

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
March 9, 1995

The Assembly met at 1:30 p.m.

Prayers

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Mr. McPherson: — Thank you, Mr. Speaker. I have a petition today from constituents in the south-west corner of the province. The prayer is as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to oppose changes to present legislation regarding firearm ownership, and instead urge the federal government to deal with the criminal use of firearms by imposing stiffer penalties on abusers.

And as in duty bound, your petitioners will ever pray.

And Mr. Speaker, many of these are from the Glentworth, Assiniboia, and Limerick area of the province.

Mr. Goohsen: — Thank you, Mr. Speaker. I'd be happy today to present petitions on behalf of the people from the Gull Lake and Swift Current area, along the No. 1 Highway. I'll read the prayer:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to allocate adequate funding dedicated towards the double-laning of Highway No. 1; and further, that the Government of Saskatchewan direct any monies available from the federal infrastructure program toward double-laning Highway No. 1, rather than allocating these funds towards capital construction projections in the province.

And as in duty bound, your petitioners will ever pray.

I'm happy to table these today, Mr. Speaker.

Mr. D'Autremont: — Thank you, Mr. Speaker. I too have petitions to present today. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to unequivocally oppose changes to present legislation regarding firearm ownership, and instead urge the federal government to deal with the criminal use of firearms by imposing stiffer penalties on abusers, and urge the federal government to recognize that gun control and crime control are not synonymous.

And as in duty bound, your petitioners will ever pray.

These petitions come from the Carievale, Gainsborough, Storthoaks, Bellegarde area of the province, Mr. Speaker.

READING AND RECEIVING PETITIONS

Clerk: — According to order, the following petitions have been reviewed, and pursuant to rule 11(7) they are hereby read and received.

Of citizens of the province petitioning the Assembly to retain the Val Marie highway depot.

And of citizens of the province petitioning the Assembly to oppose changes to federal legislation regarding firearm ownership.

And petitions of citizens of the province petitioning the Assembly to allocate adequate funding dedicated toward the double-laning of Highway No. 1.

INTRODUCTION OF GUESTS

Hon. Mr. Lingenfelter: — Mr. Speaker, it's my pleasure today to introduce to you some very special guests seated in your gallery. Earlier this morning we had the opportunity to attend the announcement of an exciting project for Saskatchewan, the making of an IMAX film right here in Saskatchewan, in large part in the south-west part of the province, down at Eastend.

I would just take a moment, and if the people I introduce would just stand up. First of all, Jane Armstrong, the president of CineNova Productions from Toronto; Doug MacFarlane, line producer, CineNova, from Toronto; Kevin DeWalt — I'm not sure Kevin is with us — president of Minds Eye Pictures. Kevin may have had to go to another meeting. Rob King, VP (vice-president) of creative affairs of Minds Eye; Ken Krawczyk, VP of production, Minds Eye Pictures, from Regina.

Dick DeRyk, chairman of the Saskatchewan Tourism Authority; and Neil Sawatzky, the chief operating officer, Saskatchewan Tourism; Her Worship Terry Haggert, the mayor of the town of Eastend; Bruce Lewis, chairman of the Eastend Tourism Authority; and Brian Van Sandt, vice-chairman of the Eastend Tourism Authority; Larry Stork, who's also with the Tourism Authority; Elaine Stork as well who is with us today; Darryl McCallum, who is tourism programs, Department of Economic Development, who has worked hard on this project for us; Roy Anderson, president of Anderson Fast, as well as Zach Douglas, president of Saskatchewan Opportunities Corporation.

I'm sure all members will join with me in welcoming this group who have put together a very, very exciting IMAX production format for the province of Saskatchewan.

Hon. Members: Hear, hear!

Mr. Goohsen: — Thank you, Mr. Speaker. I'd like to join with the government members and the Government House Leader in welcoming the people from the Eastend corner of Saskatchewan, just south of home. Scotty the dinosaur of course, has put Eastend on the map and we're expecting great and wonderful things all along from Scotty and from the people from Eastend. And it doesn't

surprise me that they would make a film out there about this great event and the great people that live down there.

Welcome to the Assembly and good luck, folks.

Hon. Members: Hear, hear!

Mr. Penner: — Thank you very much, Mr. Speaker. I don't have as long a list of people to introduce as the House Leader had, but I think I have probably more important people to introduce than the House Leader had.

In the gallery, Mr. Speaker, in the third row at this far end, sits Grandma Jo and our grandson, Paul Randall John Hildebrandt. And as you know, Mr. Speaker, he's only been here 15 minutes and he's already sound asleep.

So I ask the Assembly to please welcome my wife and our grandson.

Hon. Members: Hear, hear!

Mr. Neudorf: — Thank you very much, Mr. Speaker. It's my pleasure this afternoon to introduce to you, sir, and to the members of the Assembly, a group of entrepreneurs from Saskatchewan and from around Saskatchewan, from the Outfitters Association of Saskatchewan who have come here to observe proceedings this afternoon, and also to attend some meetings to address some of their concerns. And I would ask all members of the legislature to welcome them here this afternoon.

Hon. Members: Hear, hear!

Hon. Ms. Carson: — Mr. Speaker, I would like, to you and through you to the members of the Assembly, to introduce one other very important guest that we have in the gallery sitting with the people from CineNova and from Minds Eye production. He is the executive director of the SaskFILM. It is Mark Prasuhn, who is instrumental in putting this project that we have today before us. So thank you, Mark, and welcome.

Hon. Members: Hear, hear!

Mr. Serby: — Thank you, Mr. Speaker. I want to join the House Leader in welcoming the delegation that's here, and in particular one of the members from my constituency, Mr. DeRyk, to the Assembly. Dick has been a long-time friend and colleague of mine. We both served together on the city council in Yorkton. Dick also has a couple of businesses in Saskatchewan, a very successful businessman. I also want to say that he is, as the House Leader indicated, the chairman of the new Saskatchewan Tourism Authority.

But most of all I know Dick for his great skills as a gourmet cook and baker. For those of you who may wish to order in the next little while, he makes some of the best sour cream saskatoon pie in Saskatchewan. So I welcome Dick to the Assembly today.

Hon. Members: Hear, hear!

Hon. Mr. Lingenfelter: — Mr. Speaker, it is my pleasure to introduce to you today a group of SIAST (Saskatchewan Institute of Applied Science and Technology) students who are taking English as a second language program here in Regina. There are seven students seated in the Speaker's gallery. I want to say a big welcome to them and tell them that my colleague, the member for Qu'Appelle Lumsden, will be meeting with them shortly after question period.

Welcome to the Assembly, and I'm sure all members will join with me in welcoming you here.

Hon. Members: Hear, hear!

STATEMENTS BY MEMBERS

Farm Safety Videos

Mr. Flavel: — Thank you, Mr. Speaker. Mr. Speaker, today I would like to congratulate the Saskatchewan Safety Council for releasing three new farm safety videos for Saskatchewan farm children. The release of these videos is timely because this week has been designated Farm Safety Week across Canada. And, Mr. Speaker, I am pleased to mention that the videos feature a Saskatchewan hockey hero from Kelvington; I am referring to Wendel Clark of the Quebec Nordiques. The videos also include several members of the Saskatchewan 4-H clubs.

There's a great need for these videos because in the last 12 years, 62 people under the age of 20 were killed in farm accidents in Saskatchewan. Many others are permanently disabled. About 25 per cent of the accident victims are children.

Each video targets a specific age group. "Farm Safety Tips for Kids" is aimed at the kindergarten to grade 3 age group. The second video, "Kids Tips on Farm Safety," is intended for grade 3 to 6 and includes conversations with two boys who both lost limbs in farm accidents. And the third video, "Farm Safety — Do It Right," is hosted by Wendel Clark who points out that for children to achieve their goals, they have to play it safe. This video is aimed at children in grade 6 and over.

Mr. Speaker, these videos will certainly help prevent accidents and injuries from taking place amongst children on the farm. Thank you.

Some Hon. Members: Hear, hear!

Prince Albert Raiders Team with City Police

Mr. Kowalsky: — Mr. Speaker, today I would like to recognize the Prince Albert Raiders hockey team. But the praise I am about to give them isn't because of their consistent, superb performance on the ice but a different kind of team effort. The players have teamed up with the Prince Albert City Police and are visiting schools in Prince Albert to help educate young students about the dangers of using drugs and alcohol. Recently, two Raiders, Darren Wright and Neil Johnston, visited students at Arthur Pechey School. What they had to say to the students about using drugs and alcohol was a message

that definitely got across to these young people who are also hockey fans. The Raiders told the students that to be successful in hockey or any profession you need to have short-term goals and long-term goals. And to succeed in achieving those goals, don't use drugs or alcohol. Fifteen Raider players are also part of this anti-drug squad, and they all take turns visiting schools.

Mr. Speaker, the people of Prince Albert have always supported the hockey players for their excellence in hockey, but now it's the Raiders who have brought a new message to the community other than hockey. This message will have a lasting impression on our youth. To be successful, keep your head up; steer clear of drugs and alcohol.

Some Hon. Members: Hear, hear!

Saskatchewan Snowmobile Safety Committee

Ms. Stanger: — Thank you, Mr. Speaker. Recently the Minister of Highways announced the formation of the Saskatchewan snowmobile safety committee. This committee was formed in response to the alarming and unacceptably high number of fatalities suffered in snowmobile accidents this winter.

Like other members, I am glad to see this committee formed. Like all of us, I regret its necessity. Nevertheless, Mr. Speaker, I am pleased to see representation from a wide range of stakeholders and from most areas of the province. This is a provincial concern demanding provincial attention. Members from the Saskatchewan Snowmobile Association, the Saskatchewan Safety Council — already mentioned today — the RCMP (Royal Canadian Mounted Police), SGI (Saskatchewan Government Insurance), and other stakeholders are involved.

I was glad to see the appointment of Mr. Reg Reeves from Lloydminster to the minister's committee. Mr. Reeves is a safety coordinator of the snowmobile association and an active member of our community. He will bring to the committee's work the knowledgeable perspective of his association, and he will also bring his awareness of the specific concerns of the citizens of west-central Saskatchewan.

Mr. Speaker, we all hope that the number of accidents this winter is simply a one-time departure from the normal. If not, I know that Mr. Reeves and other members of the committee will come up with viable suggestions that will return snowmobiling to the safe and popular recreation and work activity it was designed to be. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Saskatchewan Arts Board

Ms. Lorje: — Thank you, Mr. Speaker. Yesterday I was privileged, along with about 15 other MLAs (Member of the Legislative Assembly) on both the government and opposition sides of the House, to attend the Arts Board reception.

Mr. Speaker, the Saskatchewan Arts Board has been in existence since 1948 and is a prototypical model for similar arts

boards around the world. We were very pleased to hear about their programs and to discuss the paper recently released by the Minister of Municipal Government, called *Responding to the Community: Proposal for Cultural Development*.

Mr. Speaker, the Arts Board provides direct grant funding of almost \$2 million to artists in this province, dealing with visual, performing, and literary arts. They also have a permanent arts collection that is recognized as one of the best in Canada. I'm sure all members on both sides of the House join me in commending and appreciating the economic and creative contribution that artists make to the Saskatchewan quality of life. Thank you.

Some Hon. Members: Hear, hear!

National Procrastination Week

Mr. Upshall: — Thank you, Mr. Speaker. Mr. Speaker, you may or may not know this is National Procrastination Week. And I really meant to make this statement last year, but didn't get around to it; and Monday seemed like rushing into it. Actually just for a fleeting moment I thought I'd make it today, but there is one more day in the week, Mr. Speaker, so maybe I'll just wait. Thank you.

Some Hon. Members: Hear, hear!

The Speaker: — I would just like to remind the member from Humboldt what Shakespeare thought of those who procrastinated in *Hamlet*.

ORAL QUESTIONS

Outfitters' Licence Fees

Mr. Neudorf: — Thank you very much, Mr. Speaker. My question this afternoon is to the Minister of Environment and Resource Management.

Mr. Minister, all is not well in your world. Outfitters joining us today have many questions that they would like you to answer. One deals with several new fees and increases that you have imposed upon them today . . . in this year.

For instance, last year an outfitter could have purchased an outfitter's licence for \$75. Now this year, 1995, an outfitter has to pay \$75 per client. And there's a limit of 25 clients per outfitter. So most outfitters now will be paying \$1,875 by March 31. That's quite a hike from \$75 a year.

Mr. Minister, what is the reason for this drastic hike?

Some Hon. Members: Hear, hear!

Hon. Ms. Carson: — Thank you, Mr. Speaker. And I thank the member opposite for the question.

Before any fees were increased, the department did a lot of research and they asked the outfitters exactly what their opinions were. They also went to other jurisdictions to examine the fees that are charged in other jurisdictions.

After a lot of consultation, and we believe a lot of agreement with the outfitters, we did raise the fees, but they were justifiable and the outfitters were well aware of them, and most instances they actually agree with them.

Some Hon. Members: Hear, hear!

Mr. Neudorf: — Madam Minister, I think there are a lot of outfitters right now that would vehemently disagree with your last statement, Madam Minister.

That memorandum of understanding that you indirectly referred to, that was signed last year between your government and the outfitters of Saskatchewan, I'm going to quote a section: collaborate in the development of new programs and services related to the outfitting industry; collaborate in the identification of marketing, promotion, and developmental opportunities for the outfitting industry. Unquote.

So, Madam Minister, in addition to the hiking of fees, you've arbitrarily — and I say that, arbitrarily — changed boundaries and cut back hunting seasons to the point where many of these outfitters are going to have a very, very difficult time simply surviving.

So how do these fee increases, boundary changes, and threatening outfitters' businesses fit into that so-called agreement?

Some Hon. Members: Hear, hear!

Hon. Ms. Carson: — Thank you, Mr. Speaker. As in most occasions, there is a 99 per cent fiction and 1 per cent fact in those comments. So let me set the record straight for the members opposite and for the people of Saskatchewan.

There are wildlife management zones in Saskatchewan. And when they were set up along the forest fringe, they had both the agricultural and the forest in them, and they were difficult to manage and there was a lot of problems associated with it. So there was a proposal brought forward to adjust the boundaries.

The boundaries adjustment has the support of SARM (Saskatchewan Association of Rural Municipalities), the RMs (rural municipality), the wildlife federation, and also the outfitters association. The outfitters association agreed with the proposal to change the boundaries providing that they will not lose any operating licences and that there will be adjustments to their prime hunting period.

The department has agreed to that. They're working with those outfitters, and there will be a resolution. And unfortunately, your attack on the situation is not justified and it is in most cases erroneous

Some Hon. Members: Hear, hear!

Mr. Neudorf: — Thank you, Mr. Speaker. Madam Minister, this is not my attack. You say, 99 per cent fiction. Let me assure you that those outfitters sitting up in the Speaker's gallery . . .

The Speaker: — Order, order, order. I think the member knows he cannot involve the people sitting in the galleries in the debate on the floor.

Mr. Neudorf: — Are not figments of our imagination. Madam Minister, there are 200 or so members in that outfitters' association of Saskatchewan. There are 1,700 outfitters in Saskatchewan — let's put this in perspective — and because of your boundary changes, some outfitters will have their seasons cut back, cut back to the point of threatening their business.

For instance zone 48, for example, is going to be restricted to two weeks of hunting this year as opposed to the seven weeks that they had last year. They're worried about the tourism effects of the American dollar coming in — \$5,000 on average per American hunter coming in. They're worried about that because they've already made their arrangements for fall hunting. That's all arranged.

Now they're going to be socked with an \$1,875 extra fee. Who picks that up? They don't know their times. Everything has changed.

The Speaker: — Order, order, order. Does the member have a question? I want the member to put his question.

Mr. Neudorf: — Thank you for your indulgence, Mr. Speaker. Here's my question to you, Madam Minister: will you commit today to review those boundary changes and to meet these figments of your imagination today. They've come here to have a meeting with you and the real minister.

Will you make that commitment, Madam Minister?

Some Hon. Members: Hear, hear!

Hon. Ms. Carson: — Thank you, Mr. Speaker. Let me set the record straight. There are 612 licensed operators in the province — 65 operate in the zone that's under review and 12 of those will be impacted.

The outfitters will continue to have operating areas. The outfitters will have hunting seasons in the prime hunting season and the department is committed to work with the impacted outfitters to further adjust or lengthen the hunting seasons as we have already made a commitment. Yes.

Some Hon. Members: Hear, hear!

Mr. Neudorf: — Would you mind answering my question, Madam Minister. Will you meet with these outfitters today?

Hon. Ms. Carson: — Yes, certainly I will. The department officials will be here, and they will meet with them, and they will relay to them the message I have relayed to you today.

Some Hon. Members: Hear, hear!

CIBC Call Centre Agreement

Mr. Martens: — Thank you, Mr. Speaker. My question is for the Premier. Mr. Premier, when you made the CIBC (Canadian Imperial Bank of Commerce) announcement the other day, there were a lot of details left out. Today we learned that one of the terms of the deal for the CIBC Call Centre in Halifax is that CIBC is going to get all the banking business from the new casinos being built in Halifax as well.

Mr. Premier, has CIBC been given a similar deal in Saskatchewan, and have you promised CIBC that more of your government's banking business will be directed their way?

Hon. Mr. Lingenfelter: — Mr. Speaker, I want to make it clear to the members opposite, as it relates to the casino corporation, that no commitment has been made to banking to anyone. In fact the board decided at its February meeting that they would actually go to tender for the banking. And that process is just getting under way at this point in time.

Some Hon. Members: Hear, hear!

Mr. Martens: — Mr. Speaker, Mr. Minister, 1-800 numbers represent a tax-free island of economic activity in Saskatchewan. This will amount to about a \$700,000 break for Sears over three years. Mr. Minister, how much of a tax break can CIBC expect to receive as a result of this exemption?

Hon. Mr. Lingenfelter: — Mr. Speaker, it's interesting the member is complaining about job creation in the province after the many boondoggles, the many boondoggles that they had in their life in government, in the nine years. And I'm not going to get into the list of GigaText and High R Doors and all of those many tens of millions of dollars that they blew and threw away in an attempt — I might add, a very flawed attempt — to create jobs.

The remission of 1-800 taxes, the E&H (education and health) on 1-800 taxes, if they would have read the budget, not this year but a year ago, they would know that this is general application for anyone who would do this kind of a process in the province. This is not a special deal for CIBC. Anyone is eligible for it in this industry.

And what we are saying is that we are doing other things on the tax front, lowering taxes where we can, to help companies to set up business. For the life of me, when one of the biggest issues in the province is trying to get taxes nudged lower now that we have balanced the budget, for you people to be opposed to lowering taxes for business, it flies in the face of what every business person wants, and I think leads me to believe that this is why you will stay a rump of a Conservative Party for the years to come because you don't understand what the issues are.

Some Hon. Members: Hear, hear!

Mr. Martens: — Mr. Speaker, and Mr. Minister, there are a lot of people in Saskatchewan who would like to have that tax island for themselves, Mr. Minister, and particularly the community that I live in, in Swift Current. They would love to have that opportunity for that tax-free island. And do they get it? They come to you every day and ask you for it.

SaskTel will be providing CIBC with a volume discount. Apparently that sort of discount has to be approved and made public by CRTC (Canadian Radio-television and Telecommunications Commission). This hasn't happened and you have refused to disclose the terms of that discount.

Mr. Minister, what kind of a rate discount will CIBC be receiving and what will be the total value of this discount? Will you answer the question?

Hon. Mr. Lingenfelter: — I would say to the members opposite that obviously the creation of jobs in the province, here again which is top-of-mind issue for the vast majority of people in the province, is irrelevant for the Conservative members who sit in the opposition benches.

What we're talking about here is 500 full-time job equivalents, \$15 million payroll for the city of Regina. When one calculates that out, that's an average of \$30,000 per full-time job. And what the members complain about is whether or not tax changes we made, not in this budget but two years ago, are legitimate or not.

I say to you, how can you expect business people in this province to take you seriously — to take you seriously — when you go back and not debate this budget but budget changes that were made two years ago, as a result of getting the Sears Call Centre where there was a one-off tax arrangement for 1-800 numbers, then implemented in the budget two years ago. Today you stand up and criticize the creation of 500 jobs by a very major corporation and one we're proud to have in the city of Regina.

Some Hon. Members: Hear, hear!

Surgery Waiting-lists

Ms. Haverstock: — Thank you very much, Mr. Speaker. The odour of this government's approach to the health care system is just beginning to seep through the cracks in the system. Hospital closures, staff lay-offs, waiting-lists, the demand for private clinics, deficits at local board levels — all of these things tell us that there is a decay happening beneath the surface.

Today I wish to table page 18 of a document that shows the waiting-list of orthopedic surgeons in Regina who have requested operating time for 1,430 operations that Saskatchewan people need. The administrators have, with the help of an eraser, Mr. Speaker, rubbed out 921 of the needed 1,430 operations. Two out of every three people on the waiting-list just disappeared. The corrected waiting-list tells doctors that only 509 operations will be possible.

Obviously my question is for the Minister of Health: Mr. Minister, so what has happened to the other 921 people who need surgery?

Hon. Mr. Calvert: — Mr. Speaker, I want to review the information that the member lays before the House today, page

18 from some document. I want to review that information, and I will give her a very specific response to the information she lays here.

But, Mr. Speaker, let me say this . . .

The Speaker: — Order, order. If the minister has taken notice of the question, he can't then also answer. He either takes . . . Order, order. Order. The minister said that he would look at the document and bring back a very specific answer. That indicates to me that he's taking notice. Next question. Next question.

Ms. Haverstock: — Thank you, Mr. Speaker. In fact it is entitled: "Regina Health Board, Department of Surgery", which is what he will now have tabled in this House today.

Mr. Speaker, the corrected waiting-lists for surgery are a perfect example of what is happening under the guise of health care reform by this NDP (New Democratic Party) government. It no longer matters at all how many people have been told that they need joint replacement.

What matters in the NDP wellness model is how many artificial joints are available under the new budgets. So the waiting-list is no longer about people waiting for new joints, but the waiting-list is about how many artificial joints we have waiting for people.

My question to the Minister of Health: you say that savings will be realized soon, in a year or so, someday after an election. But how many more — and I quote, Mr. Minister — how many more corrections, corrections will be made to the waiting-lists? How many more people in need of medical treatment will be simply rubbed off the list with your bureaucratic erasers?

Hon. Mr. Calvert: — Mr. Speaker, it surprises I think everybody in this House and everybody across the province that this member, who represents the Liberal Party in Saskatchewan, would stand up here today and these past few days, talking about our ability to provide health care in the province, when her federal counterparts have delivered the most serious blow to health care that's ever been delivered across Canada.

Now, Mr. Speaker, I would refer the member to a study of waiting-lists conducted nationally across Canada in 1994. Mr. Speaker, this study conducted by the Fraser Institute — not a particular friend of this government — indicates that in Canada, Saskatchewan now has the second-best overall time for waiting in the country, Mr. Speaker.

Some Hon. Members: Hear, hear!

Ms. Haverstock: — Thank you very much, Mr. Speaker. What we're talking about today, Mr. Speaker, is what this particular government has done to health care in Saskatchewan, not supposedly what will happen a year or so down the road as a result of the federal government.

Mr. Speaker, the reason why the waiting-lists are what they are is because your bureaucrats are simply erasing the reality of what is really going on in the province of Saskatchewan. Shame

on you if you don't know this.

Read the Regina Health Board department of surgery numbers, Mr. Minister. Doctors and nurses and surgeons in this province are frustrated, and they're exhausted. And you talk about health care reform. It's nothing but a façade of people with briefcases and calculators going to people in this province and saying in their meetings, gosh, convince the front-line workers that they're imagining the problems in health care.

Here's an example from the latest operating schedule . . .

The Speaker: — Order, order. Order, order. Would the member put her question, please.

Ms. Haverstock: — March 13, 1995. I'd like the minister respond. It talks about the orthopedic waiting-list has been corrected. Mr. Minister, this is your question: can you explain to the people who suddenly find themselves not on the waiting-list what it means to be now part of what's called the corrected waiting-list? In other words, they no longer exist.

Hon. Mr. Calvert: — Mr. Speaker, I think the member would be well served and the House would be well served if she would just calm down and stop the ranting and the raving.

Mr. Speaker, I wonder if the member, before raising it here and attacking the administration of the Regina District Health Board, I wonder if she has raised this issue with the Regina District Health Board. I suspect not, but rather wants to play politics. Now I'm sure the Regina District Board will want to make some comment on this.

Now I want to again point out to the member who, on a daily basis these days, is railing on this government about our activities in health, about how we have striven in the last two and three years to in fact preserve medicare for the people of Saskatchewan and preserve it for our families into the future. And, Mr. Speaker, we've come a great and long ways in that regard.

In terms of the specific issue of waiting-lists, we have been working with our districts. We have been involved in studies. We are, even as we speak, looking at processes to assist in the waiting-list issue which is primarily an issue having to do with orthopedic surgeries and cataracts — those two, Mr. Speaker — and all other surgeries and all other specialities, again I repeat, our record is second-best in Canada.

Some Hon. Members: Hear, hear!

Investigation of Phoenix Advertising

Mr. Toth: — Thank you, Mr. Speaker. Mr. Speaker, my question is to the Minister of Justice. On February 13, I asked the Minister of Justice why his department chose not to further investigate or charge Phoenix Advertising for their involvement in the kickback scheme to a government MLA.

The minister said, and I quote:

I can attempt to learn what decisions have been made in the department and communicate those to the member and I will do that.

My question to the Minister of Justice: Mr. Minister, have you determined whether your department has made a decision, and will you communicate that decision to this member?

Some Hon. Members: Hear, hear!

Hon. Mr. Shillington: — Mr. Speaker, the matter is being investigated. I do not have that report. And I will share it with you when it arrives.

Mr. Toth: — Thank you, Mr. Speaker. Again to the minister. Mr. Minister, we are eagerly awaiting that report because we find it curious that the Crown prosecutor would make a statement such as the one he did on February 3. He said that sometimes it's not in the public interest to prosecute both the giver and the receiver of a kickback. He said, and I quote: in some cases people are acting on instructions and many feel intimidated for one reason or another.

I wonder, Mr. Minister, who was giving the instructions that the Crown prosecutor refers to. In fact a lot of people around this province are wondering that very fact.

Mr. Minister, would it not be appropriate to appoint an independent prosecutor to look into this matter? It would seem to be a reasonable thing to do. Will you do that, Mr. Minister?

Hon. Mr. Shillington: — No, Mr. Speaker, I won't. And I say to the member from Moosomin, you're treading on dangerous territory if you're suggesting that there is political interference with the prosecutors in this province. I just want to point that out to you. You're treading on dangerous territory.

Through three different governments — the Blakeney government, and I think I want to say the Devine government, and the current government — the prosecutors have been independent. That has served this province very well. It continues to be the policy. Decisions as to whether or not a prosecution should take place do not and have not for a lengthy period of time taken place in the minister's office. That's made by the prosecutors. That policy continues.

When I have a written report from the prosecutors, it will be made available to the House. But I do not have it at this point in time.

Some Hon. Members: Hear, hear!

Mr. Toth: — Mr. Minister, appointing a special prosecutor in cases like this is actually nothing new. In fact your colleague, the former minister of Justice, fully supports this idea.

In fact he made an interesting statement when a former manager of the Cabri Credit Union was charged with accepting a kickback. The paper said at that time, and I quote: The NDP Justice critic said the public has a hard time understanding why the former manager of the Cabri Credit Union, who was

convicted last year of accepting payments from a prominent law firm, will be the only person charged in connection with what happened. The article goes on to say that the critic called the appointment of a senior lawyer outside the Justice department for an opinion as to whether any further charges should be laid.

Mr. Minister, we are just echoing the comments made by the former minister of Justice, when he was Justice critic. But in this case, the situation involves a former Cabinet minister and a prominent advertising agency of your government.

Will you take the advice of your predecessor and appoint independent counsel, Mr. Minister?

Hon. Mr. Shillington: — Mr. Speaker, I think there is really no need to cast aspersions on the independence of the prosecutors in this province — they do operate independently; they have operated independently. I think members can rest assured that that process, which has served this province so well, will continue.

Some Hon. Members: Hear, hear!

Mr. Toth: — Thank you, Mr. Speaker. Mr. Minister, a further question. The former attorney general was quite explicit on this issue and there was no room for misinterpretation.

He is quoted saying: it would seem that if the credit union manager was found guilty of the offence of accepting a secret commission, it should also be an offence to offer a secret commission. He says, quote: what is at stake here is the question of whether the law is being applied fairly.

Is this an example of one law for the rich and another for the poor? Mr. Minister, this same question applies to the investigation of Phoenix Advertising and possibly to the Sask Trust collapse where not one lawyer has been charged.

Mr. Minister, is the law indeed being applied fairly?

Some Hon. Members: Hear, hear!

Hon. Mr. Shillington: — I would only point out what appears to be obvious from the member's question. I'm not going from memory — I'm assuming the facts which the member has related are accurate. But if a special prosecutor was named, presumably, since no charges were laid, that prosecutor confirmed the decision made by the Crown prosecutors in the department, confirming once again the reliability of the system.

The system of having independent prosecutors whose independence is respected, whose opinions on charges is respected, has served this province very well.

Some Hon. Members: Hear, hear!

Mr. Toth: — Thank you, Mr. Speaker. Mr. Speaker, and Mr. Minister, I think what we're raising today is the fact that there have been instances in the past where members have actually talked about the law being applied fairly and equally.

And we're asking you if indeed we are seeing fairness at this time in regards to the question we've raised. Mr. Minister, can you respond?

Hon. Mr. Shillington: — Yes. I repeat, the decision was made by the prosecutors — they are independent and have been independent through several governments. It has served this province well and continues to serve this province well, and I do caution the member against casting aspersions on the independence of the prosecutors. I think that's what you're doing.

Some Hon. Members: Hear, hear!

MINISTERIAL STATEMENTS

IMAX Film — Scotty T-Rex

Hon. Mr. Lingenfelter: — Mr. Speaker, this morning I had the privilege to take part in an exciting announcement at the Science Centre here in Regina. I'm pleased to tell the Assembly that south-western Saskatchewan, in the discovery last year of the skeleton of a 65-million-year-old *Tyrannosaurus rex* will be featured in an IMAX film to be shown around the world.

As you know, Mr. Speaker, the discovery of Scotty, as the T-Rex has been dubbed, has generated a lot of interest. There were more than 6,000 visitors last year to the site where the skeleton was found in the Frenchman River valley near the community of Eastend. We expect this new film to generate even more tourist activity in that area next year.

Mr. Speaker, the film will do much more than boost Saskatchewan tourism industry. We expect direct and indirect benefits from the film and from its production. That's why several government and private partners formed a consortium to invest in the film. The investment, the Saskatchewan portion, amounts to \$2 million, roughly one-quarter of the total cost which is about \$8.5 million. The production crew for the film intends to spend between four to six weeks in the Eastend area this summer, and it's estimated this will mean a \$2 million injection into that local economy.

Saskatchewan's growing film industry will also benefit. Minds Eye pictures from Regina in co-production and many talented Saskatchewan people will work on the production. Besides getting the work, some will also gain valuable experience in the IMAX technique. The film itself will generate direct profits for its investors, and as you know, Mr. Speaker, dinosaurs have been very, very popular for theme movies in recent years. We expect this popularity to continue and as a result and will result in big crowds for the film in IMAX theatres around the world.

(1415)

Mr. Speaker, there are also profits to be made from merchandising. Things that are being discussed include computer games, books, video cassettes, and CD-ROMs (compact disc read-only memory). Mr. Speaker, some of the revenues that will be generated will go directly to the film, and also from the merchandising will go back into the community at Eastend. It will be used to underwrite some of the tourism

activities that are planned for that area of the province.

Mr. Speaker, as I mentioned earlier, one of the spin-offs from the film should be increased tourism for south-western Saskatchewan. We also expect the film to generate interest in the province's general tourism from international audiences. We hope that that will result in more investment in our film industry and in all other parts of the economy.

Mr. Speaker, this IMAX project is something all of us in Saskatchewan can be proud of. The benefits for our economy will be numerous, and the film itself promises to be very entertaining.

Mr. Speaker, I'm sure that all members of the Assembly are proud of this endeavour and welcome IMAX and CineNova to the province and will look forward to viewing the première next year at our own Kramer IMAX Theatre here in Regina.

Some Hon. Members: Hear, hear!

Mr. Neudorf: — Thank you very much, Mr. Speaker. It gives me a great deal of pleasure to stand up and respond to the minister's statement. And I am pleased because first of all it shows what the people of this province and the film industry can do if the government just simply keeps its nose out of it. And that is I think certainly commendable.

Mr. Speaker, I think when it comes to dinosaurs there's a little bit of boy and girl left in all of us, Mr. Speaker, when we think back to our youth and the mystery and the mystique and the intrigue that all of us had with these monsters of the past.

And for us, Mr. Speaker, to be able to in a sense exploit this fascination that humankind has had with these prehistoric monsters in terms of *Jurassic Park* and other issues such as that, I think that the province is going to gain, the film industry is going to gain, and certainly the people of south-western Saskatchewan are going to gain.

The community of Eastend . . . I very religiously every year go down to Eastend and put my \$50 into their tills as I go deer hunting and antelope hunting in that area. And I know that this is . . . and having talked to the people last fall, Mr. Speaker, I know that they are very, very excited about the potential that this discovery can have in their community and indeed all of Saskatchewan.

So, Mr. Speaker, on a very rare occasion I want to get up and join hands with the Minister of Economic Development from this government and with the people in the cinema industry and say, a job well done. I'm certainly looking forward to the première of this performance.

Some Hon. Members: Hear, hear!

Ms. Haverstock: — Thank you very much, Mr. Speaker. I've had the great privilege of having visited the IMAX theatre in Regina, and the quality of the productions have been superb. It is exciting indeed that there will be a film made about the beautiful south-west part of our province and the extraordinary

T-Rex discovery.

The Liberal caucus is delighted with the project. It'll not only promote the talents of those in our film industry but will market Saskatchewan to the rest of the world. I and my colleagues congratulate all who were involved with this undertaking.

Some Hon. Members: Hear, hear!

The Speaker: — Order, order. A ministerial statement, I assume.

Saskatchewan Energy Strategy

Hon. Mr. Lautermilch: — Thank you very much, Mr. Speaker. I wish today to release the *Saskatchewan Energy Strategy*, a copy of which I have asked the page to pass on to the Leader of the Opposition and the Leader of the Third Party.

As members of the Legislative Assembly know, the energy sector is experiencing a major upswing in activity in Saskatchewan. This suggests that current approaches and policies relating to resource development are working. But at times like this, it just makes sense to take stock of where you are and identify approaches that will serve the province well in the future.

This is what we have done in developing the *Saskatchewan Energy Strategy*. The energy strategy provides a guide for future government policies and programs concerning conventional and non-conventional resource development, energy conservation, and energy utilities.

We have identified approaches that will foster economic development while protecting the environment and serving the province's own internal energy demands. They have been developed in consultation with the energy sector to ensure that they are based on a solid understanding of the industry and our energy needs.

My department began work approximately a year and a half ago as part of a commitment under the *Partnership for Renewal*. And we have outlined future directions and initiatives under the strategy in a technical report and in summary form.

The strategy covers three main areas. First, the development of our energy resources. Second, how we use our energy resources. And third, issues related to our electrical and natural gas utilities.

Regarding energy resource development, Saskatchewan has an abundance of conventional energy resources, both for use here in Saskatchewan and for export markets. We plan to pursue a number of activities that will enhance the ability of the conventional energy industry, particularly the oil and natural gas sector, to increase production.

The province plans to work with industry to facilitate improvements in oil and natural gas reservoir management and to create more exploration opportunities. New technologies will offer opportunities for increasing production. We will also be

exploring opportunities to encourage the development and commercialization of innovative technological approaches to increase oil production.

Development of technology can have a major impact. For example, the horizontal well technology developed over the past decade now accounts for one-third of all the production in our province.

Another promising new technology is the use of carbon dioxide to increase the amount of oil that can be recovered. Not only would this increase production, it would actually dispose of carbon dioxide, and this would make a positive contribution to reducing Saskatchewan's greenhouse gas emissions. My department is acting as a facilitator in commercializing this technology in Saskatchewan's south-east oil fields.

The oil and gas industry is already an important source of jobs and revenue in the Saskatchewan economy. With appropriate measures to support innovation, this sector has the potential to do much more.

In the area of energy utilization, Saskatchewan's energy strategy concentrates on conserving our conventional resources and developing alternative renewable resources. To encourage conservation initiatives, we will be developing information on energy conservation for the education system and for consumers.

In conjunction with the private sector, we will pursue an energy audit of government-owned facilities and carry out retrofitting. SaskPower, as announced, will pursue a three-megawatt wind power demonstration project. And we are proceeding with our commitment to contribute to a reduction in greenhouse gas emissions through support for and participation in the voluntary challenge program and national registry under the national action program on climate change.

The third area covered, Mr. Speaker, is the energy strategy related to Crown energy utilities, SaskPower and SaskEnergy. Saskatchewan's utilities have served and can continue to serve this province effectively by ensuring security of supply and providing revenues back into public programs.

Throughout North America there's a trend towards greater competition in the energy utility sector. Natural gas utilities purchase gas from a broad range of suppliers, and natural gas consumers can choose to purchase from their local utility or another gas supplier. Similar trends are emerging for electrical utilities. These trends must be monitored carefully to ensure that we respond appropriately to the new business opportunities and challenges that they present.

The strategy lays out a first set of initiatives to address the challenges and opportunities within the energy sector. It establishes a direction that I believe will place Saskatchewan in a positive position. Through a balanced and planned approach, we can sustain economic renewal and develop our energy resources for the benefit of the people of Saskatchewan in the future. Thank you very much.

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Mr. Devine: — Thank you, Mr. Speaker. I would just like to respond to the minister's announcement with respect to the energy strategy, and we did get into some of that the other day. The energy strategy reminds me a little bit of the wellness strategy. It's somewhat difficult, Mr. Speaker, to put your finger on what he really means. Let me give you three or four examples, and why I think he could perhaps beef up his strategy.

He talks about the development of energy resources. And he doesn't talk a great deal about gas drilling and royalty structures. He doesn't talk about heavy oil and medium crude, and how in fact they have been improved in terms of the revenues that are coming forward, something like \$500 million this year. He doesn't happen to mention upgraders. He didn't mention in the use of natural gas, the fertilizer plants, which I believe are contributing about \$90 million a year to the province. And it's a big user of natural gas.

And he forgot to mention, Mr. Speaker, co-generation, because the ministers of Energy from the NDP side have been working at co-generation but have frankly haven't done very well and they're quite a disappointment to the public. He also forgot to mention the technological advancements associated with refining and upgrading in the province of Saskatchewan.

So not only do we have the first and the second, but the two newest upgraders for technological advancement in the province of Saskatchewan. And it's really quite interesting that he didn't mention nuclear research and nuclear energy and CANDUs (Canadian deuterium uranium) and the Atomic Energy corporation of Saskatchewan at all in his presentation. Now he indicates to me that they're somewhere in this book, which might be nice, but he wasn't proud enough to mention it in his public remarks.

And I would like to think that, Mr. Speaker, given the fact that this is a comprehensive energy strategy, the minister could have got into it in a little bit of detail, with respect to something like uranium, something like co-generation, something like upgraders which are fairly clear, and particularly nuclear technology, which in fact Saskatchewan has got some of the very best. And we're cooperating now with AECL (Atomic Energy of Canada Ltd.) which happens to have moved to the province of Saskatchewan.

So given the fact that it's a little bit like the wellness model, he just touched on fuzzy stuff, but he just neglected to mention the real meat and potatoes which in fact, Mr. Speaker, were there before he even arrived.

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

Mr. Penner: — Mr. Speaker, to introduce guests.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Penner: — Mr. Speaker, I would like to introduce to you and to the members of the Assembly a friend of mine who sits

in the west gallery over there, John Wall, from Swift Current. He's a constituent of mine, and he works very hard in the community. He is here to attend some credit union meetings during his few days here, and he also wanted to watch question period. Please welcome him.

Hon. Members: Hear, hear!

Hon. Mr. Calvert: — With leave, Mr. Speaker, to introduce other guests.

Leave granted.

Hon. Mr. Calvert: — Mr. Speaker, I would simply like just to welcome a number of people who have joined us in your gallery. These are individuals who belong to the Saskatchewan Society of Medical Laboratory Technologists, and they join us in the House today to see the second reading of the Act that will affect their profession. And I would want to welcome them here this afternoon.

Hon. Members: Hear, hear!

INTRODUCTION OF BILLS

Bill No. 39 — An Act to amend The Medical Profession Act, 1981

Hon. Mr. Calvert: — Mr. Speaker, I move first reading of a Bill to amend The Medical Profession Act, 1981.

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

Bill No 40 — An Act to amend The Land Surveys Act

Hon. Ms. Crofford: — Mr. Speaker, I move that a Bill to amend The Land Surveys Act now be introduced and read the first time.

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

Bill No. 41 — An Act respecting Land Surveyors and Professional Surveyors

Hon. Ms. Crofford: — Mr. Speaker, I move that a Bill respecting Land Surveyors and Professional Surveyors be now introduced and read the first time.

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

TABLING OF REPORTS

The Speaker: — Before orders of the day, I wish to table in the Assembly, according to provisions of subsections 1 and 4 of section 30 of The Ombudsman and Children's Advocate Act, the 22nd annual report of the provincial Ombudsman.

ORDERS OF THE DAY

GOVERNMENT ORDERS

SECOND READINGS

Bill No. 36 — An Act to amend The Municipal Employees' Superannuation Act

Hon. Ms. MacKinnon: — Thank you, Mr. Speaker. Mr. Speaker, I rise today to move second reading of The Municipal Employees' Superannuation Act, 1995.

Mr. Speaker, the municipal employees' superannuation plan provides pension benefits to municipal employees, school board employees, and designated police officers and fire-fighters. Over 700 employers and over 7,400 employees participate in the plan.

A nine-member commission oversees the plan's operations. The commission represents major employers and interest groups participating in the plan such as the Association of School Business Officials, the Rural Municipal Administrators' Association, and urban employees.

Amendments to The Municipal Employees' Superannuation Act are being pursued to improve benefits for plan members and to improve the administration of the plan.

(1430)

With the passing of this Bill, the name of the pension plan will change to the municipal employees' pension plan. The term pension is more current and easier to understand than is the word superannuation.

A member's eligibility for retirement will no longer be affected by a lapse in employment of less than two years. This will benefit employees who leave their employ for a short period of time for such things as parenting purposes or to return to school.

In addition, Mr. Speaker, the Bill enhances the normal form of pension provided to members who, upon retirement, do not have a spouse. These members will be provided a fifteen-year guarantee of the normal form of pension. The cost of this improvement will be offset by the current surplus in the pension fund.

As well, members who have money and pensionable service in the former plan will have the opportunity to use the money in their former plan account to purchase whatever service that money will buy under the current plan. This opportunity will be available until December 31, 1995 and will be attractive to members who prefer the pension benefit under the new plan.

Finally, Mr. Speaker, with the passing of this Bill, the plan will have the ability to provide a faster pay-out of the pension to terminally ill members upon their retirement.

As well, where upon the death of a retired member there is no

spousal benefit to be paid, the plan will pay the commuted value of all future payments remaining in the guaranteed period to the named beneficiary of the estate. This will facilitate a quicker wind-down of a deceased member's estate.

Mr. Speaker, the amendments to the pension plan are prudent. They are intended to meet the changing needs of plan members by improving the administration of the plan and by providing benefits that address those needs without jeopardizing the financial well-being of the plan.

Mr. Speaker, I move second reading of An Act to amend The Municipal Employees' Superannuation Act.

Mr. Toth: — Thank you, Mr. Speaker. Mr. Speaker, there seem to be a number of areas that we certainly should take some time to address regarding the pension plan.

I would gather from the comments that the minister has made that there have been a number of inquiries as to the opportunities to enhance or to improve on the plan. And the minister did talk about improved benefits and more efficient administration.

And some of the questions that I think will need to be asked is what was the minister specifically referring to when she talked about improved benefits. And no doubt any member of any pension plan anywhere would certainly agree with the fact that a more efficient administrative procedure would be proper, because at the end of the day, what you're looking at is a plan that will indeed provide for you and provide substantive pension benefits when you retire, versus a plan that has a reduced ability because of the administrative costs.

The minister talked about a lump-sum payment and substantial changes and costs to the payment out and how some of these payments will be paid out to beneficiaries or to people with terminal illnesses.

And I know that there are individuals who, due to no fault of their own, retire and unfortunately within a few short months they end up with a terminal illness and really don't have the ability to benefit fully from their pension plans; and have felt that they've contributed for so many years and feel that it's important that that pension plan be at least forwarded to spouse or some beneficiary. And so if I gather correctly, some provisions are made in this Bill to address some of those concerns.

And we look forward to debating this with the minister at a future date, to indeed bring forward a number of the questions that we had raised. However, at this time I would move adjournment of debate.

Debate adjourned.

Bill No. 37 — An Act respecting Medical Laboratory Technologists

Hon. Mr. Calvert: — Thank you, Mr. Speaker. I'm very pleased to stand today in the House to move second reading of

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The Medical Laboratory Technologists Act. Mr. Speaker, medical laboratory technologists are a vital component of our health system and have been represented by the Saskatchewan Society of Medical Laboratory Technologists for several years.

Mr. Speaker, with the support of its 1,200 members, the society approached government in 1992 for legislation to regulate this profession for the very first time in our province. We have been working closely with the society for the past three years on legislation to govern medical laboratory technologists.

Mr. Speaker, the Act before the House, the new Act, is consistent with newer health profession legislation in this province and I would just like to highlight some of the provisions of this Act.

Mr. Speaker, the Act provides the society with the power to make by-laws. However, consistent with other regulated professions, by-laws that could affect the public will continue to require the approval of the Minister of Health.

The Act outlines the society's responsibilities with respect to investigation and disciplinary hearings. The Act ensures that complaints of incompetence or misconduct are acted upon in an effective manner. It establishes investigation and discipline committees which have the authority to investigate complaints, apply to the court for subpoenas, and levy a variety of disciplinary penalties, including fines up to \$2,000.

As is standard with other professional legislation, the medical laboratory technologist will be able to appeal disciplinary decisions to the Court of Queen's Bench. Mr. Speaker, a number of provisions have been built into the Act to make the professional accountable to the public. For example, up to two public representatives may be appointed by the Lieutenant Governor in Council to sit on the council of the society.

Discipline hearings will not be held behind closed doors and a public representative will be on the discipline committee, and in addition, the person who laid a complaint against a medical laboratory technologist will be entitled to attend the disciplinary hearing and will be informed of the outcome of the complaint.

Mr. Speaker, further, the society will also be required to submit an annual report on its activities with Saskatchewan Health.

Mr. Speaker, the registration requirements for members are consistent with current employer standards in Saskatchewan and other provinces. The titles "medical laboratory technologist" and "registered medical laboratory technologist" are consistent with other provincial title reservations and will be restricted to registered members.

The Saskatchewan Society of Medical Laboratory Technologists has been consulted on the Act and fully supports it.

The College of Physicians and Surgeons of Saskatchewan, the Saskatchewan Association of Health Organizations, the Saskatchewan Society of Clinical Chemists, and other professional associations have also been consulted and are

supportive.

The Act adheres to the standard format for professional legislation and contains no provisions which have a policy influence on existing programs.

Mr. Speaker, I want to conclude simply by extending my congratulations to members of the Saskatchewan association, who I know have worked long and hard to see this legislation come before this House, and I'm sure are anticipating its quick passage. And if I may say, Mr. Speaker, the only issue the legislation may not settle is the pronunciation: is it **laboratory** or is it **laboratory**.

Mr. Speaker, with that I am very pleased to move second reading of this Bill, An Act respecting Medical Laboratory Technologists.

Some Hon. Members: Hear, hear!

Mr. Martens: — Thank you very much, Mr. Speaker. I would just like to make a few observations and then adjourn debate.

The minister perhaps should call it the med lab tech, because most of the time, as I've been involved in hospitals and health care, lab technicians are probably the overall name that most of them live by.

However I want to say too that for each of these organizations and professions, as they become recognized in the province of Saskatchewan, they gain their own set of standards, they gain an opportunity to deal within their own association with discipline and all of the things related to it. And I agree with those kinds of fundamental associations having those powers.

They then provide a way that they can establish an increase of the skills required to pass the examinations; they do all of the things that a professional organization should do.

They also have the responsibility then of being accountable to the public. And I believe that that is also something that is good for these people.

In all of the professional organizations that have come to government over the years, I have been extremely supportive of those people who have come. And particularly the majority of time when they do their own construction of the legislation. And with assistance from the Department of Justice, it provides a way of coordinating the language and doing all of the things required to make their association a legitimate organization in the province.

And I want to congratulate the people who have been involved. It takes a lot of specific work, and many times in an organization there isn't a combination of people who have the desire, number one, to see something like this happen, and they haven't the legal expertise within their framework or within their membership to make this happen. And so when all of these forces come together and this happens, I believe, Mr. Speaker, that it is a good thing for that association.

And we will just be looking at a number of things to review with the organization, some of the things that maybe we should take a look at. And because of that, Mr. Speaker, I will be adjourning debate right now.

Debate adjourned.

Bill No. 38 — An Act to amend Certain Health Statutes

Hon. Mr. Calvert: — Thank you very much, Mr. Speaker. It's my pleasure also today to be moving second reading of The Health Statutes (Miscellaneous) Amendment Act, 1995.

Mr. Speaker, these amendments will help streamline our existing health-related legislation. Towards this end the amendments have one common purpose. They consolidate authority under The Department of Health Act for costs of insured medical and hospital services that must be recovered by the department where those costs were incurred as a result of negligence on the part of someone else.

Mr. Speaker, two things have made these amendments necessary in this session. One, the introduction of no-fault insurance, and two, the introduction of new population-based funding arrangements as part of the health renewal process.

Mr. Speaker, the proposed Act simply allows Saskatchewan Health to continue to recover negligence-related medical and hospital costs in this new insurance and new health funding environment.

Mr. Speaker, when The Automobile Accident Insurance Amendment Act came into effect on January 1 of this year, it introduced no-fault accident insurance. This means that personal injury benefits for rehabilitation, income loss, and permanent injury, will now be paid by SGI regardless of who was at fault in the accident.

Prior to no-fault insurance, Saskatchewan Health could directly recover medical and hospital costs caused by automobile accidents where those costs were due to negligence on the part of someone else. Under no-fault insurance, this is no longer possible.

Consequently SGI, Saskatchewan Government Insurance, has agreed to reimburse Saskatchewan Health for these costs. Agreements of this kind are provided for in The Automobile Accident Insurance Amendment Act, section 2(13) to be specific. And based on past experience, these costs are expected to be around \$4.5 million annually.

(1445)

However, Mr. Speaker, there is also now a piece of the puzzle missing with respect to general insurance claims, that is, claims unrelated to automobiles where the health costs incurred are due to someone else's negligence. A similar hole needs to be filled respecting situations where non-residents are responsible for automobile accidents in Saskatchewan.

And so the proposed amendments to The Department of Health Act will address this so that Saskatchewan Health can continue

to recover negligence-related medical and hospital costs in these instances.

Similarly, Mr. Speaker, section 32.2 of The Saskatchewan Medical Care Insurance Act gives the Minister of Health the right to recover costs respecting third-party liability medical claims. However, current provisions limit this right to payments made for medical services on a fee-for-service basis, that is, payments made in the conventional way under The Saskatchewan Medical Insurance Act.

Mr. Speaker, in the process of health renewal, we have been pursuing many innovations. One of those innovations has meant looking at new ways of paying for the health services that we receive, and a number of projects are under way across our province to explore the feasibility of new approaches such as population-based funding to medical doctors.

In these instances, payments for medical services are no longer made on a fee-for-service basis. Accordingly, provision must be made within The Department of Health Act for recovery of costs with respect to third-party liability medical claims where new funding arrangements such as these are in place. Mr. Speaker, the proposed amendment would accomplish this.

Mr. Speaker, these amendments address a closely related problem with The Saskatchewan Hospitalization Act as it is currently structured. Section 26 of this Act gives the minister the right to recover costs respecting third-party liability hospital claims. However, this right again only applies where payment for hospital services is made under The Saskatchewan Hospitalization Act.

The amendment we're proposing allows for recovery of hospital costs where payments have been made under The Health Districts Act in keeping with the new global funding arrangement for hospitals.

Mr. Speaker, in conclusion, the proposed amendments will provide authority under one piece of legislation for medical and hospital costs to be recovered in all situations where these costs are the result of negligence on the part of someone else. Accordingly, section 32.2 of The Saskatchewan Medical Care Insurance Act and section 26 of The Saskatchewan Hospitalization Act will have outlived their usefulness and will be repealed.

Mr. Speaker, this briefly then is the purpose of the proposed amendments and I now move second reading of The Health Statutes (Miscellaneous) Amendment Act, 1995.

Mr. Martens: — Thank you very much, Mr. Speaker. In the comments made by the minister, he outlined some of the implications from other actions taken by the government and under some of the responses that other agencies and departments have to make. We notice that SGI is responsible for what the minister said would probably be a 4.5 million increase in costs to the health care services because insurance would not be covering the liability of that. So what is foregone in one is paid for by another. And that's apparently what the minister was bringing forward today.

And under these kinds of circumstances, we were discussing as to who pays when there's no-fault insurance. Who pays? What we're finding out today is the taxpayer's going to pay in a different way because before, SGI put their money from insurance. On a basis of insurance, they put their money in to offset the costs where these kinds of issues developed. And we have seen this happen, or other agencies have seen this happen in other provinces and they've seen it happen here as well.

And so, Mr. Speaker, there are a lot of interesting things that are going to be caused, implications that are going to be raised. The member who's the critic will take a look at the minister's statement, review some of them with various groups to see whether in fact there are other things that are going to be affected because of the implications of this Bill.

And I notice that there's going to be some questions that are going to have to be answered about the new way that fees are going to be taken out, the new way it's going to be applied to and how they're going to pay for the services; and the requirements for medical care that are delivered to a hospital or health care facility on the basis that it was negligence on someone's part.

Then we're going to have a number of questions as to how this impacts into that health care district board and how it's going to be paid and all of the things related to that.

So there are significant things in this Bill. It's not a very long Bill, but there are very significant issues in a fiscal way as it relates to health district boards that are going to be addressed. And we're going to be looking forward to that. I'm going to adjourn debate at this point.

Debate adjourned.

ADJOURNED DEBATES

SECOND READINGS

Bill No. 25

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Cunningham that **Bill No. 25 — An Act to amend The Farm Financial Stability Act** be now read a second time.

Mr. Swenson: — Thank you, Mr. Speaker. Mr. Speaker, I will be making just a few brief comments on this particular Bill. It seems that both the feeder loans and breeder loans associations in the province have been requesting that the government make changes to the legislation that governs how they operate.

And the minister has taken the opportunity to consult with various members, including the cattle feeders and the Saskatchewan stock growers to come up with changes that will be made in the way that sales are made, payments on the principal and the interest on the particular loans, how they are made. And it also clarifies the regulations, the terms and conditions of loans, so that associations have a clear provision for default.

And on the whole, I would say that it is a positive Bill that deals with problems that don't occur very often, but when they do occur can be fairly traumatic for the people involved. There's a couple of situations right now, in fact three that I'm aware of, with feeder loans associations in the province that have had a third party . . . potential third-party fraud committed upon them, that are now being investigated and are going through some hoops to try and straighten out their affairs.

And there are a few things associated with those situations, Mr. Speaker, that may potentially raise questions to this particular Act and some of the solutions that the minister has arrived at that may require some revision. These things are happening very quickly and as we speak, and we are watching them very closely.

So as those things unfold, Mr. Speaker, I think it would be good for all members of the House to be cognizant of them — they're very large ticket items, hundreds of thousands of dollars.

Therefore, I think it would be appropriate if we adjourn debate on this Bill once again to see how a couple of those situations unfold themselves, so that when we apply a fix to problems in this House, Mr. Speaker, we aren't having to come back with amendments immediately after bringing in the legislation.

And I think the minister would agree that because of the seriousness of those particular incidents that are out there, we would want to understand clearly what the implications are before bringing in new legislation. So with that I would move adjournment of debate.

Debate adjourned.

Bill No. 6

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Cunningham that **Bill No. 6 — An Act to amend The Crop Insurance Act** be now read a second time.

Mr. Swenson: — Thank you, Mr. Speaker. Bill No. 6 makes some fundamental changes in the way that Crop Insurance and its application to its client base will operate in the province.

What is happening here is that the Minister of Agriculture is asking for the power to basically bypass the board of directors in making certain funding arrangements, some within Crop Insurance and some with third-party applications.

The minister is claiming that because it will involve monies that are appropriated by the Legislative Assembly that it has more accountability to the way that the Crop Insurance Corporation runs itself. And I find some difficulty with this concept, Mr. Speaker, because as we know, right now the board of Crop Insurance has to apply to the Minister of Finance for funding and that's usually done through an order in council special warrant if there's an overrun at the end of the year.

And as all members of the House know, when order in councils are passed, they become public items a week later and it's very

easy to track what orders in council come through, and track the flow of money.

What the minister is suggesting here is that these funds will simply flow out of the agricultural budget, which is voted on here in the Assembly, which is a fairly large amount of money, Mr. Speaker — I believe this year it's over \$200 million. And I'm not sure that the accountability that the minister talks about will be enhanced, because he will be able to move large sums of money around at any given time during a budget year. And we in the opposition, or indeed the client base of Saskatchewan Crop Insurance Corporation, won't necessarily have ongoing knowledge of those movements of funds or for what they're for, or program changes, or that sort of thing.

And I guess it would beg the question that, are the government trying to maintain some type of a fiction here of the usefulness of the board of directors of the Crown? If the minister is controlling all of the funds and he can direct funds anywhere that he wishes from within the Department of Agriculture, then why would you have the cost of a 12-person board of directors who you pay per diems to?

And unless you're simply maintaining patronage positions for NDP supporters around the province, why would you need this Crown corporation at all? Does it beg the question that the Crop Insurance is going to be wound up and folded back into the Department of Agriculture?

And I don't think that's the type of thing that should happen until the client base, the policyholders of Saskatchewan Crop Insurance Corporation, would have the opportunity to have an all-around debate, at least some type of public consultation as to what's going to happen to their insurance agency.

And if this is being done for this particular Crown, why is it not being done for other Crowns then? Because it's been a pretty basic argument of the auditor, Mr. Speaker, over the last couple of years saying that the budgets of Crown corporations should come to the House to be appropriated before the Crown simply goes out and does what it wants to do.

And the argument from the government has always been that there has to be that separation in the House from the Crown corporation; the Crown has a board of directors, it's responsible to CIC; that there's a number of ministers that are responsible; and that the budgets, particularly the capital expenditure budget to the Crown corporations, shouldn't be dealt with in this Legislative Assembly.

So if Crop Insurance all of a sudden can have this application made to it, what difference is there with SaskTel or SaskPower or SaskEnergy or SGI or any of the other Crown corporations, some of which budget-wise aren't nearly as big a Crown as Crop Insurance is?

So it begs a lot of questions, Mr. Speaker, and I don't think we in the official opposition particularly are anxious to give up our ability to track the flow of funds into the Saskatchewan Crop Insurance Corporation, particularly given what this government has done in the past with breaking binding contracts, or

supposedly binding contracts, with agricultural producers in the province of Saskatchewan.

We've all seen what happened to the GRIP (gross revenue insurance program) funds, how they have been directed at the government's whim in order to satisfy its appetite for a balanced budget in an election year. We've seen what happened to GRIP funds that were let flow back to the Liberal government in Ottawa without any quid pro quo at all.

(1500)

And the Liberal government in Ottawa turns around and puts the shaft to western Canadian farmers after taking \$317 million which this government could have guaranteed going into the hands of western Canadian and Saskatchewan farmers.

So I think, Mr. Speaker, there's a lot of questions that have to be answered on this Bill. And we are actively seeking input from agricultural producers and groups around this province who have a very strong and vested interest in allowing the Minister of Agriculture, particularly one who holds views that seem to run counter to a lot of producers in this province today, both on the issue of GRIP and on the Crow . . . And we will seek those views out and bring them back to this Legislative Assembly when there is further debate on this Bill, Mr. Speaker.

And for that reason, I would adjourn debate on Bill No. 6.

Debate adjourned.

Bill No. 7

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Cunningham that **Bill No. 7 — An Act to amend The Apiaries Act** be now read a second time.

Mr. Swenson: — Thank you, Mr. Speaker. Bill No. 7 is a continuation of a series of initiatives that have been taken in Saskatchewan over a number of years to protect the bee industry. This involves both honey bees and leafcutter bees, which are used in the production of alfalfa seed.

This is of particular interest to me because my farming operation has been involved with leafcutter bees for 25 years. It is one of the oldest leafcutter bee operations in the province of Saskatchewan. And anything that would hinder the success of the industry is something I would take a great deal of interest in.

What we are doing in this particular Bill is moving to further protect the industry here by closing the borders from other Canadian provinces. And the minister feels that this will further protect the industry. And I tend to agree with him because you not only can have disease come across the 49th parallel but it certainly can come from both Manitoba and Alberta, as we've experienced in leafcutters, where we had chalkbrood starting to become a problem here, and all people in the industry have had to be very diligent to try and keep chalkbrood at a very low rate or have it eradicated in the leafcutter population.

And the people in the honey-bee business, many of whom operate in the same fields as we do, who operate in the north-

east in a very significant way in the honey industry, have been facing the Varroa mite, the tracheal mite situation, and other parasitic insects that might impinge on the well-being of our bee industry. We have sent letters out to the Saskatchewan Bee Keepers Association, the Saskatchewan Fruit Growers Association, the Saskatchewan Alfalfa Seed Producers Association regarding the impact of this. Do they think it's viable?

Is there effective policing available to ensure that the Manitoba and Alberta boundaries particularly can be sealed as the minister would wish, that the penalties that are being proposed in the Bill are the right ones, that we indeed are doing, I guess, what is proper in this situation; we're not simply putting a band-aid on. And to date, Mr. Speaker, those particular associations have not had the opportunity to respond. And as the critic for the official opposition, I think it's incumbent upon me to wait for those responses before allowing this Bill to go to committee. So for that reason, Mr. Speaker, I move adjournment of debate.

Debate adjourned.

Bill No. 22

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Renaud that **Bill No. 22 — An Act to establish the Transportation Partnerships Corporation and to enact a Consequential Amendment** be now read a second time.

Mr. D'Autremont: — Thank you, Mr. Speaker. It's a pleasure to rise today on this particular issue because this is an issue which is going to have a great impact across this province. If there's one issue in this province, Mr. Speaker, outside of agriculture that affects everyone, it's certainly our highways.

If we want to go any place within the province of Saskatchewan, you have to travel on our road system because we're such a spread-out area. Our population is almost uniformly spread across the southern half of this province, and the way we communicate, Mr. Speaker, is through that highway system.

What the government is proposing with this highway system is that it will now be constructed by a Crown corporation.

Since the inception of the province, Mr. Speaker, we've had a department that has looked after our roads and our highways. But that is no longer good enough, Mr. Speaker. Now, now we have to have a Crown corporation. Our road system has to become a member of that much vaunted group — the family of Crown corporations.

Well, Mr. Speaker, this Act, this Bill, was originally being proposed because the provincial government was going to go into partnership with the federal government through the federal infrastructure program to build some of the highways. They were going to build a highway for my colleague, the member from Maple Creek, in twinning the No. 1 Highway. And that was a very worthwhile project, Mr. Speaker — a very worthwhile project.

But I'm not sure and most of the people of Saskatchewan are not sure why that had to be done through a Crown corporation. Surely it could have been done also through the Department of Highways as they have built every other road in this province, Mr. Speaker.

But perhaps there's a reason for this, Mr. Speaker, why it was essential that this be done through a Crown corporation. You see one of the things within the regulations within the empowerment of the Department of Highways is section 13, and section 13 of that Act states: that highway construction tenders must be awarded to the lowest bidder; and that the only exception to that, Mr. Speaker, has to have the approval of the cabinet.

So if the Department of Highways wanted to build the highway, No. 1 Highway, for my colleague, the member from Maple Creek, but they didn't want to award it to the lowest contractor, lowest tender, then they would have to justify why they were not giving that contract to that person. And then it would be clearly a political decision, Mr. Speaker, and the government of the day would suffer the political consequences of making that kind of a decision.

Saskatchewan's not the only province that has brought in . . . or is bringing in this kind of legislation. British Columbia has also done this. British Columbia has put in place the B.C. Transportation Financing Authority. So they have a Crown corporation also now that can go out and make deals with the federal government, or whomever else they want, to build highways.

But what's happened in British Columbia since that took place? Well, Mr. Speaker, there has been a very significant increase in the cost of highway building. The Vancouver Board of Trade says in one instance the labour costs increased by 73 million — 73 million, Mr. Speaker — because they went to a union-only policy of hiring for construction labourers. That's why, Mr. Speaker, this government is proposing to put in place this new family corporation, this new Crown corporation, to be in the family with all the other new ones that they have formed in this province.

Mr. Speaker, that \$73 million increase in labour costs alone amounted to 37.6 per cent in one project alone, Mr. Speaker. And it's totally unacceptable, Mr. Speaker, that the taxpayers' of this province should have to accept this kind of increase in the costs of the Department of Highways simply to provide for union labour.

We've also debated in this House, Mr. Speaker, a regulation or a policy that is being brought into place by the government dealing with Crown corporations, and I'm not sure if they thought of the transportation Crown corporation first before they thought of the regulations that they're bringing in for union preferences, or if they thought of the union-preference policy first and said, now how can we fit this into all of the government?

I wouldn't be at all surprised if they thought that they've got to

get their union people in there working so that they can get money to support the NDP Party, so how can we do that? Well we'll make another Crown corporation and we can just slide them right in.

Well, Mr. Speaker, the members on this side of the House don't believe that's fair. I'm sure that the highway construction workers don't believe it's fair when they bid on a tender being proposed by this new Crown Transportation Corporation and they find out that the company can have the first guy on the job from his regular company, but the second man is going to come from the union hall some place that they've never heard of, and the third guy can be the local guy who's been working for the construction company for the last 25 years. But the next nine are all going to be out of the union hall. And the nine guys that they had working there are going to have to sit at home, Mr. Speaker, either on unemployment insurance or on welfare.

There isn't going to be fairness in this, Mr. Speaker, none whatsoever. And what you're going to end up at the end of the day, Mr. Speaker, is all those construction companies — and the unionists and people like the member from Moose Jaw are probably applaud this — is that they're going to be unionized. Because you go to work for a Crown corporation, you will be unionized before that contract is completed, Mr. Speaker.

This corporation was put into place, as I mentioned earlier, as a framework for the federal and provincial governments to work together on the infrastructure money. And perhaps the government had a legitimate reason for wanting to do that. But, Mr. Speaker, that all ended last December. The federal government backed out of this totally. They said no, no money for this, to build highways in the province of Saskatchewan with the provincial government.

And that shouldn't be surprising, Mr. Speaker. Because after all, we're talking about the same government that backed out of the Crow. The same Liberal government, Mr. Speaker, that have backed out of the highways agreement with Saskatchewan, have now backed out of the Crow agreement with farmers. So it shouldn't have surprised anyone that the Liberal government in Ottawa was prepared to do that.

But what is surprising, Mr. Speaker, is that the NDP Government of Saskatchewan is going to carry on with this corporation even though there will be no federal input into it — no federal money — which was the justification for building this Crown corporation in the first place. That justification is gone.

The minister hasn't come up with any new reasons why he should be allowed to go ahead with this, Mr. Speaker. But what the heck. I mean we've got the legislation all drawn up; we've got the board of directors all picked. We might as well just put it in anyway.

Well, Mr. Speaker, those are not good enough reasons. Well the board of directors may be good NDP partisans, but there's no reason to form a new Crown corporation just to give them work, Mr. Speaker.

The other reason that the government was saying that they needed this was not just to make deals with the federal government, but just in case — I mean they didn't know of anybody for sure who would want to do this — but just in case somebody from the private sector, who wasn't paying enough taxes yet, wanted to give some taxes to build highways, wanted to contribute to the Department of Highways road construction through this Crown corporation. Just in case they wanted to do something like that, well we've got to have somebody in here that can handle that situation. We have to have that Crown corporation.

You know, perhaps maybe Millar Western up there at Meadow Lake would like to help build some of the highways in the Meadow Lake area. Well we've got to have a Crown corporation in place so that they can give some of their hard-earned money that they haven't already contributed to the government in taxes and build some of the province's roads.

Well, Mr. Speaker, I haven't seen a lot of evidence of anyone coming forward to do this. And I would be very surprised if very many people did, unless — unless, Mr. Speaker — there was something of benefit to them out of it, other than altruistic motives of making sure that everybody in their community had a nice new road to drive on.

But perhaps what the government is aiming at on this when they talk about private sector investment is perhaps they're talking about putting in toll-roads. Now that's certainly not new in some jurisdictions, Mr. Speaker. And it wouldn't even surprise me, Mr. Speaker, if this government were prepared to go ahead with it because they have them in British Columbia. The Coquihalla-Coquitlam Highway, I believe, Mr. Speaker, is a toll-road. You pay to drive on that road. And it certainly wouldn't surprise me if the Minister of Finance saw this as another means, another means to get money out of the people of Saskatchewan.

(1515)

Can you imagine this, Mr. Speaker? We'll put up a toll-gate on No. 1 Highway at Manitoba, and we'll put up another toll-gate on No. 1 Highway on the Alberta border. And we'll charge all those eastern people who want to drive from Ontario to British Columbia to go through our province, because they always seem to claim that there's nothing to see along No. 1 Highway anyway, and they're in a rush to get through, so we might as well collect a little money from them on their way through.

Now that I can see this government doing, Mr. Speaker. That's the type of things that they would be prepared to do. If they're prepared to raise the fees for outfitters from \$75 a year to \$75 a quota client on a minimum of 25, they're prepared to put toll-roads into Saskatchewan, Mr. Speaker.

I just wonder though, Mr. Speaker, how prepared they would be to split the revenues with a private company who was to invest into the road system of Saskatchewan.

There's one avenue, Mr. Speaker, that the government could perform a useful service with this Crown corporation, Mr.

Speaker. And that would be to get involved into the rail system of Saskatchewan, the short-line rail system. We're going to lose a lot of branch lines in this province in the near future, Mr. Speaker, and there would be an avenue for this Crown corporation to actually provide some benefit to the people of Saskatchewan — join together with the farmers, join together with the grain companies, and support the rail system that we have in place in Saskatchewan. Now that would be a benefit.

That would have some real value because it keeps that rail system in place to move our most important commodity: our grains. And it would also take the pressure off the highway system, which affects the Department of Highways' budget, Mr. Speaker.

Now that would have some value to this province because when you look around this province, Mr. Speaker, you certainly don't see a lot of good highways. The roads have significantly deteriorated in the last few years. The fact is, when the member from Rosetown was the minister for Highways, his plan was to dig them all up and turn them into gravel. Well they cancelled that program, but they certainly never did anything else after that, Mr. Speaker. There's been very few roads that have had any construction work done on them. And the one road that I know of, Mr. Speaker, that did receive some construction work — Highway 33 from city limits of Regina down to Kronau, Mr. Speaker, was already a good road. It was already a good road but perhaps the member from Qu'Appelle-Lumsden had some influence with the Highways minister of the day and managed to convince him that that road needed to be built up.

I wouldn't argue that there was a bridge on that particular stretch, which is about 30 kilometres, Mr. Speaker — one bridge and a curve that needed some work on them. But outside of that, Mr. Speaker, that road was in a lot better shape than a good many of the highways around this province.

I even asked the minister, Mr. Speaker, to build up a road in the member from Weyburn's constituency because it was in such poor shape. But no, we have to build the ones around Regina, Mr. Speaker. And I don't think that this new Crown corporation, Mr. Speaker, will be any different, no different whatsoever.

Mr. Speaker, originally the government had proposed putting \$50 million into this Crown corporation. That \$50 million was to match the money that the federal government was going to put in. But the federal government has already pulled out.

So what's happening with the \$50 million, Mr. Speaker? Is it still there? Has it grown? Has it shrunk? What is it? And does it really matter, Mr. Speaker, does it really matter? If it's just going to be the monies that were allocated by the Department of Highways for road construction, well if it was \$50 million, we're probably going to get \$40 million worth of work out of it, Mr. Speaker, once we roll in the added costs of having a union-only policy. It's going to decrease the amount of roads that we get built in this province, Mr. Speaker, not increase them.

This is one more Crown corporation, Mr. Speaker, along with a number of other new ones that have sprung up here in the last little while — the new tourism agency, the new trade agency,

the new health boards. There's another area, Mr. Speaker, where the government's new regulation on union preference is going to have a big impact if they ever want to do any construction.

The Saskatchewan Opportunities Corporation, and the Gaming Commission, Mr. Speaker. When anybody goes to build one of these four or five new fancy casinos that are going to be placed around the province, Mr. Speaker, and the new Gaming Commission is part of it, are they going to have to follow the government's new labour policy — union only?

And what happens with all these Crown corporations, the new Transportation Corporation, Mr. Speaker? Who's going to examine their books? Certainly it's outside of the realm of the Provincial Auditor, Mr. Speaker. It's outside of the realm of the legislature. Because they're a third party, they're down the road.

CIC (Crown Investments Corporation) keeps spinning these things off like little spider webs, Mr. Speaker, to entrap people and to snare the people's money. It's simply another expansion, Mr. Speaker, of the family of Crown corporations.

You know they've just become like a clan, Mr. Speaker, the Crown corporation clan. I'm not sure which one they are, the Hatfields or the McCoys, Mr. Speaker, but they're sure against anybody who's not of their clan. If you're non-union, the feud is on.

Mr. Speaker, this new Crown corporation will serve little if any value. Because the Crown corporations do not play by the same rules, Mr. Speaker, as the department, the line departments. They can just hire and fire people as they see fit, but as long, Mr. Speaker, when it comes to construction, that they're union.

As we discussed earlier, Mr. Speaker, the first person can be from the regular . . . from the construction company's regular employees and the third one can. But the second one and the next nine . . . eight, Mr. Speaker, have to be from the union hall.

And I know my friend from Moose Jaw Wakamow supports this idea. He believes this is well and good that the taxpayers of this province should carry this extra burden so that his friends can have a job, Mr. Speaker. But the taxpayers of this province don't find that acceptable.

This new transportation Crown corporation is just going to make it that much easier, Mr. Speaker, for the government to do business with its friends through another Crown corporation.

And it shouldn't surprise us. When we look at the experience that British Columbia has had in this area, they've done exactly the same thing, Mr. Speaker — created a Crown corporation to do highway construction, and the costs have simply skyrocketed because of their union-only contracting policies, Mr. Speaker.

You know it kind of makes you laugh, Mr. Speaker, or shake your head in wonderment, after the government's experience with the Melfort pipeline system, that they would be prepared to go ahead and encourage more union construction policies.

They must have some of the best crops up in that Melfort area because that whole pipeline system is a sprinkler. They get underground irrigation and don't even have to pay for it, Mr. Speaker. We, all of us as taxpayers, pay for that, Mr. Speaker, but the people of Melfort benefit because of the union-only construction project that they had there that leaks like a sieve, Mr. Speaker.

Mr. Speaker, I can't support the idea of another Crown corporation to build highways. And in the light of the government's new policy of union preference that they have just announced this week in the House, or the tail-end of last week, Mr. Speaker, we have to wonder whether or not the road contractors can support this type of a new deal; this type of a new Crown corporation that's going to force union contracts onto them, Mr. Speaker.

And I think the road contractors need to be consulted with. And certainly the government has never mentioned ever consulting with them on this.

So, Mr. Speaker, at this time I would like to adjourn this debate.

The Speaker: — I would like to draw members' attention to the *Rules and Procedures of the Legislative Assembly of Saskatchewan* where it says:

That a Member who has moved for and obtained the adjournment of a debate should not be thereby precluded from moving an amendment to the motion, other than a second motion to adjourn the said debate.

The member has already adjourned debate, I believe, previously to this. Order, order.

Mr. D'Autremont: — Point of order, Mr. Speaker. I don't believe that I have adjourned debate on this.

The Speaker: — Give me a moment; I will check with . . .

Order. The member from Moose Jaw Palliser has been going on quite a bit today, and maybe just tone 'er down a bit. Order, order.

Mr. Swenson: — Thank you, Mr. Speaker . . . (inaudible interjection) . . . They're being very uncomplimentary today.

Mr. Speaker, I listened with a great deal of interest, as I'm sure all members of the House did, to the comments that my colleague from Souris-Cannington was making in regards to this particular piece of legislation. And I think the point that he made are extremely valid given what we've seen transpire in the last few days from this government, some of the issues surrounding union-preference tendering as far as Crown corporations.

And it certainly . . . it puzzles me, Mr. Speaker, given that the Minister of Economic Development stands on his feet quite regularly in here and tells about the need to create jobs and to create a business-like climate in this province, and the fact that the Premier obviously has moved on to the megaproject mode

these days with some of his old enemies from the multinational corporations. I think it's incumbent upon us, Mr. Speaker, to delve into this subject a lot more.

And I heartily concur with the remarks made by the member from Souris-Cannington. And therefore, Mr. Speaker, I would move to adjourn debate on this particular item.

The Speaker: — I was a little bit ahead of myself. The member from Souris-Cannington did raise a point of order and I did not answer to the point of order. For the records, and *Hansard* would clearly show that on February 27, Monday evening, around four minutes after 7, the member from Souris-Cannington did move adjournment of Bill No. 22.

Debate adjourned.

(1530)

COMMITTEE OF FINANCE

General Revenue Fund Agriculture and Food Vote 1

The Chair: — I would ask the minister to please introduce the officials who have joined us here this afternoon.

Hon. Mr. Cunningham: — Thank you, Mr. Chairman. With me today I have Dr. Hartley Furtan on my right, who is the deputy minister; Dale Sigurdson and Terry Scott, who are assistant deputy ministers; behind me, Jack Zepp and Ross Johnson. Jack is the acting director of administrative services, and Ross Johnson is the manager of budget and operations, administration services. And behind them yet are Doug Matthies, who's the acting general manager of Crop Insurance; and Norm Ballagh, who is the manager of ACS (Agricultural Credit Corporation of Saskatchewan).

Item 1

Mr. Swenson: — Thank you, Mr. Chairman. Thank you, Mr. Minister, for introducing your officials to us today. I see some familiar faces over there, people that are not unknown to members of the opposition. And we'd like to commend the Department of Agriculture officials who, through the year, carry on with business of what we like to think is still the number one industry in this province, even though others might argue otherwise.

It's an occupation and a way of life that is very near and dear to me, as it is for many members of the Assembly, as it is to the minister, I am sure, because when you get 3, 4, 5 generations into this business you develop a certain attachment for pieces of land and traditions and the ways that you do things.

And the reason I say these things, Minister, is that in the last few years and indeed within the last few weeks, that entire equation is potentially going to change in ways that it may take several generations to sort out. I know in my own circumstances, my seeding program for 1995 went in the trash basket the other day because all of the assumptions that I had

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made as to probably what was the best thing to do agronomically in some cases, what rotation was the proper thing to follow, what herbicide and pesticide regime that I was going to try and finance for the coming growing season, all started to look a little bit different after the federal budget.

It's one of those things that is so uncertain to you that you have to think long and deep about how you're going to handle things. And certainly today if you are a landowner or a land renter there are further implications as to what you should think about in the future. I don't have the opportunity, Mr. Minister, to influence that future as directly as you do in the next short while.

You've been the Minister of Agriculture in this province, I think, for approximately two and a half years now — maybe closer to three — and have seen a lot of the change occur and have been at the centre of negotiations over a period of time where we have seen the lead-up to what has occurred. And you will have a lot of negotiations on behalf of people like me to carry forward well into the next couple of years if you happen to be in that spot, or certainly someone will have to after the next election campaign because this situation is going to have to be sorted out.

This province is both blessed and, at times, people would say not blessed by having more than 50 per cent of the agricultural land in the country, and it's a big responsibility to have to deal with that and to deal with the very diverse situations that we have here.

The other day in the estimates of your colleague from Melfort, the Municipal Affairs minister, I asked some questions that have been posed to me by people in the agricultural community; that was primarily dealing with SARM and others who have raised very poignant questions about the Crow issue and some of the other funding issues that are going along in tandem with it, with what is happening to NISA (net income stabilization account) program, what has happened to the GRIP program and others.

And she intimated to me that there was a group of ministers and their officials, which had been designated by government, with the Highways minister as the lead, that there was people from Highways, Ag and Food, Finance, Municipal Government, under the direction of the deputy to the Premier, Frank Bogdasavich, who were dealing with the government's approach to these negotiations and how the Crow implications would unfold for us.

And the next day my colleague from Morse and my colleague from Maple Creek were questioning the Highways minister, the supposed lead minister in this little exercise, about what he was doing to lead and how it was unfolding. And he seemed to be a little amazed at his elevation to the head of that pack, so I think we need a little more clarification for the folks out there before we get down into sort of your line-by-line numbers here about exactly what the government's approach is going to be to this question, and the assurances that we can feel that people are going to properly represented as you put Saskatchewan's position forward as the province with the most to lose probably in this whole exercise of changing the method of payment, rail line rationalization, the impact that that will have on rural

Saskatchewan, our highways system, municipal government; and ultimately the taxpayer of this province, if agriculture becomes unsustainable as we know it because of these far-ranging implications.

So I'd like for you today to tell me what your role is, who of your officials is into this strategy group, and what you see in the next month or so that they will be undertaking vis-a-vis specific Saskatchewan concerns and vis-a-vis the federal government, and outline that for me so that when people contact me or anyone else, that we have some assurance that people are being diligent on their behalf in the Government of Saskatchewan.

Hon. Mr. Cunningham: — Well thank you, Mr. Chairman; that's a very appropriate question. I just now came from a meeting of said committee that the member opposite speaks of. The member opposite is dead right in his analysis of the impact of this federal budget on Saskatchewan.

Certainly we in Saskatchewan know the problems with debt and deficit and certainly we've made some gut-wrenching cuts to a whole number of programs including some agricultural programs. We still believe that agriculture is the backbone of this province and the number one industry and we intend to continue to support it.

I think in the long run that will create the jobs that will create the wealth. It will allow us have our social programs. Interestingly, many other governments don't take that approach. As we've seen in Australia and New Zealand, when they begin to cut, they take agriculture right off the top.

And certainly the federal government has made dramatic cuts to the agricultural budget, beginning even before this budget, and somewhat I think masked from farmers realizing how much federal support has dropped to agriculture.

Payments are certainly lower this year because there was more income from the market-place, and that is fair game. But what we need to realize as farmers in this province is that the federal program changes and the federal commitment to agriculture has dropped, and dropped again another 30 per cent in this budget in safety net funding.

So that means that when the grain prices go down again and a disaster strikes . . . And I don't say if, because all farmers in this province know that grain prices go up and grain prices go down, and cattle prices go up and down, and hog prices, and so on. But the next time that there is a disaster, particularly in the grains and oilseeds sector and even in the livestock sector with the changes in programing, that there will not be very substantial federal support there.

So that has dropped dramatically in the last couple of years, and it's impacted most heavily on the grains and oilseeds sector, which of course impacts on western Canada and as the member points out, mostly on Saskatchewan because we have half the arable acres or so in the country.

So we've had our disproportionate share of federal cuts in agriculture. And western Canada, and Saskatchewan in particular, have had more than everybody else in the country,

which we don't feel is fair. And certainly the Crow benefit we view as very unfair, that this is a historical benefit; it is part of a national transportation policy. It's part of why this country was built from sea to sea, that we had a railway that held this country together. And we've had that taken away from us.

We can't move our province over to the ocean, and we're a land-locked province. And we viewed the Crow benefit much as other people would view things like aboriginal treaty rights or French language and culture rights. It was part of our bargain to be in Confederation.

And we pioneered this place, we gave a lot of land to the railways. We brought people in and created the jobs and created the foreign currency that built this country. And we don't feel it was fair that that was not only reduced in proportion to other cuts but was eliminated, and eliminated with a very inadequate, a very inadequate buy-out provision.

So the member asked what we're doing. We're meeting, as I said, just come from a meeting of cabinet ministers and officials who are working, trying to figure out what the impacts are and what the strategies are to get the federal government to reverse this decision and to be fair to the province of Saskatchewan.

There are a number of things that we feel we need to continue to do, and we'll be meeting with farm groups and SARM and SUMA, who has shown a lot of interest because — and not surprisingly -- because the impacts will not only be on farmers, they will be on all of Saskatchewan. And particularly they'll be on rural communities, and some rural communities will have a big-time impact from this.

What we think is that we need to continue to put the pressure on Ottawa, along with farm groups. If we can't get more than 1.6 billion today, we want to be sure that we continue to keep the pressure on and that when the results that occur do occur, that they will, if not this year, in future years have some money there to mitigate the effect of the Crow change.

We have never been opposed to change and adjustment. Farmers in this country are not very far away from the time when they were breaking prairie grass and chopping down trees with axes and breaking land with horses and grub hoes. And we've seen a lot of change and we've adapted and changed and been battered about by world forces, and will continue to do that.

Our strategy has been to help adapt farmers to diversify and add value. And we've had a lot of success. We've been . . . I think we can demonstrate we've been more successful than the neighbouring provinces in the last number of years.

(1545)

But taking away an historical benefit in one fell swoop means that adjustment will be much too fast, much too dramatic, that I think sometimes the Finance minister from Quebec and the 99 Ontario MPs (Member of Parliament) do not understand what adjustment means.

In many cases adjustment means that some grain farmer, a family farm will go through bankruptcy and go through the hell of losing their land and losing their occupation and move on. And somebody else will come in and buy up the land at a cheaper price and maybe raise cows. And that adjustment sounds great when you put it in terms of economics. When you put it in terms of the human costs, it's certainly much greater. So we continue to fight for more money.

I think there's also a very strong agreement amongst farm groups and farmers that I've talked to that if there are efficiencies created in the system from this, that they need to be real efficiencies and real cost savings, not just transfer of costs. We need to look at the cost of grain from the farm bin to the ship and we need to be sure that that total cost goes now, not just transferred from a cost from the royalties over to farmers and to RMs and to provincial governments as we build the roads and truck the grain. So they need to be real costs.

And secondly, we need some assurance that those costs will be passed on to the producers. Producers out in my area do not believe that if you privatize CN (Canadian National) and let CN and CP (Canadian Pacific) have free reign and deregulate them, that if they should happen to find some savings, that it's going to end up in farmers' pockets. I think many farmers are, to say the least, a little sceptical that that's going to work.

So those are some of the areas that we think we can work with farm groups. As the member says, negotiate. It's not quite a negotiation position when the federal government has the money and the jurisdiction, and all we can do is voice the concerns and voice the problems that we have, and voice the need. And we've done that very dramatically.

There are other areas. There are \$300 million for adjustment. Saskatchewan has the majority of the branch lines. We are the ones that are going to get hurt worse with the adjustment, so we're certainly going to be demanding of the federal government that we get our fair share of that little bit of adjustment money, as little as it is. And you take 300 million over five years, there's going to be precious little money to try to adjust for the dramatic impact on farmers and communities. But at least we want to, if we can, increase that amount at least, be sure that Saskatchewan gets our share.

So those are what we're working for, and we'll work with farm groups to try to get the federal government to mitigate this and to find solutions to what we do in the future in Saskatchewan in order to survive, because we will survive in spite of the federal Liberal budget.

Mr. Swenson: — Thank you, Mr. Minister, for those reassurances. I specifically would like to know, and I think most farmers in this province and their families would like to know, who particularly is doing this strategy for them. And I'm wondering if you can tell me from your department who you've designated to be the lead people that will be sitting with you on the committee so that we clearly understand who we're dealing with here as these things unfold.

I don't think there's a producer out there today, whatever his

philosophical view was on the Crow, that knows now that his can is tied directly to some of the things that you and your people are doing. So for my benefit and other producers, can you tell me who exactly, and what the pecking order is, and how we do things here?

Hon. Mr. Cunningham: — Well I think the member had the committee described fairly accurately. It's a committee of Finance, Agriculture and Food, Highways and Transportation, and Municipal Government, and headed up from the official point of view, by the Premier's deputy.

On that committee I have my deputy; Hartley Furtan is on it. We have a couple of people in the department working with him on that. We have the deputy of Municipal Government, the deputy of Highways, Clare Kirkland, and we have representation from the Department of Finance to keep us in touch with the overall economic impacts and impacts on provincial budgets.

Mr. Swenson: — Minister, do you have any imminent meetings scheduled with the federal Minister of Agriculture, federal Finance officials? Can you tell me sort of what your game plan would be over the next two, three weeks? Have you sort of got an idea firmly in your mind about how you're going to approach federal government? Have you solicited support from Alberta, Manitoba, or are the provinces sort of each going their own way? What can we expect as western Canadian producers in the way of an effort over the next short while?

Hon. Mr. Cunningham: — Well, Mr. Chairman, I met with Mr. Goodale on Saturday morning, raised all of the concerns that I mentioned earlier. We have had a meeting with the president of SARM and the president of SUMA (Saskatchewan Urban Municipalities Association) and the president of Sask Wheat Pool. We have another meeting tentatively set for tomorrow with these groups.

I have been in contact with the Ag Minister from Alberta by telephone trying to determine what common ground we have. And I think there is common ground; obviously was common ground before the budget came down. All the farm groups and all of the prairie governments said that, if indeed the change was going to occur, that the value of the Crow was \$7 billion and that we wanted to maintain that value.

We agreed that there needed to be something in place . . . a system in place that assured that some efficiencies would occur so that we didn't just get stuck with higher freight costs, and if indeed there were savings in the system, that we had a system that squeezed them out. And secondly, we agreed . . . or thirdly I guess, we agreed that we needed some mechanism to be sure that that gets passed back to farmers.

So there was a certain agreement before the budget. There certainly is an agreement. At least I haven't heard anybody from western Canada, say, disagree that this is an unfair cut and that this will be hurtful and that the impact is going to be very, very, very tough for Saskatchewan farmers and for Saskatchewan communities.

So I think we do have the alliance, although I guess our problem is whether or not we can get the federal Liberal government to understand what they've done and what the adjustment that they talk about means in terms of human costs in this province.

And certainly we have had a long, hard fight at trying to put that point across and obviously did not get it across; that we were certainly . . . we certainly feel that we were treated unfairly; that Mr. Goodale did not come back with a good deal.

Paul Martin says Mr. Goodale was a real bargainer and got a good deal. I would hate to see what a bad deal would have looked like.

Mr. Swenson: — Well that sounds good, Minister. But we both know that in the south-west corner of this province, people are generally seeding by the second week in April.

A number of lawyers around the province tell me that already people are flooding in, trying to readjust lease agreements. And it's particularly messy when you've got family members involved — brothers to brother, father-son things — and they've had all sorts of arrangements that now are going to be very difficult to manage.

And the mayhem that that stuff costs to communities and families is very difficult to repair, where you've had long-standing agreements that now are going to have to be changed in a substantial way because you've got a whole other equation. And I don't think we've got a whole lot of time here.

The federal minister says we're going to see money at some point in '95. I would think that would be one of the things that your working group would want to firm up so that people have some assurance as to when they will start having access to money.

I know various farm groups have proposed various solutions to this tenure problem, and also the time frame that the pay-out should come in. Should it all come in one chunk, or should it be two years, or three years? That type of thing.

But whatever those options are available to take back to the federal government from a fairly strong bargaining position, that it's going to have to happen sooner than later, to quote a favourite saying of the Prime Minister. You know, we should get on with these things.

And that's the . . . I guess the problem we're having here, we haven't seen a whole lot of organization on your side for taking a real good, hard, strong run at things. I mean my figures show me there's about 6,000 miles in western Canada of branch line that is in that grain-dependent situation; 4,000 of that's in Saskatchewan alone.

You know, even your definitions of low-volume lines and light steel . . . I mean your part of the province up there has probably got a disproportionate amount of light steel sitting in it because the rehab program wasn't as strong up there. And when you think of the havoc in so many areas here, we want to know that

there's a very strong effort being made.

So can you assure us, Minister, that your government will be making some type of a very cohesive, coherent representation to Ottawa on these issues before any farmer in this province goes to the field this spring?

Hon. Mr. Cunningham: — Well certainly, Mr. Chairman, there are a couple of issues there. We will be making representation to the federal government. We are also trying to pull in other provinces and farm groups, and that's our reason for meeting with farmers. We think that the federal government may listen to farmers better than they did to us. We certainly made the case, as did farm groups, before the budget. And hopefully there's enough outcry here that the Finance minister from Quebec will understand that this is a serious issue for us.

I think the member makes an excellent point on the pay-out of the money, the \$1.6 billion buy-out. There are, I think, two issues there. Number one is we need the money as soon as possible.

But even more urgent right now is we need to know how much money we're going to get. And Mr. Goodale, after 20 years of proposing to change the method of payment and proposing a bond, has come out with the budget that says we're going to have a bond, and it's only going to be \$1.6 billion, and we kind of think this is the way we should pay it out. What do you think?

Producers right now are signing lease agreements, as the members pointed out. Producers are cleaning seed. Some of them already have their seed cleaned, and they're going to the bank to get their line of credit for this summer. They're doing that right now. And we don't even know . . . Mr. Goodale met with some farm leaders in Winnipeg today, and I don't know whether they made a final decision as to how it gets paid out even yet. We need that decision. We need a fair decision, and we need it very soon.

The basic problem with trying to determine how to structure this buy-out is that there isn't enough money in the buy-out to do the hurt. There's absolutely no question that landowners will be hurt by the loss of the Crow benefit. Their land values will drop relative to what they otherwise would. Over time their rents will drop. They're going to be hurt by this.

But there's also no question that tenants who are renting land, in particular tenants who are on long-term leases who cannot get them adjusted, but even having adjusted them, the freight bill will be on their backs, and they're going to be hurt by this. And the question is that 1.6 billion isn't enough to fix either of those hurts, and they haven't thought about how to distribute it fairly.

(1600)

Certainly we have for 20 years been saying, cut two cheques to the railways; take it off the freight rate. It's a lot simpler than mailing out 160,000 cheques then. Who are you going to mail those cheques to? And after 20 years they're saying well, we've decided to pay out to farmers. Who do you think you should

pay it to? At a time when . . . I mean we should have known this six months ago so that farmers could plan. That is the whole problem with this particular move by the federal government.

First, it's not fair, and secondly, it's an unwise cut for the future of this country. But thirdly, it's done without a plan, and they don't know what replaces it. They don't know where they're going and certainly farm groups are scrambling to come up with solutions as we are. And certainly we intend to work both with the method of the buy-out, which I think needs to be decided like right now in order for farmers to plan, but we also intend to work with producers as to how we protect producers from the impact of these cuts and how we give producers a fair chance to deal with railways so that they're not being ripped off by railways in the long term.

Mr. Swenson: — Mr. Minister, I have personally believed and I think my party has believed for quite some time that it was better to pay the producer, and I stand by that because I always thought that I was dealing with an historic number that was in a certain range. You and your party always believed that that was the wrong way to go and stood pretty fast on that for a long, long time in the face of a number of initiatives to change it — and I guess that's past history.

There are some of us that believe that if a deal had been cut a few years ago, it would have been far more lucrative to Saskatchewan and western Canada than the one we face today. But I guess that's hindsight and we're into it.

Can you tell me where exactly you and your government stand on the issue of . . . now that the deed is done, where do you stand on who should get paid? I haven't heard you say definitively if it should be to the actual producer on the land or . . .

And there's another issue involving, in this province particularly, which permit book year or combination of years is going to be used to determine actual acreage base? Because a lot of people in this province have diversified by going into the long-term cover program or going back into livestock and have put significant acreages back into improved forages in order to diversify those acres until the 1994 contracts were eligible for quota.

They have now been cut to a third and there is a whole lot of folks that are feeling that they may be discriminated against because, as producers, they took the opportunity — and many of these people are on leased land — to change the way that they do things.

So could you tell me exactly what point we're starting at. Are you emphatic on it should be pay-the-producer and you are looking at these other issues, or is there another agenda that you're on?

Hon. Mr. Cunningham: — Well, Mr. Chairman, again there isn't a magic way to take \$1.6 billion and spread it out to fix all the hurt that's out there. We wanted to get it done as fairly as possible. Maybe, Mr. Chairman, the member opposite who has

been in favour of paying the producer for the last 25 years would know how to do it. And certainly if you have suggestions we will certainly carry them forward to the federal minister on this. But there is a proposal which has certainly a good deal of problems with it that the federal government points out. We certainly can sympathize with the different factors.

I don't know that there's a simple way to do this. We're talking again, we're meeting with farm groups, and if the farm groups . . . and the farm groups indeed met with the federal minister this morning. I don't know what came out of that meeting, but again this is their program and their proposal and their budget, and there is some urgency for decision from them soon.

Mr. Swenson: — Well, Minister, if you'd like to trade seats I'd relish the opportunity to sit down and do a little negotiating with the federal minister, but our system doesn't allow that, right now anyway.

So I kind of think it's incumbent before we rise from the agricultural estimates of the province of Saskatchewan that the minister, who is in charge of the bucks and is in charge of carrying our message, is going to stake some ground out. I mean, you can't tell me that you guys in that committee are going to go in there over the next two or three months and chase your tail around without coming with some kind of a position to go to the federal government. That's not acceptable.

You're the Agriculture minister in this province and I'm sure that you can come up with the best interests of our producers and not leave it in the hands of the federal Liberals. I mean that has been a recipe for disaster, Mr. Minister, since I was old enough to go sit on a tractor with my dad. Those people have been fooling with western Canadian agricultural to no good, on and on and on.

And you had darn well better have some kind of position or else you better talk your Premier out of going to the polls, at least in rural Saskatchewan this year, because we got to know where you're coming from.

I mean you've been pretty emphatic over the last 20 years on method of payment and you stuck by that through the bitter end and maybe lost us a bunch of cash by doing so, but you can't go into this next round without us understanding very clearly where you're coming from.

And I know there's a lot of groups out there say, how can I go to the field this spring, how can I hedge, how can I sign contracts, how can I do everything possible within my power as a producer to ensure at the end of the day there's a bottom line that's in the black instead of the red without knowing what you're fighting for? And you can't sign a lease, you can't do any of those things without understanding those things.

So if you want to do it today, that's fine. But before these estimates are done I think it's incumbent upon you and your working group to be able to tell us, as agriculture producers, where we're going and what you're fighting for. Or are you simply going to wash your hands of it and say, do whatever you wish with us, Mr. Goodale. I don't think that's enough.

I mean he's already done one number on us. Now it's time to gird our loins and get in there and do a little fight. And I'd be happy to help you. I think every member in this legislature that is an agriculture producer for sure would be glad to help you, because we're all in the glue together. But I got to know where you're coming from, what direction your leaning, where your Premier is coming from.

You know, since the day I got elected to this House in the spring of 1985, I understand the carnage that has taken place in rural Saskatchewan. For six years sat in government and watched them drop one by one by one across this province — it's not a pretty sight — and didn't get a lot of help out of you. So I've been there.

Now if you want us to be there with you and propose solutions to this thing, you're going to have to tell me where you're going and what the generic proposal is at least of where you're prepared to stand and fight, and what you're prepared to put on the table. Because we're all in it together this time.

And when those branch lines start tumbling after our friend Young gets done with us, a whole lot of us are going to be a long ways away from a delivery point on top of it. And that could happen sooner than later.

So once again, if you don't want to do it today, that's fine, but can you at least give us an idea of what you favour, and maybe we won't hold you to it.

Hon. Mr. Cunningham: — Well, Mr. Chairman, we are all in this together. We are all going to have a very hard time making a bottom line, and 1.6 billion is not enough to solve that. Mr. Goodale could stand on his head and pay it any way he wants; it's not going to solve the problem.

It's going to leave many, many producers . . . it may solve the problem for one year but many, many producers will be in very difficult circumstances. As the member points out, if they're a long distance from rail lines and have to truck grain farther to end up paying higher freight when they finally get it to a rail line, it's going to be very difficult.

Certainly we have positions on rail line abandonment. We don't say that maybe some lines shouldn't be abandoned at some time. We are saying you should not pull the pin on these branch lines without first convincing us that that is an actual savings in cost and not just a transfer of cost from railways to farmers and municipalities.

And secondly, that there is some community consultation and alternatives. The community has a chance to look at what the alternatives are, and try to mitigate the problems. And maybe even that's a short-line railroad or whatever. But if indeed they go ahead with the wholesale abandonment of branch lines, that is going to be not only a shock to the farmers but certainly to a good many communities. And that we find quite unacceptable.

So certainly we have positions on these issues and we are going to continue to fight to protect our farmers as best we can. But

we don't have a magic answer to spread \$1.6 billion out to fix the hurt in rural Saskatchewan.

Mr. Swenson: — Minister, if you need more time to work on this, just say so. I mean we've got sort of two parameters here. We've got, pay the landowner which involves, unfortunately in this province, a lot of people that are getting rather elderly; banks, credit unions, trust companies, federal government, provincial government — got a whole raft of folks there — plus a few people your and my age, or we've got a lot of producers.

I'm told that 40 per cent of the acres in the province are under some type of lease. I find that high, but maybe that is the number. I mean that's almost incredible that you would have that volume in some type of lease arrangement. And if that's the case, then it's very compelling to me that you cannot ignore that, whether it be the federal government or the provincial government.

But you must have some preference, I think, of whether it's paying the person that actually does the work, or is it paying the owner, the mortgage holder on a particular piece of land. I mean you must have some starting point there, you know. And if you don't, then just tell me. But you personally even must have some type of a preference there that we can begin to base this on.

Hon. Mr. Cunningham: — Well, Mr. Chairman, as I said earlier, both of these people have a legitimate case from hurt and both should be compensated; 1.6 billion will not compensate either one of them adequately. The federal government has a proposal on the table which certainly is going to disadvantage a good number of people who lease land.

They also have control of the tax system and they tell us well, if we do it this way, it won't be taxable; if we do it that way, it will be taxable. We do not want to lessen that amount of money by any amount and certainly we have expressed those concerns to Mr. Goodale and they are supposedly working on another proposal, or not — I don't know what they're doing. They've said they were prepared to listen; they've listened. We've certainly outlined the problems. And they met with farm groups today.

But I would again emphasize that we don't have three or four months to kick this around as the member opposite has said. Farmers need a decision one way or the other and they need it now. So hopefully we will get a fair decision from Mr. Goodale and the federal government.

Mr. Swenson: — Well I'll put it to you another way, Minister. What do your officials recommend? I mean your deputy is an eminent agricultural economist who, if he weren't filling the seat that he is now, would probably be making some type of a public pronouncement about what's going on. Other ones at the U of S (University of Saskatchewan) and places are doing that. What are you being advised that would be the best way for you to represent the agricultural producers of this province?

You know, if you don't want to give me your own opinion, that's fine. What are your officials, who are very eminently

qualified to analyse and make comments on these things, what are they advising you on?

(1615)

Hon. Mr. Cunningham: — Well my officials tell me what is obvious to most farmers in this province: that \$1.6 billion is not going to solve the hurt. My officials tell me that land values will drop and they will drop significantly because of this move. They tell me that farmers who live long distances from main lines when branch lines are abandoned will have much higher costs and will be disadvantaged.

So what they're telling me is that both the landlord and tenants will be affected by this change. They tell me that what we should have done was domesticated this subsidy and continue to pay it to the railways and that would have fairly distributed it to the people who actually produced the grain.

Mr. Goodale rejected that proposal and has come with one that is not going to be fair. And I don't know if he's going to be able to get a formula that indeed is fair.

Mr. Swenson: — Well, Minister, maybe you can tell me then what a domesticated railway pay-out is like. That's a new terminology for me. If your officials say that's what we should have done, maybe that's what you should be taking back to the federal government as a counter-proposal.

Maybe explain that one to me. How's that one green under GATT (General Agreement on Trade and Tariffs) compared to what we had before? Explain it to me, please.

Hon. Mr. Cunningham: — Well, Mr. Chairman, what we said is if the subsidy was not an export subsidy, if it could be defined as a domestic subsidy, we would have no problem under GATT. It would not be green, but we're certainly within our limits — of having reduced our subsidies by well within the limits and we wouldn't have had to change it.

Now there may have been trade disputes. We may have been challenged by that by our American neighbours or by others. But we were arguing all along that the subsidy should be continued and that the value of the subsidy should be continued. And in that case, then it was questionable whether our solution might have worked in the long run.

But in the area of phasing it out as they are, and if they only were going to give us less than a quarter of the value of the pay-out to the Crow benefit — they cut it by . . . 1.6 billion is less than a quarter of the value of it and it's gone in one year — if had they used some sort of phase-down and domesticated it, I think the trade issues would probably not have been very significant.

It's hard to imagine that the Americans, who subsidize their transportation system and their Mississippi system and their port system and on down the line, would challenge a minor amount of money that would still be going into the Crow benefit. If they're going to take the dollars out anyway, we think that would have worked better.

And we took that proposal to the federal government and they rejected it. And they've decided to pursue another avenue. And now they're saying to us, and they're saying to the farm groups out here, well what do we do, Jack? After 20 years we've finally decided to pay the producer and we don't know how to do it, and it's the middle of March and what do we do now, Jack?

That, I think, is unfair to producers in this province.

Mr. Swenson: — Well I agree with you, Minister, it is. I'm still a little mystified at this. The way I always understood this problem we had with GATT was that . . . I mean in this country we approximately export 80 per cent of our production; we eat about 20. So 20 per cent of it you could have domesticated, but the other 80 was just going to run you afoul with somebody.

I mean you can say whatever you wish about our friends to the south, but they are used to being bullies and they aren't going to stop because we . . . I mean they just wouldn't let you sneak it by. And I think that's why a lot of us have realized for a long time that there was only one way out of the conundrum.

So I can see why your proposal didn't go very far because I mean they're bad enough as it is. Every time some guy down there wants to jump from governor to the Senate, we get a kerfuffle over a product or other, and that's the way their politics is. And I guess until they get out of the subsidy game, we're going to have to face that silliness that they indulge in.

But don't ever try and make us believe that the Mississippi only has grain going down it. I mean that thing is subsidized but there's a whole lot of stuff travels down it, as there does across our railroads.

That was the excuse, I remember, the federal minister back in the late '70s made when they decided to plough a billion dollars in rehab in. You know, we've got to haul other things besides grain; we've got potash and coal and sulphur and all of these things, so we've got to put a million dollar . . . or a billion dollars of taxpayers' money into rehab on a lot of lines.

Well, Minister, I'm not going to press this today any further, because you obviously need more time to work on it. And we are going to expect though, before you're done in your Agriculture estimates, that you're going to be able to tell us where the Government of Saskatchewan goes in regards to taking on this federal Liberal government in the way that they are doing things.

I want to ask you a couple of questions in regard to . . . and you may not have the numbers here because your Highways minister may be the person that leads on it. But I am told that as far as the abandonment process as currently is outlined, that there is going to be a change in the legislation that is allowing them to circumvent the process whereby when a line comes up it has to be offered at salvage value to a short line before they can go in and salvage the steel and the ties and that kind of thing. Can you tell me if that is your understanding of where things are at under the Western Grain Transportation Act?

Hon. Mr. Cunningham: — Mr. Chairman, we don't know that. I think, as I understand the situation, the regulations governing rail line abandonment and short lines and so on is covered in the GTA, grain transportation Act. And that has been eliminated and moved to . . . the process has been moved under the NTA, National Transportation Act, and there are no replacement rules governing that.

So we think that's one more of the uncertainties. We don't really know what they plan to do in that regard. That's one of the things that we will certainly be pressing for, is that there are legislation and regulations in place that allow short-lines to deal fairly with CP and CN, and also that there is an adequate process so that communities have time and resources to determine whether or not there is potential for short-lines as an alternative.

Mr. Swenson: — Well, Minister, I'm going to ask you this question, and you can give me your own view or your officials' view or whatever. What would you say to the prospect of unlimited running rights on rail lines in western Canada?

Hon. Mr. Cunningham: — Certainly, Mr. Chairman, that is something that we would support. We don't have a full analysis of it, but there are a couple of things that we think have to happen in the new world. We've got the old system basically blown away and nothing replacing it.

There are only a couple of ways that producers are going to get a fair shake out of the new system. And one is through competition, where there's some real competition, and the other is through some form of regulation and legislation and control that protects producers. So if joint running rights can help to create some honest competition, that will be helpful. However, if CN is privatized and maybe even bought up by CP, we might have difficulty getting competition. And we may need protection certainly beyond . . . in fact we will need protection beyond leaving farmers to the good graces of the rail lines.

Mr. Swenson: — Minister, I wasn't confining my comments to the two corporate welfare bums that we have running the railroads in this country. I said unlimited running rights. That means if you want to run, you lease or you do whatever. But if you're a producer, a group of producers, a group of grain companies, whatever, and there's a railroad, the same as there's a highway, a seaway or an airport, you pay a fee and you run.

That's the question I asked you: what would you think of unlimited running rights on steel in western Canada.

Hon. Mr. Cunningham: — Certainly the basic idea has merit. Whether or not there are some technical problems and whether or not those could be worked out remains to be seen. It certainly is something that needs some work. It's one of the avenues that we certainly need to explore.

And again, coming back to the fact that the federal government has done away with the Crow benefit, done away with the regulatory system that's in place and doesn't seem to have a plan for the future, is very disconcerting. And we certainly will be, with farm groups, exploring all those avenues and trying to

protect our producers.

Mr. Swenson: — Well I'm glad to hear that, Minister, because these kind of ideas are popping up every day across this province, given the climate that we're now into. And fundamental change is upon us and people are going to be sometimes grasping at straws, but other times, coming up with some pretty sound . . . The reason that I wanted to run that by you is because you've been a pretty hidebound outfit in the past when it came to some of these issues.

There was never much give, not much latitude in solving our problems. And I want to know, and I think producers in this province want to know, that those ways aren't quite the same as they used to be and that you're prepared to look at things that would've been simply unacceptable a short time ago.

This idea isn't mine. I mean people in the short-line business have talked about this for the last 10 years. They tell me, with satellite technology in place, that you can up-link from an engine to a satellite and back down and tell within a matter of a metre where any piece of running stock is in western Canada. And I don't know, I'm not a . . . maybe our friend with the computer there can tell us. But they say that it is becoming a low cost alternative to some of the current technology that they use to govern this as they do in other places.

So if that's upon us and that's an alternative and we have to present options to the federal government because of what they've done on the regulations side, then I expect that to come out of your working group and others to put forward those kind of positions. Are you prepared to do those kind of things and forget some of the ideological nonsense that used to be around here?

Hon. Mr. Cunningham: — Well, Mr. Chairman, we certainly are prepared to listen to producers. And the member opposite is right — you go out in rural Saskatchewan and you'll find a lot of ideas. And sometimes some of them, when they are put under scrutiny, don't pan out, but every once in a while you will find an idea that will work. And the producers are . . . That's the reason they've survived in Saskatchewan, is because they're innovative and they have ideas.

And, Mr. Chairman, we believe in a national transportation policy. We believe that every country should have a national transportation policy. But having the federal government abandon that position and moving away from having a national transportation policy, if Canadians, who have had cheap food for the last hundred years because of our farmings and our efficiencies and our innovations in this country, if Canadians are not prepared to pay the bill to have a national transportation system to keep those jobs in Canada and to keep goods flowing east to west and to keep this country together, Saskatchewan farmers are not prepared to carry that whole load themselves.

And we are prepared to work with our producers to any ideas — innovative, new ideas — any way we can to get our produce to market in order that our producers can survive.

And we don't have a choice; ideology doesn't play a role in this.

What we have is producers who have been dealt a harsh blow and they will do what they always do — they will adapt with new and innovative ideas. And we are going to be prepared to look at each and every one of them and help our producers.

And we may continue to make the argument that we need a national transportation system in this country, but it's going to be . . . if we have a national transportation system paid for by the taxpayers of Canada and the people who eat our produce and not carry it solely on the backs of Saskatchewan farmers. And that I think is obvious.

(1630)

Mr. Swenson: — Well that brings up another question that begs answers, Minister. I understand this morning the process of lockout started. There was some rotating job action with the CP network and a lockout process started. We may be into a full-blown rail strike here shortly.

Where are you on this? Or what's your position going to be with the federal government vis-a-vis . . . I mean you don't regulate them; I understand that. That's under national jurisdiction. What are you going to be asking for and how soon do you see action taken? I mean we're at the height of the shipping season for certain products right now.

Hon. Mr. Cunningham: — Mr. Chairman, I have written a letter to the president of CN, the president of CP. I've written a letter to the president of the union. I've written a letter to my counterpart, the federal Minister of Agriculture, as have other ministers, expressing our concern with . . . From my point of view, of course, the agricultural industry is foremost, but an awful lot of our produce moves by rail, and we cannot afford to have a system that doesn't function. And we are urging that that be dealt with in some way as soon as possible.

And I think that will shake out to be one of the results of removal of Crow benefit, is that everybody in the system is going to have to play their part in making this work better. And maybe some Canadians will end up losing their jobs as some of our grain moves south or elsewhere, because as I said earlier, we're not prepared to shoulder the load of all of Canada by Saskatchewan farmers alone.

Mr. Swenson: — Would you be prepared to send across copies of that correspondence to us, to understand exactly what you're saying to various players? And are you prepared to and would you call for back-to-work legislation imminently if we get into a situation where we see any significant reduction in rolling stock?

Hon. Mr. Cunningham: — Well I certainly will send you copies of those letters.

As to what the federal government does and how they do it is a matter to watch as things unfold. But certainly we cannot afford under any circumstances to have any major disruption of, particularly grain movement out of Saskatchewan because we certainly want to see our grain moved before August 1 this year because any that's around after that is going to move at much

higher freight rates.

Mr. Swenson: — Well you raise a good point, Minister, because if we don't get her done by August 1, it's a different ball game. I mean everybody's going to want to move everything they can in the current crop year. And goodness knows, we lose a week or two weeks or something like that; you're going to have a lot of stuff piled up in places where people don't want it piled up.

And the costs are going to ratchet up, and the producer is always the guy at the end of the day that pays it. There is no one else in there that will not pass on their costs back to you and I. And I think that's why I asked the question on behalf of people out there. They want to know if you're prepared to go to the wall on this thing quickly.

It wouldn't be so bad if, come August 1, they said there's 7.2, and we're going to give it to you over five years or seven years or ten years or some of the proposals that were around. I think that people would have some confidence that they were going to survive. But the fact is, if we get a one-time shot here and it doesn't come till December, January, and meanwhile we've had a prolonged labour dispute, it's going to make it darn difficult.

Somebody told me the other day their phosphate fertilizer was \$130 a tonne higher than last year. Now that seemed high to me, but they were willing to produce bills. I mean when you get that kind of front-end cost coming into this growing season, along with this other thing, a very short period of time can negate all of those gains that you potentially might make.

So I'll just ask again. Are you prepared to move and move fast if this thing comes to a grinding halt?

Hon. Mr. Cunningham: — We're certainly prepared to move within the powers that we have, although as the member has pointed out, it is federal jurisdiction.

Mr. Swenson: — One other thing that I need to ask you about, Minister, and this you may have to do some research on it. But I understand that with the changes from the Western Grain Transportation Act to the NTA (National Transportation Agency) that we will now all be subject to provisions of preferential contracting. It's something that the potash companies and others . . . I mean the contract is not a posted, visible contract that's open to the public. And I'm told that the grain companies with the changes will now be able to go to preferential contracting.

To me that is an onerous piece of work because in the many cases producers in this province are limited to one rail company. You don't have access to the other rail company. You don't have access to Burlington Northern. You don't have . . . and to not know that a grain company, for instance, I'm told on the low end on a 50-car spot can be as low as \$16 a ton, or you can be as high as \$35 a ton on an eight-car spot. That means that that company could be getting the benefit of a \$16 rate but still charging me a \$25 dollar rate because they would be under a hidden contract system.

Is that your understanding that that's where we're going with the changes in the transportation Act?

Hon. Mr. Cunningham: — Yes it is, and certainly that's one of the issues that we have raised, and will continue to raise. That's a serious concern. They're talking about a maximum rate being in place for a short period of time, and then being phased out and going to NTA rates which, as I understand it, would mean that they could be confidential and secret rates.

That is one of our fears of what happens to the transportation system if the railways have that power, and possibly even the grain companies, to take losses on certain delivery points where the elevator company could draw grain particular to a point that's a long ways from another elevator company where there's not likely to be competition in the future, and take a loss on that for a number of years in order to move the grain to that point.

Once that happens, you know what happens to the rest of the system, particularly with the branch lines being abandoned and elevators being abandoned. That becomes the only system that's left and the railways are then in a position of having that grain in a captive position where there is no other choice, and by that time we've done away with maximum rates and they can charge whatever they want.

And that's what we've been saying all along, is that we're not opposed to some changes in the system if it results in savings. But if the result is that there's . . . the savings all accrues to the railway, then it's strictly a transfer of costs to farmers and municipalities and the savings that the railroads get are not passed on; then we've got the worst of both worlds. We have a transportation system that isn't any cheaper and we've got a system where the railways pocket whatever savings that they accrue.

So that is a grave concern and whether joint running rights and some other things to force competition helps that or whether, I suspect, some sort of regulation that . . . or at least that rates need to be made public so that producers can understand what's happening. So that, as I understand it . . . and we haven't got a lot of detail from the federal government — but I believe you're right in your assessment of it.

Mr. Swenson: — See, Minister, the only thing that's held that in check with other types of commodities is the fact they have that rule where they have that nearest switching point. You know you can go over to the next railroad and say, what rate would you give me, and then they have to go to the lowest common denominator.

And it becomes very worrisome if CP were to buy CN and you had a straight monopoly, because you would never get that opportunity. That situation . . . and just necessarily making it public doesn't necessarily fix it because that is the case in the United States I believe, where it has to be posted on the wall of the elevator what those rates are.

But if you don't have anybody else within a couple of hundred miles you've still got the guy pretty well in a captive market. So we need to think about ways that we as western Canadians

would approach this issue. My preference personally is that this stuff should be decided on the floors of the federal parliament or whatever, and it should be all-party committees, that type of thing; and that people should have to come before it in a . . . I like watching what the American hearings do when they drag these guys in and put them through the mill a little bit to explain themselves. So maybe we've got some adapting to do.

But if change occurs and we aren't on top of it, these things will get rammed down our throats, and the next thing you know we don't have too many options. It's tough, Minister, to put steel back once it's gone. And when you think of a billion dollars going into rehab and those same rehab lines now having a salvage value of \$60,000 a mile just in salvage, you understand why they would want to get the steel tore up real fast; that's a net benefit back to either one of them. And if it gets done in a hurry, we're in a very poor bargaining position.

And I think these issues have to be put on the table, put out front. And I don't know how you draw the lines in the sand, but you say to them, we're cognizant of the issues, we know the hurt, and you aren't going to get away with it without going through a real scrap on it.

And if you ever want ideas on how to do that, don't hesitate to call. Any comment on what you think is a good proposal to take forward in that regard?

Hon. Mr. Cunningham: — Well I appreciate those comments, and certainly appreciate any input that we can get from the member opposite or his party. That in a nutshell, expresses our concerns.

What we are seeing is the destruction of a system that was there, with all its warts — and we don't say that the system that was there was perfect — but what we see is the destruction of the system that was there and no plan to replace it, and hoping that something will arise from the ashes and replace this. And we're very afraid that what arises from the ashes will be a system that much favours rail lines and does not protect our producers.

So that is what we need to have out of the system. We need to have an efficient system, but it has to take into account right from the bin to the ship, and it has to give producers some fair leverage in the system.

And the member is absolutely right. If you blow this thing away and you have nothing to replace it with in the meantime, in a very short number of years a lot of the steel gets rolled up and the elevators get abandoned, it would be very, very difficult to go back. So that is part of our concern about the federal budget, that there isn't a plan, there isn't a vision. And we need all the help that we can get in trying to protect our farmers and to build some system that is fair to them.

(1645)

Mr. Martens: — Thank you, Mr. Chairman. Just in going on in that line of questions. When you talk about what will happen, and everybody will speculate but I think there'll be a lot of

common ground on this speculation — that there'll be two basic main lines in western Canada that will handle the transportation.

There might be unique instances where this won't happen. And if you draw a line from east to west, it's the CP main line on the southern part and a Y going up along basically following the Yellowhead through Prince George and up to Prince Rupert, and then the other line going to Churchill. And when you take a look at what is in between, you have a significant amount of grain-dependent lines. I think 60 per cent of those lines in between — and that'll vary a little bit about how dependent they are on grain — but 60 per cent of those lines will be grain dependent. So when you take a look at that, the scenario isn't good.

The member from Thunder Creek was talking about a wide-open kind of running right, unlimited. What that would probably do is give an option on having other agencies come in and use lines if they were still available. But if we, in the next 18 months, have the railroads abandoned and start tearing this stuff up, there's going to be a significant — in my view, at least — a waste of years and years of financing for the railroads that has gone into delivering a railroad into those communities.

And so when I take a look at it, there isn't going to be anything between the American border and the main line CP, and chances are north isn't going to be any better. And what's in between is at risk as well. So given that as a scenario, what do you think are options that are available to individuals who like the short-line, or grain companies that want to protect their risk in those areas. I know Sask Wheat Pool and other grain companies — and I've questioned why they would have done this — but they've built some very prominent elevators and systems that are going to be gone. And the only way that they're going to recoup some of their investment is by maintaining that railroad in order to deliver that back onto the main line.

So in your mind is there . . . are there options available that you are putting forward as a method to control this evaporation of rail lines before people can grab their wits and say, this is where it's going to stop. Are you going to do anything about it? Are you proposing to do anything about it? Because at some point in time, our whole infrastructure is at risk here.

And I'd like to have you outline some of those options that are available and those that you'd be willing to put on the table for us to debate about how we can prevent this from just being a whoosh, and it's gone.

Hon. Mr. Cunningham: — Well the member makes some very good observations. In fact I may just pass him over a copy of the rail system in Saskatchewan. It also impacts on how this budget is going to impact on different areas of the province. It's one thing to talk about the overall impact and the loss of \$300 million-plus to the Saskatchewan economy in increasing freight rates.

But if you look at the map, there are indeed huge areas who are going to . . . potentially could suffer very dramatically and could almost be at a position of not being viable to any longer

produce grain, because they're going to be an awful long ways from main lines.

I guess one of the options is that you don't do anything until somebody comes up with a plan as to what this looks like in the future. And I don't think that any branch lines should be abandoned until there's a plan that says, well we'll abandon this one because it's low cost and the producers can then haul their grain over there, or we will do some adjustment for this area because they're no longer going to be viable for grain, or maybe a community wants to start a short-line and keep it going.

And you know, I think we should not do anything hastily, and then there should be a plan in place before anything is done in terms of branch line abandonment, which doesn't mean that it may be unrealistic to expect every branch line that's there to stay.

But we certainly will be making and have made the submission that you shouldn't abandon branch lines without a plan as to what's happening. Because the member is absolutely right, if those branch lines are rolled up in the next two or three years, and then we say, oops, what do we do now, it's going to be very, very difficult to put them back in.

There are other impacts; for example, a dehy industry. There's some dehy plants around branch lines. If you abandon the branch line you knock that dehy plant and the diversification right out of rural Saskatchewan. And surely it's worth the time to analyse and look at whether or not that branch line makes sense to stay there.

A lot of what we're doing in diversification in rural Saskatchewan also requires transportation. Some of the machinery manufacturing — which is becoming very successful in rural Saskatchewan — some areas, if they don't have rail, some industries will find it more attractive to go elsewhere. So the impact on some of these communities of rolling up big sections of branch line is going to be very, very dramatic. And I don't think that should happen on the basis of the railway saying well, we're not making any money on this line, let's roll it up. Because that is going to have a dramatic impact.

Mr. Martens: — I guess my question to you then is: has the federal government provided any options or any plans to these communities to do this? Or is this just a bolt of lightning that came on the Minister of Transport's head one day and said, this is got to be gone and that's it.

Has there been any options made available from the Minister of Transport to you regarding this? Is there anything on the table at all, or is it going to be the initiative of the individuals to provide that back to the federal government?

Hon. Mr. Cunningham: — I think the member is right. I think this was a bolt of lightning that hit the Transport minister or the Finance minister or somebody. This change is budget-driven. There's no question about that.

Certainly this was not necessary to remove the funding from the Crow benefit in order to meet GATT rules. We're well below

our spending constraints under GATT without doing any reduction of the actual amount of money paid out.

And no, I think this . . . again, I believe it's driven by the assumption that if you just blow away the system that's there and somehow a new system will arise from the ashes and it'll be better and more efficient. And we don't believe that for a minute.

The only process that's in place for lines that aren't light steel is the NTA process which gives some hearings in 90 days or so before abandonment. But there is no . . . there doesn't seem to be any . . . hasn't been any consultation with communities or doesn't seem to be a plan for any consultation with what happens to whole areas of the province if branch lines are abandoned.

Mr. Martens: — Would there be no options on even how the railways are supposed to respond to regulatory functions? We've been given . . . the member from Thunder Creek also talked about regulations regulating variable rates and how they can be handled. When you have monopoly and you have a confidential, preferred kind of a tariff on this stuff, they can almost do whatever they wish to the function of transportation in western Canada. And you mean to say that there is nothing available anywhere from the Department of Transport?

Hon. Mr. Cunningham: — As we understand, there is nothing in the proposals that the federal government put forward that will protect farmers. There's maximum rates which will be phased out by the year 2000, which is not very far away, so we don't even have maximum tariffs in place for very long. And there are no minimums and no rules that say that rates need to be public. So essentially it looks like we're heading into a situation where the railways will be in control unless we can make that point with the federal government and hopefully give our producers a fair shake.

The committee reported progress.

The Assembly adjourned at 4:57 p.m.