

**Mr. Chairman:** — ... to order and perhaps go over the comments of the auditor with respect to ag credit corporation before we call them in. Is that acceptable?

Before I do that, I know there is some confusion about the agenda for today. We tried to get a hold of the Crown investments corporation to be here but they were already scheduled to be in Crown Corporations Committee. So I decided to take the advantage of the chair and ask Agriculture to be with us, and we were able to arrange that.

With respect to the agricultural credit corporation, you're saying that these records were not balanced on a timely basis. Were they balanced at all? Like you're saying that you're finding out that they weren't being balanced.

**Mr. Wendel:** — Mr. Chairman, subsequently they were balanced.

**Mr. Chairman:** — They were balanced?

**Mr. Wendel:** — Yes, sir. The point being made is that there was a deficiency in the procedures during the year and they should have been balanced throughout the year.

**Mr. Swan:** — What do you mean by the term "timely basis"?

**Mr. Wendel:** — I believe the corporation prepares monthly financial statements to control their activities, and in order to ensure that you are having accurate financial statements, one of the key controls is to ensure that your subsidiary ledgers are balanced to your control accounts monthly. That kind of ensures that your records are accurate.

**Mr. Swan:** — And that wasn't happening?

**Mr. Wendel:** — That wasn't happening.

**Mr. Chairman:** — What have you found since that time? Anything to report on that?

**Mr. Hunt:** — We haven't completed '89 because the reports are just in, but for that particular matter that actually occurred in January but, as we understand it, didn't complete the balancing until July on that matter. I think that's the reason that that particular item was reported. The system was not in place at that time ... Do you understand the system?

**Mr. Baker:** — So it would appear that they made some moves to correct the problem?

**Mr. Hunt:** — That's been reported to us. However we haven't completed the review of the '89 report which was forwarded ... (inaudible) ...

**Mr. Hopfner:** — When was this information given to you then?

**Mr. Hunt:** — Pardon me?

**Mr. Hopfner:** — When was this information given to you

people?

**Mr. Wendel:** — This for the year ended March 31 ...

**Mr. Hunt:** — This is for the year ended March '88.

**Mr. Wendel:** — For the year ended March 31, '89, Mr. Hopfner?

**Mr. Hopfner:** — Yes.

**Mr. Wendel:** — On April 1, we received the reports for the year ended March 31, 1989.

**Mr. Hopfner:** — April 10 ...

**Mr. Wendel:** — Of '90.

**Mr. Hopfner:** — Of '90.

**Mr. Wendel:** — Yes.

**Mr. Chairman:** — If there's any follow-up questions on this then for ag credit, we can do that. Any further questions just for the auditor himself?

**A Member:** — None for me.

**Mr. Chairman:** — Then I think we should call the officials in.

#### Public Hearing: Agriculture Credit Corporation of Saskatchewan

**Mr. Chairman:** — Good morning, Mr. Ballagh. I just wonder if you might introduce the two officials with you.

**Mr. Ballagh:** — Yes, Mr. Chairman. To my left is Morley Machin, vice-president of administration; and to my right, Barry Miller, director of finance.

**Mr. Chairman:** — I want to welcome you here this morning. I just want to make you aware that when you're appearing as a witness before a legislative committee, your testimony is privileged in the sense that it cannot be the subject of a libel action or any criminal proceedings against you. However, what you do say is published in the *Minutes and Verbatim Report* of this committee and therefore is freely available as a public document. And you are required to answer questions put to you by the committee. Where the committee requests written information, I ask that 20 copies be submitted to Mr. Vaive, the committee Clerk, who will distribute the document and record it as a tabled document. And I thank you for addressing all comments to the chair.

I just wanted to follow up on the comments of the auditor in his report where he talks about balancing loan subsidiary records to the amounts recorded in the general ledger. It was indicated there's a problem during the year under review to say that that balancing wasn't done on a timely basis. Is there anything you can tell us about that, any improvements in that area?

**Mr. Ballagh:** — Yes, Mr. Chairman. Is it all right if I have

Mr. Miller, director of finance, respond to that?

**Mr. Chairman:** — Oh yes, by all means.

**Mr. Miller:** — Mr. Chairman, during the year under review we did have some difficulties in reconciliation of loan ledgers. We had gone to a new computerized accounting system off of the WESTBRIDGE . . . what at that time was SaskCOMP/WESTBRIDGE. We, in attempting to reconcile, were out of balance on some of the subledgers. Subsequent to the year we went back, because we had some difficulties well during the 1988-89 year. We were able to identify what the problems were that had been occurring; we were able to confirm that our computerized system was operating very accurately and that the records within the computerized system were complete, and that the error that occurred was in the manner in which we booked our entries into our general ledger and thus trying to reconcile for financial statement purposes.

The errors in the booking have been remedied through changes to specific duties of staff and through changes in the manner in which we control the paper flow that now comes out of the computerized system.

**Mr. Chairman:** — Do you feel it's under control now, that things are balancing on a timely basis?

**Mr. Miller:** — Things are balanced on a monthly basis at this point in time with a minimum of problem.

**Mr. Chairman:** — Any further questions of the officials?

**Mr. Lyons:** — In the year under review, how many loans were made by agricultural credit corporations? And what was the dollar amount of those loans?

**Mr. Ballagh:** — During that year, Mr. Chairman, we made 283 capital loans for \$11,068,747.

**Mr. Lyons:** — Were any operating loans that were made?

**Mr. Ballagh:** — No.

**Mr. Lyons:** — Okay, how many loans are outstanding in the year under review, and what was the dollar amount?

**Mr. Ballagh:** — At the end of March 31 of that year, there was 3,989 active clients, for a balance outstanding of \$148,147,920.

**Mr. Lyons:** — And during that period of time, how many of those loans were in arrears for more than 12 months?

**Mr. Ballagh:** — Our arrears aren't aged in that manner. I can indicate to you that there was twenty-two and a half per cent of the clients were delinquent at that point in time.

**Mr. Lyons:** — Okay. And during the year under review, how many farms were foreclosed on, how many clients were foreclosed on?

**Mr. Ballagh:** — Mr. Chairman, I can't lay my hands on that exact number. I believe it was one foreclosure that

we initiated during that year. I'll keep looking here, if I may, and attempt to find that one.

**Mr. Lyons:** — Were there legal actions launched against the clients that did not necessarily lead to foreclosure, say 22 per cent. What I'm trying to get at is if you had 22 per cent of your clients who are delinquent, that's what in numbers? How many would that be in numbers?

**Mr. Ballagh:** — Yes, we have roughly 4,000 clients. Clients of the capital loan program in particular, we tend to work with them as long as we possibly can in terms of trying to resolve their problems. Any action that was taken against those clients . . . I guess in the majority of them we would have land mortgage security, so if it proceeded to legal action it ultimately would have resulted in some type of foreclosure. And I did find the statistics. There was one foreclosure initiated during that year.

**Mr. Lyons:** — And how many legal actions were commenced during that year? By legal actions — notices, the leasing initiation or procedure.

**Mr. Ballagh:** — Okay. Broadening the discussion out a little then from that standpoint, on the production loan and cash advance programs we had obtained 465 judgements against clients in that year under review.

**Mr. Lyons:** — And what were the result of those judgements?

**Mr. Ballagh:** — Mr. Chairman, just a clarification in terms of . . .

**Mr. Lyons:** — Well in terms of were the loans, were the loans repaid? Were they renegotiated? What do you mean by judgements?

**Mr. Ballagh:** — Judgement I guess is part of the legal recovery steps that we would go through where we do not have specific security. The basis we have to recover on those loans would be to initiate legal action, which the judgement is really the court's confirmation that that balance is owing to a creditor. And on the basis of that judgement, then we can seize assets and that sort of thing. And during the year under review we seized assets on 17 . . . sorry, 3 farmers.

**Mr. Lyons:** — Three farmers.

**Mr. Ballagh:** — Mr. Chairman, I'm sorry, I think I gave you an incorrect figure. I believe I said there was 465 farmers that we'd obtained judgement on; it was actually 477. I read the wrong column.

**Mr. Lyons:** — Okay, they retained judgements against 477 farmers, and what was your further action? What happened after you obtained the judgement? Can you give us some idea of how . . .

**Mr. Ballagh:** — I guess there's a combination of things that happened, Mr. Chairman. In some cases we were able to work some arrangements out with a client for him to bring his loans into a current position or put in place some acceptable repayment arrangements. In other cases

we received absolutely no co-operation. We have proceeded to seize some assets. In some situations, those clients that we have judgement against have subsequently gone bankrupt or gone out of business, and we've tried to effect some settlement in those cases. So there's really a variety of things that take place from that stage.

**Mr. Lyons:** — Okay, maybe put the question another way. At the end of the period under review, how many legal actions against your clients were under way, that's to say, on the court's books, either by way of judgement or by way of proceeding but have not been finalized in the sense that the loans are not brought into . . . been brought up to date.

**Mr. Ballagh:** — Mr. Chairman, I'm not certain that we can answer that question specifically in that we don't necessarily track what happens to an individual account after it's been brought into a judgement situation. For instance, we can tell you at a given point in time how many judgements we have outstanding, but some of those do get resolved and come back into current loan. So we can give you a net figure in terms of the judgements that are outstanding, but I'm not sure I can provide the specific information that you're asking.

**Mr. Lyons:** — But the judgements outstanding is a cumulative number in the sense that it's a carry-over from year to year, is it not?

**Mr. Ballagh:** — Well yes, it is a cumulative number, but I guess what we record is the number of judgements that are outstanding on the system or against clients at any point in time. So if the account has been resolved and is no longer in that status, then it's really an . . . (inaudible) . . . number that we'd be reflecting.

**Mr. Lyons:** — So that number of 477 that you talked about is the cumulative number of all clients of ACS (Agricultural Credit Corporation of Saskatchewan)?

**Mr. Ballagh:** — That would be the number of clients that we obtained judgements against during that year.

**Mr. Lyons:** — Okay, could you tell me, in the year under review, how many outstanding cumulative judgements are on the books at ACS?

**Mr. Ballagh:** — Mr. Chairman, it would appear that that number, as of March 1988, was 509.

**Mr. Lyons:** — Five hundred and nine cumulative of all clients from preceding years of 477, 509, so that the majority of proceedings then of judgements obtained against the clients of ACS were obtained in the year under review of 477 out of 509.

**Mr. Ballagh:** — That's correct.

**Mr. Lyons:** — Now is that an unusual number in the sense that 29 were obtained in previous years, or at least were outstanding in previous years, and 477 were obtained in the one year?

**Mr. Ballagh:** — Mr. Chairman, the production loan

program was initiated in January of 1986. The first payments in the program came due in 1987 in terms of an interest payment, and really in the year under review would be the first year that we began to have some serious questions, if you will, in terms of a principal and an interest payment.

So given, I guess, the short history of the program to this point in time, no, I wouldn't say it was unusual. We had approximately 57,000 clients on the program, so 500 out of 57,000.

**Mr. Lyons:** — Was what, 1 per cent?

**Mr. Ballagh:** — About that.

**Mr. Swan:** — That's 1 per cent in arrears.

**Mr. Muller:** — Less than 1 per cent.

**Mr. Lyons:** — Less than 1 per cent against judgements that were obtained against. That's not how many that are in arrears.

So basically these actions were initiated as a result of being in arrears on the production loan program. That's your answer to that question.

Okay. I wonder if you could tell me which law firms were used by ACS in obtaining those judgements.

**Mr. Ballagh:** — The law firm of MacPherson Leslie & Tyerman would have been used in obtaining those judgements.

**Mr. Lyons:** — And that was the only law firm?

**Mr. Ballagh:** — Yes.

**Mr. Lyons:** — And why would that law firm have been used exclusively?

**Mr. Ballagh:** — MacPherson Leslie & Tyerman have been the corporation's solicitors for, well, I think since the corporation started in '73-74. And while we do use solicitors on a regional or district basis in terms of preparing security documentation, we have used the one law firm in terms of our legal actions.

**Mr. Lyons:** — Okay, but other law firms, are you saying that other law firms were paid amounts by ACS to perform legal work of some . . .

**Mr. Ballagh:** — Basically security documentation.

**Mr. Lyons:** — Security documentation, but the actual actions themselves were initiated through MLT?

**Mr. Ballagh:** — Yes.

**Mr. Lyons:** — Okay, and can you tell me where were the majority of these actions commenced, in which legal district? There are 18 legal districts around the province.

**Mr. Ballagh:** — I can't tell you that, Mr. Chairman. We don't break them down.

**Mr. Lyons:** — You haven't got a breakdown on which court-houses that they were . . .

**Mr. Ballagh:** — No, I don't.

**Mr. Lyons:** — Where it runs through?

**Mr. Ballagh:** — Well, other than that I believe they're all started through Regina and Saskatoon, those offices because the law firm we use is located in both Regina and Saskatoon. But they are subsequently sent back out to the legal districts if the client requests it.

**Mr. Lyons:** — That's if the client requests it. So you'd have, maybe have some actions out there in Kerrobert or Moose Jaw or Yorkton or wherever.

**Mr. Ballagh:** — There may be. Again, I can't tell you that.

**Mr. Lyons:** — Okay, could you tell us the amount of money that was paid by ACS to MacPherson Leslie & Tyerman?

**Mr. Ballagh:** — Mr. Chairman, in the year under review it was \$494,199.25.

**Mr. Lyons:** — Could you repeat that again. I'm sorry, the chairman was talking.

**Mr. Chairman:** — I don't know if a member has ever been heckled by his own chairman.

**Mr. Ballagh:** — The figure was \$494,199.25.

**Mr. Lyons:** — Okay. Would that be the total that was paid for the commencement of the actions or was there other legal advice involved in that, in the payment?

**Mr. Ballagh:** — Mr. Chairman, there was the amount of \$176,344.20 was paid for general legal counsel.

**Mr. Lyons:** — That was above and beyond the 400 . . .

**Mr. Ballagh:** — No, that's part of the . . .

**Mr. Lyons:** — That was part of the total pay-out. Okay. And all the rest was for the . . . I'll drop that and take another line of questioning.

What amount of production loan program money had been paid at the end of the period under review . . . I should have said, been repaid?

**Mr. Ballagh:** — Mr. Chairman, the end of March for that fiscal year the balance that was outstanding was \$880,227,017. We're just trying to get the number in terms of the actual principal that was repaid.

Mr. Chairman, as of the end of the fiscal year in question, approximately \$239,453,275 in principal had been repaid.

**Mr. Lyons:** — Out of the total loan pay-out of . . .

**Mr. Ballagh:** — Just marginally under 1.1 billion.

**Mr. Lyons:** — Okay. How much would the total arrears then would be outstanding on the production loan program money?

**Mr. Ballagh:** — Mr. Chairman, the amount in arrears was 93.743 million.

**Mr. Lyons:** — That's the 10 per cent.

**Mr. Ballagh:** — Yes, that was the amount of the payments that were in arrears.

**Mr. Lyons:** — Earlier on I asked you about the foreclosures and there were some assets seized. There was one foreclosure, and three farmers had their assets seized. Is that correct?

**Mr. Ballagh:** — Yes.

**Mr. Lyons:** — What became of those assets? How were they disposed of?

**Mr. Ballagh:** — I'm not sure what assets we may have seized. It could have been a garnishee of bank accounts could be included in that category, and I don't know what the specific assets were. The normal practice is that if assets do come back into our possession, we simply advertise them for sale.

**Mr. Lyons:** — Through auction or public tender or . . .

**Mr. Ballagh:** — Generally through public tender.

**Mr. Lyons:** — What would be the exceptions?

**Mr. Ballagh:** — We do put some smaller pieces of equipment, individual pieces of equipment for instance, into local auction sales.

**Mr. Lyons:** — Okay. In dealing with the loans that are in arrears at ACS, do you do it through collection agents? Do you have collection agents on staff at ACS, people that would be . . . may have another word for them, but basically their function would be collection agents.

**Mr. Ballagh:** — We have credit officers on staff whose basic responsibility was to work with production loan and livestock cash advance clients, in terms of either doing collection, trying to work out repayment arrangements, that sort of thing, yes.

**Mr. Lyons:** — All right. And it's those officers who would make a determination whether or not legal proceedings would commence against a client?

**Mr. Ballagh:** — Those decisions . . . it would be a recommendation from the credit officer to the regional manager. We break the province up into five regions for administration purposes and the regional manager would generally be making that decision in terms of whether or not an account should be demanded or have legal action taken against it.

**Mr. Lyons:** — How many credit officers do you have on staff at ACS?

**Mr. Ballagh:** — Mr. Chairman, in the year under review we had 20 positions. It doesn't seem to us that all of those were filled. It may have been 15 or 16 of them that were filled.

**Mr. Lyons:** — At any one time.

**Mr. Ballagh:** — Yes. I think in general throughout that year, we hadn't staffed up to a full level of 20.

**Mr. Lyons:** — Were there any staff turnover then?

**Mr. Ballagh:** — There may have been one or two; nothing of any significance, no.

**Mr. Lyons:** — You say that there are the five . . . you break it down for administration purposes in five regions of the province. Do you have five offices or how many offices do you have throughout the province?

**Mr. Ballagh:** — In the year under review, there would have been 16 offices — five regional offices and 11 districts.

**Mr. Lyons:** — Okay. And do you have any kind of breakdown as to how much of those officers, how many of those offices were in space that were in, for example, government buildings around the province, and how many would be in privately leased space?

**Mr. Ballagh:** — Mr. Chairman, I think all of our offices are in buildings that are controlled by SPMC (Saskatchewan Property Management Corporation), but I can't give you a breakdown as to whether or not any of those are private or public buildings.

**Mr. Lyons:** — Can you give me the total then of the total amount pay-out in office space rental in '88-89.

**Mr. Ballagh:** — In the year under review, Mr. Chairman, \$381,923 for rent of ground and buildings.

**Mr. Lyons:** — And you don't have that broken down by office. Do you have a breakdown by office of how much was paid out for each of the offices?

**Mr. Ballagh:** — We don't have it here, Mr. Chairman.

**Mr. Lyons:** — Could you provide it to the committee, please?

**Mr. Ballagh:** — We don't have that breakdown.

**Mr. Lyons:** — Okay. Now during the period under review, the guaranteed private mortgage plan was started, if I believe. Did you administer that?

**Mr. Ballagh:** — Mr. Chairman, that program didn't start until September of '89.

**Mr. Lyons:** — It's my understanding that it commenced before.

**Mr. Ballagh:** — You said guaranteed vendor mortgage program?

**Mr. Lyons:** — Yes.

**Mr. Ballagh:** — No.

**Mr. Lyons:** — The guaranteed private mortgage plan, that would be the same thing, or would it?

**Mr. Ballagh:** — The one that we currently administer is the guaranteed vendor mortgage program and that just started last September.

**Mr. Lyons:** — It was last September it started. Okay, my information here is wrong. I'll have to get my researcher up to speed on that.

During the year under review, had any of the home quarter financing been done by ACS?

**Mr. Ballagh:** — That specific program also started in September of '89.

**Mr. Lyons:** — When was the legislation passed?

**A Member:** — That was in the spring.

**Mr. Lyons:** — Okay. I've got no further questions. All questions are on those two programs.

**Mr. Chairman:** — I want to thank you, Mr. Ballagh, for being with us, well prepared. Members of the committee appreciate that.

**Mr. Ballagh:** — Thank you, Mr. Chairman.

**A Member:** — Mr. Chairman, we could start the break now and then . . .

**Mr. Chairman:** — I just want to point out that there were some documents tabled for your information.

And we'll break now and then reconvene at about 9:30 with Agriculture and Food.

The committee recessed for a short period of time.

**Mr. Chairman:** — You want to move the motion that the hearing of the agricultural credit corporation be concluded, subject to recall if necessary for further questioning. Moved by Mr. Sauder, seconded by Mr. Lyons. And of course any further clarification that may arise.

**Mr. Lyons:** — Mr. Chairman, just on that motion. I hope that the chairman will forward . . . make sure that a copy of *Hansard* gets to . . . (inaudible) . . . so that he can provide the information a.s.a.p. (as soon as possible).

**Mr. Chairman:** — I think the record should have shown that Mr. Ballagh is subject . . . or after the hearing was concluded recognize that the answers he had been providing were for the '87-88 fiscal year, whereas Mr. Lyons's questions were all dealing with the '88-89 fiscal year. Mr. Ballagh recognized that and he will endeavour to provide a written report giving updated information on the appropriate year to the committee, and the record will

show that.

**Mr. Britton:** — And that's acceptable . . .

**Mr. Lyons:** — Certainly, yes.

**Mr. Chairman:** — Okay. Is the committee ready for the question? Is it the pleasure of the committee to adopt the motion?

Agreed

**Mr. Chairman:** — Department of Agriculture. We will take a few moments and go through the auditor's report. Do you want to go through this on the various chapters and any comments you might have to make on Agriculture and Food, starting with the Canada-Saskatchewan green feed drought assistance program? Any comments you might have subsequent to what's in there and then stop for questions on each section.

**Mr. Wendel:** — Mr. Chairman, there's three programs here that have either been terminated or will in the near future be terminated. The programs in question are the Canada-Saskatchewan green feed drought assistance program, the Canada-Saskatchewan livestock drought assistance program, and the farmers' oil royalty refund program.

**Mr. Chairman:** — The green feed drought assistance program has been terminated?

**Mr. Wendel:** — That program is terminated.

**Mr. Chairman:** — Do you know when that was terminated?

**A Member:** — Just a one-year program.

**Mr. Chairman:** — Just a one-year program. Okay. And the livestock drought assistance program . . . (inaudible interjection) . . . It's also terminated.

Can I then ask . . . It's not unusual for the Department of Agriculture to get involved in temporary assistance type programs and therefore needs to do accounting. I wonder if you had any more general comments to make about the department's ability to handle these programs.

**Mr. Wendel:** — Yes. The reason these items are included in the report, even though the programs have been terminated or are near termination, is the principle that if you farm your work out to another party, to a third party, to have the work done, you still have a responsibility to make sure that work is done to ensure that only eligible recipients receive eligible benefits. So that's the point being made on all three of these programs.

I have received a reply from the Department of Agriculture from the minister in charge, and he's advised me that . . . the reply indicates that if a third party administers a program, the department will specify in the future the follow-up procedures that will be done in their agreements with that third party. So they acknowledge that problem and have advised that they will be doing that

if they have future programs like that.

**Mr. Chairman:** — The Conservation and Development Revolving Fund, any comments there?

**Mr. Wendel:** — We're still working on that audit.

**Mr. Chairman:** — Okay. The Horned Cattle Fund.

**Mr. Lyons:** — No, the oil royalty refund program.

**Mr. Chairman:** — Yes, you said the farmers' oil royal refund program has been terminated or . . .

**Mr. Wendel:** — That one will be terminated. I believe there's no money in the estimates for the 1991 fiscal year for that program.

**Mr. Chairman:** — I think we dealt with this before, where there was some . . . the essential problem was again just a disagreement between Finance and Agriculture, Finance acting as the agent.

**Mr. Wendel:** — Mr. Chairman, it was the same principle that was in the green feed drought assistance program and the other one. They're all three the same, that same concept.

**Mr. Chairman:** — Okay. The Horned Cattle Fund. Don't they all have horns?

**Mr. Muller:** — No they don't, some are polled.

**Mr. Lyons:** — Like you get your basic polled Herefords, Harry.

**Mr. Muller:** — Aberdeen Angus never have horns.

**Mr. Chairman:** — That's why I like public accounts, you get to learn a lot about . . .

**Mr. Hopfner:** — Exactly, that's what I was trying to say earlier. Mr. Chairman, I'd just like to bring to your attention, the committee's attention, that we do have one of the media people that have just entered the room that just can't seem to get up in the mornings after a hard game of ball.

**Mr. Chairman:** — Well we'll all be looking forward to an account of last night's activities in the *Leader-Post* and other journals throughout the province.

**Mr. Hopfner:** — And I don't want you to take that as gospel because you'll probably hear the gospel truth in the legislature this afternoon.

**Mr. Chairman:** — Speaking of the media, the Horned Cattle Fund.

**Mr. Wendel:** — I have no update on that one; we're still working on that audit for 1990.

**Mr. Chairman:** — And the Saskatchewan Horse Racing Commission.

**Mr. Wendel:** — This matter has been corrected.

**Mr. Chairman:** — And the Saskatchewan Sheep and Wool Marketing Commission.

**Mr. Lyons:** — They wouldn't try to pull the wool over our eyes on this would they, Mr. Chairman?

**Mr. Wendel:** — I'll have Mr. Atkinson . . .

**Mr. Atkinson:** — The Saskatchewan Sheep and Wool Marketing Commission was repealed and the Saskatchewan Sheep Development Board was established on October 26, '89. And they have advised us that as far as the check-off fee goes, they indicated it wasn't cost effective to enforce that for '88 but the new plan would have a different method of collecting the producer contributions, eliminating the check-off for the future.

As far as producer registrations, they've indicated that they have taken steps to alleviate those concerns. And as far as the accounting records go, they have indicated to us that they are addressing the concerns that we have raised here.

**Mr. Chairman:** — So the new body is called what?

**Mr. Atkinson:** — As far as we know, the new body is called the Saskatchewan Sheep Development Board.

**Mr. Chairman:** — And does it also operate under The Natural Products Marketing Act then? It's just a change in names, it's not a change in . . .

**Mr. Atkinson:** — This will be a producer-elected board. The board will be elected by the people who are involved in the sheep industry.

**Mr. Wendel:** — It's still under the same Act.

**Mr. Atkinson:** — I believe so.

**Mr. Lyons:** — Okay. Would it be modelled on the hog marketing board?

**Mr. Atkinson:** — We believe so, yes.

**Mr. Lyons:** — In terms of the check-off?

**Mr. Atkinson:** — The work for the year ended March 31, 1990 has not been completed yet.

**Mr. Lyons:** — Okay.

**Mr. Chairman:** — Okay. Any further questions of the auditor? Can we call the officials in?

**Mr. Lyons:** — No, I've got two questions. In the year under review, was the livestock investment tax credit administered by Department of Agriculture?

**Mr. Wendel:** — Yes.

**Mr. Lyons:** — And the livestock facilities tax credit as well?

**Mr. Wendel:** — Yes.

**Mr. Lyons:** — Okay, so they were both . . . they both fell under Agriculture?

**Mr. Wendel:** — Yes.

**Mr. Chairman:** — Can we call the officials in? Okay.

#### **Public Hearing: Department of Agriculture**

**Mr. Chairman:** — Good morning, Mr. Kramer. I wonder if you might introduce the officials that are here with you.

**Mr. Kramer:** — Okay. Thank you, Mr. Chairman. I'd be pleased to do that.

To my immediate right is Henry Zilm, assistant deputy minister; to my far right is Ken Petruic, manager of financial services for the Department of Agriculture and Food; to my left, Wes Mazer, director of our administrative services branch.

**Mr. Chairman:** — Thank you. I want to welcome you here this morning on behalf of the committee.

I just want to make you aware that when you're appearing as a witness before a legislative committee, your testimony is privileged in the sense that it cannot be the subject of a libel action or any criminal proceedings against you. However what you do say is published in the *Minutes and Verbatim Report* of this committee and therefore is freely available as a public document.

You are required to answer questions put to you by the committee. And where the committee requests written information of your department, I ask that 20 copies be submitted to the committee Clerk who will distribute the document and record it as a tabled document. And thank you for addressing all your remarks to the Chair.

I might just turn to the auditor's report for the year ended March 31, 1989. The auditor points out that there are three programs, two of which were time-limited programs or . . . the green feed drought assistance program, the livestock drought assistance program. He also points out that the farmers' oil royalty refund program will be terminated and that the other two of course were terminated.

In all three, raises questions about the contractual arrangements that you have with other parties and a problem on the part of the department to be able to fully account for the transactions that are being made on your behalf. And even though the specific programs have been terminated, given the involvement of agriculture over the years — and there's no reason to think that it won't be any different in the future — in temporary programs with a great number of transactions involved, raises the questions of how you might be better prepared to deal with that in the future. And I wonder if you have any comments on that.

**Mr. Kramer:** — Yes, I'm pleased to make some comments, Mr. Chairman. One of the programs was administered on the Department of Agriculture and

Food's behalf by Finance, as you have said — the fuel refund program. The other two were administered by the Saskatchewan Crop Insurance Corporation on behalf of the Department of Agriculture and Food.

The arrangements that were made were ones where the payment procedures, the financial systems for making payments, were designed and documented to ensure that the necessary internal control was there. The Provincial Comptroller reviewed those documentations, those systems, and we're satisfied that the controls were in place so that systems approval for authorizing payment was granted.

The department also — that is our department, Agriculture and Food — also requested written assurance from the Department of Finance in the case of the fuel refund program that those internal controls were in place and that they were followed on an ongoing basis. And I think we have, as officials, confidence that the payments were made in accordance with the intention of the program and the systems that were put in place.

The issue that's raised by the Provincial Auditor is the suggestion that there should be some ongoing on-site inspection, as I understand the issue, of the procedures that are being used to make payments on our behalf. And that's something that, for the future, we would intend to accommodate and pursue.

I guess that point that I would make in summary without being technical is that the design of the payment system on behalf of government, between the comptroller's office and the department, was put in place. There was written documentation from Department of Finance that it was followed.

The auditor has asked that Department of Agriculture and Food do on-site inspections in the future for similar programs. And we would intend to do that to meet the requirements. But I think in summary we're saying that the system in place is one that we have confidence, even in these cases in the past made payments in an appropriate kind of fashion.

**Mr. Chairman:** — The auditor was mentioning that he had received a letter from the minister, I believe. Am I correct in saying that in terms of future that you would have those kind of systems to ensure that all the eligibility criteria — this is the major concern — was being met?

**Mr. Wendel:** — Yes.

**Mr. Kramer:** — And the same situation, Mr. Chairman, would apply for the two further programs, the livestock drought assistance program and for the green feed drought assistance program administered on the department's behalf by crop insurance. But basically the arrangements were the same, where the systems were designed together with the comptroller's office and ourselves, were approved, were implemented. There's written documentation that they were followed. But the responsibility for on-site inspection by Department of Agriculture and Food, basically because it's legally our money, that's something that we would pursue in the future to ensure that that requirement was met.

**Mr. Chairman:** — Any further questions from committee members on those specific programs?

The Conservation and Development Revolving Fund: the auditor states that for the fiscal year that no budget was prepared; quarterly financial statements were not prepared for the first quarter; statements for the remaining quarters were completed three months after the close of each respective quarter; and that you hadn't complied with section 1010 of the financial administration manual.

How much money's involved in this revolving fund? What figures are we looking at?

**Mr. Kramer:** — In the order of about a \$2 million annual budget.

**Mr. Chairman:** — Okay. Any comments on what the auditor has had to say or any . . .

**Mr. Kramer:** — Yes, I would, Mr. Chairman. In the year in question it was the intention of the department to transfer those four farms we operated in northern Saskatchewan through to local control. And for that reason a formal budget for the full year was not prepared.

What I would say is that the control procedures that were used in terms of expenditures and in terms of revenue coming into the revolving fund were maintained, as in previous years, under proper arrangements. Management continued as in the past so that we're confident that the proper controls were in place.

But the question of a formal budget being submitted, that did not happen because the intention was not to continue to operate the farms for the full duration of the year.

**Mr. Chairman:** — What's your sense in terms of this fund then, like in terms of the comments you've made? Do you feel that there's an improvement in this area or . . .

**Mr. Kramer:** — Well I guess if I go past the year in question for your information, that at this point in time, during the past fiscal year those farms were transferred to local control. The revolving fund doesn't have any significant activities in it at this point, so what was intentioned to happen during the year happened after the conclusion of the year. So really this should be a non-issue for the future because those transfers did take place.

**Mr. Chairman:** — But the fund still remains, so it's still in effect even though there may not be any significant activity in the fund.

**Mr. Kramer:** — That's true, Mr. Chairman. At this point it still exists as a fund. The intention would be that sometime during the course of this year it would legally close down as a financial entity as well.

**Mr. Lyons:** — Could you explain further the transfer to local control. What do you mean by that?

**Mr. Kramer:** — Well I guess I'd indicated at the outset that that didn't happen in any of the case of four of the farms



during the year under review. Now I guess it asked for the pleasure of the committee. I'm not sure what's appropriate. I can talk about what happened in some of those cases that happened in the following year. Is that the pleasure of the committee?

**A Member:** — Yes.

**Mr. Kramer:** — Or to deal only with the year under review?

**Mr. Lyons:** — Just go ahead because there's a question of continuity. I mean in order to understand these comments it seems to me that it's important that you sort of outline what's going on with resources of the fund.

**Mr. Kramer:** — All right. The four farms were farms at Cumberland House; two at Green Lake, a Silver Lake farm and a central farm; and one at Ile-a-la-Crosse. In all cases, this point farms are not operated by the provincial government.

In the case of Cumberland, it's been turned to the local economic development corporation that was established up at Cumberland House. Ile-a-la-Crosse, it's been transferred through to local operation. And at Green Lake it's in the process of happening. One of the farms was in the process of being sold to private interests, and one is in the process of being transferred through to a local trust or corporation at Green Lake.

So those were the four — some completed in terms of final legal arrangements, all of them at this point past the point where they're operated by the Department of Agriculture and Food.

**Mr. Lyons:** — Okay, and where are the assets that were obtained from the sale of the farms? Where would the assets go?

**Mr. Kramer:** — They would go through to the revolving fund.

**Mr. Lyons:** — Through this revolving fund?

**Mr. Kramer:** — That's right.

**Mr. Lyons:** — So that the assets from the sale would still remain in the fund, or would they be, or are they going to be, or have they been appropriated back to the Consolidated Fund?

**Mr. Kramer:** — The nature of the revolving fund would be that the assets would come back, and because it's a fund of the Consolidated Fund, if there was a surplus, legally that surplus would go back to Consolidated Fund as revenue. If there was a deficit, there would be a requirement that that would need to be balanced out by a payment from the Consolidated Fund so that when the revolving fund was closed down it would close down with a zero sum balanced set of books.

**Mr. Lyons:** — Now on the Ile-a-la-Crosse farm, you say it was turned over to local interests. Is that the same way the economic development board in Cumberland or the trust for Green Lake for the central farm? Or what happened to

the farm in Ile-a-la-Crosse?

**Mr. Kramer:** — Ile-a-la-Crosse essentially the same arrangement as at Cumberland in the sense that they set up a legal entity, an economic development corporation, and the land base was transferred through to the corporation.

**Mr. Lyons:** — To the community.

**Mr. Kramer:** — Yes.

**Mr. Lyons:** — And in the case of central farm in Green Lake, the same legal structure fell in place? And I'm talking about central farm.

**Mr. Kramer:** — Central farm is still in the process of being implemented. The intention there is that a trust arrangement would be set up similar in intent to an economic development corporation in that the assets would be used for the benefit of local individuals but the legal instrument would be somewhat different in the sense of a trust versus an economic development corporation.

**Mr. Lyons:** — And the trustees of that would . . . I don't know whether the arrangements are final so maybe you can't answer this question. But the trustees of that farm would be elected officials from Green Lake, or who are the trustees?

**Mr. Kramer:** — The intended arrangement is that trustees would be appointed at this point in time. Trustees have not yet been appointed so it's in the process of formation and it isn't clear just whom those folks would be.

**Mr. Lyons:** — Who would do the appointment?

**Mr. Kramer:** — It would be government laying out the criteria for whom the trustees would be, and I expect involved with the appointments as well. But certainly there's been extensive consultation with the local people as well.

**Mr. Lyons:** — So it's the provincial government? You're saying it's the province would make the appointees onto the trust . . . the appointments onto the trust. It wouldn't be the people in Green Lake themselves who would make that appointment.

**Mr. Kramer:** — There would be some and is some consultation in terms of who the individuals would be, but clearly the land and the assets are ones which the province owns, which the province purchased through the Consolidated Fund indirectly using the revolving fund so that they are the province's asset, and then the choice of structure of the trust is one where the province has in that case responsibility to set up some overall criteria. The choices of just who the individuals would be, as I say, there's been consultation on that and there'd be some additional consultation before that's concluded. But the responsibility for making the arrangements would be provincial government because the assets in this point are in total, provincial government assets.

**Mr. Lyons:** — So the assets, the land base actually hasn't

been transferred over to the community as it was in the case of Ile-a-la-Crosse or in Cumberland House in a legal sense, or in a very real sense actually.

**Mr. Kramer:** — What has happened in their situation is that the land base for central farm was put up for tender this spring and the local . . . I'm not sure exactly what they call themselves, but basically agri-land committee comprised of local people were the people who were awarded the tender and they are making arrangements for farming the land. So in terms of title transfer, you're correct. In terms of use of the land, it's the local people that are using the land, spring 1990.

**Mr. Lyons:** — Now in the case of Silver Lake farm, what was the rationale from the department that the same thing . . . why didn't the same thing happen in the case of Silver Lake?

**Mr. Kramer:** — I think the basic reason was this: that there were local communities that had farms around them in the North. There was provision of one of the farms through to Cumberland, one through to Ile-a-la-Crosse. One that was intended to be transferred and I've talked about it, with a trust arrangement, will eventually go to the local people at Green Lake. But it was felt that to put two farms through to one community was a matter of equity and fairness to all of the communities that had farms around them. So the choice was made that they each would have access to one farm through transfer arrangements to local people.

**Mr. Lyons:** — Why was central farm chosen as opposed to Silver Lake?

**Mr. Kramer:** — I think in part because it's a larger farm. I don't have the acres on the top of my head, but a number of thousand acres larger than the Silver Lake farm would be. It's also true that there was more diversification on the central farm in the sense that they had a sizeable hog operation that was profitable — one of the profit centres for that farm as opposed to Silver Lake which had a beef herd, as did central, but there was the additional hog operation and additional acres which would make that attractive to local people.

**Mr. Lyons:** — Okay.

**Mr. Kramer:** — The acreages, Mr. Chairman — central farm, 9,400 acres and the Silver Lake farm about 5,900 acres.

**Mr. Lyons:** — Do you have a total how many acres are under cultivation on both farms?

**Mr. Kramer:** — For central, about 3,000; for Silver, about 4,500.

**Mr. Lyons:** — Yes. So there are more acres under cultivation at Silver Lake farm than at the central farm?

**Mr. Kramer:** — That's correct.

**Mr. Lyons:** — So it's a trade-off between acres under cultivation versus a hog operation?

**Mr. Kramer:** — Yes, it is.

**Mr. Lyons:** — Were the people of Green Lake consulted . . . given that the government had made up its policy to turn over one farm and one farm only, had the people of Green Lake been consulted as to which farm they would prefer to have?

**Mr. Kramer:** — They were aware of discussions going on. We had meetings with the local people. But if you're asking whether they were given a choice in so many words, that choice was not left to the local people as such. There were discussions, there were certainly some views, but it was not the choice of the local people. It wasn't provided to them as their choice.

**Mr. Lyons:** — That now answers all the questions about that, Mr. Chairman. There's just one statement I would make and I know it's . . . I don't expect a response, is that having lived in Green Lake and seen it as the potential for having one of the model northern communities in terms of the diversified economic base with the saw mill there, with the access to Meadow Lake and to Bodmin, the Bodmin mill down in Big River, and with the farms there, it seems to me that from my perspective that it would have been and there should have been some way that the government could've looked at . . . or the department could've looked at either amalgamating the farms into one entity or providing the people in Green Lake with the choice of farms, if it were thought to be politically unacceptable to turn over both land bases.

But given the number of people who worked on both farms together that would have been certainly a boost in the arm to Green Lake. And, you know, Green Lake is one of the communities where there is a relatively low unemployment rate in the North, it could have helped that model type of development along. However, I don't expect you to respond to that. That's the political statement.

So that's all the questions I have regarding . . .

**Mr. Chairman:** — Any others on that section? The Horned Cattle Fund. Who was this association to which you advanced first \$30,000 in '87-88 and then a further \$21,950 in '88-89?

**Mr. Kramer:** — I'm sorry, Mr. Chairman, I . . .

**Mr. Lyons:** — Which association? What was the name of it?

**Mr. Kramer:** — It's the south-west forage association.

**Mr. Chairman:** — The south-west . . .

**Mr. Kramer:** — Forage association.

**Mr. Chairman:** — Now the agreement was that if cattle were sold, funds were to be returned. It says here: "The proceeds of the sale were used by the association to buy more cattle." That further money was advanced, the association didn't repay those advances. And there's no additional agreement which would suggest that you have claim to the advances or the cattle purchased with the

funds advanced.

So it sounds to me like you . . . \$51,000, or close to \$52,000 of taxpayers' money has gone to this forage association, even though the intent was that money come back to the department and to the taxpayers. Can you explain that? What happened there? What changed?

**Mr. Kramer:** — Okay. I'll speak to that, Mr. Chairman. The intention was, in fact the motion was passed by the horned cattle advisory committee in February of '88 that would allow the south-west forage association to purchase additional cattle using the funds acquired from the sale of the cattle that were originally purchased by a 1987-88 advance. So a motion was passed by the committee in February of '88 before fiscal year end.

All parties agreed to the motion but no formal amendment to the original agreement was finalized and signed until September of '89 which was after fiscal year end. So in the intervening period, when Provincial Auditor did his audit, March 31, he had a motion but he didn't have a revised legal agreement to review. That revised agreement was signed September 30 of '89 which put into legal terms the motion that had been passed in February of '88.

So it's, I guess, part of a flip of the end of the fiscal year, and really the commitment that management would make is that the minutes of the advisory committee, that's the horned cattle advisory committee, would be reviewed after they are put together after meetings, and commit to act immediately on issues that require action, such as amendments to contracts or agreements. The lapse here was between the time that the motion was passed and the time that the legal agreement was put into place.

**Mr. Chairman:** — Does the auditor have any comments on that? Were you aware that this agreement had been put into place?

**Mr. Wendel:** — We're not completed the audit yet, Mr. Chairman, but if the agreement is now in place I think the problem is gone. We'll be looking at that as part of the 1990 audit.

**Mr. Kramer:** — It was signed September 30, 1989.

**Mr. Wendel:** — Yes.

**Mr. Lyons:** — Just a couple of questions, Mr. Chairman.

**Mr. Chairman:** — Now that the media has walked in, you want to ask questions about the horned cattle fund too.

**Mr. Lyons:** — No, no, no. Well now that they're here, it would be an appropriate time to do it I presume. He missed it; it's an in-joke . . .

Well I just want to know how many producers are involved in south-west forage association?

**Mr. Kramer:** — I'm sorry, Mr. Chairman. We can provide that information; I don't have it with me.

**Mr. Lyons:** — If you could provide the numbers that are involved, the people that are involved in it, and maybe a brief note as to — as Mr. Britton says, it's an experimental thing — provide an outline of the intent of it.

**Mr. Baker:** — The funds that are in question here that were used, are they not part of the producers' check-off?

**Mr. Kramer:** — Yes, the horned cattle advisory committee would have a source of funds that comes from the check-off per horn, and the question here of motion and agreement, it's the motion of the supervisory committee, that is the horned cattle advisory committee, that chose to allocate some of the check-off funds through to this forage association for this particular purpose. So the parent committee is the horned cattle advisory committee.

**Mr. Baker:** — So that basically it's their fund and they decided to use some of it in this area, so it's not really an expenditure of government.

**Mr. Kramer:** — That's correct.

**Mr. Chairman:** — On the cattle inventory with respect to the Melfort research station, the auditor has a concern about inventory records perhaps not including all cattle or that the methods you have in place don't ensure that. Personally I can't tell one cow from another, but maybe you could deal with this item.

**Mr. Kramer:** — Okay the issue there, I guess, is comparing the inventory to the records of sale to ensure that there's proper inventory records. And we would ensure that for the future, there is a monthly check so that we're aware of actual cattle numbers at the Melfort research station. It's a matter of comparing invoices with actual inventories. That would be done in the future on a monthly basis.

**Mr. Chairman:** — Okay. Any questions on that? The general ledger — again this is for the fund — indicates some concern about systems being in place to ensure the accuracy of the general ledger. Any comments on that? It says that it's since been adjusted to agree.

**Mr. Kramer:** — Yes, no particular comments. I think we have made arrangements so that the manager of financial systems division for the department would review the ledger balances of the Horned Cattle Fund prior to the preparation of the year-end financial statements to ensure that adjustments are posted.

**Mr. Chairman:** — Any further questions of the Horned Cattle Fund?

The Saskatchewan Horse Racing Commission, the auditor says that he's satisfied that the comments that he had made were in fact resolved. And unless the members have any questions . . .

**Mr. Hopfner:** — Well I was wondering just if the auditor has been making any money at the track, that he's satisfied.

**Mr. Chairman:** — Mr. Wendel doesn't want to comment

on that.

The Saskatchewan Sheep and Wool Marketing Commission, the auditor reported to us that, in addition to the comments that he has, that this commission — and I think this was also indicated last year — in October '89 became the Saskatchewan sheep development fund. Is that correct?

**Mr. Kramer:** — That's correct, Saskatchewan Sheep Development Board.

**Mr. Chairman:** — And that it has producer involvement in the board?

**Mr. Kramer:** — Yes, that's correct. It's now an elected board.

**Mr. Chairman:** — Is it fair to say that some of their revenues for this board would come now from the check-off fees and so on?

**Mr. Kramer:** — Sorry from the . . .

**Mr. Chairman:** — Some of the revenues to sustain the board come from the check-off fees and the like?

**Mr. Kramer:** — That would be the vast majority of the revenues they receive, yes.

**Mr. Chairman:** — So my sense is that, reading through this, that whatever problems there might have existed as a commission, there certainly would be a strong incentive for those involved with the board to make sure that any and all procedures with check-off fees are being maintained because their revenues would depend on it.

**Mr. Kramer:** — I think that's correct, Mr. Chairman, that during the transition period from the commission through to the elected board, there were a number of personnel difficulties, a number of accounting difficulties and that there are new people with some new commitments in place.

And even in designing the new systems, it's my understanding that Department of Agriculture and Food, along with individuals from the Provincial Auditor's office and the comptroller's office, were involved in dealing with the new board in establishing some systems and practices and that that has dealt with the past concerns.

**Mr. Chairman:** — But the new board will still be subject to your involvement?

**Mr. Kramer:** — Yes, it continues to be a board which is established under The Natural Products Marketing Act. As such it's responsible through to the minister, and the Provincial Auditor would continue to deal with them as a board.

**Mr. Chairman:** — My sense is that this is just one we'll have to see what happens in the future, if the new board has in fact overcome the difficulties that have been reported in the last couple of years.

**Mr. Kramer:** — Yes, the other comment that I'd make, Mr. Chairman: It gets a little bit into detail, but I think a number of the questions this year and in past years have dealt with the task of collecting the levy and how certain the commission was that all of the animals marketed in fact had a levy paid on them and the question of what expense they would or should enter into to ensure that the marketing levies were all collected.

In the past the levy was done on the basis of each animal marketed. The new board has established a levy system where it will be collected on a per ewe basis so that there's not a requirement to chase each particular animal marketed and then the questions of door-to-door marketings and other things like that, which I believe have even been discussed here in the past. How do you ensure that each animal marketed has a levy paid on it? That will now not be an issue for the future because they've gone to a different system of levy allocation and collection.

**Mr. Lyons:** — In other words, Mr. Chairman, they'll never find another ewe.

**Mr. Chairman:** — I wouldn't want to encourage members to get into a lot of detailed questions on this one. Let's just see how it works out in the future. Thank you, Mr. Lyons.

**Mr. Lyons:** — You're welcome, Mr. Chairman.

**Mr. Chairman:** — We'll look in the *Hansard* to see how they spell that.

**Mr. Lyons:** — As long as they don't try and pull the wool over our eyes, right?

**Mr. Chairman:** — I have no further questions related to the auditor's . . . Any further questions for the department?

**Mr. Lyons:** — I do, and unfortunately, Mr. Chairman, I think some of my questions will take us into next day. So I don't know whether it would be good to begin and then get cut off in the middle of the questions. But what I'd like to do perhaps is inform the department that the questions I intend to ask next day and give them notice so that they'll have the information available.

I want to deal with the livestock investment tax credit program and the livestock investment . . . the livestock facilities tax credit program as well. And the information that I'm looking for, so to prepare you for next day, is a breakdown of the taxpayers who have invested in the program by occupation and that money is available through . . . or that information I believe is available without too much of looking.

I want the total dollars amount that were paid out in the period end of review for both programs, the number of taxpayers that received tax credits under both programs. I also want to ask some questions and I hope you've got some information regarding the counselling assistance for farmers program — the number involved, guarantees, how many are extended, how many were not accepted, how much has been paid out to lenders, how much money is involved, those type of questions. Basically all the information we can get on the cost of CAFF

(counselling and assistance for farmers program).

I also want to talk about . . . want to get some information regarding land branch leases from the lands branch program. And I'll be looking for information under the matching grants program to international aid under the SCIC (Saskatchewan Council for International Co-operation).

**A Member:** — Why don't you just give them your sheet?

**Mr. Lyons:** — Because I've got notes here that would not be appropriate for them to read. They'd be partisan in nature and Mike would object if I gave them that sheet, wouldn't you, Mike?

**A Member:** — I don't care.

**Mr. Lyons:** — And as well, I'm going to have questions regarding the farm purchase program. So that, I think, will be fair. I think it's enough in advance.

**Mr. Kramer:** — If you wish you adjourn, that's fine. I have some of that information that I can provide to you. For instance, the one you started with, the tax credits.

**Mr. Chairman:** — No, I think we'd want to adjourn in the next couple of minutes and we'll hold it till next time.

For the information of committee members, would it be acceptable to have Crown corporations . . . or Crown investments here on Tuesday and to have Agriculture back on Thursday? Crown investments is saying that they're . . . may be tied up in Crown corporations next Thursday but they can be here on Tuesday. So is that acceptable? We'll proceed in that fashion?

We'll see you back here a week from today, next week Thursday then.

**Mr. Kramer:** — Thank you, Mr. Chairman.

**Mr. Chairman:** — Thank you, Mr. Kramer.

We may go to . . . the next one on the line would be Economic Development, I think, on stand-by on Thursday or something like that.

**Mr. Baker:** — Fine by us, whatever you're bringing.

The committee adjourned at 10:26 a.m.