

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
March 23, 1995

The Assembly met at 1:30 p.m.

Prayers

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Mr. D'Autremont: — Thank you, Mr. Speaker. The petition I present today, the prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to support Bill 31, An Act to amend the Saskatchewan Human Rights Code (Property Rights), which will benefit all property owners in Saskatchewan and specifically firearms owners, in order to halt the federal Liberal government from infringing upon the rights of Saskatchewan people.

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

These petitions come from the Watson,, Leroy, Spalding, Englefeld area of Saskatchewan, Mr. Speaker. I so present.

Mr. Goohsen: — Thank you, Mr. Speaker. I am happy today to present petitions on behalf of the people from the Swift Current, Gull Lake, Webb, Frontier, and Regina and Bracken areas of the province. 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 on behalf of the constituents of southern Saskatchewan today.

Mr. McPherson: — Thank you, Mr. Speaker. I also have a petition. I'll read the prayer. It's as follows:

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.

Mr. Speaker, the constituents that filled out this petition are all from my home town of Shaunavon.

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 of Saskatchewan humbly praying that your Hon. Assembly may be pleased to allocate adequate funding dedicated toward the double-laning of Highway No. 1.

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

INTRODUCTION OF GUESTS

Mr. Knezacek: — Thank you very much, Mr. Speaker. I would like to introduce to you, and through you to members of the Assembly, special guests that are with us this afternoon in the west gallery — 13 students from Mexico, who are visiting in Saskatchewan, and in particular in the Saltcoats constituency.

These young men and women have completed their education in their home country, and they're in Saskatchewan on a six-month to twelve-month stint in order to expand their English skills and English language. And throughout the stay, they will be studying Saskatchewan and Canadian culture, the government and governments and the education system and whatever else they can be exposed to during their stay here. Once they return back to their country, I understand that many of them will be entering post-secondary education.

I was planning on introducing them individually, but because of the time factor I won't. But I do want to mention that there are five students from the Churchbridge High School, so I'd like those five individuals to please stand up. There are also five attending the Esterhazy high school, and if those five would stand please; and three that are attending the Langenburg High School.

And also accompanying them is Mr. Norm Overland who is the principal of the Esterhazy high school. He is also my former boss in my previous world of teaching. So I welcome them all here this afternoon.

I do want to say I hope you enjoy your visit here today to the legislature and to Regina. And when it comes time for you to return home, please have a safe trip and may your experiences here in Saskatchewan have been great ones.

Also following question period, I'll be meeting with these students in room 255. If anyone can spare a few minutes, drop over and say hello; that would be much appreciated. So please welcome our friends from Mexico. Thank you.

Hon. Members: Hear, hear!

Mr. Whitmore: — Thank you, Mr. Speaker. Through you and to you, Mr. Speaker, on behalf of the MLA from Kinistino and

the MLA from Humboldt, I have the opportunity today to answer questions on behalf of this group that I wish to introduce — 41 grade 8 students from Cudworth and Bruno schools that are in your gallery, Mr. Speaker. They're accompanied today by their teachers, Therese McCann, Jake Mjaeff, and Marie Moore.

I have to add, Mr. Speaker, they came with a list of very important and thoughtful questions. And I might add that it makes question period look very tame compared to the questions they asked today. I think the opposition could take lessons from these people.

Thank you very much, Mr. Speaker.

Hon. Members: Hear, hear!

STATEMENTS BY MEMBERS

Agriculture Week Activities

Mr. Jess: — Thank you, Mr. Speaker. As we know, this week is Agriculture Week, the week we officially notice the year-round bedrock of our economy and our society.

Some events connected to this week have been mentioned in this Assembly. I want to mention a few more. To remind us that farming has indeed joined the high-tech revolution, yesterday the Prairie Swine Centre annual spring conference series was made available by satellite to 16 separate communities — from Yorkton to Kindersley, from Nipawin to Weyburn.

Also yesterday in the town of Kuroki, the Department of Agriculture presented an advanced seeding course. Today in Saskatoon an alliance-for-success workshop is taking place, a workshop to develop strategies for growth and development in small and medium-sized businesses connected to agriculture. And tomorrow, also in Saskatoon, the Saskatchewan Food Processors Association annual meeting will take place.

Mr. Speaker, agriculture is celebrated year-round in our province through fairs, exhibitions, and other programs. This is as it should be. But these events and others this week, remind us of the importance of agriculture and of how progressive it has become. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Expression of Support for the Member from Moose Jaw Wakamow

Mr. Boyd: — Thank you, Mr. Speaker. Mr. Speaker, in accepting the challenge of elected representation, MLAs (Member of the Legislative Assembly) also accept the fact that in public life you share the good with the bad at every turn. With progress, comes frustration; with praise, comes ridicule; with triumph, comes defeat. Each of these dichotomies exacts a toll on each of us as MLAs.

As such, when a colleague draws ill, we must rally to their side. And in this spirit, Mr. Speaker, and on behalf of the official

opposition, I would like to express our sincerest wishes for a speedy recovery to the member from Moose Jaw Wakamow.

Our thoughts are with him and his family, and trust he will be able to return to his duties in the very near future.

Some Hon. Members: Hear, hear!

Focus on Agriculture Week in Indian Head

Mr. Scott: — Thank you, Mr. Speaker. It is my pleasure to recognize the history and importance of agriculture to Indian Head during Agriculture Week.

In the early 1880s, the largest farm in the world was located at Indian Head. The Bell farm, where the historic brown barn still stands, consisted of 64,000 acres.

Near the turn of the century, more wheat was shipped from Indian Head than from any other point in the world.

The federal experimental farm created in 1887 has a long history of agricultural achievements.

In 1902, the PFRA (Prairie Farm Rehabilitation Administration) tree nursery station was established to provide millions of trees to farmers across the Prairies. This year alone, more than 7 million trees will be sent out.

More recently, the Saskatchewan Soil Conservation Association has established its headquarters at Indian Head.

AgrEvo Canada has set up a field research station. And the NM Paterson & Company has built its first inland grain export terminal at Indian Head.

Jim Halford is busy manufacturing the Zero Till ConservaPak seeders which are used across the Prairies and as far away as Australia.

In addition, the Indian Head Agriculture Research Foundation was recently organized. Cattle feedlots, berry farms, PMU (pregnant mares' urine) farms, are also part of the agricultural scene in the area.

Mr. Speaker, agriculture has been and continues to be the backbone of our economy. Saskatchewan farmers have not only kept pace with changes in the agriculture industry but have led the way in diversifying the industry.

It is a pleasure and honour for me as a farmer and MLA from Indian Head to salute the farmers and ranchers of Saskatchewan during Agriculture Week. Thank you.

Some Hon. Members: Hear, hear!

Martens' Ranch Limited Featured in Saskatchewan Tourism Publication

Mr. Martens: — Thank you, Mr. Speaker. It isn't always what you advertise; it's how you advertise it. This is the reason I was pleased to receive one of the recent householders from

Saskatchewan Tourism entitled, *Saskatchewan Vacation Adventure*.

Few sites are as beautiful as the sun setting on the Saskatchewan plains. The spectacular red and yellows, the purples and blues stretching as far as the eye can see. At sunset in the south-west part of our province it is a familiar sight to see a cowboy riding his favourite horse quietly across the prairie after a day's work is done.

Both of these sights have been captured on the front of the *Vacation Adventure* advertisement.

The *Reader's Digest* features, in a centrefold spread, a sunset, a sliver of the new moon, and a silhouette against the sky — Joe riding Wally, Hugh riding Marty, and Curt riding Hi Boy.

The significance of all of this, Mr. Speaker, is this: that these photos were taken in south-west Saskatchewan on Martens' Ranch Limited and have been featured in *Reader's Digest* and the upcoming tourism booklet entitled, the *Get-Away*, and coming up in *Maclean's* magazine.

I am proud and pleased to be a part of drawing tourists to our province, part of teaching individuals from all over the world about life in Saskatchewan. I am also pleased to be able to attract, even temporarily, some of the people that have left our province over the past years.

Some Hon. Members: Hear, hear!

1996 Summer Games Agreement

Mr. Hagel: — Thank you, Mr. Speaker. Many organizations and individuals in my riding have been busy making arrangements for the city of Moose Jaw to host the 1996 Saskatchewan Summer Games. There is strong community support for these games, which will be held from August 4 to 10 of next year.

The games received a financial boost from the province this morning, Mr. Speaker, through a multi-party agreement. This agreement was signed by my colleague, the Minister for Municipal Government, along with Moose Jaw mayor, Ray Boughen, who is also Chair of the Summer Games organizing committee, and Norbert Thurmeier, Chair of the Saskatchewan Games Council. The host committee was presented with a cheque for over \$117,000 as part of a \$235,000 commitment to the games, funded through the lottery proceeds.

Mr. Speaker, when these games begin, athletes will be competing in 12 different sports, and I'm pleased to note there will be events for athletes with disabilities and Special Olympic athletes.

The city of Moose Jaw is ready for this challenge of hosting over 2,000 athletes, coaches, managers, and officials, making it the largest and one of the premier amateur sporting events in Saskatchewan.

I extend my thanks and best wishes to the organizing committee

and volunteers who will make these the best games ever in Saskatchewan. And, Mr. Speaker, I invite all members to plan to get their summer kicks in '96 in Moose Jaw. Thank you.

Some Hon. Members: Hear, hear!

School Drama Festival in the North

Hon. Mr. Goulet: — Mr. Speaker, there is an important event about to take place in northern Saskatchewan.

Churchill High School in La Ronge will be hosting the regional drama festival for the North. Performances will be held at Precam Elementary School from March 24 to 26. It will feature nine drama groups from six northern communities, including senior and junior drama groups from Churchill High School.

Mr. Speaker, this is just one of the 12 regional festivals for school drama across the province. The winner from each region will compete at the provincial festival in Yorkton in May. As well, the best actor and actress and the best technician from each region are invited to participate in a showcase at the provincial festival.

Some of the communities that will have representation at the drama festival include Beauval, Ile-a-la-Crosse, Big River, Meath Park, and La Ronge. I would like to extend my best wishes to all of the participants, and I know the public will be entertained thoroughly during the festival. Thank you.

Some Hon. Members: Hear, hear!

ORAL QUESTIONS

Food Bank Donations

Mr. Britton: — Thank you, Mr. Speaker. Mr. Speaker, a couple of weeks ago the opposition introduced a private members' Bill to make it easier to donate food to the food banks. Those involved in food banks and other food programs were hoping that this legislation could be passed right away. But the Minister of Social Services said he had to check the legislation, even though the same legislation is working effectively in five other provinces.

My question is to the Minister of Social Services. Mr. Minister, have you completed your research on this legislation, and can we proceed with it immediately, as food banks and other food organizations were hoping?

Some Hon. Members: Hear, hear!

Hon. Mr. Pringle: — Well thank you very much, Mr. Speaker. I appreciate the question. I thought, Mr. Speaker, that I had kept the member involved along the way. I think last Friday I indicated to you that in the next two or three days we would be in a position to get back to you with our decision . . .

An Hon. Member: — Well, it's the next two or three days.

Hon. Mr. Pringle: — Well, you know, if they'll let me answer . . . And I would like to say to him that we have approved it. We

have approved it. Now it's a private members' Bill. If you'd like to do it today, we can have leave I guess to do it today, because a private members' Bill, we're looking at next Tuesday.

I had a couple of friendly amendments just to clean up the Bill a little bit, and I know that you lifted the Bill from Ontario, and I assume that you will be supportive to those friendly amendments. So I think we're being consistent. We don't write Bills on the backs of envelopes like you used to do, and we have to consult with the people. And I congratulated you before on bringing forth that, unlike the Liberals, who just criticize. So if you give us leave we'll do it today.

Some Hon. Members: Hear, hear!

Mr. Britton: — Thank you, Mr. Speaker. Mr. Minister, I thank you for your . . . I understand from what you're saying you are fully behind this Bill. Okay? We have provided you with letters documenting how the food donations have increased dramatically in Ontario since this Bill was passed. The food banks support this legislation; restaurants, hotels, all support this legislation. And it's a common sense solution and it doesn't cost a cent. So I am saying to you, sir, if you are fully behind this Bill then maybe we should get at it.

Hon. Mr. Pringle: — Well, Mr. Speaker, Mr. Speaker, I would . . . I just want to say, Mr. Speaker, I had indicated earlier that with leave, we'll do it today. But I want to say to the member that in the 1980s, when you were in the bench and your member from Estevan was the premier, poverty quadrupled in this province. There were no food banks before the member from Estevan came to power.

You didn't provide support to low income people; in fact you devastated social programs for 10 solid years. You didn't even admit that poverty existed until 1991. You didn't even admit it existed. When you left, 10 food banks were in place. You have voted against every piece of legislation in this House that was designed to help low income people.

Now in exchange for this agreement will you support the child development nutrition program? Will you support the child action plan? Will you support new initiatives in this year's budget, like employment to youth strategies that help get young people back to work and provide educational opportunities for our students? Will you support those things, if you're really sincere about helping low income people?

Some Hon. Members: Hear, hear!

Investigation of Phoenix Advertising

Mr. Toth: — Thank you, Mr. Speaker. Mr. Speaker, it certainly would be interesting getting into more of a debate on the food Bill and we trust the minister is more than prepared to come forward with this Act even this afternoon. But, Mr. Minister, Mr. Speaker, I have another question on my mind.

You don't need a law degree to know that on the face of it, if it's an offence to take a kickback, it's an offence to give it. Mr. Speaker, this quote isn't from any of us in the official opposition; it isn't from a person with any sort of political

motivation; it isn't from an individual who is ignorant of the law. In fact, Mr. Speaker, this statement comes from one of the Premier's own back-bench MLAs, the NDP member from Regina Albert South speaking in reference to the NDP advertising agency of record, Phoenix Advertising, and their kickbacks to an NDP (New Democratic Party) cabinet minister.

The member was a senior Crown prosecutor, Mr. Speaker, and he echoes the comments of the former minister of Justice. My question is to the Minister of Justice: Mr. Minister, you are the current Attorney General. Why don't you give us your legal opinion of this matter? Do you agree with your NDP colleagues, one a former senior Crown prosecutor, the other a former Justice minister. Very simply, Mr. Minister, do you believe it is illegal to offer or to give a kickback?

Hon. Mr. Shillington: — Thank you very much, Mr. Speaker. I noted with interest the questions of the member from Wilkie and the rather high tone of those questions. In some ways it's a shame that rather high-mindedness didn't continue. I want members opposite to reflect upon the gravity of what you've been doing over the past few days.

For some time the justice system has prosecuted a senior member of cabinet without the slightest suggestion of any political interference. Why? Because it wasn't in the political interest to do so. Now on a related matter with the same prosecutors, a decision as to whether or not to prosecute an ad agency, suddenly you find political interference.

Members opposite, for the crassest of political reasons, have, without a shred of evidence . . . are calling into question the integrity of this province's judicial system. Mr. Speaker, it is with the utmost reluctance that I've come to the conclusion that if we're to prevent real damage occurring to this province's judicial system, I must put an end to the political games opposite and I want it known I'm calling you and you on these political games.

I am hereby announcing that there will be an independent special prosecutor who will review this matter. And I say to members opposite . . .

Some Hon. Members: Hear, hear!

Hon. Mr. Shillington: — I say to members opposite that we now have an independent prosecutor reviewing it. If there is even a shred of decency left in members opposite, I hope you will let the system do its work without any further attempt to politicize the judicial system.

Some Hon. Members: Hear, hear!

Mr. Toth: — Thank you, Mr. Speaker, and thank you to the Minister. First of all, I note it was interesting that the minister began by accusing the opposition of scare tactics and running down a profession before he reached the point of actually admitting and indicating to this Assembly that he had come to a decision that maybe it would be appropriate to follow the urging of his colleagues and of this opposition in appointing an independent prosecutor.

I'm wondering, Mr. Minister, if you would at least have the courtesy of indicating to us who that prosecutor will be and how that prosecutor will be appointed or has been appointed.

Hon. Mr. Shillington: — I say to the member from Moosomin, we will be announcing the name of the special prosecutor relatively soon. And I think we'll have the report plenty soon enough for members opposite.

Some Hon. Members: Hear, hear!

Mr. Toth: — Thank you, Mr. Speaker, and to the minister. Mr. Minister, will you at least allow us the opportunity of knowing who that prosecutor is, how you've arrived at the decision, what the parameters will be for the prosecutor, and when his report will be available to the Assembly, if that's what you're telling us today. Will you do that?

Hon. Mr. Shillington: — Thank you, Mr. Speaker. I'll ignore some of the comments of the member opposite and just say that within the next few days, within the next few days I'll be announcing the name of the special prosecutor and the terms of . . . who it is and so on.

Some Hon. Members: Hear, hear!

Contaminated Water Supply

Mrs. Bergman: — Thank you, Mr. Speaker. Today I'm asking a question on behalf of my constituents in Regina North West, concerning the possible contamination of the Regina aquifer by the city of Regina's sewage treatment plant.

The drinking water from Regina North West, as well as the rest of the city, comes from wells drilled into the Regina aquifer, mixed with water coming from the city's pipeline.

In the late 1980s, Sask Water commissioned reports to develop an allocation plan for the Regina and area groundwater resources. The results of those reports, Mr. Speaker, indicated that the Regina aquifer was stressed and over-allocated. That means that too much water was being pumped from that aquifer and that the city of Regina's sewage system leaks into the Regina aquifer.

My question is to the minister responsible for Sask Water. Mr. Minister, has Sask Water monitored and remedied this source of contamination since it received the report?

Hon. Mr. Wiens: — Mr. Speaker, this, as is indicated by the nature of the question, that this study overlaps a number of the departments. In the description of the question, it overlaps Water and Health and Environment. And the issue is under review, and we'll report at an appropriate time.

Mrs. Bergman: — Mr. Speaker, the management and allocation of the Regina area's groundwater is the responsibility of Sask Water. Large groundwater users such as the city of Regina must register their wells and apply for water allocation.

Under the law, Mr. Speaker, the first users of a groundwater

source must be protected. In 1989 the city of Regina agreed to remain at its 1989 groundwater allocation, and also agreed that future water increases would be dealt with by pipeline expansion rather than further pressure on an over-allocated groundwater.

Mr. Minister, will you confirm that further licences have been issued to the city of Regina for increased allocation of these stressed groundwaters, thereby increasing the risk of rural users as well as the people of Regina?

Some Hon. Members: Hear, hear!

Hon. Mr. Wiens: — Mr. Speaker, I will report back as soon as I can confirm or deny the comments of the member.

Mrs. Bergman: — Thank you, Mr. Speaker. Mr. Minister, the Department of Environment has made a big do about the buried tanks. This is an extremely important matter, and I'd ask you to answer the question.

One of the recharge points for the Regina aquifer is at Wascana Creek near the city of Regina sewage treatment plant. According to the 1988 Saskatchewan Research Council report, this is an area of contamination of the aquifer and of great concern today for the users of the water, including those farmers drawing their water from the Regina aquifer as well as the residents of north-west Regina.

Can the minister assure both the groundwater users and residents of Regina that this source of contamination does not make their water unsafe for human consumption?

Some Hon. Members: Hear, hear!

Hon. Mr. Wiens: — As I'd said earlier, this question has been under review for a significant amount of . . . has been examined with a significant amount of detail and I'll report back fully as soon as I have the full report.

Support for Agriculture

Mr. Swenson: — Thank you very much, Mr. Speaker, and my question is to the Premier.

Mr. Premier, I wondered if you would like to continue on with the raving and ranting that obviously went with the touchy questions the media asked you last night in regards to agriculture and your federal NDP colleagues. I found it rather strange, Premier, as a politician who has made a career out of attacking federal governments and federal parties — and that's always meant Tories and Liberals because, thank goodness, we've never had an NDP federal government — the fact is that when someone asks you to defend the actions of your federal brethren, you start to come unglued because you can't defend the indefensible, Mr. Premier. The actions of your federal cohorts in the House of Commons were indefensible in the action regarding the rail strike.

Why is it okay, Premier, for you to attack and to make a career over the last 25 years of attacking federal Tory and Liberal

governments and not call your own federal brethren to account when they affect your province more dramatically than they affect any other province in Canada when it comes to a national rail strike? Why is that, Mr. Premier?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — Mr. Speaker, I find this a particularly amusing question on this day of all days to come from the Conservative Party.

I have here in front of me, Mr. Speaker, a clipping — I think it's from the Saskatoon *Star-Phoenix* — and the headline, Mr. Speaker, says: "Sask. Tories to axe ties with federal counterparts."

Apparently it's okay for the Tories to axe ties with the federal Tories and therefore not to defend the federal Tories, but it's not okay for the provincial New Democratic Party government to take another position. Get real, Mr. Member, please.

Some Hon. Members: Hear, hear!

Mr. Swenson: — Thank you, Mr. Speaker. The big question is, Premier, are you prepared, on behalf of thousands of farm families in this province, to sever your ties when your federal cohorts and your union leader friends obviously have been more important to you than agriculture in this province?

And, Mr. Premier, the record's fairly straight. And I understand why you're so touchy, when you're the guy that tore up the GRIP (gross revenue insurance program) contracts, you're the guy that has attacked rural Saskatchewan time and time again through the last three and a half years. So I can understand how touchy you are, Mr. Premier; why you will not sever your ties with the federal NDP as they attack rural Saskatchewan.

So the question is: if it upsets you so much, Mr. Premier, will you now do what you just asked us to do? Will you sever those ties and categorically say that Saskatchewan farm families come before your federal cohorts and your union leader friends? Will you do that, sir?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — Mr. Speaker, we have truly reached the silly season of this Legislative Assembly.

First of all, the leader of the provincial Liberal Party attacks the Prime Minister of Canada and says that she's not out there to defend the federal Liberal policies and the federal Liberal government actions. She says that she is going to defend only her own positions, but with several exceptions of course.

Then this morning in the front page of the *Leader-Post*, I didn't advocate that you should sever your ties with the federal PCs (Progressive Conservative); you said you're going to sever the ties with the federal PCs. You get up and you follow the Liberal lead, and you sever the ties with the federal PCs.

Now look, if you're a Liberal and you have this budget which

destroys the Crow and attacks western Canada, I can see why you're ashamed of defending the Liberals. And if you're a Tory and you have the record of the government federally, I can see why you're ashamed of being a Tory.

I tell you we're not severing the connections of the New Democratic Party. Our philosophy is right. I disagree with what the federal NDP did on Monday with respect to the railway strike. I have taken the position one full week before that time at SARM (Saskatchewan Association of Rural Municipalities) that the grain should be moving. Yes, I did. The former premier says I didn't, and I did; it's on CBC (Canadian Broadcasting Corporation) record. I've repeated it over again and over again. And what irritates you people over there is that I've done exactly what you have not had the courage to do: to stand up for the people of the province of Saskatchewan including farmers.

Good luck to you in your severances. Good luck to you in your severances. God bless you, but I don't think the people of Saskatchewan are going to buy it for one moment. A Tory is a Tory is a Tory, and a Liberal is a Liberal is a Liberal.

Some Hon. Members: Hear, hear!

Mr. Swenson: — Thank you, Mr. Speaker. Repetition isn't going to save the Premier because he repeated — he repeated in 1991 time and again in rural Saskatchewan and in rallies around this province — that all Saskatchewan farm families had to do was vote for him and their problems would be solved . . . that a billion dollars a year was nothing, Mr. Speaker.

And instead what have we seen? And that is why they do not believe the Premier today, when he protested so loudly that he is not in the back pocket of his union friends and the federal NDP politicians who struck out against rural Saskatchewan.

So I say to the Premier, all of the promises that you made in '91 that you've broken, you tell Saskatchewan farm families why they should believe you now when you say they're on your side, when you obviously have not been in the past. Why should they believe you, Mr. Premier?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — Mr. Speaker, the farmers of Saskatchewan and the people of Saskatchewan will in due course make up their own minds as to what they believe with respect to our government's actions. And we'll be having a chance to have that debate in the country in due course. So those arguments can be saved at the appropriate time.

The member is obviously scrounging around for some form of question, but I repeat again that, scratching as he might be about this angle, I don't know what it is that bothers the member. We've passed how many motions, Mr. House Leader?

An Hon. Member: — Three.

Hon. Mr. Romanow: — Three motions, unanimously. Mind you, the Liberal Party has ducked on at least two of them. They've scurried off. Their divorce from the federal Liberals is

kind of like hide-and-seek. Peekaboo, you see them sometimes, and sometimes you don't. At least you people — I give you the courage — you're in the House. We voted unanimously on at least two or three occasions on the rail strike and the need for the grain to move to protect the family farmers. What in the world more could be done?

And the hon. member knows this, and what he's trying to do is to play a little bit of a small game which I wish he would do it in a humorous way; at least we'd have a little bit of a smile out of it. But he actually, I think, is serious about this question, and it's pretty hard for anybody else in Saskatchewan to be serious about his question.

Some Hon. Members: Hear, hear!

Mr. Swenson: — Well, Mr. Speaker, unfortunately the Premier thinks it's a bit of a humorous matter. But I, like a lot of other farmers in this province, have to go and seed a crop this spring. And the actions of this government and the federal Liberals leaves me in a great deal of doubt.

So I have a question for the Minister of Agriculture because the Minister of Agriculture has made a decision which affects, once again, thousands of people in the province of Saskatchewan. I understand, Minister, that you have ordered that the Agricultural Credit Corporation and other government agencies which leased land to farmers in this province, that you have ordered that they delay the leasing process for two weeks because of your inaction in dealing with the federal Liberal government and the amount of money that is coming to the province of Saskatchewan with the Crow payout. Is that true, Mr. Minister?

Hon. Mr. Romanow: — Mr. Speaker, what I would suggest to the hon. member because I do take this seriously . . . I just find it a little bit difficult that the nature of the question, the way it started out, to be serious. But I would say to the Leader of the Official Opposition, I would even say to the Leader of the Liberal Party — but I have less hope that this would take place — why not, in the next several days, try to come up with some Saskatchewan voice to try to clarify the tangled mess created by Mr. Goodale and Mr. Martin on the Crow buy-out which of course impedes your decision as to what to plan. It's not only your decision but the farmers'.

This is an absolute confused chaotic situation out there that Mr. Goodale has failed to clarify. So far as I know, his position still is that it's to the landlord — full stop period. And nobody really knows. The Leader of the Liberal Party in her off-the-divorce mode says for the moment, that she's going to talk Mr. Goodale into everything else being on the table to amend the landlord situation. But thus far we haven't seen that liaison produce any benefit, tangible results for the people of Saskatchewan. So therefore the result is confusion.

And they're seeding well in the next couple of weeks. So you're dead right. I say quite seriously, what I will do is I'll ask the House Leader, I'll ask the Minister of Agriculture to sit down with the Leader of the Opposition, even the Leader of the Liberal Party — if any Liberals are around in the House at the

time. Let's try to work out some sort of a pay-out which helps our people.

And in this context we're very interested in cooperating with you. And it can involve ACS (Agricultural Credit Corporation of Saskatchewan) because it is also confused by this tangled web that has been weaved by an incompetent federal Liberal budget — a hurtful federal Liberal budget.

Some Hon. Members: Hear, hear!

Mr. Swenson: — Thank you, Mr. Speaker. And I'm glad to see the Premier stand up on an agricultural issue and at least try to demonstrate some leadership.

We have asked your Minister of Agriculture, the man you've chosen to represent agriculture around your cabinet table, question after question over the last month, and we have received absolutely no answers, no assurance that this individual understands what's going on at all, Premier.

So I'm glad to see that you're taking interest finally because there's a lot of questions about the Crow buy-out. When is it going to be paid? How is it going to be paid? Who is going to receive the money: the landowner or the producer? We asked him last week in estimates, and he shrugged his shoulders.

Mr. Premier, your minister evidently has said there will be a two week delay in leasing. Why two weeks? Does he know that there's going to be an answer in two weeks? Is it three weeks? Is it four weeks? The minister doesn't understand.

Premier, can you tell farm families in this province what the time lines are, what the deadlines are, and what you expect out of it, Premier?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — You know, Mr. Speaker, I want to answer on behalf of the government because I think — if I may say so, with the greatest respect to the member opposite — he is on to something here. But he is not on to the right attack point, namely us.

This is the problem of Ralph Goodale. This is the problem of Ralph Goodale and the Liberals. They have set the rules of doing away with the Crow. They have failed to clarify the method of the buy-out and the pay-out. It is they who have not told the farm leaders any of the answers which you raise.

We have been asking the federal people to give us the details. They don't give us any of the details in any more particularity or specificity than they do the farm leaders or the community at large. It is a tangled mess out there. I didn't cancel the Crow rate. You didn't cancel the Crow rate. The Liberals killed the Crow rate. The Liberals threw rural Saskatchewan into confusion. The Liberals said to western Canada, here's a big poke in the eye.

Now I agree with you, but you're coming after the wrong people. We're prepared to work with you. We're even prepared

to see if the divorce is really on — to work with the Liberals — to see if they can work up something here.

But I can't answer those questions. It's not our policy. So I say to you and to the Leader of the PC Party, we should look at questions of interim payment, try to figure out leasing arrangements. All of these things we should try to help out because obviously the Liberals are at sea, and they know absolutely nothing about rural Saskatchewan.

Some Hon. Members: Hear, hear!

INTRODUCTION OF BILLS

Bill No. 53 — An Act respecting Agricultural Operations

Hon. Mr. Cunningham: — Thank you, Mr. Speaker, I move that an Act respecting Agricultural Operations 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.

(1415)

ORDERS OF THE DAY

GOVERNMENT ORDERS

COMMITTEE OF THE WHOLE

Bill No. 23 — An Act to establish The Agri-Food Innovation Fund

The Chair: — This was before the Committee of the Whole yesterday, and it's not necessary to reintroduce the officials.

Clause 1

Mr. Swenson: — Thank you, Mr. Chairman. Mr. Minister, yesterday when we were dealing with this item, I asked you a number of questions about the board and its make-up, what type of individuals or companies would be eligible, what constituted a primary producer, what constituted a secondary producer. And you seemed to be very vague through most of that questioning.

I'm wondering — now that you've had time to think about it, and you've thought about the kind of people that are going to have access to this \$91 million over the next four years, 27 million of it in the current budget year — if you've got some better examples to give me of what you have in mind, and if you have thought about this issue of who should control the board.

Should it be primary producers in the province of Saskatchewan who are facing untold changes in the agricultural make-up of this province or if it should be the folks that are already . . . the Minister of Economic Development has been flying around the world looking at secondary processing, which they're very good at.

So have you thought about it? Are your answers still the same?

Can you give us a better understanding of what this \$27 million and this board which you are going to appoint is actually going to do for the farm families of this province?

Hon. Mr. Cunningham: — Well, Mr. Chairman, let me run through the board structure one more time for the member. This board will, as laid out in the legislation, will have 12 members, six appointed by the federal government and six appointed by the provincial government. The legislation sets out a minimum of one-quarter of the board being actual people from the industry and producers. We anticipate that in all likelihood there will be eight out of twelve who will be industry participants.

We certainly anticipate some primary producers and some secondary, some people who are in the food processing industry. If the people like Drake Meats and Thomson Meats and the greenhouse at Biggar and those sorts of industries will be accessing some of this money . . . and certainly we need the sort of expertise coming from some of those as well as from primary producers.

If it helps the member opposite, I'll try not to appoint people who flew with the Minister of Economic Development, if that makes you feel better.

The Chair: — Order. Just a moment. I may have been premature. I had one of the members of the committee ask if there were officials here today who were not here yesterday, and if there are, I'd ask the minister to introduce officials who are here today and weren't yesterday.

Hon. Mr. Cunningham: — Thank you, Mr. Chairman. Yes, we have Dale Sigurdson, who is the assistant deputy minister of Agriculture who was not here yesterday.

The Chair: — Thank you, Minister.

Mr. Swenson: — Thank you, Mr. Chairman. See, Minister, the problem I have is once again — and I hate to refer to past history — but when the issue came up around the monies that were associated with the beef industry in this province and what should be done with the residuals that were there from the old tripartite agreements from some of the feeder programs that were around, the various things that were rolled into a fund that was to go to enhance the beef industry, you basically told people in that industry that if they didn't do it your way, you were going to put things to a vote. And you were going to insist that Sask Wheat Pool — who, as far as I know, don't grow one single cow in the province of Saskatchewan; they own lots of them because they have them out on contracts with people — had to be a part of that structure. And you absolutely insisted that there was no give on issues like that.

And I think people in the past have said to me, and I'm sure they've said to you, is there really any point in designing a new fund, an ag innovation fund in this province, like some of the ones that have been around in the past, where we have academics . . . we have plant breeders . . . I mean, I'm a registered seed-grower. I know how it works. You know the guy that's designing the new breed of seed doesn't necessarily

worry about the marketability of the product down the road.

We've have a recent example of the wheat, Grandin, and its temporary licensing and then its pull-back. I mean nobody, Minister, thought about what the guys growing the product were going to have to do with it down the road because the committee, that said that it should come in, was from another part of the industry. That's what farmers fear, and they fear it from you because of the way you've handled things in the past.

So now we're going into an election year. We've got 27 million bucks, 91 million over four years. You've got the right to appoint the board. Your record is as dismal as all get out in that regard because you've always stacked them up with political folks. And then you say, trust me. You come in here and give me the same answer today as you gave me yesterday — just trust me. You don't give me a definition of a primary or a secondary. Just trust me.

Well I'm sorry. Forget that I'm a politician. As a farmer, I don't trust you. You tore up my contracts. You've done lots of things to change the way that I do my business that had more politics involved in it than it did anything else. So I don't trust you — either as a farmer or as a politician.

Until you can give me some concrete examples and some assurances of the kind of people that would make this thing work, that will be free of interference and will be free of simply some type of political chicanery during an election year in this province and until you can justify that to this House, I think this is going to go on for a very, very long time because this Bill is very, very broad and evasive when it comes to those kinds of answers. And you're going to have to do better than you did in the past in order to get this thing passed in any short time at all.

So maybe you'd like to take another stab at it.

Hon. Mr. Cunningham: — Mr. Chairman, I think it would be inappropriate and wrong to bring names into the House for a board that has not yet passed into legislation. The member opposite criticizes the board that has not yet been appointed. The legislation sets out quite clearly that there will be industry representatives on it. It makes allowances for committees and subcommittees which is absolutely necessary in that there will be a whole lot of new and emerging industries which not a lot of people have a lot of knowledge about. And they will need to be consulted with industry people in those specific sectors.

And short of having a board of hundreds of people, you can't put all of those interests on a board, so there will be structures set up so that they can be consulted and that proposals brought forward can be evaluated by primary people who are in the industry, and as well as the farmer who is growing the grain, as well as the people who are processing the grain, as well as some of the people who are doing the scientific research on doing the new varieties.

And I think you cannot get a balanced board nor a board that has knowledge and is competent without having a cross-section of people who are involved. And that is what has been happening in the agricultural industry that the member opposite

probably has not taken note of . . . is that there are a lot of cooperative efforts happening within industries. And producers are cooperating with processors, and processors are cooperating with marketers. And people are working together in order to break into particularly world markets where Saskatchewan has to be in order to be successful.

So, Mr. Chairman, I cannot give a list of people that are going to be on the board today, particularly without having asked them. This is a board; the structure is there. There are six federal and six provincial people who will be on the board.

Mr. Swenson: — Okay, Minister, let's try this a little bit differently. Have you had any indications from the federal government about the kind of people that they're going to put on the board? Are they going to follow the same criteria as you? Are they going to consult with you before these appointments are made? Is Ralph Goodale, the federal Minister of Agriculture, who must be paying the other part of the shot . . . have you had any indication from them of what type of people they would like to have on the board?

Obviously this board of 12 is going to have to work fairly well; you get six, he gets six. You and Mr. Goodale are going to have to have some discussions on that. Can you give us any indication of what the federal government thinks would be appropriate in this regard?

Hon. Mr. Cunningham: — Yes, obviously we have had consultation with the federal government, and certainly will be consulting with them. It wouldn't do for us to have overlaps, and then us both appoint somebody from the same sector and not somebody from another sector.

Some of the general principles that we looked at is that we want gender equality if possible. We want sector representation on the board. We want tie-ins with other funds. If we can have an overlap with a fund like ADF (Agriculture Development Fund), that will prevent overlap and duplication, and keep a close tie-in so that everybody knows what's happening in the industry. We want somebody from food processing and value added. And we want primary producers.

So we've had a good deal of discussion as to who's going to be on the board. But there certainly will be a good deal more discussion before the board is appointed. And if the member opposite has names of people that he thinks should be on the board, give them to me and we will certainly give them due consideration.

Mr. Swenson: — Well we're making progress, Minister. Could you tell us the time line that you and the federal minister have agreed to for this board to be announced and start up. And that maybe will give us some indication of when you anticipate these people all getting together, and the make-up and the various requirements that you just outlined. Give us your best shot at when this thing is going to be operational.

Hon. Mr. Cunningham: — Well, Mr. Chairman, it depends to start with how fast the Bill goes through the House and how quickly the federal government can get their representation in

place. We will certainly have to have some consultation, as the member has pointed out, that needs to happen. Our best guess would probably be May or June, we should have a board in place.

Mr. Swenson: — So has the federal minister . . . has not said any . . . or his officials have not given you a definite time line of when they want to name their people? They're obviously going to have to make some order in council appointments themselves in order to get this done. Are they also waiting on their budgetary process to be done in the House of Commons? Or have they allocated the money already and therefore they don't have to go through the House for their funding? The federal minister must have indicated to you some type of a date and I'd really appreciate if you would share that with the House.

Hon. Mr. Cunningham: — Once this is passed it will give us the authority to sign the federal-provincial agreement. So that needs to be done. Our money is available immediately. The federal money will not be available that quickly. It's in their '95-96 budget. Again we have made strong submissions that this be done as quickly as possible. We're pushing it from our end as quickly as we can. And so far we've had reasonable cooperation from the federal government. And hopefully we will get this up and running as quickly as we possibly can. And again we anticipate May to June to have a board in place.

Mr. Swenson: — So what you've just told me is that you want to get the board named and that you will be operating on provincial funds until such time as the federal government gets its budgetary process finished. Is that basically what you're saying, that they need to go through House of Commons before that they can start to allocate any monies to this?

Hon. Mr. Cunningham: — Actually the agreement is that we would use the federal government money first. When the board is up . . . and we'll have to take applications, we'll have to assess them. And by the time there's approval of applications and money flowing out, the federal money should be available by that time.

Mr. Swenson: — Okay, those time lines tell me then, Minister, that if we have a June election in this province that there isn't even the slimmest chance that you'd be making any announcements from this board on projects, because they obviously wouldn't have had time to do their due diligence or receive any federal money. Is that correct?

Hon. Mr. Cunningham: — Well the member speculates on a June election. If that's the case then obviously this will not have money out or announcements out pre-election.

(1430)

Mr. Swenson: — Well you could have told me that several sentences ago, Minister, and we could have cleared that a long time ago, because I asked that yesterday. And it's nice that you're on the record . . . (inaudible interjection) . . . Well I mean, I was asking you questions about that; you could have just said, well no, that's out of the question. You've relieved the anxiety of a lot of people in rural Saskatchewan with that

simple statement today.

I want to go on to the powers; I notice in here you've indicated that they can second or they can hire or they can do a number of things as far as staffing in order to gain expertise in various areas. As you said, these things take years to come to fruition and they need intensive study.

Can you give me your best shot of what percentage of the funds allocated will go toward this staffing component or to an ancillary type of hiring that would be done by the board in order to further its work. What is your best guess at what percentage of the \$91 million will go toward that portion of it?

Hon. Mr. Cunningham: — The agreement we have with the federal government, that staffing will be handled by the federal and provincial governments and this board will not have employees. It will have the ability to hire a consultant and an engineer for some particular purpose, but it's not allowed to hire a staff. The staffing will be the responsibility of the governments.

The payments for the board members themselves will come out of the fund, and as I said, if we're in a situation where the board needs to have an engineer to verify some data or some study or whatever, that would be eligible for funding from the fund. But it won't have any employees.

Mr. Swenson: — Okay, Minister, you didn't tell me what your best guess was as to a percentage of the \$91 million going toward the staffing side of the equation, work of the board. How much of the money will be used up in administration, your best guess?

Hon. Mr. Cunningham: — That will be, we anticipate, a very nominal amount, because we will be staffing it from Department of Agriculture from our side and from the federal government's side. So it won't be hiring any employees. And so my officials say that they anticipate it to be somewhere less than 1 per cent will go to administration.

Mr. Swenson: — The reasons I ask these questions, Minister, because I reread the Bill again this morning, and it, the Bill, specifically gives the minister the sole discretion over the hiring of employees. And yet at the same time it says, in a later section, that the fund has the power to hire and pay for — and it's clearly delineated in there — advisers, specialists, or consultants. And these are very broad terms, Mr. Minister. And in my view, they completely undermine section 9(1).

So I'm wondering why you bothered with 9(1) when you put this broad mandate out for the board to get into the business of hiring these folks, and yet you say you should have sole discretion over the hiring of employees. And it's contradictory and I don't understand why you've got the two dichotomies in there.

And then you tell me that less than 1 per cent of the 91 million is going to that side of it when, if the board has that ability, that simply won't be the case, Minister. Why have you done that?

Hon. Mr. Cunningham: — Well, Mr. Chairman, we did this to give the board some flexibility. We deliberately put in there that the board cannot hire employees. And that, to be quite frank, is to be sure that the federal government doesn't offload part of their agricultural budget onto this fund. And we do not want to have federal employees transferred into the fund. We have no intention of transferring provincial employees into the fund. And that's put in there specifically to deal with that.

On the other hand, the board does need the flexibility from time to time to be able to hire an engineer or a food consultant or some such expertise that they need to evaluate, help them evaluate, a certain project or to do some quick intelligence for them. And that was put in there to give the board the flexibility to do that.

I certainly don't anticipate that being any significant portion of the board's expenses, but I think it would hamper the board's ability to act in certain situations if we don't allow them to have the power to do those things.

Mr. Swenson: — So just that I'm straight here . . . that all of these expenses will be paid out of the fund. There will be nothing out of the Department of Agriculture, nothing from the minister's office because the minister obviously is . . . you're telling me that you're retaining the right to sort of have the final veto on this situation, at least according to the Act. The minister has the final say, that all of any hiring done will be done strictly out of the fund.

Hon. Mr. Cunningham: — Yes, Mr. Chairman, if you read section 10(1), the fund may hire people, but that will be the board. The minister does not have the authority to hire those people. Only the board does, and the board is, as you recall, is appointed half by the federal government and half by the provincial government. So the minister will not have the authority to use any of those funds to hire anybody. That will be a board decision if they need particular expertise to hire people to do it for them.

Mr. Swenson: — Well I'm glad to see that you are going to stay out of their business, but I don't know why you would then try and tell the Assembly that you expect less than 1 per cent of the budget will go toward hiring. I mean obviously the board will have to make that decision, Minister, if they set 5 per cent or 10 per cent or whatever of their budget to go out and hire consultants or . . . What else did you call them? Special advisers, consultants, whatever.

I guess they'll make that determination. Is that correct that they then will set their yearly budgets, and if they want to take a guy on to bring on a new breed of canola or some such thing that . . . and they need him for three or four years, that they'll go out and hire him on a contract, and they'll have him there for three or four years. Is that the process as you see it?

Hon. Mr. Cunningham: — Well certainly that's not the process as we see it. What I would anticipate is that some group would come forward, if it's for researching of a new saskatoon berry or whatever it is, some group would come forward — of industry or producer organizations — asking for money to do research on a particular project. And the board would approve

the funds. They would not be hiring somebody to do those things for them. It would only be in the instance of something that they needed possibly to evaluate the proposal that's in front of them, that they thought they needed some information or some consulting. And so that's why I anticipate it to be a very small percentage, although the member is correct — that decision will rest with the board.

Mr. Swenson: — That raises another interesting question, Minister. You talked about the secondary producers being, possibly vertically integrated agri-food business being, someone that might be on the board. And can you see something in the Act that would prevent you or the federal government of appointing one of these entities, these secondary producers who could be a very large agri-food business . . . having a seat on the board of directors and also having a particular product or . . .

And you mentioned several the other day. You talked about the meat industry. You talked about people in the fruit industry. You talked about people in the flax fibre industry having a particular project that they wanted to undertake and maybe offset the cost of some of their R&D (research and development) in that area.

Can you tell me what provisions there are to prevent that, that the board cannot turn around and hire people who would have a direct result on the business interests of one of these secondary producers that you would put on the board?

Hon. Mr. Cunningham: — Well certainly the board will have . . . will adapt standard conflict of interest guidelines. This has always been a problem in Saskatchewan with an industry that's new and growing. We have the same problem on ADF boards, on any boards in the province. And if you . . . remembering that producers or members of the board are one out of twelve and there will be conflict of interest guidelines that they will need to comply with.

Certainly we wouldn't want to eliminate anybody who might at some point want to apply to the board from being on the board because those are the very people who have the expertise in the area. And so . . . that right down to primary producers and farmers who are interested in expanding their farm and value added on the farm are the very people who may well at some point want to apply for the . . . apply for money.

So hopefully that doesn't arise too often and the conflict of interest guidelines work. But certainly that is a concern in a small industry, a small and new industry that we have in the province.

Mr. Swenson: — So I understand this clearly, the conflict of interest form — the one that we were discussing in the House the other day when we were dealing with the individual from ACS working with the private credit agency, the private bill collector — that that same conflict of interest form will be applicable to everyone who's appointed to the board? And will your conflict of interest regulations apply to the federal members of this particular board?

Hon. Mr. Cunningham: — The conflict of interests will be

adapted by the board. It will be a very standard . . . all boards operate in this manner. Anybody who wants to apply to the board is not ruled out, only they must declare their conflict of interest and not vote on issues that are pertaining to any interest that they have that might be in conflict with the fund.

So that's very much the same as the ADF board works or any number of boards around the province work. If anybody has a conflict of interest they will be expected to declare those interests. And that would apply to all members of the board whether they're appointed by us or appointed by the federal government.

Mr. Swenson: — That's good to hear, Minister. I'm wondering if you would mind supplying me with a copy of the anticipated conflict of interest guidelines which you will be presenting on behalf of the provincial government to the newly nominated members of this board. I'm sure you must have something that's prepared for them because you're going to name them fairly soon, as I understand you.

(1445)

Hon. Mr. Cunningham: — Yes, we can get you . . . we'll get you something.

Mr. Swenson: — Thank you. Well now that we've cleared up some of these issues surrounding the board, I want to get back to the object and purposes and some definition, I guess, of . . . because people have already asked me, for instance, how large of an individual do I have to be to qualify?

If I'm on an acreage, for instance, if I'm an intensive livestock individual but I don't have a large land base, do I qualify to apply? Is there any limits here on the type of primary producer or secondary producer, the type of people that would apply for this thing to have access to the money?

Hon. Mr. Cunningham: — There are certainly no restrictions on the size of individuals. They have to go through the normal process and talk through the sector committee, or however these are going to be brought forward. So they would have to follow standard procedures. Although it doesn't spell it out in the Act, the board may find ways to deal with small loans. I believe ADF has a special program that fast-tracks some smaller proposals that make it easier to access for smaller producers.

But certainly there's no restrictions as to how small; in fact that's very much what the priority of this fund is going to be — it's rural Saskatchewan and value added right back to smallest level we can get, including some right on the farm.

Mr. Martens: — Thank you, Mr. Chairman. Just continuing on in that discussion, Mr. Minister, I'd like to ask some questions about the process that you perceive to be . . . or that will be in place with regard to making application for this money. Would there be limits, ceilings? Would it be prorated according to the value of the project? And if you could give me some of those kinds of answers, I'd like to hear them.

Hon. Mr. Cunningham: — Those will be determined by the

board. What we anticipate is sector committees in different . . . six or seven sectors that I outlined yesterday that we think are priorities. And those sectors would come up with strategies and recommendations to the board as to how they best see targeting the money in individual sectors. So between the work of the industry itself in the different sectors and the board, those issues will be determined after the board is up.

Mr. Martens: — Well if I was to use an analogy, somebody maybe growing blueberries down at Eastend, Saskatchewan — is that the kind of project that might get \$150 because the project is smaller? Or would a biotechnical consideration from say the university of Saskatoon or a research station somewhere in Saskatchewan with a project that will cost a million and a half dollars, will that receive different volumes of funding? And that's kind of the question I have. What do you use as a guide when people will be asking you to provide funding? In what I perceive to be a grant system, what do you hold as your view of what the world should be. Have you got parameters for that? That's what I'm asking.

Hon. Mr. Cunningham: — This fund, by and large, will not be giving out grants to individual producers to actually produce things. What they're looking at is things that will help out the industry as a whole. So what they're more likely to do is to approve a project to research new varieties of blueberries or a mechanical harvester for blueberries, those sorts of things that will help the industry as a whole rather than helping one producer as opposed to another producer.

And again those priorities will be discussed with the horticultural sector and where they think the . . . how that money should be targeted, be discussed with the board, the board will have a general strategy, and then proposals will be fitted into the strategy that the board has on an individual basis.

Mr. Martens: — So kind of what you're suggesting then is that it would operate on the same basis as the Saskatchewan conservation group where they have this money allocated and then they divvy it out. Somewhere along the line the producer is going to get some impact on it, and he's going to get maybe an indirect reception of taxpayers' dollars.

But is that the way you anticipate this working?

Hon. Mr. Cunningham: — I think that's a fairly general description. In general I think that's a fairly accurate description.

Mr. Martens: — In what areas . . . you said that there were six areas. Could you give them to me again so that I could ask some questions about each one of them.

Hon. Mr. Cunningham: — Certainly. The six areas that we've targeted as priorities are: special crops, special livestock, horticulture, biotechnology, crop processing, food processing, and sustainable agriculture.

Mr. Martens: — In the Bill it talks about general infrastructure. What's your definition of what that will be?

Hon. Mr. Cunningham: — Some of the infrastructure that might be dealt with would be something for the biotechnology industry that is useful to the whole industry. Those sorts of food incubation centres that I talked about that we think might work, where we'd have some little plant or facility where somebody in the food processing business could go to get services such as pilot-scale processing or labelling or those sorts of things, lab facilities for some situations. Those are the sort of things, infrastructure, that might be eligible.

Mr. Martens: — So you're talking in general infrastructure. You're talking about physical entities. You're not talking about people in an infrastructure and management. You're talking about a physical plant or something physical that people will use in a general sense.

Hon. Mr. Cunningham: — Yes, that's correct.

Mr. Martens: — In the Bill you also talk about training. What is, in your mind, the requirement to increase the training component here? I guess in my mind there would be a lot of things that could be done — all the way from how to grow specialty crops in different areas. There's a lot of specialty crops being grown in the south-west; canola is moving in there fairly significantly and lentils and some of them.

Is that the training process that you envision in this, and could you explain that a little bit to me?

Hon. Mr. Cunningham: — Yes, that sort of training where it's training specifically to help with those sorts of things — special livestock, how to deal with ostriches, all of those sorts of things as the member has pointed out, plus training maybe for people to work in some sectors. An example of that might be at the Microgro greenhouse at Biggar; there's a need for quite a specialized labour force to grow with micropropagation of plants, and that probably isn't around. And so those sorts of needs could be dealt with from this fund.

Mr. Martens: — Would there be an opportunity for training in dealing with the marketing of some of these specialty crops? For example, we have all kinds of things that have to be done when you shift from just traditionally growing wheat and durum and barley in the south-west to growing canola and how you market and deliver in those areas, and marketing opportunities. Would the money be able to be funded into that sort of a program as well?

Hon. Mr. Cunningham: — Certainly if that particular sector can identify the need for that and places it as a priority, yes it certainly would fall.

Mr. Martens: — There are, as I recall, significant amount of training requirements, I guess you could put it that way, training requirements in the livestock sector as well. And I've travelled to different feedlots in Alberta — and I don't think we have too many that would be of comparable size to the ones I visited — but there they hedge the American dollar; they hedge the different other aspects like barley. They'll contract-buy their yearlings and their calves and they'll do all of those things. And that kind of training, I believe, is absolutely necessary.

The other thing that I've discovered as I've gone to these places is that the majority of these people who are there are former residents of Saskatchewan. That's what I find the most interesting. I know that I visited at least a half a dozen of these feedlots, Strathmore, High River. If you take one of the big, classic ones that we often hear about, it's Lakeside Packers, and Garnet Altwasser is from Weyburn and his family is from there — and those are Saskatchewan people, and there are lots of them there. So would that be also included as a part of this kind of a development?

Hon. Mr. Cunningham: — Yes, it certainly would be included. On the cattle industry in particular there's \$22 million in a western development fund that was set up last year and one of their targets is training for the industry. So it may be dealt with through that sort of funding right now, but certainly that's the . . . if an industry needs that sort of help and they identify it, that certainly would be one of the uses of the fund.

Mr. Martens: — In many of the aspects of livestock, we have specialty livestock coming in, like you mentioned ostriches and we got elk and we got bison or buffalo. But what we need probably more than anything else is how to market these products in different places. And I know that the cattle industry has sent people to Korea, for example, to market. Is the market opportunity also a part of how you see this money being spent?

Hon. Mr. Cunningham: — Yes, certainly. And that is an obvious need for many of the sectors and so we anticipate that that would be one of the uses of it.

(1500)

Mr. Martens: — In dealing with horticulture, I know that there were many times when the greenhouse industry was kind of left outside, you might say, of the normal agricultural process. And they have worked hard to become a part of the mainstream of agriculture, which I believe they should be. And yet it's technically very difficult sometimes to put a 20-acre horticulture or market-gardening enterprise in the same category as a thousand-acre farm or whatever.

Is this . . . in your mind, does this have an opportunity for a strategy to develop a process whereby various things like their marketing opportunities could be developed, their financing opportunities could be developed, setting up a strategy on how to do that? Is that also in place in this instance in this development that we have in this agri-food innovation?

Hon. Mr. Cunningham: — Yes, absolutely. One of the sectors is horticulture and it's certainly one that we have strong support of and feel it has a good potential and it's growing rather rapidly. Horticulture is, I think last year, something over \$14 million in product, which is certainly not large in comparison to other agricultural sectors, but has huge potential for growth as there are markets available in that industry.

And so the fund will be working with the industry to try to figure out a strategy that meets all the needs of the . . . any roadblocks that are in place of that industry developing would

be eligible for funding to overcome them.

Mr. Martens: — Mr. Chairman, and Mr. Minister, I know that they've had a serious concern about a couple of areas. One is whether in the horticulture and in the market gardening . . . I recall a few years ago when we had a hailstorm go through the valley at Lumsden and almost totally destroyed . . . well it did destroy the majority of those people's products, and there was nothing available for them to recoup their losses either in crop insurance or anything like that.

Would the minister think that some of these funds could be used to develop something that would be able to maintain the same level of protection that a grain farmer has in dealing with this? Would there be a way that individuals could access this opportunity to develop something that would be working for them as well?

Hon. Mr. Cunningham: — I don't see that as being something that would come under the fund. I don't think it would be large enough to do that. We have been working in Crop Insurance to try to spread the coverage, and we introduced an option that would let some crops be covered, and we'll continue to work with Crop Insurance.

As the member knows, Crop Insurance is up for review in a year, and hopefully we will be able to make it — if we can possibly design it — make it more and more responsive to other crops so that they at least are on a level playing-field with traditional agriculture.

Mr. Martens: — I guess what I would have something of a concern about, in relation to this discussion, would be what kind of role are major players going to have in the dynamics of this fund? For example, Sask Wheat Pool, UGG (United Grain Growers Limited), large chemical companies; what kind of role will they have and what kind of access will they have? I know they will be able to deliver a lot of the, what you would call infrastructure, in dealing with personnel. But also in research, they'd be able to develop some of that.

Will there be an opportunity to have, say, the smaller groups of people be able to access this equally as well as those larger ones? And what proportion of funding will you be looking at when you take a look at some of these major players, for example Pool and UGG and Pioneer and Cargill? Will they be required to put up a certain amount of funds in order to get funds out of here in dealing with various things that they want to research?

Hon. Mr. Cunningham: — The emphasis of this fund will be on the small industry players and will be on things that benefit the industry as a whole, and not business specific. Although you know if you were to do the food incubation centre or whatever, that might help specific businesses with specific projects.

I think . . . and certainly there may be cases where large companies will want some help with research on a particular mechanical research thing, or whatever, that they are doing at the time. But there's less need for help with marketing and

business plans and the sorts of things that small industry will need to get going.

So very much the emphasis of this will be in the emerging sectors and on the small-scale operations who will need the kind of help with getting together an operation and getting it off the ground, rather than large operations who can quite well do most of those things themselves.

Mr. Martens: — Without getting into specific kinds of . . . or agencies that have made application to this, could you give us an overview of some of the things that have been either applied for or people you've talked to that would have some indication to you already that they would be interested in this sort of thing?

Hon. Mr. Cunningham: — We certainly had a good number of inquiries and we have some ideas that we think would work, and some of the sector programs or the sector committees are identifying needs in the industry. But we don't have any applications at this point and there won't be any until the board is up and prepared to take them.

Mr. Martens: — Well you must have some premonition of what's going to be coming forward, otherwise you wouldn't have done this just on the sense that maybe there's going to be. I think you probably know which direction the products are going and which way they will be generally asking for you to provide funding for. And I was just wondering whether you could give the Assembly any kind of an overview of what has transpired so far.

Hon. Mr. Cunningham: — Well certainly there are a number of needs that have been identified.

One of the things that we hear a lot about, and as I have mentioned several times in the discussion here, is a food incubation centre. We have an awful lot of small food processors who are either very small and wanting to expand or are beginning . . . We have a person in Kelvington, close to my home town, that's making chocolate bars in his basement. And the need there is to help with packaging and marketing and labelling, and those sorts of issues. So the whole food incubation centre, some place to have some of those services in one spot.

Horticulture has identified needs for mechanical harvesters for berries, a need for a specialized labour force.

So going through the list, there certainly are a lot of ideas brought to us. A crop development centre who I met with yesterday is saying that they will need funds to develop varieties of new crops. They are into breeding chick-peas and fababeans and white beans and a whole list of crops where they, you know, used to have a fairly restricted number of crops. Now there are being demands for new varieties of a whole list of things. And so there may be a need for more funding in some of those areas.

So certainly the member is right. There is a need there, and that's why we're trying to fill that need and we're setting up the

fund. But the board and the industry will determine the priorities. I'm sure there will be more applicants than there are money and somebody will have to prioritize, and that will be the board.

Mr. Martens: — I know that there is a gentleman from a machining business in Swift Current that does market harvesters into different places for cutting small plots. For example, in other countries — India is where he's been, Pakistan — they don't have great big fields where they do their harvesting, and he's had to develop these plot harvesters almost like we would do on our research project here in Saskatchewan.

Is this research and development component, could that be a part of that funding for infrastructure in allowing, for example, somebody to set up a plant, not knowing entirely how to do it, would there be money to be put into that kind of a development?

Hon. Mr. Cunningham: — Well certainly there might be. Again the focus of this fund is on value added and sort of food processing. So if it's machinery manufacturing for some other area, it's likely out of the scope. But if it's for some machine that can be manufactured for use in Saskatchewan for some of the new crops, then obviously it would qualify. And it might involve a grant to PAMI (Prairie Agricultural Machinery Institute) to help him develop prototypes of whatever.

Mr. D'Autremont: — Thank you, Mr. Chairman, Mr. Minister, and officials. I'd like to ask you some questions related to the members of the fund, and perhaps you have answered questions on that already; I'm not sure. But it says within the Bill that at least one-third of whom are to be primary or secondary producers.

Mr. Minister, I find that one-third to be somewhat on the small side when you consider that Saskatchewan is a primary agricultural producer, that while we do have some secondary manufacturing — we certainly encourage more of it — that only one-third would be within that category. Why is the number so low, and who else would be sitting as a member of the fund?

Hon. Mr. Cunningham: — Well the member is right; we have gone through this quite extensively. There will be 12 members. The Bill outlines that at least one-third must be producers in industry. That's a minimum. We anticipate there will probably be eight members that would be primary and secondary producers and four members who would be government officials — two from the federal government and two from the provincial government. That's the likely structure that we're trying to negotiate with the federal government.

But the Bill itself sets out a minimum amount of one-third. We certainly anticipate that to be a higher amount.

Mr. D'Autremont: — Well, Mr. Minister, if you anticipate the number being eight primary or secondary producers and four from the government, what's the justification for having the government members on there? Can you please justify why it should be necessary to have the government members on there?

Other boards of a similar nature — I'm thinking of the horned cattle trust fund and that type, the red meat funds — are made up entirely of producers. Why, in this particular case, is it necessary to have appointees from the government?

When we look at the health boards, it's certainly understandable why the government wants to retain the appointees on the health boards to carry out their reforms in rural Saskatchewan with health, because they're not popular with the people.

But in this particular case, Mr. Minister, where in all likelihood quite a few of these things will be supported and promoted by the producers and the secondary manufacturers, is it necessary to have such a heavy representation from the government?

(1515)

Hon. Mr. Cunningham: — Well, Mr. Chairman, this Act hinges on a federal-provincial agreement. The federal government insisted on some representation on the board of government officials. We certainly wanted to be equally represented. We will be doing an awful lot of work in providing staff for the fund. I think we have, obviously, our strategy in agriculture that we're trying to carry out and we feel we need some input into that as well.

We're negotiating with the federal government to keep the amount of government officials to a minimum in order to have a good representation of producers. I think, with the idea of working with industry sectors, we will get an awful lot of input from industry and from the different sectors not only by board members but by working with the industry through the sector groups.

Mr. D'Autremont: — Well thank you, Mr. Minister. If you are going to have government people on the board — which I do disagree with — why not have one then each from the federal government; one from the provincial government?

You say you need staff on there. Mr. Minister, staff are people you hire, not the ones that are on the board. So, Mr. Minister, if you want to have government people on there it should be no more than one federal and one provincial. And so why don't you mandate it; that at least eight of the people on here must be primary or secondary producers. Rather than one-third, make it two-thirds so that the people of Saskatchewan have the real representation on this kind of a board rather than government, both federal and provincial.

Hon. Mr. Cunningham: — Well to begin with, Mr. Chairman, the board, as I pointed out earlier to your colleagues, is not going to hire staff. The Departments of Agriculture will provide staff and pay for them, and therefore that becomes important, but we cannot . . . as I pointed out earlier as well, this is a federal-provincial agreement.

We cannot mandate how many people the federal government will have on the board if we still want to get their money. So this hasn't been just us designing this fund and Act; it's been in conjunction with the federal government. And they certainly want some representation on the board and we would like to at

least have equal representation with them.

Mr. D'Autremont: — Well, Mr. Minister, you may indeed like to have members on the board. So when you're sitting down in negotiations with the Liberals from Ottawa, why do you negotiate that they get a third of the board, you get a third of the board, and the producer gets a third of the board? In your negotiations with them, negotiate one fed and one provincial, and the rest of them are the producers and the secondary manufacturers.

Mr. Minister, you're the one who said that you had to have staff there on the boards. And I disagree, Mr. Minister. Staff are the people you hire. Now if that comes out of the Department of Agriculture, fine. But the board members should be independent of the department, of your administration.

It's bad enough that they're being appointed by Lieutenant Governor in Council, the cabinet. But, Mr. Minister, they should at least be independent of your department and the other departments in government. So one person from the feds, one person from the province, and the rest from the general public as producers and secondary manufacturers.

Hon. Mr. Cunningham: — Well, Mr. Chairman, it's easy for the member opposite to negotiate when he doesn't have to sit at the table and do the real negotiation.

Where we're starting from is tripartites and other things where it's always been a third, a third, a third on the board. We're moving the federal government to move more to producers and less to having government representation on the board.

The member opposite says one from each government is the proper amount. We think two is not bad from each government. The federal government initially wanted a third. I think they have agreed that we will end up with eight producers and four government representatives on the board, which is better than we've had in past boards that have been structured in agriculture.

Mr. D'Autremont: — Well, Mr. Minister, you said it's easy to negotiate from this side of the Assembly because I don't have to sit there. Well it seems to be pretty easy from your side too.

You just admitted that the federal government asked for one-third and that's what you gave them. So what's so difficult about negotiating that? It doesn't sound to me like you negotiated anything. You simply . . . They said, we want a third, and you said, okay, fine, here's your third; away you go.

Mr. Minister, negotiation means you start at what their level is at, one-third, and you get something different. So, Mr. Minister, if the federal government is prepared to accept two, is what you've said now, and you want two, well then let's change the Act so that two-thirds are producers or . . . are primary or secondary producers. You've admitted that the feds have agreed to that. You want the same thing. So why don't we put in an amendment to change that then, Mr. Minister?

Hon. Mr. Cunningham: — The Act doesn't say one-third; the

Act says a minimum of one-third.

Mr. D'Autremont: — That's right, Mr. Minister, a minimum of one-third. So that means that you and the feds can both have a third on there. So why don't we change the Act and say that the primary producers will be a minimum of two-thirds? Which is what you said that they've agreed to now, and you want the same thing that they have. So that's two and two — that's one-third.

Hon. Mr. Cunningham: — Well, Mr. Chairman, we negotiated one-third when we initially started. We have them now moved to two-thirds. I don't know that . . . at least they've agreed to do that. I don't know that they would agree to have the Bill changed so that it would be cast in statute.

So if we get eight producers on a board that is all — as I might remind the member -- all government money, that, I think is a pretty fair representation.

Mr. D'Autremont: — Well you're wrong, Mr. Minister. It's not all government money; it's all taxpayers' money. And the taxpayers should be the ones that are represented on here. And in this particular board, that's the producers — primary and secondary.

So, Mr. Minister, you said you were negotiating. The federal government initially came down with a proposal of one-third and you accepted it. So, Mr. Minister, where was the negotiation in there? Now is the time to go back to them and say, we want this. You've agreed that government representation will only be one-third on the board; let's put it in the Bill. Why not?

Hon. Mr. Cunningham: — Mr. Chairman, the Bill includes \$91 million. I think there are . . . that was not the most important part of the Bill. I think if we can get eight people on the board, eight producers on the board, that I think will work well. And whether or not it's cast in the statute or not, and if the federal government's not comfortable with casting it in the statute I would hate to risk \$91 million over that issue.

Mr. D'Autremont: — Well, Mr. Minister, did you even ask? Did you even ask that the Bill be presented with two-thirds producer representation on the board? Did you even ask the federal government for that?

Hon. Mr. Cunningham: — We have continuously negotiated for the largest number of producers that we could get on the board.

Mr. D'Autremont: — Well, Mr. Minister, what was your starting negotiating place?

Hon. Mr. Cunningham: — As many as possible.

Mr. D'Autremont: — So am I to interpret then, Mr. Minister, that you started at 12 as the position you wanted to see as producers on the board?

Hon. Mr. Cunningham: — Mr. Chairman, we have negotiated this issue. We think we've got the best deal that we can get. The

federal government has something like four branches of agriculture that they would like all represented on the board.

And I think boards, tripartite boards in the past have worked with a third, a third, a third. I think with eight members from the industry and four from the government, we feel this will be a good board and it will be functional and that this will work quite adequately.

And if the federal government had said it would go with one, we would certainly have welcomed that. They didn't, and I think this is still a very good mix of structure. And the industry will certainly get input.

And as I point out, much of the input from industry will come from the industry itself — different sectors who will make recommendations to the board. So I think the industry will be well represented and this fund will do the job that it set out to do. We'll have reasonable people around the table, and they will make very reasonable decisions about where we go with new sectors in agriculture.

Mr. D'Autremont: — Well, Mr. Minister, I'd like to determine where you started these negotiations from. What position? Was it a position of that we'll accept whatever the federal government is proposing, or did you have an independent position as the Government of Saskatchewan, Mr. Minister?

Hon. Mr. Cunningham: — Well if the member had paid any attention to the news, he would know that this was negotiated over a very long period of time and a very difficult, very difficult and very tough negotiation; and that the federal government at the last moment backed out of the safety net package and delayed five or six months while they did federal reviews in the Finance department and others in Ottawa reviewed the tentative agreement that we had. And we finally got an agreement signed.

So this was obviously a long and tough negotiation, and I think if you look at the overall package that we've negotiated, compare it to what Alberta and Manitoba are now stuck with, with no NISA (net income stabilization account) for their livestock sector, only the one, two; one, one . . . two NISA for cattle . . . for the grains and oil-seed sector being out of the GRIP program when nothing to replace it and no \$91 million ag innovation fund in either of those provinces, I think the fact that we might have one more government member on the board than the member opposite would like to see is a rather insignificant point.

Mr. D'Autremont: — Well, Mr. Minister, you raised a couple of interesting points there before I go back to my original one. The NISA that you negotiated, Mr. Minister, the red meat industry doesn't want it. They're not interested in it. They don't want your money. They want to be left alone. So you negotiated something there that they weren't interested in.

The other point, Mr. Minister, you talk about what happened in Alberta and Manitoba with concern to GRIP. Well, Mr. Minister, the farmers in Manitoba and the farmers in Alberta got their GRIP money. They didn't have to worry about

negotiating another agreement. They got it in their hip pocket. They went down and paid for their feed and their seed grain and their combine.

But the farmers in Saskatchewan haven't got the money. You used it to balance the budget and ship \$320 million back to the feds that they're turning around and saying, well we're going to give you back 300 or \$350 million for transportation initiatives.

Mr. Minister, that was our money. That was the farmers of Saskatchewan's money — that the farmers in Manitoba and Alberta have in their jean pockets right now.

So when you're talking about your negotiations, Mr. Minister, they were darn easy negotiations. Whatever the feds wanted, you gave them. And you turned around and gave them the money back to boot. That's what you did in negotiations, Mr. Minister.

And now I'm simply asking you: what was your starting position on board members when you entered these negotiations?

Hon. Mr. Cunningham: — Mr. Chairman, from my understanding the federal government started out with the position of there being all government members on the board. We said that's not acceptable, and in the end we ended up with only four government members.

So that's, I think, a pretty good compromise, and again, point out this fund is very important to the province of Saskatchewan. This fund is going to help our agricultural industry. We have \$91 million and we will have a board that will spend this fund wisely and reasonably. And I don't know why the member would fight against what they pay lip service to in the House — that we should change, that we should diversify, and we should have value added, but, by the way, they would like to go back to '91 GRIP and they don't like a fund that helps farmers do that.

Mr. D'Autremont: — Well, Mr. Minister, we found out finally at least what the federal government started off with as a position — all government members on the board. So that's the federal position.

But what was the Saskatchewan position, Mr. Minister? Did you not have one? Did you just simply walk in there and say to Ralph Goodale: well, Ralph, what are you proposing; what are you giving us? Mr. Minister, what was Saskatchewan's position on board members on this Crown corporation?

(1530)

Hon. Mr. Cunningham: — Mr. Chairman, as I've pointed out earlier, we wanted the most possible producer representation on the board that we could get.

Mr. D'Autremont: — Okay, Mr. Minister, was your opening position 12 board members for producers?

Hon. Mr. Cunningham: — Mr. Chairman, our opening position was as many board members as we could get.

Mr. D'Autremont: — Yes or no, Mr. Minister, 12?

Hon. Mr. Cunningham: — Mr. Chairman, the member opposite has gone to extreme ridicule in his questioning. We started out trying to get as many producers on the board as we could get. I don't think that there was any hope or anybody would have expected the federal government to let us have 12 producers on a board where they supply half the money to a provincial fund. They insisted on some board representation. I think we've got them down to two federal members on the board, and I think that was a pretty adequate negotiation.

Mr. D'Autremont: — Well, Mr. Minister, it's obvious you don't know what your starting position was, because you simply can't say, other than saying, well we wanted all we could get. That's hardly a starting position, Mr. Minister.

Mr. Minister, we are glad though that you did get it down to at least two federal members on the board and then two from the provincial government. Fewer than that would have been better. But, Mr. Minister, we don't trust the federal government and we don't trust your government to maintain that level on the board.

So, Mr. Minister, why don't you put that in the legislation, that it will be four government members — two feds, two provincial? You're saying that it has to be right now a minimum of one-third producers. Why don't you say it should be a minimum two-thirds producers?

Hon. Mr. Cunningham: — Because, Mr. Chairman, we don't believe the federal government would agree to that.

Mr. D'Autremont: — Well, Mr. Minister, perhaps you don't believe that, but have you ever asked them? Have you tried to negotiate with them? Have you approached them on that particular issue?

Hon. Mr. Cunningham: — Well, Mr. Chairman, we could negotiate for the next six months over how many and who was on the board. Our main priority is to get \$91 million, get it in the fund, get the board up, get the projects in, get the applications approved, and get on with improving agriculture in this province.

Mr. D'Autremont: — Mr. Minister, have you asked them?

Hon. Mr. Cunningham: — Mr. Chairman, this negotiation took a long time; there were many, many negotiations over a long period of time. And as I've pointed out to the member, this was a very big package, a very comprehensive safety net. This was one small part that was negotiated in the whole deal.

Mr. D'Autremont: — Well, Mr. Minister, I'm sure it's very comforting for the people of Saskatchewan, the farmers of Saskatchewan, to know that our Department of Agriculture simply takes the word of the federal government and accepts their recommendations. And when they say, within what is supposedly called negotiations, this is what we want, we just simply stand up, salute, and say, yes, sir.

Well, Mr. Minister, under the board of directors where it says that:

The Lieutenant Governor in Council (which is the cabinet) may fix the quorum of the board.

What are you proposing in that manner?

Hon. Mr. Cunningham: — Well we would obviously take a recommendation from the board. I would anticipate likely would be 50 per cent.

Mr. D'Autremont: — Well thank you, Mr. Minister, for the definitive answer: likely 50 per cent. Mr. Minister, I think it needs to be a little stronger than that. So if someday the board shows up and they have five members present, what do they do? Phone over to cabinet office and say, can we have a change on that right today, because we've only got five people here and we want to have a board meeting?

It's either one or the other, Mr. Minister. You have to make it definitive. What's the answer?

Hon. Mr. Cunningham: — When the board is established, we will meet with the board. We will get their input and we will establish a quorum by OC (order in council). If the quorum is established and it's not met, they obviously don't have a quorum and can't have a meeting.

Mr. D'Autremont: — Well, Mr. Minister, if you make the quorum of one and somebody shows up, they can have a meeting.

Mr. Minister, when you're making the consideration for the quorum of the board, will you give some consideration to ensuring that 50 per cent of the primary and secondary producers are part of that quorum?

Hon. Mr. Cunningham: — If the board members feel that that would be helpful and useful, we could certainly do that. We do not want to hamper the board because the member opposite is worried about bogymen under the bed. We will give a quorum that's similar to other boards and it will function in that fashion. And again I assure the member if we have reasonable people, this board will function in a reasonable manner.

Mr. D'Autremont: — Well, Mr. Minister, the farmers of Saskatchewan, the producers, have no problems with bogymen. They do have a problem with Liberals and NDPers though. And if they have the opportunity, Mr. Minister, to represent a significant portion of the quorum at any meeting, will be very important.

If you designated at 50 per cent or one-third, as you seem to want to do in the other part of the Bill, then the government members, Mr. Minister, can simply control the board and the producers will have no say.

But if the producers are at least . . . at least 50 per cent of the producers are represented in a quorum, then they do have an opportunity for input, Mr. Minister, which they may not

necessarily have if you set the quorum too low and say that it doesn't matter who is there, because the producers might not be there when those decisions are made which will reflect on them.

Hon. Mr. Cunningham: — Mr. Chairman, it would seem strange that we would set up a board and go to the problem of putting producers on there if we wanted to somehow end run them and make decisions from a government point of view.

This is very much industry driven. Again the mandates will be set up by sectors of the industry. Strategies will be developed by the industry. Needs will be assessed by the industry. The board will respond to specific projects within those mandates. The industry will be represented on the board. We're having again eight industry people on a board of twelve, which is certainly different than tripartite boards that we had with equal numbers from each of the two governments and the industry.

So I think this goes one step farther than we have in the past with having more producers on the board, and certainly this will be reflected in the decision making of the board.

Mr. Swenson: — Thank you, Mr. Chairman. Mr. Minister, when you were doing this negotiation, why would you allow the federal government to have the sole power to determine the winding-down in the fund? What kind of a negotiation is that?

Hon. Mr. Cunningham: — Mr. Chairman, I'm not sure what section the member opposite is referring to. If he's referring to section "12(e): the winding up of the Fund and the distribution of assets on winding up;" — what that clause says is that:

The Lieutenant Governor in Council may authorize the minister to enter into an agreement with the Government of Canada respecting the . . . operation of the Fund.

And it may enter into an agreement to wind up the fund. If the provincial government has money in the fund and the federal government has money in a fund, it would seem to me to be fair that they could enter into an agreement to wind down the fund.

Mr. Swenson: — I found it rather strange, Minister, that you've told us you had this long negotiation because the safety net structure had been significantly changed, that you guys had cancelled the GRIP contracts, and the feds wanted to get into a different ball game, and it's so much superior to everything else, and the outcome of this was this fund and some other things. And yet we have right in the Bill the fact that if one or the other party doesn't want to continue this fund, you can simply wind it up and split the assets. I mean that's not much different than you did with the GRIP money, Minister.

So how in the world are we supposed to have any confidence in this negotiation you've gone into when, at the end of the day, you tell farmers that there's \$91 million out there to be spent on ag diversification, and yet you both give yourselves an out so that one year from now, two years from now, whatever happens to fit the whim or the fancy of either one of you, you can just dissolve it and split the cash just like you did with GRIP.

And I don't know why you wouldn't want to commit, Minister,

that this money was cast in stone. I mean when you see what's been taken away and so little put back, why you would want to have the federal government with an out or yourselves with an out or anything else, given all the talk you've given in here about the long-term need for R&D and all of those things that are associated with bringing on a project like your flax fibre plant or all of the other ones you announced . . . and yet right in your own legislation you've got the out Bill then so the two of you can scoot with the cash. Explain to me why you would not want to make the commitment, Mr. Minister, to spend this money on agriculture.

Hon. Mr. Cunningham: — Mr. Chairman, we have made that commitment, as has the federal government made that commitment, and signed an agreement.

The member may want this fund to go on for ever; however that is not usually what happens to government funds. At some point . . . In this particular fund, there's \$91 million; it's not an ongoing funding commitment by anybody. It's \$91 million in a fund that's to be spent. And in five or ten years from now when that money is spent, there will need to be some winding down of the operation of this fund, and this provides for doing that. If there's \$10 left in the fund in 10 years and the member wants to keep it in perpetuity, we could probably arrange that. But I think it's only prudent that you have a mechanism for winding down of operations, particularly ones that are finite in nature.

Mr. Swenson: — Or is this because, Mr. Minister, in the last three years you've already indicated to the House that the only money coming into it will be federal; and if the only money coming in is federal and they wish to renege on the commitment, that you've built an out for them in the legislation to allow them to do that? Is that not the real reason of why this is in here? Because the only money is federal money.

Hon. Mr. Cunningham: — If the federal government chooses to break their agreement and take the money out, they can do that. We have an agreement; the money will be there, we're assuming.

Mr. Swenson: — Well, Minister, I just find it surprising that there would be any need for this section in here. You could have accomplished the same thing with a sunset clause, and you just simply said this program shall not exist after such and such a date four years from now and it will be sunsetted and it will be open to renegotiation. That would have been easy to do. That after the monies are expended over the four-year course, this fund will automatically cease to exist — not clauses that give either one of you a chance to cut and run, as you've done with some other agreements.

And you may deny that you've done that, but in fact you have. There isn't a farmer in the province that doesn't believe that you've done that, that you reneged on an agreement and you cut and run and you split up the cash — which you did, you split up the cash.

So, Mr. Minister, why would you put this in here and not just simply say at the end of the four-year period in time after the money's expended, this particular legislation is sunsetted and

will be renegotiated, something to that effect?

(1545)

Hon. Mr. Cunningham: — Well because, Mr. Chairman, the fund won't be spent in four years. The fund will be spent . . . the money will be put into the fund over four years. Probably many of these research projects will be approved over a five-year period and maybe a longer period. And I think for us to at this point say that the fund expires and ceases and desists at a certain date, is not possible.

This will allow the fund to . . . the monies to be spent over a reasonable period of time. It will give what the research community has always asked us for, some reliable, long-term funding. So I'm certain that when this board is up that they will approve some long-term projects, and the fund needs to exist until those projects are done. And at some point, when the money is expended and there needs to be a winding down of the fund, and to get it off everybody's books. So that's all that that clause does.

Mr. Swenson: — Well, Minister, you just berated me for suggesting that I wanted this fund to go on for ever. I understand the commitments, and I didn't ask you about the commitments. If you've made a commitment, I fully expect you to live up to that commitment. What I'm saying is that at the end of the four-year period of time, you've made your commitments, that you would not make any further commitments. And I understand that.

But I'm wondering why we needed this legislation with this out built into it. Because as I understand it — the sections here — if either one of you decide to pull the pin, you not only can pull it on the fund and divvy up the assets, but you can also pull the funding associated with third parties. That you can pull the funding associated with third parties. Because I see nothing in here that says that that commitment has to be lived up to.

Hon. Mr. Cunningham: — That clause only deals with wind-up of the fund, and that is only prudent to have a wind-up clause in every agreement. And I think you'll find that, or should find that, in every agreement that governments do. Because if there's a federal-provincial agreement, and 10 years from now or 15 years from now, that is coasting along on the books and the auditors are saying wind this thing up, if there's small deficits or small amounts of money that need to be paid out, this allows us to enter into an agreement to wind them down.

Mr. Swenson: — What you're saying to me is you're denying that the federal government, if they have a budgetary change two years from now and they are the only people putting continual funding into the program in '97-98, '98-99, if they make a decision to stop that funding, that they cannot do so? That they cannot invoke this section of the Act and withdraw from the fund?

Hon. Mr. Cunningham: — No, they have a statutory commitment to that money.

Mr. Swenson: — Mr. Minister, you just said to me that you anticipate agreements being signed with third parties that may go beyond the length of the fund. Are you leaving that entire discretion to the members of the board to sign those contractual arrangements that would go beyond the predetermined length of this thing or will there be your ability through ministerial order in council to effect those contractual arrangements?

Hon. Mr. Cunningham: — No, the Act gives that power only to the board. And we certainly would anticipate in the final year of the agreement, when there's \$10 million coming into the fund, that some of that may well go out in projects that are funded over a five-year period, so it will take some time before the money's all expended.

Mr. Swenson: — Okay, in order to maintain accountability in the tracking of that, if the fund is wound down in four years time by mutual agreement, you have contractual obligations that the board entered into, would those then show up in the Department of Agriculture, or would they go off to a different fund, or how would you maintain the integrity of the money as it is dispersed over those contractual periods of time if the fund is wound down?

Hon. Mr. Cunningham: — The fund would continue to be in place and continue to issue annual statements as long as there were funding in the fund that was going out over a period of time. It wouldn't . . . There would be no new money coming in, but if there was \$10 million put in in the last year and some of that is spent out over a five-year time period, the fund would continue to issue annual statements until it's wound down. And that's when wind-up would occur — when all the project is done and all the money has been spent, then the fund needs to be wound down and the Act taken out of existence.

Mr. Swenson: — I was asked this very question at noon hour today, Minister, by a commodity group who were here on budget day, listened to the budget being presented, I believe lauded the government on innovation in agriculture that day, but have found it very difficult since then to get any straight answers as to the very questions I've been asking you because their particular industry will need a longer window to develop some things than what this fund would have in place. And they have said that there is just no answers at all coming out of your department or the federal people or anybody else as to the process and the guarantees that if they are successful with their particular project, the process that it will go through. And I'm glad today you're starting to tell us some of these things because obviously there's a lot of uncertainty out there.

Have you or your officials made any indications to these people how quickly the review process is anticipated, how quickly that you think particular projects will get a look-see and sort of the pecking order that will occur?

Hon. Mr. Cunningham: — As I indicated earlier, until we get the Act passed and agreements signed, we don't know exactly the time lines. As I said earlier, our best guess is probably May-June; we'll have a board in place. They will have an initial meeting. And the board will set the processes in place. We're not going to insist on the board having particular processes. So

sometime after that, they will be receiving applications and reviewing them.

So that very much will be in the hands of the board, as to what process they set up and how long it takes. Certainly we would want a process that is as short as we can get that still does an adequate job of properly reviewing applications.

The Chair: — Order. Why is the member on his feet?

Hon. Mr. Wiens: — With leave, to introduce guests.

Leave granted.

INTRODUCTION OF GUESTS

Hon. Mr. Wiens: — I would like to introduce to the Assembly, through you, two friends: Werner Froese and his wife Suzanna. Werner is the executive director of the Mennonite Central Committee out of Saskatoon. They are here for a SCIC (Saskatchewan Council for International Co-operation) reception this afternoon and evening and we welcome them to the legislature.

Hon. Members: Hear, hear!

The Chair: — And why is the member for Saskatoon Idylwyld on his feet?

Mr. Cline: — With leave, to introduce guests.

Leave granted.

Mr. Cline: — Mr. Chairman, just not to be upstaged by the member from Rosetown-Elrose, I want to say that Mr. and Mrs. Froese are constituents of mine so I want to join with him in welcoming them, and in fact I'll be having dinner with them at the SCIC banquet tonight at Da Lat By Night Restaurant. And I look forward to that as well as seeing their display in room 218 which anyone can see between 4 o'clock and 6 o'clock.

Hon. Members: Hear, hear!

COMMITTEE OF THE WHOLE

Bill No. 23 (continued)

Clause 1

Mr. Swenson: — Thank you, Mr. Chairman. Minister . . . and I had to leave the House for a short while and the member from Morse may have brought this up, but it is also a concern to commodity groups and others who are dealing with federal research dollars right now.

As you know, there is a potential cut-back occurring in Ag Canada on the research side and there is a lot of shifting going on of professional personnel and that type of thing who have been dealing with a number of value added projects — plant breeding, other things in the province of Saskatchewan —

which are now in some question and jeopardy.

I know Swift Current research station and others are really starting to scramble. Do you have assurances from the federal government that none of that offloading on the research side, which they are now downsizing, will not end up as part of the commitments of this fund, to pick up existing research and secondary processing contracts which the federal government through its various agencies — PFRA and others — have been involved in but now because of budget cuts appear to be starting to back out of? Do you have an assurance that these will not enter into this in the way of offloading?

Hon. Mr. Cunningham: — Yes, we have that assurance.

Mr. Swenson: — Thank you, Minister. Because it's something that is troubling to farm groups in the province of Saskatchewan.

Minister, is there anything in the recent federal budget, the federal Department of Agriculture budget or associated agencies, that you see as being problematic with implementing some of your planned initiatives here?

There are announcements coming out almost on a daily basis of things that are changing. Do you see anything at all in the federal budget changes that could affect implementation of some of these strategies, either through this specifically or Ag 2000?

Hon. Mr. Cunningham: — Well there is a \$60 million adjustment fund that they've announced for western Canada, and we're certainly wanting to be awful sure that we get our share of that. And we're going to fight very hard that we don't . . . we get at least . . . we get our share, because we're certainly being the ones that were most hit by the federal budget in terms of Crow.

Certainly cuts to WDO (western diversification office) may hurt, slow down the carrying on of our Ag 2000 strategy in that there may be less capital available for some of the new projects. The Crow is going to take capital out of Saskatchewan. You take \$320 million out.

I think it heightens the need for us to move ahead with these sorts of things, heightens the need for us to carry out our strategy. But it will also probably reduce the amount of capital available and maybe the optimism in some areas of rural Saskatchewan.

So certainly there aren't any direct hits in research. They've assured us that they won't offload because of this fund. And we certainly see problems on the horizon, but we've made progress in the last two years on Ag 2000 and we absolutely need to make more progress in the next few years.

Mr. Swenson: — Could you elaborate, just so that I'm more knowledgeable when speaking. You mentioned the \$60 million transition, and I presume that you're talking about money that is being provided because of the changes in safety nets and other things. Could you elaborate further on that \$60 million for me,

and the parameters that it's going to work under?

Hon. Mr. Cunningham: — The details on that, as are details on most of the federal budget, very vague at this time. We know that there's a \$60 million fund. There's another \$300 million for transportation adjustment. We know very little about that, either in specifics or when the money will be available or exactly what the priorities and criteria will be. We're talking to the federal government on an ongoing basis to try to determine what those are. But at this time it's very vague.

(1600)

Mr. Swenson: — Can we assume, Minister, that your — we spent some time on bargaining positions here — that your bargaining position in regard to that would be at least similar to Saskatchewan's traditional share, for instance, of the agricultural land in western Canada or traditional share of the Crow benefit? Or have you come to some conclusions as to where you would start negotiating so that down the road when that thing finally comes to this House, whenever it is, that we have some idea of sort of where you're coming from on it?

Hon. Mr. Cunningham: — The \$60 million is a national fund so, you know, we will certainly struggle. I think traditionally on safety nets we, in Saskatchewan, have gotten close to a third of national safety-net money. And so we'll use that as a basis.

On the \$300 million on the transportation adjustment, Saskatchewan traditionally has gotten about 56 to 58 per cent of the Crow benefit. We feel we should get a higher percentage of that than that of the \$300 million. We have most of the branch lines, and obviously we're going to have the biggest adjustment. And therefore we think we need the lion's share of that money, and we'll be arguing for that.

Mr. Swenson: — Do you anticipate, Minister, the \$60 million, which is a national program, when it is finally parcelled out, to be in the hands of government or in the hands of actual producer groups affected by the changes? Sixty million dollars across Canada isn't a lot of money if we end up with our traditional allotment, which you said would be a third, which would be approximately \$20 million. Do you anticipate that coming back into Department of Agriculture, or would that be targeted by mutual consent or agreement to specific areas.

Hon. Mr. Cunningham: — We wouldn't anticipate it coming to provinces, nor would it likely be paid out to individual producers. It might be to replace the programs that they've cut — AIMS (Agriculture Institute of Management in Saskatchewan, Inc.) program, the Farm Debt Review Board, some of the things that they're cutting — maybe for replacement programs for those for all we know.

But it might be for something in the biotechnology industry or . . . and I don't really know what the criteria are for it. As you say, \$60 million for the whole of Canada in agriculture is a very, very small amount of money and the criteria so far are very vague.

Mr. Swenson: — Minister, this question was also asked of me,

actually at lunch today. The mandate of the Bill is fairly broad. Would there be room, do you believe — and I understand the board will make the final decision — but do you believe there would be room on the ag innovation side to deal with issues surrounding transportation of value added goods from the province of Saskatchewan out of our jurisdiction?

Do you think that that would fit the mandate as you have laid out in this particular piece of legislation? Because I understand that the negotiation period for this was done prior to the changes to the Western Grain Transportation Act. And I'm wondering if your mandate is sufficiently broad to cope with that.

Hon. Mr. Cunningham: — Certainly we wouldn't envision this as being a transportation subsidy that would be paid out. But it could be used for transportation things if there were some need to run a short-line railroad and need some research into how to run it in order to market a certain product, or how you containerize herbs and spices or raspberry jelly or whatever in order to get it to market. In transportation, in that sort of area, it certainly would qualify.

But we don't envision this thing as being a subsidy and certainly it's not a big enough fund to replace the Crow benefit or anything of that nature.

Mr. Swenson: — It was specifically aimed at some of the north-south transportation corridors which are being developed in conjunction with municipalities, route associations, and others that are looking for alternative ways of moving product to market out of this province, as opposed to either going to the west coast or out the St. Lawrence Seaway. And these groups are very active, especially now, and have known about this fund since budget day.

And I was specifically asked if the criteria would be such that the movement of . . . and most of these are value added goods that they're talking about — not raw grain, for instance — moving into those north-south corridors that till now have not had large volumes of material moving. But because of the transportation costs now looking more attractive, they are being actively considered.

But they are very light on the cash end to be able to do some of the research that's necessary to start moving products that didn't traditionally go that way. But they are now saying that that has to be a viable alternative for producers in this province in order to do the diversification that they need.

Hon. Mr. Cunningham: — If they're talking about research for setting up transportation systems or finding markets there, then certainly that would qualify. Wouldn't qualify for building roads or paying a producer subsidy. But certainly, if you're talking about research into transportation and how to move the products out, that certainly fits very well into the mandate of the fund.

Mr. Swenson: — Okay. And I go back to a question I asked you the other day. We at present in this province have a problem, and there's a number of producers have run up against

it where they are running counter to the Canadian Wheat Board Act.

And I think of flour-milling and some other initiatives surrounding value added products of board grains that at present are being prohibited from marketing those products outside of the boundaries of Saskatchewan. Some of these individuals are the ones that are very instrumental in moving . . . trying to look for different marketing methods, of moving their product more cost-effectively than they've done at present.

And I asked you, would there be any bias in the research and stuff done with this money if it was that issue that was part of the problem. And you said I shouldn't be against the Canadian Wheat Board. And in my mind it's got nothing to do with whether I agree with the Wheat Board or not. We've got some jurisdictional problems that are preventing producers in this province from moving product. And I'm wondering if there's a built-in bias in this \$91 million that says that those type of people should not apply or should not even think about having access to this money because of the conflict with The Canadian Wheat Board Act.

Hon. Mr. Cunningham: — Well to begin with, I believe the Canadian Wheat Board is reviewing some of their policies, and hopefully you will make room and accommodate those sorts of things. But if the food processing industry deems that that research is necessary, then certainly it would be eligible and there would be no bias against it.

Mr. Swenson: — Well I'm glad to hear that, Minister, because I think you very well might get people applying to this fund to have some assistance in doing that. Some of these people have identified some pretty lucrative markets, both in North America and outside North America, and they have to get this product across international boundaries, and they have to get it in places where it can be used.

And right now they're prohibited from doing that, and I'm glad that you've given me assurance that there will be no bias at all from either yourselves or the federal government to have them apply to this fund and have the same type of recognition that others do.

And I think that you could probably set a pretty good example if we led the way in pushing some of these issues. I find the Wheat Board to be rather . . . very bureaucratic and slow moving at times when it comes to issues concerning its own internal workings, and change has not been something that has been easily achieved with those people without an awful lot of pushing and shoving.

Minister, I want you to clarify something I asked you yesterday. You said that the \$18 million came from the '94-95 budget year and was moved over in the '95-96 budget year with a further \$9 million from this budget year being attached to it.

Is it your anticipation that the board will be prepared to use a good majority of that money in the early stages of its mandate to get some things happening rather than sort of wading into latter years and then obviously running into contractual

arrangements that may run well beyond the mandate of the board. Is it your hope, I guess, that they would be very active in taking the majority of that principal and starting initiatives with it?

Hon. Mr. Cunningham: — Certainly that would be our hope. As I said earlier, with the change that's occurring in rural Saskatchewan with the demise of the Crow, we will need to move as quickly as we possibly can on this. And I think as long as there are a lot of good ideas coming forward, the money will get spent quickly. And I believe there certainly are a lot of good ideas out there that can use up the money.

Just to clarify the member's . . . yesterday he asked about where the \$18 million shows up. It is statutory, but it shows up not in Finance's budget, but if you look in the *Supplementary Estimates* for '94-5, it shows up in the Department of Agriculture as \$18 million. So that was a question that we weren't able to answer yesterday.

Mr. Swenson: — So that money will show up as a vote then, a separate vote in the Department of Agriculture. Is that what you're saying, that when your estimates come forward, that's the way that you'll bring it forward in this particular budget year?

Hon. Mr. Cunningham: — The 9 million will show up in a separate subvote in the '95-6 budget. The 18 million will show up in the supplements of '94-5 budget.

Mr. Martens: — Thank you, Mr. Chairman. In those supplements . . . I don't believe they've been tabled yet, or have they? Do you know whether they have?

Hon. Mr. Cunningham: — Yes, it's my understanding they have been tabled.

Mr. Martens: — Going back to the role of the board in dealing with some of their responsibilities, a thought came to me about marketing . . . and I'm in favour of all the initiatives that we can get in the marketing side of agriculture because I believe that that's the way to go. The horned cattle trust fund I believe has people out marketing. Is this going to be able to be used by agencies like that in order to do their continuation of their marketing? Is that going to drive this as well . . . or be driven by this, I guess, could be the question?

Hon. Mr. Cunningham: — Well we will be trying to avoid doing things that other funds are doing. We are targeting this primarily at some of the new and emerging sectors. And as I pointed out earlier, there is \$22 million in a western development fund for beef, and a lot of that will go into marketing. So it's not . . . I don't think it's outside the mandate of the board, but it may not be a priority.

(1615)

Mr. Martens: — Since this estimates . . . on the supplementary estimates deal with Agriculture and Food . . . and there's \$18 million there. How can you authorize something after the fact in relation to the fact that the supplementary estimates have the \$18 million in them? And the estimates that we'll be talking

about in the new year, how do you perceive this working? Is this carry-over going to be able to be done?

Let's say this Bill hadn't gone through by April 1; is there retroactivity in the Bill to provide the opportunity to put the money back into the fund if it comes after April 1?

Hon. Mr. Cunningham: — No, there is not retroactivity in the Bill as it's drafted. The \$18 million is put into estimates because, as the member opposite said yesterday, they wanted to see this in the light of day and that the auditor needs to see it, that the public needs to see it. And there it is, \$18 million.

Mr. Martens: — So if this Bill isn't passed by April 1, is the legal entity able to receive it after the fact because it's not there before April 1? Is there a transfer of the funds to an entity that doesn't exist . . . is the question that I have.

Hon. Mr. Cunningham: — I don't know what would happen to that, where the money would be transferred to. I assume there could be a hold-up in getting the fund up and running.

Mr. Martens: — Was the federal government and its involvement in the method of funding put in a position where they have absolute control of the funding from now on? Like, you said two years, 18 and 9, and then it's federal government funding from there on. Is there a finish line on what the federal government is proposing to do?

Hon. Mr. Cunningham: — They will have a commitment of \$64 million over a four-year period, and I think it's lined out of the time they put it in. I think the agreement is that we spend their money first so that it has to be put into play before ours gets spent in the years where we have overlap.

Mr. Martens: — You're putting 18 in now, and in the next fiscal year you're putting another 9 in. Does any of that money have to be spent in proportion to the funding that comes from the federal government?

Hon. Mr. Cunningham: — No.

Mr. Martens: — So what are you anticipating spending in 1996 . . . or '95-96 out of this fund? If you're thinking that 27 million has to go the four years that the federal government is involved, you're going to have \$27 million sitting there for the whole period of time. And what's your budget estimate on the volume of dollars that you're going to spend in 1995 and 1996 in the program?

Hon. Mr. Cunningham: — Well by '95-96 we will have in 27 million. The federal government will have in 10 so that's a maximum of 37 million. Again the decision will be up to the board, but if there are applications coming forward and worthwhile projects, it's certainly possible that most or all of that could be spent in '95-6.

Mr. Martens: — So you're anticipating that \$37 million is going to be spent in '95-96?

Hon. Mr. Cunningham: — Well that will be put into the fund, and it would be the board's decision whether or not how much of it gets spent.

Mr. Martens: — Well in your role in relation to the board as the minister, are you going to be on that board?

Hon. Mr. Cunningham: — No.

Mr. Martens: — So the board will be totally independent. They will draw the budgets and do all of the things that are related to the responsibilities of the board. They will have the decision made up by that whole group. And the 37 million — how will that be presented to you? In the form of a budget? Or how will you get to have an overview of what's going on?

Hon. Mr. Cunningham: — We will receive a business plan from the board.

Mr. Martens: — I'm sorry, Mr. Minister; I didn't hear that.

Hon. Mr. Cunningham: — We'll receive business plans from the board so that we know what their plans are and what they're doing.

Mr. Martens: — Does the board have the ability to run a deficit?

Hon. Mr. Cunningham: — No.

Mr. Martens: — Is it outlined in law that it doesn't?

Hon. Mr. Cunningham: — It doesn't have borrowing authority, so it doesn't have the money. It would be very difficult for them to run a deficit.

Mr. Martens: — When it sets up its budget, it will then have the limitation of the budget in terms of its ability to manage its own affairs within its own framework? And because this may be a two- or three-year project, your possibility of running a budget or not running a . . . sorry, running a deficit is somewhat at risk I believe by the fact that you're going to have a staggered amount of payments, a staggered amount of contracts coming forward, review of new projects coming in. And you can't finish off a year on a project and say it's done because lots of these projects are going to take two or three years to have a complete evolution of them, or they take that long to evolve.

Is the board . . . do they have the authority to meet those requirements by that decision of the board, or do they not have the authority to do that?

Hon. Mr. Cunningham: — The board has the authority to commit the \$91 million over four years. They obviously can't spend more than 37 in the first year because that's all the money that they will have. So remember these commitments; many of them will be over a period of time. But they cannot commit more than \$91 million, nor can they spend more than the amount of money . . . spend the money any faster than it's paid in from government.

Mr. Martens: — Will you be putting your deputy minister on this board to be the individual who provides the balance between what your department is prepared to involve itself and the other groups of people?

Hon. Mr. Cunningham: — We haven't made that decision yet. There will be probably a deputy or assistant deputy or somebody of that nature to be on the board.

Mr. Martens: — Is he going to be the chairman of that board?

Hon. Mr. Cunningham: — We'll likely have a co-chair with the federal government, so they will appoint somebody as co-chair with somebody from the provincial government.

Mr. Martens: — Is it anticipated that that co-chair would be from within Saskatchewan? The people who would be co-chairing a committee like this should not be from outside of Saskatchewan, I believe — number one — and probably definitely not from the minister's office in Ottawa or his staff there. I think it would have to be somebody here. Have you discussed this with them as well?

Hon. Mr. Cunningham: — Yes, we have. And it will . . . there's a good probability that it may be the chairman of PFRA. But certainly I would anticipate that all the board members would be from Saskatchewan, even if they're federal civil servants . . . that they would be Saskatchewan people.

Mr. Martens: — Is the audit responsibility going to be handled by the Provincial Auditor or the federal auditor?

Hon. Mr. Cunningham: — Both.

Mr. Martens: — Mr. Chairman, and Mr. Minister, the 18 million, as I understand it, and the 9 million are to be spent in this fiscal year. How long do you expect to have the board start up in dealing with getting this whole thing going?

If the 1st of April is the day this thing is proclaimed or the 10th, how long do you think that it's going to take before you get the board up and running?

Hon. Mr. Cunningham: — Mr. Chairman, I've answered that question, I think, three times already. We anticipate having the board up by May-June, in that time, so that it'll be functional to start taking applications at that time.

Mr. Martens: — You'll be taking applications and they'll be providing funding in various areas as it comes through the system. How long before you anticipate the board's decisions, or the board being made up and the board making some decisions on this?

Hon. Mr. Cunningham: — Anticipate that to be a fair time lag. It will take some time. That process will be up to the board. Certainly it will take some time. The board will have to meet, will have to set up some criteria and develop strategies and then take applications and then approve projects. So again it will

depend on the board. We will be pushing for it happening as quickly as possible, but it needs to be done properly, and it will take some time.

Mr. Martens: — Mr. Chairman, and Mr. Minister, so if I read this from a political perspective, you're going to set the board up, and then by the middle of June you're going to start making some promises as to what you're going to deliver. That's what's going to happen. Sometime after the election then you're going to have a conclusion and say well this didn't necessarily pan out; we can probably deal with a deficit and the debt problem a little bit more rationally if we have this money left over.

So none of the board's recommendations are approved. What do you have to say to that?

Hon. Mr. Cunningham: — Well I wish the Premier would be as free with me as he is with you as to when the election's coming. But as I said earlier, the board will be May-June before it's established. They will take some time to set up a process and set up some strategies as to how they want to deal with applications. So I would not anticipate any applications being before the board in June. It certainly will be sometime after that before they even begin to accept applications.

So if that's the time line, I guess it'll have to miss the election.

Mr. Martens: — Well we have had . . . You get \$64 million from the federal government over four years under this program. Can you tell me how much, in comparison, you gave back to the federal government on their GRIP premium, their share of the GRIP premium? How much did you give back to the federal government?

Hon. Mr. Cunningham: — I didn't give back anything to the federal government. They took back a chunk of their GRIP surplus, and some of it they agreed to spend in agriculture in Saskatchewan.

Mr. Martens: — How much?

Hon. Mr. Cunningham: — The federal share of the GRIP surplus was in the neighbourhood of \$320 million. They put back into safety nets and ag innovation fund, I believe — and I don't have this number handy — but from my recollection it's about \$153 million.

(1630)

Mr. Martens: — So they took back \$320 million. Is that what I heard you say?

Hon. Mr. Cunningham: — No, that's not what you heard me say. Their share of the GRIP surplus was in that neighbourhood. They spent less than . . . I believe less than half of it on ag programs in Saskatchewan, including the \$64 million enhancements to NISA and the top-ups to NISA and the top-ups to the grains and oil-seeds program.

Mr. Martens: — Well, Mr. Minister, they were committed to that anyway. They were committed to that in any case. And

what we have here is they gave it up so that they could plug it back in and they didn't have to take any more money out of their revenue . . . Department of Finance. That's why they did it. That's exactly the same reason why you did it. And that's exactly the same reason why we have complained about this forever and a day.

Now you talk about bringing new money in. It isn't new money, Mr. Minister; it's the farmers' money. You picked the pockets of farmers. You did it without even blinking. You picked the pockets of farmers and you're giving them a nickel back here and a nickel back there. They had that money coming from you, Mr. Minister, and you took it away on them.

And that's what has the farmers irritated about this. They could have . . . would they have given to this kind of a program the 185 million or 189 million that you took away from them? Would they have been prepared to do that? Not likely, because that is going to go pay some of their bills.

The federal government took back theirs — \$320 million. And you say they gave them back? Well that's not the way the farmers have it sized up. That's the new NDP math; that's the new Liberal math — we'll take it from you and we'll give back half.

An Hon. Member: — Or less.

Mr. Martens: — Or less, as the member from Moosomin has said. And that's the truth of the matter.

So you get \$64 million out of them for this program. It should have been \$320 million, Mr. Minister. In fact your own estimates show that next year that the total revenue . . . or the total net farm income is going to be down \$300 million.

Wouldn't it have been nice for the people of the province of Saskatchewan to have had that opportunity to be exactly on the same level playing-field with Alberta or Manitoba? But you gave that back to the federal government, and you can come in here and say oh, we just . . . they took back half . . . or they took back their share and they gave us half back. That's the same argument you use when you talk about the \$189 million.

That's NDP math in my book, and the farmers don't like NDP math because they remember the whole program of GRIP in the first place. And, Mr. Minister, the people in Alberta and the farmers in Manitoba and Alberta, they had a whole different view of the world. That, Mr. Chairman, is the reason why we have a concern about how you finance this thing.

It's the farmers' money — it's not yours. It's the farmers' money, the primary producers who have the total impact in providing you with the money. This isn't your money. This is the money that you took from the farmers in '92 and '93 and '94. You took that from the farmers, and now you're giving them back \$27 million out of \$189 million.

Shake your head, Mr. Minister. That's the way they're doing the math. You're giving them back \$27 million of their money. That's their money — it's not yours, except that you took it away on them. You took it and pilfered their pocket. You took it

away on them, \$189 million.

And you said to probably . . . this is the discussion that probably went on with the Minister of Agriculture: you said, well if you take your 320, then I'll blame you for what you did. And I'll take my 189, and we'll both go home and give the farmer back his share of the premium and then everybody will be happy, and maybe we can just kind of slide this through.

Well, Mr. Minister, the farmers don't like that. And you want to know why the budget deficit at zero and surplus didn't sell out there? I'll tell you why. Because you didn't tell them straight. You didn't tell them what the truth was, Mr. Minister.

You said here it is. And then they went and looked underneath and saw it and said 189 million went directly from their premiums that they were entitled to and that you took away on them and gave it back into the Minister of Finance's pocket.

That's the reason why you balanced the books, Mr. Minister. And we say on this side of the House, the farmers in the province . . . this money right here is their own money, Mr. Minister. And why do you have the right to take it away from them, first of all, and then define for them how they would get it back?

That's what you're doing. You're taking the money from them in the first place, \$189 million; you're giving 27 back and saying, now I will tell them exactly how I'm going to do it. And if we hadn't started asking the questions on how this money was supposed to be financed, in which year, you'd even try to sneak that through the system.

And that, Mr. Minister, is exactly the reason why we are raising a concern about this Bill. Because the farmers are getting back their own money that they should have had equally distributed, not with you defining for them where that money should be spent. And that, Mr. Minister, is why we don't like what you're doing.

Now should we be against research? No farmer is going to be against research. That would be the last thing they would say. But you know what? You're doing this, you're doing this, Mr. Minister, with their own money. You're doing it with their own money. And that, Mr. Minister, is the reason why we have a complaint about it. And it will be a while before you get this legislation through because we're going to talk about this a long time. And Mr. Minister, that's the kind of thing that has bothered us.

Now you tell me why you wouldn't allow the farmers each to have in their own pockets the \$27 million that you're going to put in this budget.

Hon. Mr. Cunningham: — Well, Mr. Chairman, I don't need a lecture from the other side on how to do mathematics. At least we do our math in black ink, not red ink; I can tell you that.

Some Hon. Members: Hear, hear!

Hon. Mr. Cunningham: — Mr. Chairman, the members

opposite continue to try to ride both sides of the fence. They're saying yes, we need to change, we need diversification, we need value added, but we should take the money and put it back into the old '91 GRIP program. And that's their policy.

Oh, we're not opposed to research and development, we're not opposed to change, but you should take the money and pay farmers to grow crops — the wrong crop — and do a poor job of growing it. And that's their agriculture policy, Mr. Speaker. I don't believe that that has any hope or any exchange at all in rural Saskatchewan.

People are past back to '91 GRIP, back to paying people to grow wheat and not to diversify this economy. People out there want us to help them diversify, help them to adjust, and help them to adapt. And that is exactly what direction we're going.

And the members opposite stand here and say, well we're not opposed to research and we're not opposed to change, but we're opposed to the Bill that does it. Mr. Speaker, I don't know how you square that circle.

Some Hon. Members: Hear, hear!

Mr. Martens: — Well, Mr. Minister, I don't have to square it. The farmers in the province of Saskatchewan have asked me over and over and over again why did you balance the whole provincial budget for this year on the fact that you took 189 million out of their GRIP program. And then, on top of it, Mr. Minister, you shuffle 320 million to eastern Canada, and then we get 154 back — 154 back.

And the member from Rosetown-Elrose is really irritated by this because he is the guy that did it. I don't understand why you would defend the kind of things that he did to agriculture. His name in the province of Saskatchewan is at the bottom of the barrel, Mr. Minister. And I'll tell you what, his position in this Assembly is liable to be threatened by the very actions he took because in his constituency those are the grain-growing areas of the province and they didn't like it, Mr. Minister — and they are telling us. I don't even have to go campaign on that basis because they are doing it for me. And that is the kind of thing that he did.

Now, the research stations across this province are looking for money, Mr. Minister. Individuals from the research . . . people in the province have said to me, the federal government is cutting back. They're cutting back and they're cutting back. Well if the farmers are going to give them the money in the first place out of their revenue insurance program . . . (inaudible interjection) . . . Well, Mr. Minister, I have lived in the future far more than the member from Rosetown has because he is still an NFUer (National Farmers Union) and I have never been one.

And that, Mr. Speaker, and Mr. Chairman, and Mr. Minister, is the reason why he is still living in the past, because he thinks the Canadian Wheat Board should be exclusively one-desk selling. And there are a whole lot of people in this province who disagree with him — vehemently disagree with him. And he's the guy that set up the past in dealing with how the Crow should be paid.

There are people across this province who have had a whole lot of better ideas than that member from Rosetown-Elrose had, and that is the reason why he isn't going to be re-elected in this next session of the Assembly.

Mr. Minister, people from across this province have called me and said . . .

The Chair: — Order. Order, order. Now we seem to have a number of members wanting to help the member for Morse ask the question, and we seem to have a number of members wanting to help the Minister of Agriculture answer the questions. And . . . Order. Order. Both members are quite capable of doing their task, and I'll ask the members of the committee to allow them to do that.

Mr. Martens: — Thank you, Mr. Chairman. I want to point out to the Minister of Agriculture this very simple problem that exists in research in this province. You gave back — or you took back — 189 million and you shuffled 27 back to the farmers — their own money.

Then you turn around and you give back, allow the federal government because you set the standard, you set the beginning of this. They give you or they take the money back and you give or they give \$154 million back for the province of Saskatchewan, of which this is 64. And that's spread out over four years.

Now, Mr. Minister, the individuals who are in research in this province have been cut back significantly this year by the federal budget. You didn't even negotiate to the point of giving them equivalent to what the farmers gave back in their premium of 320 million. The farmers in Saskatchewan now have to cough up, of their own money, the volumes of dollars to do research in Saskatchewan.

That is ludicrous, Mr. Minister, and the member from Rosetown was the guy that started it. The guy that started it and put it into place and that's the reason why the people in the province have no use for that. And, Mr. Minister, how could you, honestly and with some decency and integrity, have negotiated that amount of money away from the people of Saskatchewan?

That's my question. Because this research is very little in comparison to what we could have done with that 400, \$500 million actually, Mr. Minister, that was entitled to the farmers of Saskatchewan.

Some Hon. Members: Hear, hear!

Hon. Mr. Cunningham: — Mr. Chairman, it's good to see the members opposite laying out their agricultural strategy. Their strategy is they would have stayed in '91 GRIP. Our farmers in the last two years would have been like Alberta farmers, paying 8 and \$9 premium and getting no money back.

Alberta is now getting out of GRIP. Manitoba will be out of GRIP. Everybody will be out of GRIP. The only people who still think that GRIP is a good program are sitting there opposite

and the provincial Liberals.

Those are the only two parties left in the world who still think that '91 GRIP is a good program. And I'll tell you if we would have had '91 GRIP we wouldn't have money for this Bill. And I don't know how you can continually stand up and say, oh yeah, we're in favour of change and we're in favour of research but we shouldn't spend any money on it; we should have put it all into a program that paid farmers to do a poor job of growing the wrong crop.

(1645)

The committee reported progress.

Mr. Neudorf: — Thank you very much, Mr. Speaker. By leave, I would move that the Assembly now turn its direction to private members' public Bills and orders, under adjourned debates, item no. 2, Bill 33 — An Act respecting the Donation of Food, be now read a second time.

Leave granted.

PRIVATE MEMBERS' PUBLIC BILLS AND ORDERS

ADJOURNED DEBATES

SECOND READINGS

Bill No 33

The committee resumed the adjourned debate on the proposed motion of Mr. Boyd that **Bill No. 33 — An Act respecting the Donation of Food** be now read a second time.

Hon. Mr. Pringle: — Thank you very much, Mr. Speaker. Mr. Speaker, I had made a few comments on second reading, and I just want to just finish my remarks if I might, with just a few more wrap-up comments. And I want to indicate again my appreciation to the official opposition for this Bill.

We, I think, have indicated clearly along the way that we intend to support the Bill. We will make just a few minor punctuation suggestions to tighten it up a little bit, but won't recommend that we change anything. And I will provide the official opposition with a copy of those suggestions tomorrow.

Mr. Speaker, we of course have done our own consultation which we're obligated to do. And we've consulted with the food banks in Saskatchewan, with the other provinces in terms of this legislation — the five other provinces who have the legislation — and I think it's fair to say that there is a fair amount of good will in the Bill.

So whether it will make a big impact in terms of the increased amount of food I guess remains to be seen. But hopefully that's the case.

I guess the main point I want to make today though, Mr. Speaker, to reiterate a point I made last time, is that while I respect the fact that the Leader of the Official Opposition is

coming forth with this Bill and I thank him for that, I think it's very important to be consistent throughout the session with regard to other measures that will help low income people and people living in poverty. And I would say that this budget which clearly by any objective standard . . . clearly this budget, for example, provides more respite services to families. And I would expect that the members opposite will be inclined to support that kind of initiative.

Also, Mr. Speaker, the child action plan, specifically the child development and nutrition program which is responsible for directing about a million dollars to school lunch programs, and is very much related to the spirit of this Bill, that is to providing support for low income families while we continue to have the economic development job creation strategy which is working very well. We obviously need some short-term strategies as well, as this Bill is designed to do.

But secondly, many of the initiatives in the child action plan which are designed to get food to hungry children, I would anticipate to be consistent, they will be supportive of that Bill as well.

The summer jobs program, the new money going into the Saskatchewan Research Council, the new money going into northern mining, there's money in this budget that would help in the long term, help low income people in Saskatchewan.

And I would suggest to the Leader of the Opposition that to be consistent about his new-found interest in low income people, that he might consider withdrawing his Bill where he's attempting to take, you know, prorated benefits away from part-time people, working people; that he would give some thought to, if he's going to be consistent, to withdrawing that Bill; that he would quit attacking the fair wage policy which gives an opportunity for working men and women to access employment so they can . . . People want jobs; they don't want charity. They want long-term jobs and that's what we think we're doing in the budget.

So we will support the Bill, Mr. Speaker. But I will ask the members opposite to also be consistent on other measures that most Saskatchewan people believe will help low income people if you're going to be consistent. So that would be my only plea to you.

And I know that you will give these remarks consideration. So thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

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

The Assembly adjourned at 4:52 p.m.