr. Minister, I understand that Jack Messer is currently in Costa Rica. And I guess after taking over the Government of Saskatchewan, it's only natural that his next goal would be to take over a small Latin country.

Mr. Minister, I realize that you have reached a legal settlement with Jack Messer. That is not in dispute. But, Mr. Minister, as your colleague, the Minister of Justice, will tell you, there is law, and then there is justice. And if justice is not being done, then it's okay to break the law.

Mr. Minister, regardless of whether the settlement in the Messer case is a legal settlement, do you believe that it is a just settlement? And if not, why don't you make a retroactive change in the law and force Jack Messer to reimburse the \$20,000 settlement? Why won't you do that, Mr. Minister?

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

**Hon. Mr. Cunningham:** — Mr. Speaker, I'm not sure I follow either the questioning or the logic that's going around here. I don't know whether they would suggest that we should go back to 1987 and say that the money that they paid out to move a poultry barn was unjust or unfair. But really, this was clearly an out-of-court settlement which was in the best interests of the taxpayers of the province. And I think we settled it . . . the very best interest that we could for the Saskatchewan taxpayers, and that was our whole objective.

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

#### **Provincial Sales Tax Exemption**

**Mr. Martens:** — Mr. Speaker, my question is to the Minister of Justice. Mr. Minister, this week you informed us of a new legal principle: there is law, and then there is justice. I guess that means when a law is unjust it's okay to break that law. And apparently you have declared yourself the almighty arbiter of justice in this province over and above the law.

Mr. Minister, we can think of a number of laws that Saskatchewan people are terribly . . . that think they're terribly unjust. So why don't you take this great power that you've espoused and give them a break and take those laws and break them as well?

The town of St. Walburg and other communities near the Alberta border have asked for an exemption from their 9 per cent PST (provincial sales tax) because they are losing too much business to Alberta. Now the law says they must pay the PST. But you don't want the laws to stand in their way, do you, Mr. Minister? Will you declare this law unjust as well and see to it that these towns are granted their tax exemptions?

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

**Hon. Ms. MacKinnon:** — Thank you, Mr. Speaker. Mr. Speaker, the member opposite will know that ever since there has been an education and health tax in this province there has been one exemption only from the paying of that tax and that's the community of Lloydminster. And the reason for that exemption is quite clearly that the border goes right down the main street.

I, of course, have met with the community of St. Walburg, have heard their concerns, understand them, and have some sympathy for them. But unfortunately their situation is quite different than Lloydminster and I think when push comes to shove they understand that as well.

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

#### **Gross Revenue Insurance Program Surplus**

**Mr. Boyd:** — Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister of Justice. Mr. Minister, GRIP (gross revenue insurance program) is running a surplus. We would like to see that money paid out to farmers.

Now legally the farmers are not entitled to this money because of the coverage levels. But, Mr. Minister, there is the law and then there is justice. Mr. Minister, will you use your powers of justice to override the law and pay the GRIP surplus out to the farmers?

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

**Hon. Mr. Cunningham:** — Mr. Speaker, there is law and there is justice and then there's Tory arithmetic.

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

**Hon. Mr. Cunningham:** — We should pay out a projected and possible surplus right now just in case it accrues because we should never, ever have a program that had a surplus in it, and we should do this right now, even if that's not what the program calls for.

Mr. Speaker, I think that's a rather ridiculous suggestion.

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

#### **Moose Jaw Woolco Decertification Vote**

**Mr. Goohsen:** — Thank you, Mr. Speaker. My question is to the Minister of Justice.

**The Speaker:** — Order. I think members on both sides can't carry on a conversation when their colleague wants to ask a question. And I'd ask all members to please give him an opportunity.

**Mr. Goohsen:** — Thank you, Mr. Speaker. To the Minister of Justice: Mr. Minister, some weeks ago the employees at the Moose Jaw Woolco asked you to grant them a decertification vote. They said . . . The law said that you couldn't do that and you couldn't interfere with the independent panel. The law said that the matter was up to the Labour Board.

But, Mr. Minister, there is law and there is justice. Mr. Minister, will you see that justice is done and grant the employees of the Moose Jaw Woolco their decertification vote so that they can stand a better chance?

**Hon. Mr. Shillington:** — With respect to this issue, which is now about nine weeks old and has been extensively reported in the paper, let me assist the member with it.

As the facts were, there was a hearing before the Labour Relations Board. And everybody agrees upon the law. The law is that if a majority of employees want to decertify, they have that right. The only function of the Labour Relations Board was to determine, is there a majority? Was it voluntarily given?

After hearing evidence for eight days and considering the matter for a few weeks thereafter, the Labour Relations Board determined that those conditions did not exist.

So I say to the hon. member, the Labour Relations Board considered it fully, determined that those conditions did not exist, and so the matter rests. I don't think there's any disagreement in this case on what the law ought to be. There may be a disagreement with respect to the board's decision on the facts, but that's quite a different matter.

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

#### **Ministerial Assistants' Pay Raises**

**Mr. Swenson:** — Thank you, Mr. Speaker. My question is to the Premier. Mr. Premier, your government's ministerial assistants received a hike in their salary scale of about 12.5 per cent on average. Some MAs (ministerial assistant) have received raises in excess of 40 per cent, sir. They also get an additional pay raise every year, Mr. Speaker, because of their salary scale.

Now I know they have a salary scale, so legally they're entitled to that money, Mr. Premier. But there is law and then there is justice, Mr. Premier. Mr. Premier, most Saskatchewan people think that your MA pay hike is unjust. Will you use your powers of justice to override the law and retroactively rescind those salary hikes? Will you do that, sir?

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

**Hon. Mr. Tchorzewski:** — Thank you, Mr. Speaker. I want to respond to the member opposite and I want to remind him about what the Minister of Agriculture said about their kind of numbers.

The facts are, Mr. Speaker, that there never was an increase for ministerial assistants. The members opposite know that; the Liberal Party knows that. The only increase of any significance that has happened in this legislature in the last two and a half years is a 37 per cent increase in the personal salary of the Leader of the Liberal Party.

Now if we want to talk about law and justice, Mr. Minister, I will ask the member from the Liberal Party whether she would agree there would only be justice if some steps were taken to roll back her personal increase in her salary.

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

#### **Binding Arbitration**

**Ms. Haverstock:** — Thank you, Mr. Speaker. My question is to the Minister of Justice. Mr. Minister, the Premier is quoted as saying that your decision to ignore the law was based on the fear that it would set a precedent for other groups the government will soon be negotiating with, like 7,000 government employees. Has your decision now set a precedent that allows you to overrule future binding arbitration decisions with government unions?

**Hon. Mr. Mitchell:** — First, Mr. Speaker, today is the day for Tweedledee. Yesterday was Tweedledum's turn. Hand the ball back and forth over there as to who's going to attack what issue.

What you have to do on this matter, Mr. Speaker, as I said yesterday, is make up your mind on what side of the issue you are. Are you in favour of giving the judges a 24 per cent increase or not? If you are, you simply pay it. And I take it from past statements and from that question that the member would favour the payment of the increase.

If you say that we can't afford that increase, then you have one choice and one choice only and that is you have to reach back and change the law. It's as simple as that. There's no other course permitted.

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

**Ms. Haverstock:** — Mr. Speaker. Mr. Minister, are you in favour of binding arbitration or not?

**Hon. Mr. Mitchell:** — Well I'm going to treat that as a serious question. Although I'm not certain why I should, I'm going to do that out of deference to my friend.

It has long been my position, Mr. Speaker, that binding arbitration is not a preferred option. It is the very last resort. And that collective bargaining ought

to be done at the table and not by the imposition of some third party who makes a decision that the parties themselves should make. That is my general position. So I think I've answered the member's question.

But I do want the member, the next time she stands up and comes at us with this sort of question, to declare herself on this matter of a 24 per cent increase and to do it very clearly. And just to aid her, Mr. Speaker, we'll be having a vote in a few minutes in this House and I ask her not to leave but to declare herself at that time where she is.

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

### Gaming Revenues

**Ms. Haverstock:** — Thank you, Mr. Speaker. My questions are for the minister of Gaming. Mr. Minister, I want to . . .

**The Speaker:** — Order. Order. Will the government members please come to order. I think that outburst is simply not necessary. Order. Well maybe the Premier could come to order too . . . (inaudible interjection) . . . No it certainly won't. Well I will tell the Premier that he will get three warnings just like anybody else. And that's all I will give him.

**Ms. Haverstock:** — Mr. Minister, I want to encourage your government to rethink its approach to gaming. I believe that you've taken an industry with great potential and that you've made some serious mistakes. But there is also time to correct things if you're willing to listen to people.

Mr. Minister, gaming experts say that there is a grave danger when governments take too much money from local economies through gaming. And your government plans to drain \$100 million out of local economies through VLTs (video lottery terminal).

So precisely what evaluation are you doing to determine whether Saskatchewan can afford to have this kind of money extracted from our communities?

**Hon. Mr. Lautermilch:** — Thank you, Mr. Speaker. Mr. Speaker, I thank the member for the question, and I want to say in the outset that it's easy to understand her reluctance to continue her questions to the Minister of Justice because quite clearly she's unwilling to put forth her position.

Mr. Speaker, let me say to the member opposite that she knows full well the process that happens with respect to budgeting and where dollars go that government raises with any source of revenue; that they are put into the Consolidated Fund and delivered back through programs, with health, with respect to education, and other programs in this province to service the programs that the people of this province demand, whether that be gaming revenue or whether it be tax on fuel or whether it be personal income tax. That is the process, and that is how money is returned back to the communities.

I want to say, Mr. Speaker, that this is incredible that this member, who would stand up now and suggest that we shouldn't be taking revenue from video lottery terminals, was the same member who in the last session was encouraging us to hurry up because we were losing 50 to \$60 million in revenue.

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

**Ms. Haverstock:** — Mr. Minister, we've communicated with many hotel owners across Saskatchewan. Over 90 per cent of Saskatchewan hotel owners who responded to our survey said that your government is taking an unfair share of VLT profits. Those same hotel owners at the recent hotel association convention asked you to consider raising the local operators' share of VLT money to 25 per cent of what your government is taking. Mr. Minister, will you agree to do that? Will you agree to divide the pie more fairly and increase their percentage to 25 per cent of what you're taking from their customers?

**Hon. Mr. Lautermilch:** — Well, Mr. Speaker, firstly I'm going to ask the member to table her survey and I'd be interested to know how the survey was funded as well.

But let me say this, Mr. Speaker: I met with the hoteliers just the beginning of this week at their annual convention. And I want to say to you that they did in fact ask for an increase of the percentage of the VLT revenue; they asked us to increase it from 15 to 20 per cent.

And I want to say as well to the member that no self-respecting hotelier wouldn't ask for an increase. But the fact is, Mr. Speaker, we are putting some \$15 million into the hands of the hospitality industry through the video lottery terminal program. It has in fact saved, we believe, a lot of rural hotels from bankruptcy. I want to suggest that we indicated to them that we feel it's a fair portion of revenue and that we have no intentions at this time of increasing the amount.

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

**Ms. Haverstock:** — Mr. Minister, VLTs were introduced in rural Manitoba two years ago and the effects of VLTs on rural Manitoba charities who used to sell break-open tickets was devastating. In fact the Manitoba government has to set up, and has set up, a break-open compensation fund which paid over \$500,000 to those very charities this past year. Now that there are thousands of VLTs all across Manitoba, the fund has been expanded to charities to compensate the cities as well as the rural areas.

Mr. Minister, there are tremendous losses being experienced by Saskatchewan hospital foundations, by legions, by church bingos, and by others whose fund-raising revenues are being destroyed by your government's gaming competition.

Will you commit today to establish a fund to compensate Saskatchewan charities for the money

that they are losing because your government is competing with them in gaming?

**Hon. Mr. Lautermilch:** — Well, Mr. Speaker, I thank the member for that question and let me answer it in this way. She might want to talk to her Liberal cousins in Quebec who are taking all of the revenue from gaming.

And I want to say, Mr. Speaker, she is well aware of the fact that the bingo revenue to charities has increased from last year to this year from \$18.8 million to over \$22 million. She stands in this House — and there's more money for the hoteliers, there's more money for charities, there's more money for judges.

I say, Mr. Speaker, where does she think all of this money is going to come from? Can the Finance minister just reach out and grab it out of the air? On one hand she supports our balanced budget initiatives, but on the other hand, on a daily basis she stands in this House and asks us to spend, spend, spend.

I say to the member from Greystone, you can't have it both ways. You can't get control of the fiscal situation in this province and spend as you would encourage us to do. I say this is the highest form of duplicity that has ever been displayed in this legislature, and you should be ashamed of yourself and be honest with the people of the province.

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

#### Judges' Salaries Recommendations

**Mr. Toth:** — Thank you, Mr. Speaker. Mr. Speaker, my hon. colleagues have brought up numerous examples of laws and legislation brought forward by the government opposite, which many people believe are unjust. Their causes and their real life concerns are every bit as substantial as the political concerns of the government members. Yet they must and will abide by the law as set out by the government. And that is the point. There can be no one above the law, or there is no law.

My question is to the Minister of Justice. Mr. Minister, when there was a question of impropriety involving the David Milgaard case, you saw fit to refer the matter to the Department of Justice of another jurisdiction. Mr. Minister, would it not be appropriate to refer this entire matter to another jurisdiction for an impartial and reasoned analysis? Have you considered this, or are there any other alternatives other than breaking the law?

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

**Hon. Mr. Mitchell:** — So Tweedledum steps back into the breach here.

**The Speaker:** — Order, order. I think the minister knows that that term certainly doesn't add anything to the question period and I wish he would refrain from referring to members in that fashion.

**Hon. Mr. Mitchell:** — Mr. Speaker, the member knows that no one is above the law. The member also knows what the issue is here. I've said it often enough but let me say it again; let me say it slowly and clearly. The question is, whether or not you think judges should get a 24 per cent increase. If you do, just do nothing but pay it. If you don't, you have one choice and one choice only, and that is to reach back and change the law. There is simply no alternative.

Now that's not a question of being above the law. It's a question of us standing in our place in view of the result and saying, this Assembly, this government, made a mistake. We are bound to remedy it and there is only one way to remedy it. Your question implies you favour the 24 per cent. We're going to find out in a few minutes, we're going to find out in a few minutes whether you do or not. So please don't leave the House.

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

**Mr. Swenson:** — Thank you, Mr. Speaker. My question is to the Premier. Mr. Premier, yesterday you rejected accepting your Minister of Justice's resignation. You said there wasn't a warranted . . . the issue didn't warrant that. Mr. Minister, my colleague just pointed out that other jurisdictions have been used by your government.

Your minister is under significant public pressure in the area of the White Bear casino issue, with what has come out in the media there. Your minister is under significant public suspicion because of the judges issue. Mr. Premier, don't you think it would be appropriate, given that this minister is in the glue in a number of areas, that you would refer to another jurisdiction and take the initiative of taking the suspicion off of your Minister of Justice?

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

**Hon. Mr. Romanow:** — Mr. Speaker, I thank the Leader of the Opposition for that question but I want to tell the leader, as I want to tell the Assembly, if there is any evidence, proof positive, that that question is ill-founded and wrongly directed, it is what we have seen in this spectacle which has gone under the guise of question period, where both the Conservative and Liberal caucuses skated around this issue of whether or not they support the 24 per cent increase for judges.

They tried everything including this last question. I say to the Leader of the Opposition that in May of 1991 when he was a member of the cabinet and the then attorney general, Gary Lane, overturned a commission which you set up, giving 15 per cent to the judges, that was okay for you — 15 per cent at that time. He broke his word and you were part of government that broke the word.

That was okay then. Why did you do it? You did it because presumably you said it was not in the public interest at a time when we were in dire straits of getting our finances in order.

Here it is, we're doing the same thing at 24 per cent, and now you've changed your position. Where do you stand? Do you stand with the little guy? Do you stand with the working person? Do you stand with the single mother? Do you stand with the farmer? Or do you stand with the judges and 24 per cent? You're going to have a chance to vote on that in just a few minutes. We stand with the people.

Some Hon. Members: Hear, hear!

**INTRODUCTION OF BILLS**

**Bill No. 45 — A Bill to amend The Child and Family Services Act**

**Hon. Mr. Pringle:** — Mr. Speaker, I move that a Bill to amend The Child and Family Services Act be now introduced and read a first time.

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

**Bill No. 46 — A Bill to amend The Provincial Court Act and to enact certain other provisions**

**Hon. Mr. Mitchell:** — Mr. Speaker, I move that a Bill to amend The Provincial Court Act and to enact certain other provisions be now introduced and read a first time.

The division bells rang from 2:13 p.m. until 2:22 p.m.

Motion agreed to on the following recorded division.

**Yeas — 39**

Romanow	Lautermilch
Van Mulligen	Calvert
Thompson	Renaud
Wiens	Murray
Tchorzewski	Hamilton
Lingenfelter	Trew
Shillington	Draper
Anguish	Whitmore
Koskie	Sonntag
Teichrob	Flavel
Goulet	Roy
Kowalsky	Cline
Mitchell	Scott
MacKinnon	Crofford
Cunningham	Stanger
Hagel	Kluz
Bradley	Knezacek
Koenker	Jess
Lorje	Langford
Pringle	

**Nays — 11**

Swenson	D'Autremont
Neudorf	Goohsen
Martens	Haverstock
Boyd	McPherson
Toth	Bergman
Britton	

The Bill read a first time and ordered to be read a second time at the next sitting.

**ORDERS OF THE DAY**

**COMMITTEE OF THE WHOLE**

**Bill No. 9 — An Act to repeal The Agriculture Development Fund Act**

**The Chair:** — Order. At this time I would like to ask the Minister of Agriculture to please introduce the officials who have joined us here today.

**Hon. Mr. Cunningham:** — Thank you, Mr. Chairman. With me today I have Dr. Hartley Furtan who is the deputy minister, and Mr. Martin Wrubleski.

**The Chair:** — I wonder if I can get the cooperation of the members to perhaps move away from the officials and the minister and carry on their conversations elsewhere so we can conduct the business.

**Clause 1**

**Mr. Neudorf:** — Thank you very much, Mr. Chairman, Mr. Minister, and welcome to your officials, particularly to Hartley. Last time I saw him was, of all places, in the Hague arena during the course of the winter. And the only thing actually, Mr. Minister — don't get worried here — that we have in common is that we both particularly appreciate one of the individuals that plays for the Hague Royals, and that's what brought us together at that time.

And so we are looking forward to having a somewhat enlightening dialogue this afternoon regarding the repealing of The Agriculture Development Fund Act. And I must admit, Mr. Chairman, I'm having a little bit of difficulty making a mental switch as it were, or mental shift from the activities that have gone on in this House the last half hour or so and trying to concentrate on a relatively less significant topic than we have just been dealing with.

And I guess what that does though, Mr. Chairman, is underscores, underlines the concern that we have, as far as this opposition is concerned, with many of the directions that this government is taking. A concern that we have about this government staying the course as it were, when a cognizant decision is made by the government, in cabinet, in caucus, that this is what we want; this is the direction that we're going; we're going to establish an independent commission and we're going to make that ruling binding.

(1430)

The problem here, Mr. Chairman, is that the confidence of the people I think is sorely eroded, whether it be the issue of judges' salaries or whether it be the issue of the Agriculture Development Fund that we're debating this afternoon.

And so there's a much more significant issue before us

this afternoon than the relatively simple repealing of the Agriculture Development Fund. Because, Mr. Chairman, I know what the minister's going to get up and answer to the first question that I'm going to ask, and namely the question is, why are you repealing the Agriculture Development Fund? And he's going to say, well it belongs back in Agriculture and it's not going to affect the programs being offered because it will still continue in the general parameters of the general revenue . . . Consolidated Fund.

And quite frankly, Mr. Minister, under normal circumstances, under normal operational modems, I might buy that. But given the track record, Mr. Minister, that your government literally on a daily basis exhibits, is such that it brings into serious question your desire and indeed your motivation to live up to what you say you're going to do. We see that on a daily basis, on high-ranking members of your government. That the people of this province are just saying, whoa up, I don't know if we can believe them, I don't know if we can trust them, I don't know if that's really what's going to happen.

And I recall approximately last year at this time when the Minister of Health was sitting in your position where there was going to be a repeal of SADAC, Saskatchewan Alcohol and Drug Abuse Commission, where that was also taken out, as it were, a separate entity and rather rolled into the massive bureaucratic structure of the Department of Health, where the likely case is that it will never see the light of day again, certainly not in recognizable form. Because once it gets rolled into the Department of Health, it gets lost in the shuffle.

Now I know that you're going to get up, Mr. Minister, and I'm assuming that you're going to commit yourself to continuing on with research and development in agriculture. But it will just be where it belongs, which is in the general coffers within the Department of Agriculture as opposed to a separate entity where it sticks out, where it can be evaluated, where it can be seen much more readily than lost in the big shuffle of the massive Department of Agriculture.

So I'm just going to say to you, Mr. Minister, that when you do get up and give those answers, I want you to expound somewhat and give me a level of comfort and give those farmers a level of comfort that indeed agriculture is still significant in your mind and in that of your fellow colleagues over there, that indeed agriculture is the backbone of our economy. And that's an overused expression, Mr. Minister, but you and I both recognize that, I know.

And so if we're going to continue to develop agriculture, if we're going to meet the objectives as laid out by some of your plans, by some of your prognostications, then indeed the diversification that can occur can only occur if there's a proper support for the research, development, marketing expertise, and the projects and the innovativeness that is inherent within the people of Saskatchewan, and particularly in the farming sector, that that cannot be jeopardized.

And I won't stand for it and the farmers of this province will not stand for any move on your part to roll everything back into the Department of Agriculture and get lost in the shuffle and in the end find out that there has been a significant decrease.

Now there are other areas that we're going to be touching on. What is this going to do . . . We'll get to them later. What is this going to do, for example, to private input into this process? Is this going to stimulate private enterprise by continuing to facilitate and continue to be involved? Is this going to make it harder for that to happen? There's a whole host of questions that I and my colleagues want to ask you on this feature.

So firstly, Mr. Minister, I would just want you to get up and describe for us as best you can the rationale for taking this move and feeling that you have to repeal The Agriculture Development Fund Act. Could you do that for us please, Mr. Minister.

**Hon. Mr. Cunningham:** — Well, Mr. Chairman, I think it's welcoming that the member opposite understands basically what we're doing and even why we're doing it, and I don't know what I can add to that. We are bringing it under the department. There will still be an independent board that makes decisions on individual projects.

I think we are committed to research and development. In fact one of the things that we did that I think is different than what's ever been done in this province in the past, is we've developed a strategic plan for agriculture. We think that we need to move in a direction and not be doing ad hoc programs and ad hoc research.

We wanted to have research that has a strategic direction to it, and that is what we intend to do. We have a commitment to research. I think this will still be in the budget book. It's not going to be hidden; it will still be there to see. We're moving from roughly 11 million to \$12 million in ag research.

This is not something that's new. This has been under the department for a year, has been working very well in the past year. And all we've done is — we still need to use the private industry and individuals to help us make decisions on projects — but all we're doing by bringing it into the department is be sure that we've got our research focused. We don't have unlimited dollars. And we want to focus it so that we can move ahead with the general plan for agriculture. And that is the whole purpose of repealing this Act.

**Mr. Neudorf:** — Thank you, Mr. Minister. Maybe that's a good place to start, is by asking you to explain some of your comments. You said that you want it focused by the Department of Agriculture. By that I would suppose, and correct me if I'm wrong, you're telling us that you want to control it. You want to have control of where those dollars are spent rather than the committee that's doing it.

There was another comment that you made that caught my attention and you said you didn't want this ad hoc approach. So correct me again if I am wrong on the second point now, and that is that the logical conclusion for listeners to draw from that is that there has been up to now an ad hoc approach to R&D (research and development), and therefore you want to focus it and control it and be able to say, yea, nay, yourself. Is this what you mean?

**Hon. Mr. Cunningham:** — No, that is not what we mean in terms of controlling it. All we're doing is setting out a mandate and focusing which are, after all, taxpayers' dollars, into research. It's going in a general direction that's going to be helpful to what everybody else in the province is doing in research, and to have it coordinated with the universities and so on.

We still have an ADF (Agricultural Development Fund) board and on that board, I can list you the people on it; Hartley Furtan, the deputy who is here today; Gary Wellbrock, Don Russell, Meg Claxton, Alesa Verreault, Eugene Lee, Betty Althouse, and some department people who sit on the board.

So that board still makes the decisions on individual projects and there is no political interference. And I don't want to get into, not only the ad hoc approach, but the political interference that was exhibited with the ADF fund previous to our election.

**Mr. Neudorf:** — Mr. Minister, what difference does it make in terms of being able to control it? You want to control it, you say. You want to be able to focus it. You don't want the ad hoc approach, and we'll get back into that subsequent to the statement that you just made. But why would this not be possible under the existing format of ADF where it is, as opposed to rolling it into the Department of Agriculture?

**Hon. Mr. Cunningham:** — Well again, Mr. Chairman, I don't think it's any easier to control or manipulate when it's part of the department than it is when it sits out separately.

The whole purpose is the strategic plan that we all need to work on. And if the department is doing initiatives and spending money in certain areas, then we think the research should also be coordinated in those areas. And I think if the department is wanting to do an initiative that promotes ostriches or whatever, then I think the research in the province should also be focused in those same directions. And that is all we're trying to do.

You keep using the word control; we use the word focus. All we want to do is have a mandate that everything that we do in this province and all the money that the taxpayers spend on agriculture has a direction and a plan to it. And we can't afford to be having one hand spending money here and the other hand spending money in a different direction. And all we're doing is trying to coordinate and plan some strategic direction for the industry in this province.

**Mr. Neudorf:** — Well thank you for acknowledging the fact that you, as Minister of Agriculture, want to control the ADF fund. That's what you have just said. You said the Department of Agriculture is going to have some strategic plan in mind — focus, if you prefer your words — so that you know what direction you want to go, what parameters are going to be allowable in so far as the funding is going to be concerned.

Now you are saying that the department is going to control that direction. But if the department controls the strategic direction, you control the department, so what you want now is an order for the ADF fund to be rolled into the department so that absolutely the board of directors are going to have to kowtow to the direction that you have determined and imposed upon the department in so far as your focus is going to be, Mr. Minister.

That is why I submit to you that what you are doing is taking them under your umbrella, under your wing, and you are the one now that's going to be able to direct the direction in which R&D . . . the Agriculture Development Fund is going to be following.

Are we not saying the same thing? By me having my version of it and you quoting your version, are we not saying the same thing? One is a little more flowery than the other.

**Hon. Mr. Cunningham:** — Well, Mr. Chair, I'm not sure which one of us is most flowery, but I think that the direction that you . . . the spin that you want to put on it is that we want to control and politically influence this, and that certainly is not the case.

All the expenditures are still approved by the board, not by the department and all we've done is moved it a little closer to the department where there will be more coordination and that the board knows what the department is doing and the department knows what the board is doing.

This strategic plan that we've put forward is not my plan. It's a plan that we, over a whole winter or more of consulting and talking to farm groups and farm meetings all over, put together — a strategy that the players in this industry think we can head in and that, I think, we need to all work towards the same direction.

And I think, other than some members opposite, I think generally the agricultural producers and the industry in this province is onside to move in that direction, and that's all we're attempting to do.

**Mr. Neudorf:** — Oh, I would question that last statement, Mr. Minister. I think where the commonality lies is that all producers and the opposition recognizes the significance of R&D. And what I'm trying to determine here this afternoon, Mr. Minister, and to ensure ourselves in the comfort level of the listeners and the farmers and the people that are involved, that you indeed also have that commitment.

And if I was assured of that, then we could be talking

about some of the few little details of the implementation of this and then we're on our way. But that's what I want — to put your feet to the fire for this afternoon a little bit to get a very succinct, decisive commitment on your part, and this is the manner in which we are going to be going around it.

Now let's take a look a little bit at the logistics of how you plan to implement this. So everything is now going to be directed to you as Minister of Agriculture. Does this mean that every application will be coming to the Department of Agriculture before it arrives on the doorstep of the board of directors to make the decision? Is there going to be a screening process whereby the board of directors is going to be able to look at those that you want them to see?

What mechanism is in place for applications to arrive directly at the board of directors' doorstep as opposed to the Department of Agriculture, where indeed there is some jeopardy as far as some of these applications may be . . . (inaudible) . . . because they will arrive with your officials first and you. So explain that process to me.

(1445)

**Hon. Mr. Cunningham:** — Well, Mr. Chairman, I think that now we're getting some place. As to the first question, is the commitment of my commitment and this government's commitment to research in agriculture, I can give you every assurance that that is very strong.

I think one of the things that we're saying in our ag strategy is that while a provincial government cannot necessarily afford to bail out producers to the tune of billions of dollars for price supports and so on, that we are very strongly committed to research. And I think there are all kinds of examples, for instance in the lentil field, where we're being very successful. And the reason we're being very successful can be directly related to a relatively small amount of dollars put into research and the varieties that Dr. Slinkard developed and so on.

So if you're asking for a commitment from myself and from our government to research for agriculture, I can certainly give you that. We have a very strong commitment to research and development. And I think you will continue to see us, as funds become available and more and more emphasis placed on that . . . I think that's a role a provincial government should be very involved in.

As to the mechanism, every application goes to the board. We do not remove any. They don't go to the department first; they go to the board. The board makes a decision on them. So we do not and I do not see applications until after they're approved. So there is no political screening or any other screening of applications; they all go to the board.

**Mr. Neudorf:** — Well, Mr. Minister, I take some heart in what you just said, that you have that personal commitment. And I respect you for that and I'm going

to take you at your word. I also hope that your impact around the cabinet table is such that you make your feelings not only heard but also that people will listen to you that indeed monies will become available for this particular fund on an ongoing basis.

So, Mr. Minister, would you indicate to the House at this time what amount of money is going to be spent in ADF fund this coming year — what has been spent this year, since we're almost at the tail-end of the year, and the projected amount.

**Hon. Mr. Cunningham:** — Yes, the amount for last year, the estimated amount is 11.909 million. The amount for '94-95 is 12.11 million.

**Mr. Neudorf:** — That's an increase, on the surface at least. I don't know what kind of machinations go on in auditors' books and so on, but I'll assume then that there is an increase.

Your commitment then, Mr. Minister, is that that 12.11 million will be spent '93-94 and it will be spent on ADF projects.

**Hon. Mr. Cunningham:** — Yes. The number, you said '93-94, that is basically I believe spent or being spent as we're winding down the year with only a few days left. But yes, the 12 million will be spent on research.

**Mr. Neudorf:** — I noticed another comment, Mr. Minister, that you made during your previous answer — not this last one — and you said that this will continue as funds become available. And to me, that's the scary statement. And I want you to perhaps give me a comfort level here that that was almost like a slip of the tongue, that this is not going to be an out for you to spend less in the future than what you are spending now.

**Hon. Mr. Cunningham:** — I believe that what I said — at least what I meant to say — is that there will be increases in research. We will spend more and more of our budget on research as we go into the future. I think, you know, we are tied to many programs and direct producer-support programs, which at this time are very, very necessary and it becomes difficult to take money out of producers' pockets to put it into research. But as we progress, we certainly would expect to be spending a larger portion of our budget and more actual dollars on research as the years . . . as we progress.

**Mr. Neudorf:** — Thank you, Mr. Minister. In your second reading speech, on page 454 of *Hansard*, second paragraph, last sentence, you say:

We have made some changes to improve the effectiveness of our research funding.

That sounds great. I was wondering if you could perhaps give me an indication of how you have done that.

**Hon. Mr. Cunningham:** — Yes, Mr. Chairman, one of the things that we've done is we've greatly

streamlined our administration, which is what we've been trying to do in all areas.

Just in regards to research, ADF is not the only money that's in research. In this budget there's \$1.35 million for a beef development fund which will also be research money. And there are, as you know, money going to universities and other places.

**Mr. Neudorf:** — What about private clients' involvement in the ADF? How is this new structure going to affect their involvement? Because going over your second reading speech, I noticed you're saying that:

. . . (the ADF) Fund Act brings closure to a decision made in the spring of . . . ('93) to simplify and improve the delivery of agricultural research and development funding. Clients have been dealing with the new administrative structure, and . . . I'm pleased to report are finding it to be a major improvement.

Can you elaborate?

**Hon. Mr. Cunningham:** — Well, Mr. Chairman, the administration has been reduced from 17 people down to 7 and that seems to work better, I guess, maybe because they deal with fewer people and it moves quicker. But that's basically what happened in administration; we greatly reduced it.

**Mr. Neudorf:** — Another apparent reason for your rolling this together into Ag and Food is that it's going to reduce the administrative costs, particularly extra audits and so on, that it can be rolled into the one audit. What was the audit fee for the ADF fund the previous year?

**Hon. Mr. Cunningham:** — The audit fund was around \$8,000, or the audit fee, I should say.

**Mr. Neudorf:** — Rolling it together into the Department of Agriculture and Food, what do you project the cost to be, the auditing of that portion? What's the cost saving, the ultimate cost saving?

**Hon. Mr. Cunningham:** — We don't think there will be any added cost when it's in. It would just be one more line for the auditors to deal with, and it would be none or very little added cost to the audit there. So basically the savings would be \$8,000 or very close thereof.

**Mr. Neudorf:** — Is it not true, Mr. Minister, that auditors get paid by the hour?

**Hon. Mr. Cunningham:** — Well, Mr. Chairman, this is not a huge amount of fund. If you have to audit separately and set up and go through a separate set of records, that certainly takes hours. And whether or not there is some additional hours or cost, we would have no way of sorting out. We get charged for auditing the department and they don't give us a separate bill for how much they spend on each particular budget line.

But there would be really very little added cost, in our opinion.

**Mr. Neudorf:** — Well, Mr. Minister, the reason I'm pursuing this is that obviously when an auditor looks at the size of the operation, the estimate or the contract that you can sign is based upon the size of that operation. And if the ADF is going to be rolled into it, it's going to increase the size and, I would suggest to you, it's going to increase the amount of cost to the department. Now I will acknowledge that that may be less than if this was a separate entity.

And the only reason I'm bringing this forward and challenging some of your statements is because you were the one that initiated the issue as a positive, that it's going to be saving money. And I'm just saying to you, well how much? If you thought it was significant enough to raise as one of the motivations for this development, then I suggest to you that you must have had a fairly specific figure in mind, a fairly major figure in mind to make it worth your while to mention it.

**Hon. Mr. Cunningham:** — Well it's interesting that earlier this afternoon \$20,000 was a very major figure and now 8,000 is insignificant. But the audit may well cost us a few more dollars as we contract in the future. But I think, again on administration, auditing was certainly only one portion of it. Reducing the number of employees from 17 to 7 is certainly a major cost saving.

**Mr. Neudorf:** — Well, Mr. Minister, I don't know why you would want to get involved with the lord of the flies once more, after we were doing so well in this discussion. But \$20,000 I submit to you, given to Jack Messer, is not in the same category, is not nearly in the same category as \$6,000 given for a legitimate reason for the auditor. And that's what we're objecting to, Mr. Minister. It's not necessarily the 6,000 or \$8,000 for the audit. It's not even the \$20,000 for Jack Messer. It's the matter of law and justice.

And most people in the world can't have it both ways. It is only your Minister of Justice in your cabinet that is able to accomplish that, and that's by the might of your majority. So if we want to divert and start talking in those terms, we're going to be here a long time and I'm quite prepared, because that's a topic I love to talk about. So don't bring it up again unless you want to discuss it. It wasn't me that raised that issue.

Mr. Minister, the assets and the liability of the funds are transferred to the General Revenue Fund, you stated in your adjourned debate, second reading speech. Could you indicate to us what the general health of the fund is, where we're at, how many outstanding bills are there, how much money is left? Is it all going to be used up by the end of the year? And later on we can get into some of the . . .

And I'm going to give you a chance to beat your own breast here for a little while, because I'm going to ask you, what are you the most proud of, what the ADF has done over the past year. You've spent \$11 million.

Let's give the audience and the viewers and the listeners a chance to hear what kind of bang they are getting for the bucks that you've spent. So why don't you highlight some of the major events of the past year in ADF after you've answered the budgetary question that I've asked you.

(1500)

**Hon. Mr. Cunningham:** — Yes, Mr. Chair, as to the amount of money that was spent, we came into the year with the carry-over of \$1.7 million in the fund; we will be leaving the year with approximately \$100,000 in the fund. So the fund is not bankrupt but we are spending the full amount, basically the full amount of the money.

As to some of the work that the fund has been doing, we've done a lot of work through strategic research program at the university. We have money that's gone to Ag-West Biotechnology, which is one of the very much up and coming industries and is fast becoming a centre of excellence in Saskatoon.

We've spent some money . . . ADF money has gone into ICAST, which is an International Centre of Agriculture Science and Technology and has . . . its main function is to take research and turn it into applied businesses. And that has been very successful in many cases. We spent money on soils accord through ADF, projects that are helping to produce soil conservation and improve our soils in the province. Thank you.

**Mr. Martens:** — Thank you, Mr. Speaker. My question is to the . . . or Mr. Chairman. My question is to the Minister of Agriculture. And I wonder if you would provide for me a list of those companies from the private sector that have been involved in ADF, either through grants that they've given, donations they have made. Would you have a list of that for me?

**Hon. Mr. Cunningham:** — We don't have that here but we certainly can provide that for you.

**Mr. Martens:** — Do you have a dollar value that you would be able to provide so we can talk about it a little bit? Because I have a few more questions I want to ask regarding that.

**Hon. Mr. Cunningham:** — You're asking for a dollar value of donations . . .

**The Chair:** — Order, order, order, order. Could I ask the two members that are carrying on the conversation to take it behind the bar, please.

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

**Hon. Mr. Cunningham:** — You were asking for the list of companies that have made donations, or contributions, to ADF and the amounts? Yes, we can get . . . we can do that.

**Mr. Martens:** — What I'd like to have, Mr. Minister, is a volume of dollars. Is it \$500,000, is it \$800,000, is it

3 million? What kind of a contribution have the private sector made to the ADF fund?

**Hon. Mr. Cunningham:** — We're not aware of . . . the officials are not aware of any money that's been directly contributed to ADF. There are projects that are done with matching funding and that's a different story. But there are no . . . From our knowledge, and we stand to be corrected, but there would be a very small amount of money that would be contributions made from private sector to the ADF fund.

**Mr. Martens:** — And what's the value of the dollars that are joint ventured by individuals within the framework of the Agriculture Development Fund?

**Hon. Mr. Cunningham:** — Mr. Chairman, we didn't hear that question. I'm sorry.

**Mr. Martens:** — The question I have is how many dollars and matching dollars did individuals or corporations provide through ADF to ADF for research or for demonstration projects? Can you give me that dollar value?

**Hon. Mr. Cunningham:** — It would be very difficult for us to put that together. Almost every project that ADF puts funding into is cost shared in one way or another. Some are shown; some we're not even sure of how much the individual private company puts into the project. We really wouldn't even have that number. Some we would know; some we wouldn't.

Almost of them are not funded 100 per cent by ADF. They're funded by other groups or by companies, so it would be very difficult for us to put together a number of . . . really the amount of private money that goes into research. It certainly is a large amount and probably exceeds the amount that ADF puts in in many, many cases.

**Mr. Martens:** — Mr. Minister, do you think there's any risk that you will not have this money be put down . . . made available through individuals to provide these demonstration projects or research projects? Is there any reason to believe that you will not be getting them as voluntarily as you were before because you are taking it out of the Crown corporation and putting it into the Department of Agriculture?

**Hon. Mr. Cunningham:** — No, we haven't found any difference and don't expect to.

**Mr. Martens:** — In one of the Bills that we just went through here, the universities of Saskatchewan are just putting together Crown corporations dealing with research projects. And my understanding of that is there is some significant hurry to this because one individual is prepared to put \$500,000 to research providing it can have some independence from the government. So the government is putting a Crown corporation together dealing with the universities.

Now on one hand, you're saying that if individuals are prepared to make a donation, depending on the size, we will provide a Crown corporation to deal with that.

On the other hand, here we have a Crown corporation that is researching and doing all of those same things — people are putting in thousands and hundreds of thousands . . . And perhaps, as you said earlier, if you're putting \$11 million in, the people in the province of Saskatchewan are perhaps matching that. And yet you disregard their involvement in that way and then say, on the other hand, in the universities, we're going to give you a Crown corporation to handle all this for a contribution by an individual of \$500,000.

Now will you tell us how you weigh one against the other? On the one hand, you say it's a good deal, and you set up a Crown corporation to do it, with all of the administration. And on the other hand, you take and turn it around and say, no, we can't do it any more because it costs too much.

How do you justify that when you come to cabinet, when you come to cabinet and talk to the Minister of Education as she brings forward that program, or the Minister of Finance as she brings forward that program, how can you justify . . . or how come you didn't justify the existence of the Crown corporation in relation to that? They say it's a good idea and you say it's not a good idea. Why do you say both of those things?

**Hon. Mr. Cunningham:** — Well, Mr. Chairman, we both have good ideas and that's not unusual for us to have many good ideas. And I don't think one good idea counteracts another one.

I think what the member is referring to is a Crown foundation which is basically to allow for donations to be tax deductible. I don't know what that has to do with research and development and streamlining and reducing the number of employees from 17 to 7 and saving money on administration, which I think is one of the reasons we're doing this, and I think it's working very well. And I don't know what that has to do with some other Crown foundation that's been formed.

**Mr. Martens:** — So then I guess what you're recommending to the people of the province of Saskatchewan, if you want a tax deduction for your research in agriculture, why don't you just give it right to the universities. Is that what you're saying?

**Hon. Mr. Cunningham:** — People who put money into research do not put it into our fund. They put it into their projects and that's always been the way it is. And certainly we're not getting into a complicated argument on tax law.

I think this works perfectly well for people who want to do research. They apply to ADF and we provide some of the funding and they provide some of the funding and do research projects. And the fact that we administer it more simply and cheaply is not something that most taxpayers complain about.

**Mr. Martens:** — I'm not complaining about the fact that you're doing it. I'm complaining about the fact that you haven't got any consistency. Agriculture

research can now go to the University of Saskatchewan, agriculture research can go the University of Saskatchewan in Saskatoon and say to them, I'm prepared to finance a research project or a demonstration project 50/50 with you providing you give me a tax break as well as the deduction.

Is that what you're saying is good on the one hand, and on the other hand in agriculture, you don't give equal opportunity? My question to you then is also, do you want all the research to go to the University of Saskatchewan in Saskatoon for agriculture development? Is that what the goal is in this?

**Hon. Mr. Cunningham:** — Mr. Chair, I'm afraid the member opposite doesn't understand Crown foundations or tax law that well, and certainly I'm not in a position to argue the details of tax law. This has nothing to do with research, and I see absolutely no inconsistency in setting up a Crown foundation which lets universities or hospitals receive funds that people want to donate to them. And I don't know what that has to do with agriculture research and ADF becoming part of the department.

Changing it from a Crown to putting it as part of the department has in my knowledge absolutely no effect on the tax breaks or the tax laws of anybody that's doing agricultural research in this province.

**Mr. Martens:** — Well, Mr. Minister, if you argued that way in cabinet, you wouldn't have got very far; that's why you got this. They said to you, cut your costs in administration; and so you said, okay, we'll get rid of the Crown corporation and the Agriculture Development Fund.

And yet on the same tone, somebody else in cabinet argues on behalf of getting a fund established. And that's what I'm talking about. Why can't agriculture have the same benefit that others are going to have? That's what I'm arguing for.

**Hon. Mr. Cunningham:** — Mr. Chairman, I think the member is chasing something, and I'm not sure what it is. We have nothing to do with the university setting up a Crown foundation in order to accept donations. And that is something that they have asked us for, not something that the government has promoted.

We are trying to do the best job we can in the Department of Agriculture. And we have not reduced our ADF funding; in fact, it's up. And we have reduced our administration and we are functioning better than we were before. And I don't know what the relationship is to donations that go to a hospital somewhere to agriculture development in this province.

**Mr. Martens:** — Well, Mr. Minister, the thing is that it's not only going to go to build a hospital, perhaps, or put some equipment in a hospital; that isn't the only place that this money is going to go into the Crown foundations of universities. And that, Mr. Minister, is what we're talking about.

Why not give an opportunity for agriculture to the same extent that you're giving to an academic component in the province of Saskatchewan, which they have asked for for years? Why don't you give that same benefit to agriculture in allowing them to donate or contribute to research in agriculture and demonstration projects?

We have governments all over this country cutting back on research — probably the best investment that people will ever make. And we need to have more of that, Mr. Minister, not less. And why not give people a break for putting that money into research and development in the province of Saskatchewan?

(1515)

**Hon. Mr. Cunningham:** — Mr. Chairman, I don't know if it's even possible to set up a Crown foundation that would be a part of government. I think those are a very specific function of universities and hospitals that are set up in order to receive large donations from individuals. And I don't know what the relationship to that is to doing agriculture research.

We still have the same tax laws that applied before we did this, apply now. There are still some tax breaks around for research and development. We still do matching projects with private companies and groups and organizations, and that hasn't changed. All that we've done is streamlined and made this thing administratively run better.

**Mr. Martens:** — How much money have you moved out of this fund into the Consolidated Fund that was in reserve since you took office?

**Hon. Mr. Cunningham:** — As I gave the numbers earlier on last year, there was the 1.7 million that was carried over and that only 100,000 carried over this year. Going back years before that, we don't have that data here. I can certainly get that. But we don't have with us today going back in history beyond last year.

**Mr. Martens:** — You said that you had a hundred thousand this year and you had 1.6 million last year?

**Hon. Mr. Cunningham:** — What I'm saying is there was \$1.7 million that wasn't spent at the end of last year; that was spent during this year and only a hundred thousand is now being carried forward for next year.

**Mr. Martens:** — So you carried forward \$1.7 million last year into the program for this year. In *Public Accounts*, it states there that in 1992 you put back 10.6 or 10.7 million and then you put back into the Consolidated Fund another 1.4 million. Can you verify that for me?

**Hon. Mr. Cunningham:** — We don't have the 1992 numbers here, but we can certainly get them for you.

**Mr. Martens:** — Well, Mr. Minister, that's what the *Public Accounts* state and you've been the minister here for, what, two years now? You should be able to

remember that you put that money back into the Consolidated Fund. That amounts to about 11 or \$12 million that you put back into that fund that was used by the people in that fund. It was used by the people in that fund to do demonstration projects, to have a revolving fund for them. And my question to you then is, why did you put that back? Was that even in your mind then to rob this fund of the money and put it back in the Consolidated Fund?

**Hon. Mr. Cunningham:** — Well if the member wants to go back in history, I certainly can't quote him numbers. There was a freeze on spending in ADF as we reviewed the mandate of it and wound down projects that were in place. And some of that money was paid back to the Consolidated Fund. And as the member well knows, we had a couple of very tough budgets and we struggled in all areas.

But I wouldn't want to from memory quote numbers back from 1991 or 1992. But there indeed was a freeze put on spending in ADF while we reviewed the mandate at one time. And there was money that was returned to Consolidated Fund.

**Mr. Martens:** — Shouldn't that, Mr. Minister, have gone in to pay for projects in research and demonstration? Don't you think that there's value in research and demonstration? Why didn't you put it into projects that would increase or enhance the agriculture component in research?

And I could go through a whole list of things that have benefited from research in this province, to the people of this province. And you took and put that money back into the Consolidated Fund. Why did you do that? That's the question. And why do you do this?

That's a question that you should really answer to this Assembly because you were not only a minister at the time, you were Minister of Agriculture probably during the period of time when you did that. You should have had a reason why you let it go.

**Hon. Mr. Cunningham:** — The reasons were quite simple, and I generated them earlier, that we had a freeze on as we reviewed the mandate. We wanted to, as we did when we took over government, have a look at all expenditures. We made some . . . as the member knows, money was in very short supply and we made some very tough decisions in a lot of areas.

What I've outlined earlier is that we are increasing spending on research and development and we strongly believe that that is the route. I don't recall whether I was minister of Agriculture at the time that those transactions took place, but be that aside, as a government we took a very prudent approach as we did with all spending, reviewed it carefully and we were sure that it was being spent on the right things and that we developed the ag strategy so that we know where we're going and what research we want to be doing in fact.

**Mr. Neudorf:** — Thank you, Mr. Chairman. Mr. Minister, just another short series of questions. I have

in front of me here a letter from Herman M. Austenson who is the executive director for the Western Grains Research Foundation. And this letter addressed to me is in response to I guess my initiative in sending him a copy of your proposed amendment in this Act of agriculture development, and his response to my asking him — have you got any concerns; is there anything that we should bring up to make sure that all bases have been covered?

And it's a relatively mild letter, Mr. Minister. As you know, the Western Grains Research Foundation is there to encourage research into grain production, encourage research into grain utilization, and the marketing of it as well, the market development.

Now they tell me that WGRF (Western Grains Research Foundation) provides research grants of about \$1 million annually to do research work within the parameters of the prairie provinces. And they are of course, very concerned what impact might result from your rolling of all of this back into the general revenues. And I quote from the second-last paragraph of his letter. He says:

As for Bill 9, the main concern of the WGRF is that Saskatchewan Governments support of grains-related research be continued at current levels and not be reduced as a result of past and future voluntary contributions by producers.

Could you give him that comfort level that that is actually what will or will not occur?

**Hon. Mr. Cunningham:** — Well, Mr. Chairman, the member opposite before was asking me to give assurance that I wouldn't tinker with the fund and that we would let the board decide. So I don't know if I can do both of those commitments, but I certainly understand the concern that producers have. And when they do check-offs they don't want us to withdraw our funding because they do do check-offs and give that funding then . . . direct that funding to another group that doesn't have a check-off, which they view as unfair. And that's obviously . . . I think they have a very good argument.

And certainly we're prepared to take that into account, and I'm sure that the board of ADF looks at that when they make their decisions about projects. And I think they basically base their decisions on whether or not it's good research and whether or not it has a return for the province and not on the relative wealth of the group that's proposing to do the project.

**Mr. Neudorf:** — I suppose the biggest concern there, Mr. Minister, would be that their research would still fall within the parameters of your focused research that you were talking about before. And the reason I'm asking these questions at this point is not to reassure me but to reassure the Western Grains Research Foundation that that indeed is going to be the case. And we'll take you at your word then, Mr. Minister.

**Hon. Mr. Cunningham:** — Yes, and I again don't make any specific commitments that the board will

allocate money to certain people, but certainly in our thinking we certainly take into account the fact and we certainly do really appreciate when producers do check-offs and contribute to research which not only benefits producers but benefits all of the province. So we will certainly take that into account.

Clause 1 agreed to.

Clauses 2 and 3 agreed to.

The committee agreed to report the Bill.

### **Bill No. 10 — An Act to amend The Vegetable and Honey Sales Act**

**The Chair:** — I ask the minister to introduce any new officials that may have joined us.

**Hon. Mr. Cunningham:** — Mr. Chairman, the only new official is Mr. John Buchan, who is seated behind me.

#### **Clause 1**

**Mr. Neudorf:** — Thank you very much, Mr. Chairman, Mr. Minister, and welcome to John here as well to assist you.

The Act to amend The Vegetable and Honey Sales Act is significant, maybe not in the wide scheme of the province for most people, but it certainly is for the individuals that are involved in the production of those commodities, and of course particularly the fruit aspect and the fruit production which has — I think we're all very pleased — expanded very, very rapidly in this province.

In fact, back in 1947 when this Act was . . . the last time this Act has been touched, there was no such thing or no concern about fruit and fruit development in the diversification aspect. And now it certainly is, and it's a growing, booming industry.

You don't have to go very far anywhere in Saskatchewan to recognize this fact. I know in my area around Saskatoon we've got a whole host of businesses that have been developed, whether it's blueberries or whether it's strawberries or the berry farm that's been in the news quite a bit last year and so on, and RM of Corman Park also has had to wrestle with this new development and so on. So I guess what we are on is a continuum where we've been somewhere one time but we're always going to be continuing on and so on, and this is part of that progression.

I have been in contact with some of the people that are involved and they did express some concerns about this Act. And primarily it revolved around the larger issue of, all right, so you're going to amend this Act. You're going to be putting in rules to include fruit, and as fruit develops still further so that there's an organized manner of marketing the fruit.

Now when I say marketing the fruit in an organized

fashion, that can only be accomplished if there's some standard and if there's some recognized level to compare with, so that material coming out of Saskatchewan is going to have some kind of confidence level on the consumer that when they buy something of this kind of standard that indeed it's going to meet some kind of specific standard.

(1530)

And that's the concern that has been expressed to me by gardeners and people with green thumbs. And they say, we want it; we want some kind of standardization not only in the vegetable aspect but also in the fruit aspect, so that there's a standardized set of regulations that can be gone to and that will help to regulate the industry.

So, Mr. Minister, could you explain to me the process whereby this is going to be accomplished with this change in the Act?

**Hon. Mr. Cunningham:** — Yes, Mr. Chairman, that's a very good question. The member very correctly lays out the situation. We have a new and growing industry that we think is going to need regulation and grading and so on if it's going to survive.

What this Bill basically does is enabling and it will allow us to set up regulations. And we will be consulting with the producer groups and others as we develop those regulations, so that they meet the requirements of this new industry. This Bill basically will be enabling so that we can work with producers to develop the regulations that will be needed.

**Mr. Neudorf:** — Mr. Minister, could you give me an idea of whom are we talking about. Who are the fruit growers' association; who are the associations that will be working with your department officials to determine what the regulations are going to be?

**Hon. Mr. Cunningham:** — Yes, Mr. Chairman, there is a fruit growers' association that has 40 or 50 members. Most of the fruit in Saskatchewan is now U-pick and direct sales. And as with the vegetable and honey, those are not likely to be impacted by this Act. So it will become . . . the regulations become required when commercial production becomes reality and we start to get . . . the industry grows to the point where we're doing commercial production. That's the point where you need to have some standards and so on, so that you can properly market the product.

**Mr. Neudorf:** — A couple of questions resulting from that answer, Mr. Minister. These 40, 50 members of the fruit growers' association, they are the ones that will determine that. What impact will their recommendations have? Who will have the ultimate say as to what the regulations are actually going to be?

And furthermore while you're on your feet on that one, you mentioned that this would not affect off-farm sales; farm gate sales are not going to be affected by any kind of standardization, by any kind of regulation saying that they must be so and so. So whatever

consumer . . . buyer beware, consumer beware; you go on, you pick; and this will not be affected in any way by what we're doing with this Act.

**Hon. Mr. Cunningham:** — Yes, that would be on farm gate; direct sales will not be impacted. We do not have regulations now for vegetables if it's a direct farm sale. It's for commercial production.

And I guess ultimately government has the power to pass the regulations, but we would be doing . . . our people and John Buchan here and others will be talking with the association and particularly the commercial growers who are the ones who will be needing the regulations and developing them and implementing them as they're required.

Really this is a bit of, I think, foresight on our part and on their part because, you know, we've got this enabling legislation now so that we're able to go ahead as we need it. And we think this industry is going to grow very rapidly and be commercialized, and we will need those regulations fairly quickly.

**Mr. Neudorf:** — What about the implementation? What about the inspectors? Who's going to enforce the regulations? Do you have a set of inspectors out there that have been trained, that know what's going on? And how many have you got; where are they; how is this whole Act going to be enforced?

**Hon. Mr. Cunningham:** — At the present time, the inspectors who operate under this Act are the federal inspectors, the inspectors of Ag Canada. And we simply name them as our inspectors when they do the inspection on vegetables. So we assume that that would be the same situation for fruit.

**Mr. Neudorf:** — Is that, Mr. Minister, a fee for service, or who would be paying for these federal inspectors?

**Hon. Mr. Cunningham:** — The federal government pays for that. They just carry us along, because they're inspecting under their regulations and they just add ours into it. So there isn't any cost to us.

**Mr. Neudorf:** — Really? Well why don't they do that for my hogs, I think would be a legitimate question for me to ask, because I think that we pay for that ourselves. That's a question I'll be asking you later on in further estimates then.

The inference was made by you that the fruit industry is a growing industry and that it's basically, I suppose, at its infancy and we can only expect greater things; and that there will be standardization of product to assist in the marketing of the products, perhaps interprovincially and, who knows, internationally.

What support do you have for this growing industry in terms of expertise and in terms of advice, marketing strategies, and so on? Do you have any input? Are you working with this industry?

**Hon. Mr. Cunningham:** — We have a horticulturist on staff who works very strongly with his people. There's

a strategic research component with native fruits at the university, which we support. And also our marketing branch has been working quite extensively with these people.

**Mr. Neudorf:** — Mr. Minister, one of the other comments that was directed to me was that this is a growing industry, this is an industry with potential. But it is also an industry that has relatively few support services for it. The comment was made to me that we are really almost by hand to mouth, almost seat-of-the-pants kind of an approach — lack of manuals, lack of directions, these kinds of things.

And there was a request made that I pass this on to you to see what your reaction would be in terms of can we improve the support services, either through our rural service centres, agrologists, whoever's out there who can add extra support to this industry. Could you comment on that, please.

**Hon. Mr. Cunningham:** — Yes, Mr. Chairman. We certainly see this as a growth area and are trying to make it one of our priorities. It's one of the challenges. It's also one of the exciting parts of agriculture, but it's one of the challenges for our people in extension is that we have so many new industries developing — game farming and ostriches and things like fruit and vegetables, which are very new to us.

And we certainly appreciate the comment that there's more that could be done, and we certainly want to make this one of our priorities because we believe it is a growth area.

**Mr. Neudorf:** — Good, great, that's wonderful because now comes the clincher question, and that's this: these individuals have identified a problem as they see it in their industry and that's lack of support services, information, these kinds of things that would assist potential producers. Now we have just also gotten a commitment from you in the previous Act that ADF will be there, R&D will be there. Can you see this as being a very likely candidate for help out of the ADF in terms of developing marketing strategy, production strategy manuals that would help these people in their new industry and help them to realize the full potential of the industry that they're in?

**Hon. Mr. Cunningham:** — Certainly that's a good question. We have, the ADF has, funded a saskatoon manual and I think we've just approved ADF funding to produce a raspberry manual. So certainly we are moving in that direction.

**Mr. Neudorf:** — Well thank you for that assurance, Mr. Minister, and I would just encourage you to continue on on that path and I thank your officials for helping us this afternoon. That's the basic questions that I would have.

Clause 1 agreed to.

Clauses 2 to 10 inclusive agreed to.

The committee agreed to report the Bill.

### THIRD READINGS

#### **Bill No. 9 — An Act to repeal The Agriculture Development Fund Act**

**Hon. Mr. Cunningham:** — Mr. Speaker, I move that this Bill be now read the third time and passed under its title.

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

#### **Bill No. 10 — An Act to amend The Vegetable and Honey Sales Act**

**Hon. Mr. Cunningham:** — Mr. Speaker, I move that this Bill now be read for a third time and passed under its title.

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

(1545)

### GOVERNMENT ORDERS

### ADJOURNED DEBATES

### SECOND READINGS

#### **Bill No. 34**

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Cunningham that **Bill No. 34 — An Act to amend The Animal Protection Act** be now read a second time.

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

#### **Bill No. 35**

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Cunningham that **Bill No. 35 — An Act respecting Agrologists** be now read a second time.

**Mr. Neudorf:** — Thank you very much, Mr. Speaker. My agenda shows that it's Bill 34, An Act to amend The Animal Protection Act.

My comment on this one, Mr. Speaker, is going to be the same as it would have for the other one . . . (inaudible interjection) . . . That's what they call a cover-up. I guess the significance of these are not necessarily as high a priority on my mind as some of the others; not to denigrate the significance of these to the individuals involved.

But Mr. Speaker, we have consulted with those third-party groups that are going to be affected by these Acts. In fact, as far as the agrologists are concerned, we have met with 1,100 agrologists in this province, through their representative, I might add, Brenda, whom we had in our caucus and did a very

wonderful job of explaining the situation as far as the agrologists see it.

And quite literally, quite frankly, Mr. Speaker, we do have specific questions directed to both of these Acts, but instead of me spending time talking about them here and then redoing it again in the Committee of the Whole, I think the time of the legislature would be better served at this time to let these pass second reading, and we will deal with the specific matters in the Committee of the Whole at some future time.

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

## COMMITTEE OF FINANCE

### General Revenue Fund Agriculture and Food Vote 1

#### Item 1

**Mr. Neudorf:** — Thank you, Mr. Chairman, Mr. Minister. I haven't got the times quite in my mind, but I do know that approximately a month or so ago I asked, in the form of motions for returns, a question which simply was this: what were the expenses for a few of your back-benchers, specifically the member from Biggar, the member from Humboldt, and the member from Pelly, yourself, and the former minister of Agriculture? And I see you're busy getting the answer ready, so maybe we're going to . . . this could be my lucky day, it looks like.

I asked for motions for return, and your House Leader decided he was not going to answer that question and he put it into the never-never land where questions go to die, which is the motions for returns (debatable).

Subsequent to that I asked that same minister in question period, where did these people go, what did those folks get that money for? And he said he didn't have the answer; the proper thing was to ask for it in estimates.

Now we are in estimates, and I believe it was a week ago or 10 days ago, I asked you that very same question and you said you didn't have the answer to that question; that you would provide it for me as soon as you could. And 10 days later I stand in my place, you sit in your place, I ask you that same question once more: what did these folks get paid for; what were their services; under whose recommendation were they paid; where did they go; and what kind of service did they render to the province of Saskatchewan?

So it's somewhat like pulling hens' teeth here and I cannot understand why I cannot get a simple answer to a simple question. So I'll give you that opportunity now; it looks to me as if you've got it today.

**Hon. Mr. Cunningham:** — Yes, Mr. Chairman, it is the member's lucky day. I will send across the answer. This was, I think, quite properly a question for

estimates and we now have the answer here.

I'll try to find the particular breakdown of the ones that were asked for. One was the member for Biggar and he had attended Grain World '93 in Winnipeg; total cost of the trip was \$782.78. The breakdown was \$530.72 to commercial air fare; lodging, \$90.06; taxi, \$12; and registration, \$150.

The member from Pelly went to Ottawa to attend the Canadian Federation of Agriculture conference on my behalf. The total cost is \$1,274; commercial airline, \$589; car rental, 135.19; meals, 136.96; lodging, 373.92; parking, 22.40; gratuities, 16.53 — for the total of \$1,274.

And the other one that I believe you asked for was the member for Humboldt. Attended the opening of Western Canada Testing Incorporated, which is the offshoot from PAMI (Prairie Agricultural Machinery Institute). Travel of a personal vehicle . . . the total cost, \$258.95; personal vehicle, 129.84; meals, 56.71; lodging, 68.40; gratuity, \$4 — for a total of \$258.95.

**An Hon. Member:** — Where?

**Hon. Mr. Cunningham:** — He went to Portage la Prairie.

**Mr. Neudorf:** — Mr. Minister, the amount for the member from Pelly was a car rental of \$124. Could you indicate to us where this particular conference was in relation to the airport; \$124 seems fairly high for a one-day conference.

**Hon. Mr. Cunningham:** — Mr. Chairman, we don't have the hotel. I think the agenda's attached to the answer that I sent across. This was a three-day conference and presumably it's somewhere away from the airport, but I don't have the location of it here on the agenda so I can't answer it.

**The Chairperson:** — I'd like to ask for the cooperation of the members to free up room for the officials in the back and to not get into discussions around the officials. The officials are here to participate in the business of the committee which is the consideration of the estimates. If members have other business, please take it away somewhere else outside the Chamber, or away from the officials. Thank you very much.

**Mr. Neudorf:** — Thank you, Mr. Chairman. Mr. Minister, I have one very simple reaction to what we have just witnessed over the last four or five weeks, and it's simply one of aggravation. I'm extremely upset and annoyed at the games that you're playing. I asked you a very simple question, beginning with your House Leader, for this type of information and it's been five weeks coming.

Now for a government that says we're open and we're honest and we're forthright, what in the world could have prevented you from answering the question?

First of all it was asked in motions for returns as a legitimate question. It was put in writing. It was brought into the House. You knew about it. It was there. You had the information; you've had this information. This is not collected just now, recently. You had this information the last time I asked it, and yet you will not be forthcoming with it.

So I want you to explain to me what is the rationale of your House Leader, and I know that's difficult to figure out sometimes. But why would he not have simply written out the answer, as is normal, as is the procedure in this House? We ask a written question because we don't want to tie up the time of the House, so it's written and he responds.

And out of the 200-and-some questions we asked last session, I think we got a response from about 40 of them. The rest hit the dustbin. I can't figure that. You've got nothing to hide. Why wouldn't you give me this information?

And if you're not willing to give us information when you have nothing to hide and we have to pull it and drag it out — good grief, what about the other information that you don't want us to know? That's why the public is sceptical, Mr. Minister. And I don't think it was your doing that you didn't give me the information, quite frankly. You're not that type of individual.

No, I don't think he is. I don't think he is. I have a great deal of respect for him. We've had some good discussions, we've had some good disagreements, and we've worked well on certain issues — when it comes to wildlife and so on. And I respect you for that. But I'm upset, annoyed at the procedure that we've had to follow through to get this information. And for the life of me I don't know why you're doing it to yourself, quite frankly, Mr. Minister. So I'll give you an opportunity to respond.

**Hon. Mr. Cunningham:** — Well I appreciate the opportunity to respond. I'm not sure why it wasn't answered immediately as a question, although I think the judgement was . . . and as you know, we have very limited time to get that together. The judgement was that it was properly a question for estimates. And you were right, I had this information in my possession shortly after it was asked. And it is my fault for not having it here, and I apologize for that, not having it. When I looked in the information last time, I expected to have it, and we didn't find it, so it didn't get here until today. So I certainly take responsibility.

I agree that this is information that certainly is your right to have and should have been here when it was first asked in estimates. It's a proper question for estimates, was what the House Leader told you; and you asked it here and didn't get it. I apologize for that. We have it here today. We don't have any information we don't want you to have, so it's all the same.

**Mr. McPherson:** — Thank you, Mr. Minister, and I welcome your officials here today.

Mr. Minister, can you give a bit of an overview as to what role ACS (Agricultural Credit Corporation of Saskatchewan) is playing today and what the short-term goals are? And surely with a corporation of this size you'd have a two-year, a five-year plan, a ten-year plan. Can you give us a complete overview of those plans?

**Hon. Mr. Cunningham:** — Well ACS certainly is playing a role that it's played for many years as a farm lender. We continue to lend to farmers to help support the industry in the province. We continue to have a rather huge portfolio of loans that we inherited, that we are struggling with. But we continue to loan, as we always have, to help the agriculture industry in the province. We target our lending to machinery and livestock and so on, and very little into land. And that is what we intend to continue in this province.

**Mr. McPherson:** — Thank you, Mr. Minister, but what you're telling me is what ACS is presently involved in. Could you give me some idea as to what you have plans for the future, a five- or ten-year plan. Surely you have a plan as to where the corporation is going.

**Hon. Mr. Cunningham:** — Well, Mr. Chairman, we certainly intend for ACS to continue to be a lending institution and be part of our agriculture strategy.

I think as we plan for the future, we need to take into account other lending institutions and what they're doing. I think the fact that FCC (Farm Credit Corporation) is expanding their mandate may have some impact on ACS in the future as we struggle with the federal government to prevent too much overlap and duplication of services. And as well, what the intentions of banks and chartered banks and credit unions are in lending to farmers will have some effect on our plans for the future.

**Mr. Koenker:** — Yes, Mr. Speaker, I'd like leave to introduce guests.

**The Chair:** — The member has asked for leave to introduce guests. Is leave granted?

Leave granted.

#### INTRODUCTION OF GUESTS

**Mr. Koenker:** — Thank you, Mr. Deputy Speaker. It's my pleasure to introduce to you and through you to members of the Assembly, a group of 55 students from Sutherland School in Saskatoon from grades 2 and 5. They're here to visit the legislature today and learn about the democratic process.

And they are accompanied by their teachers, Yves Bousquet, Mrs. Miller, Mrs. Puroy, Mrs. Paul, Mrs. Martin, and Mr. Turcotte. And they'll be watching the proceedings here and then I will be meeting with them for drinks and for a photo. So I ask all members to welcome these guests to our House.

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

COMMITTEE OF FINANCE

General Revenue Fund  
Agriculture and Food  
Vote 1

Item 1

**Mr. McPherson:** — Mr. Minister, what you have just told me then is that any plans for ACS in the future are on hold. You have no plans for the future of ACS until you get some idea of what Farm Credit Corporation and the other lenders are going to do?

**Hon. Mr. Cunningham:** — I don't think that's a fair way to characterize what I said. We certainly . . . we have a plan to play a role and to try to do strategic lending to help keep young farmers on the land and to implement our ag strategy policy. All I'm saying is that we need to be flexible in view of what other people are doing and what the need by producers is. And so we must maintain a good deal of flexibility as we move into the future.

**Mr. McPherson:** — Mr. Minister, have you given some consideration to perhaps winding down ACS? Has there been any consideration of that?

**Hon. Mr. Cunningham:** — Well, Mr. Chairman, certainly there has been some consideration of that, I think, as this government went through budgeting. We have looked at every arm and every appendage of government to determine what its role is and whether or not it's absolutely necessary, and whether or not we can afford it. We've certainly done a significant amount of downsizing in ACS and we certainly would see some downsizing into the future as some of the huge portfolio we have now out there is not likely to be replaced in full.

**Mr. McPherson:** — So, Mr. Minister, what you're saying is that you do have some plans for the future if you are winding it down? Is that what I'm hearing? You do or you don't have a plan for it?

**Hon. Mr. Cunningham:** — Mr. Speaker, as I've said, we have a plan and we continue to see it as a vehicle to lend to farmers, as a lending agency that is needed. We're also saying that as we move into the future we will be assessing the role that it needs to play and whether that's a changing role or whether it's the same role as played in the past.

And that will depend on other players in the field and we certainly . . . our goal is to be certain that there are funds available and capital available for the agricultural industry, and we provide that where it's needed. And we don't want to duplicate and provide services that are not needed. But we certainly know that there is a need for capital in the agricultural industry, and ACS is prepared to play its part in that in the future.

**Mr. McPherson:** — Mr. Minister, have you or your department had any negotiations, say, with other agriculture lenders as far as taking over certain portions or portfolios of ACS?

**Hon. Mr. Cunningham:** — Mr. Chairman, we have had preliminary discussions with a number of organizations about parts of ACS and whether or not there was merit in divesting ourselves of parts of it. Those negotiations were very preliminary; we put those behind us. It didn't seem to be a feasible alternative at this time and there are no plans for that at the present time.

**Mr. McPherson:** — Mr. Minister, can you tell us what parts of ACS you're referring to and what other agriculture lenders or institutions that you had these discussions with?

**Hon. Mr. Cunningham:** — No, Mr. Chairman, we would not be prepared to give the information as to who we negotiated with. These were in a very preliminary sort of "what if" scene and they've asked us to keep it confidential, so we would not be prepared to disclose that.

**Mr. McPherson:** — Well, Mr. Minister, I think I heard two different things. You're at one point telling me you're in some preliminary negotiations, but before that you had said it had been looked at and decided not to proceed?

**Hon. Mr. Cunningham:** — That is what I said, that we did some preliminary negotiations with some other institutions and decided not to proceed. And that is now behind us, and they have asked us not to reveal the nature of negotiations. And it's not ongoing, it's not ongoing. The decision has been something that we just looked at very briefly and are not continuing with.

**Mr. McPherson:** — Well then, Mr. Minister, I could agree perhaps you have a problem in discussing with us who the other players were, but you didn't answer the question as to what portions of ACS you had thought perhaps you should divest yourself of.

**Hon. Mr. Cunningham:** — Well again, we didn't talk specifically about portions of it. What we were looking at was the corporation and where there was areas of duplication and where somebody else might be able to deliver the same service in a cheaper and better fashion. And that's what the negotiations were about, was looking at what the possibilities were. And I guess what we concluded is there really weren't any possibilities because we are not now negotiating or talking to anybody.

**Mr. McPherson:** — Were some of these negotiations with the federal government?

**Hon. Mr. Cunningham:** — Mr. Chairman, I think in respect to the parties that we negotiated with, I'm not going to get into a list of who it was or who it wasn't. I'm just saying that we're not prepared to reveal information that people have asked us to keep confidential.

**Mr. McPherson:** — Mr. Minister, can you then tell me what, perhaps, loan portfolios you're looking at not

having within ACS, or removing from ACS?

**Hon. Mr. Cunningham:** — Well again, if you're talking about what we talked to other people about — what we're looking at in the future for ACS — I think some of the special loans are ones that are not likely to reoccur. I think lending \$1.1 billion out to farmers across the piece without any regard for need or security or repayment ability is not likely to happen again, and that's a pretty big chunk of what ACS is right now. And that will wind down as those loans come due and are collected.

That's probably not likely going to reoccur. So that's one portion of ACS that's not likely going to be repeated in the future.

(1615)

**Mr. McPherson:** — Mr. Minister, do I hear you then saying that the part of ACS that you would like to divest yourself from would be the acreage loan that was lent out I think in '85 or '86?

**Hon. Mr. Cunningham:** — No, that's not what you heard. All I said was that we would . . . that that portion will likely wind down, and it's unlikely that we would do another loan like that. We are not trying to divest ourselves of any of it at this time.

**Mr. McPherson:** — So you have absolutely no plans in moving away from those loans that the farmers have with ACS — no plans at all moving them to other lending institutions.

**Hon. Mr. Cunningham:** — At this time we do not.

**Mr. McPherson:** — Mr. Minister, can you give me . . . well can you tell us how many dollars and how many participants there are in each of these loans, but in particular, the acreage loan?

**Hon. Mr. Cunningham:** — Mr. Chairman, in the capital loans portfolio there are 6,495 clients. Outstanding total \$281,461,667.

Under the livestock cash advance there are 9,206 clients. Total outstanding of \$84,640,392.

On the production loan, there were originally 57,614 clients or approximately 18,000 who still have outstanding balances. And the balance outstanding on the production loans is \$255,404,268.

On the spring seeding loans, there was originally 12,559 clients, approximately 800 that still have outstanding balance. The outstanding balance on spring seeding loans is \$10,599,328.

**Mr. McPherson:** — Mr. Minister, can you give me a breakdown of how many of these loans, or how many dollars in participants, are in arrears for one year, two years, three years? A written response would be fine.

**Hon. Mr. Cunningham:** — We will get this in writing for you if you desire. But under the investment loans

we have no delinquency.

Under the livestock cash advance we have 1,758 clients who are delinquent and another 995 who are in recovery, which means that there are judgements or in court or something like that. It works out to 19 per cent who are delinquent and 10.7 per cent in recovery, and 70 per cent of the livestock cash advance is current.

On the production loans, there are 65 per cent, 65.9 per cent, that are . . . pardon me, that's the clients who are paid up. Clients delinquent on production loan is 5,827 or 10.1 per cent; and in recovery, 2,599 or 4.5 per cent of the original clients.

Spring seeding loan, we have 719 clients that are delinquent and 90 that are in recovery.

And I think that's the . . . we can also put the dollar value on, if you like. But we can send those over. We can pick these numbers out and give you an answer in writing.

**Mr. McPherson:** — Thank you, Mr. Minister. Yes, I would appreciate receiving that, just in writing would be fine. And could you include how many foreclosures and what . . . where some of these people that are in arrears, where they are in the process. Do you have that so you can give me, just in writing?

**Hon. Mr. Cunningham:** — Did you want the foreclosures by region, or they're in recovery, broken down by region? Is that what you're asking? Yes.

**Mr. McPherson:** — Mr. Minister, a lot of these loans, you're lending to the farmers and ranchers at a lot higher rate than what the government is paying for their money on the money markets. How much money — I guess would be a better question — how much money does ACS owe, who do they owe it to, and at what rate of interest do you owe that money?

**Hon. Mr. Cunningham:** — Yes, our money comes from the Consolidated Fund but it's just flowed through. They borrow the money and pass it on to us so that those loans are then in the name of the province.

But it's the . . . in debentures there's 169.843 million; average interest that we're paying on that is 11.91 per cent. We have \$390 million in bonds. The average on that is 10.23 per cent. So we have a total owing of \$559.843 million and our interest cost is 10.74 per cent.

**Mr. McPherson:** — Thank you, Mr. Minister. Mr. Minister, how many regions make up ACS, and how have these regions been divided up around the province? Is it by number of accounts or geographic locations?

**Hon. Mr. Cunningham:** — ACS has five regions. It's geographic in nature, plus some consideration to client load where the regions are drawn.

**Mr. McPherson:** — So each of the five regions have, what? — one person in charge, or could you give me . . . perhaps you have a picture of what the corporate structure looks like and how it's controlled even, at each of these regions.

**Hon. Mr. Cunningham:** — In each region there is a regional manager plus two assistant managers, and in the office there are credit advisers.

**Mr. McPherson:** — Can you tell me . . . like each region would have the same number of management personnel, credit advisers or credit officers? Are they equal?

(1630)

**Hon. Mr. Cunningham:** — Yes, the regions are basically equal; there'd be 28 to 30 people in each of the regions.

**Mr. McPherson:** — Mr. Minister, can you give us an overview of what the past board . . . in fact I would like to see who the members were on the past board compared to who is on the board of ACS today, and what role the past board played in comparison to what the present board plays.

**Hon. Mr. Cunningham:** — Yes, Mr. Chairman, as the member opposite knows, we have rolled the ACS into the Department of Agriculture. We don't have the list of the board members here. I could do it from memory, but I . . . we can do it in writing; we can give you a list of board members, no problem. On the board now is the deputy minister, Hartley Furtan, and Dale Sigurdson who is the assistant deputy minister. We no longer have a board made up of producers.

**Mr. McPherson:** — Can you tell me, Mr. Minister, what the past board did to participate in, say, the day-to-day decisions required to run ACS?

**Hon. Mr. Cunningham:** — The past board met once a month. Their role, as much as any Crown corporation board was, was to be monitor of management, to make decisions with policy of ACS, or at least make recommendations of decisions for policy. This being a Treasury Board Crown meant that any decisions involving money, any policy decisions that had any financial implications, had to go through the usual routine of cabinet minister, Treasury Board, cabinet, caucus, and that whole routine. But certainly they had some role in reviewing the policy of ACS.

**Mr. McPherson:** — So does the present board play the exact same role as the past board?

**Hon. Mr. Cunningham:** — No. I think the board now is . . . the ACS functions very much as a part of the department rather than as a Crown corporation. The board is still there nominally, but this is a reporting structure where the head of ACS reports to the assistant deputy, and the assistant deputy reports to the deputy and on up to the minister and through Treasury Board and cabinet, caucus, and very much as any other arm of government would do.

**Mr. McPherson:** — So then does the day-to-day operations of running ACS . . . Mr. Minister, that ultimately is in your hands, as far as who gets loans, who's hired, who's fired, and so on?

**Hon. Mr. Cunningham:** — No, as the member wells knows, ministers don't participate in the running of day-to-day operations of government. Just as lands branch and the decisions about who gets land and who gets hired and what the management decisions are in lands branch are done, that's the way they are done in ACS. Norm Ballagh, who is head of ACS, will make decisions about management of the corporation, and the policy decisions are made in cabinet, caucus, and in here.

**Mr. McPherson:** — I guess, Mr. Minister, my question then would be: does the present board make any of these decisions, or are all of those decisions left with Mr. Ballagh?

**Hon. Mr. Cunningham:** — Again, the structure is very much as it is in the Crown corporation . . . or in the department, much as it would be in lands branch. The manager of the lands branch is in charge of the day-to-day operation of the branch and decisions of importance may go up to his supervisor and on up through the chain to the deputy minister.

So it operates very much the . . . Norm Ballagh, who is the head of ACS, runs the day-to-day operation. He will certainly be consulting and taking direction as well from the board, which is the deputy and the assistant deputy.

**Mr. McPherson:** — Mr. Minister, so the present board, making up the deputy and the assistant deputy ministers, do they make any of the decisions as far as who gets foreclosed on?

**Hon. Mr. Cunningham:** — No. Those are management decisions.

**Mr. McPherson:** — Mr. Minister, can you give us the list of how many employees ACS have in each of the regions in each of the departments?

**Hon. Mr. Cunningham:** — Yes, we can give you that in writing. As I said, there's 28 to 30 in each of the regions, and then there's head office. But we can break that down for you in writing.

**Mr. McPherson:** — Thank you, Mr. Minister. And also, not just the regions, but how many employees you have in the head office, and I guess what changes have occurred in the last few years as far as number of employees. If you could include that also.

**Hon. Mr. Cunningham:** — Yes, we could.

**Mr. McPherson:** — Just so I have it clear. Who then makes all the decisions regarding the approval of loans and settlements?

**Hon. Mr. Cunningham:** — Management approves all

loans. Any settlement in excess of \$125,000 will come to the deputy and assistant deputy.

**Mr. McPherson:** — All right. So any loans that are over \$125,000 are controlled out of your office, Mr. Minister?

**Hon. Mr. Cunningham:** — No, that's not true. What I said was any settlements over \$125,000 will be brought to the attention of the board, which is the deputy and the assistant deputy.

**Mr. McPherson:** — So I take it they would then make the decision, and not the president of ACS.

**Hon. Mr. Cunningham:** — Well it certainly comes to them with a recommendation from management, and their role is to review that.

**Mr. McPherson:** — Are the loans and settlements, are they governed by a standard set of rules and procedures?

**Hon. Mr. Cunningham:** — Yes, all settlements follow policy.

**Mr. McPherson:** — Could you repeat that, Mr. Minister. I'm sorry, I didn't hear.

**Hon. Mr. Cunningham:** — What I said was that all the settlements that are made are on the basis of a policy that we have.

**Mr. McPherson:** — Are there any deviations to those rules and procedures governing loans and settlements?

**Hon. Mr. Cunningham:** — No, there aren't. There certainly are all kinds of variations because of individual farm circumstances. And basically our policy is to do this on a businesslike basis and recover the maximum amount of taxpayers' dollars. So certainly there are no two farms alike in the province. The settlements on an individual basis may vary, but they all conform to policy.

**Mr. McPherson:** — So you could give me perhaps a list of how many exceptions and what sort of exceptions there are to the policy?

**Hon. Mr. Cunningham:** — I can't give you a list because I've just said that we don't have exceptions to the policy. We follow policy. And as I say, they're all different. Every settlement is unique and based on the farm, but they're all based on the same policy.

**Mr. McPherson:** — Mr. Minister, to ensure quality of lending and settlement decisions, can you tell us what commitment to training staff that ACS has made?

**Hon. Mr. Cunningham:** — We do in-house training and upgrading of our employees. We've recently had them through a course by mediation services and we had through another course on customer oriented interviews. So we do attempt to upgrade our employees.

**Mr. McPherson:** — Thank you, Mr. Minister. Can you tell us what the roles and duties of the credit officers are?

(1645)

**Hon. Mr. Cunningham:** — The role of credit advisers is to appraise and give loans and to do follow-up and collection, the same as any loans officers would in a bank or Farm Credit or anywhere else.

**Mr. McPherson:** — Mr. Minister, how many accounts do these credit officers administer on average in each region?

**Hon. Mr. Cunningham:** — In the range of 4 to 500 accounts.

**Mr. McPherson:** — Can you tell me how many credit officers you have employed at present? Well can you tell me how many credit officers were employed three years ago, two years ago? I'd like to see just how many we have.

**Hon. Mr. Cunningham:** — We have a complement of about 86 credit advisers at the present time. That hasn't changed a whole lot over the past number of years. Most of the positions that we eliminated were in management and administration.

**Mr. McPherson:** — How many positions are open, then, for credit officers in each region right now, or are there no positions open?

**Hon. Mr. Cunningham:** — I'm told that at present there are about nine vacancies.

**Mr. McPherson:** — Mr. Minister, can you give me the roles and duties of credit advisers? I take it that that is another role.

**Hon. Mr. Cunningham:** — No, there's some confusion there. There was at one time both credit officers and credit advisers, and the credit officers were the collection people and the credit advisers were the people who lent it out. That distinction doesn't exist. We just have credit advisers now, so those were the numbers that I've been giving you.

**Mr. McPherson:** — They're one in the same at this point, Mr. Minister? Can you tell me what the roles and duties of senior . . . Surely there's, like, senior credit advisers then, somebody who is overseeing the most of them, or all of them.

**Hon. Mr. Cunningham:** — We have a position of a senior credit adviser and those are people who have had more experience. And what their duties are is to handle the more difficult cases and to help provide training for new people and so on.

**Mr. McPherson:** — Mr. Minister, do you have senior credit advisers in each region, each of the five regions?

**Hon. Mr. Cunningham:** — Yes. There are two of those

in each region.

**Mr. McPherson:** — Mr. Minister, I'm sorry. I missed how many you said in each region.

**Hon. Mr. Cunningham:** — I'm sorry. There are two in each region.

**Mr. McPherson:** — Do you have any vacancies for any of these positions?

**Hon. Mr. Cunningham:** — No, we don't have any vacancies at senior credit advisers.

**Mr. McPherson:** — Have there been some changes in that area in the last couple of years — an addition to or some let go and others hired? Could you give me a breakdown as to what changes have occurred.

**Hon. Mr. Cunningham:** — One senior credit adviser was promoted to assistant manager and then, of course, somebody else was promoted to his position.

**Mr. Swenson:** — Thank you. Mr. Minister, in the time left here I'd like to ask you a few Crop Insurance related questions.

My understanding is that there is one employee left of the bunch that were terminated by your government in the spring of 1992 that has not been settled with yet. And I wonder if you could bring me up to speed on that particular situation.

**Hon. Mr. Cunningham:** — I think, if we're right, the individual that you're referring to is negotiating a settlement. It's being negotiated by his lawyers and our lawyers at the present time, and that's as much as I can say about where that's at.

**Mr. Swenson:** — Well, Mr. Minister, the reason I ask is that almost all of the other employees that were involved have had their settlements arrived at a long time ago, and that this particular individual, for some reason, has not been dealt with and I would consider in a fair manner. And I would like a little more detail as to why you can't arrive at a settlement with this individual when other ones were dealt with pretty well as a matter of course.

What is particular about this situation that you don't want to talk about?

**Hon. Mr. Cunningham:** — Well there isn't anything in particular that I don't want to talk about. As you say, we had a number of people that were let go and the settlements have been finalized. This one, I guess it's a situation of neither side being able to come to an agreement as to what a proper settlement is. And as I say, it's still being negotiated and hopefully gets settled as soon as possible.

**Mr. Swenson:** — Mr. Minister, can you tell me which legal firm is acting on behalf of the Government of Saskatchewan and what legal costs you've incurred in this case from the time of the termination in May of 1992 to present?

**Hon. Mr. Cunningham:** — Olive Waller is doing the legal work; that's the firm. I don't know what the cost

would be on the particular file. We might be able to get that for you, broken down.

**Mr. Swenson:** — Well I would be very interested in that, Mr. Minister, because my understanding of this case is that the individual involved was not a senior management position at all; it was someone who was quite a ways down the ladder. But in fact it would have been the type of case that normally would be dealt with by management, there would have been no problem; that people far senior to this individual were able to come to some kind of an agreement and move on with their lives. This individual is under a great deal of both financial and mental stress because of this situation.

And that's why I ask what particulars there are about this individual that make this case stand out, and why the taxpayer of this province is paying legal fees of a considerable amount, I would guess, over a two-year period of time, to terminate a fairly low-level employee. There is something here not quite rational in the process, Mr. Minister, and I think I would like you to bring back — because we're probably going to run out of time here — more details to me of why your people can't come to some kind of a resolution in this matter.

**Hon. Mr. Cunningham:** — Well we have a very standard sort of severance package and I guess that obviously we've offered and it's not acceptable. And I don't want to comment on it; and I don't know this individual or the case at all. And we can try to get more information that we can bring to you and shed some light on it.

But it seems to me simply to be a case of failure to come to an agreement as to what a settlement is. And obviously if it could be dealt with by management it would be. Obviously it wasn't able to come to a settlement, and therefore I think lawyers, as I understand it, are on both sides. And that's unfortunate. But certainly I think we're dealing with the case as we dealt with all other cases.

**Mr. Swenson:** — Just so I clearly understand, Mr. Minister. You've agreed to bring back the legal costs that have been incurred by your department in the prosecution of this particular item since the inception of the man's termination in 1992 — is that correct?

**Hon. Mr. Cunningham:** — I agreed to attempt to get that information. I don't know whether it will be available or releasable, but I certainly will endeavour to get that information if it's at all possible.

**Mr. Swenson:** — Thank you, Mr. Minister. And I believe that you have been made aware of this. I know the Leader of the Third Party has been made aware of this situation that this is the type of thing that I don't think the Government of Saskatchewan wants to really be involved in.

Government is a very powerful organization when it wants to put all of its will and its ability to . . . (inaudible) . . . taxpayers' money together against an

individual. And it seemed very surprising to me when this was made . . . when I was made aware of this situation, that here it would be two years down the road on a termination of an employee who was terminated for whatever reason — I'm not sure — but we can't seem to arrive at a settlement. And I'm told that the individual is two years behind in his taxes because he can't pay his house taxes where he's currently living because he has no wherewithal to do so.

And that's a fairly serious situation when government can use all of its resources to impede the solution. And I think there has to be something awful drastic here, Mr. Minister, for you not to want to settle this situation. So I'll look forward — and leave it now — and look forward to the next time that you're in the Assembly in your estimates to enlighten me and the Assembly more about this situation.

I'll give the minister one more question for Crop Insurance. I have a constituent who when he signed up for the GRIP program in spring 1991 . . . (inaudible interjection) . . . Let me get the question off. And at the time of his sign-up he also sent in a letter of termination with the understanding that that termination would occur at the end of the 1993 contract year.

He was informed afterwards that because the government had changed the contract in 1992 that he would not be able to get out of the program as per his original declaration to Crop Insurance and is now in a very uncomfortable position going into the spring of 1994, having expected to be out. His cropping rotations and patterns have changed significantly. Because of the number of specialty crops he's into, he is now facing a far higher premium load than anticipated because of those changes and finds it very unfair that his original declaration isn't being honoured. And I also would appreciate some answers in regard to that when you next come into the Assembly.

The committee reported progress.

The Assembly adjourned at 5:01 p.m.