

EVENING SITTING
COMMITTEE OF FINANCE

General Revenue Fund
Finance
Vote 18

The Chair: — Before we begin I will ask the minister to . . . In fact we'll wait for the officials to get into place, and then I will ask the minister to introduce her officials, please.

Hon. Ms. MacKinnon: — The officials from the Department of Finance: sitting next to me is Bill Jones, the deputy minister of Finance; behind Bill is Bill Van Sickle, executive director of administration; behind me is Jim Marshall, the executive director of economic and fiscal policy; seated next to me is Len Rog, the assistant deputy minister of the revenue division; behind Len is Kirk McGregor, the assistant deputy minister of tax and intergovernmental.

Item 1

Mr. Gantefer: — Thank you, Mr. Deputy Speaker, and welcome, Minister, and all your officials this evening. It's a pleasure to see new faces on the other side of the House and it is really good to have you here.

Minister, your department is responsible for a great deal of things, and certainly the way I'd like to approach the issue tonight is not to deal with how your department allocates funds to other departments or to other projects, but more to focus on some of the issues that we would like . . . Start again?

Thank you, Mr. Deputy Speaker, and, Minister, and welcome to the officials who are with you this evening.

The way we'd like to approach estimates tonight in the Department of Finance is not to be dealing with those issues as to how you fund or how you allocate funds to other departments but rather how different aspects of your own department are operated; so that we can get some clarity not only for ourselves but also for the people watching as to how this system of government operates.

So there's a number of different things that we'd like to discuss with you this evening. And I recognize that we have only limited time and we have some tremendous young Canadians, and people from Saskatchewan, who I'm sure are going to hang on your every word about all the answers to these fiscal numbers and all the financial information that we're talking about tonight . . . (inaudible interjection) . . . Stand corrected.

Mr. Deputy Speaker, the first area that I'd like to deal with is a question that we've raised in the House last week, particularly in the terms of the surcharges and the surtaxes on the income tax side of the budget.

Madam Minister, we talked about particularly a number of surcharges that are on top of our basic charge. Our basic income tax charge, as I understand it, represents something like 49 per

cent of the federal tax collected. And that in addition to that then, there are three surcharges that add up in some significant measure to the amount of tax that's actually collected in the Saskatchewan income tax.

While I understand that some of these surcharges — in terms of high income and things of that nature — are ways of making tax policy, the area that I have the greatest concern about is the area of what was originally the deficit reduction surcharge. And granted in that period of time where you were indeed trying to balance the operating budget of the province, that is very understandable. But once we went into what was supposedly a balanced budget situation, then we changed the name of that tax, if you like, from a deficit reduction to a debt reduction surcharge.

Before I was elected to this honourable office, I certainly felt that it was incumbent on me as a taxpayer in this province, and a lot of my friends and neighbours believed, that the fact that it was an important thing that we were doing as people to be willing to dig just a tad deeper into our pockets in paying tax so that this honourable goal would be realized in terms of reducing the debt of the province was a very important thing. And what I'm very disappointed to see is that that is in a way something that's not quite correct in the way it was operated.

Madam Minister, we were given figures by your department, which we're very appreciative of, that showed for example in the last year that there were . . . or this current year there'll be something in the magnitude of \$58 million collected through this surcharge, and that projected in the same current year there's something like \$24 million, which is the surplus out of the General Revenue Fund, that'll be applied to the debt.

And, Madam Minister, I'm wondering how you can reconcile the fact that a surcharge that has been understood to be something that would be directly applied to the long-term debt in each and every year that taxpayers in this province are paying that money with the clear understanding it's applied directly to the debt outside of the financial operations of government through the General Revenue Fund, how can you reconcile that discrepancy to the folks that are watching this evening?

Hon. Ms. MacKinnon: — Mr. Chairman, first of all, could I have leave to introduce guests, please?

Leave granted.

INTRODUCTION OF GUESTS

Hon. Ms. MacKinnon: — Mr. Chairman, it's a great pleasure to introduce, seated in your gallery here, a group of Cubs, the 40th McVeety Cubs from Regina, 15 Cubs, ages 8 to 12 years old. And the person with them this evening is Neil Robertson.

So I would ask the members, through the Chair, to please give a hearty welcome to our guests this evening.

Hon. Members: Hear, hear!

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Item 1

Hon. Ms. MacKinnon: — Now, Mr. Chairman, to the member opposite, what I would say is this. The people of Saskatchewan have to ask themselves a basic question. Is the debt of the province coming down, and is it coming down dramatically? And I would say the clear, obvious answer is yes.

If you look at the period from 1994 to 1997, the debt of the province has been reduced by about \$2 billion. If you look at the period from 1997 to the end of this cycle, the debt will be reduced by another \$2 billion. So over that period, the debt of the province has been reduced by a whopping \$4 billion.

To put that into perspective, the debt will have gone from being 70 per cent of the GDP (gross domestic product), 70 per cent of the size of the economy of Saskatchewan, down to 36 per cent. Mr. Chairman, I would say that this is the most dramatic debt reduction to occur anywhere in Canada.

And when we recently got our upgrade from Standard and Poor's . . . took the credit rating of the province and said, instead of having it here, we're upgrading the credit of the province to here, one of the main reasons that that credit rating agency gave for the upgrade was the dramatic reduction in the province's debt.

So quite frankly I think the member has no case. The debt of the province has come down dramatically. The numbers show it, and external agencies show it.

Mr. Gantefer: — Madam Minister, I'm not debating that the debt has come down in this province, but there's a number of factors that have contributed to that.

Madam Minister, I wonder if you could give the detailed breakdown in terms of how it's come down in terms of the portion of the debt that you're talking about's come down through activities in CIC (Crown Investments Corporation of Saskatchewan), and that further broke down into terms of how much has resulted from the sale of assets, for example, Cameco.

Because if you're selling assets and you're applying it on debt, you also have a diminished asset that you're holding in your equity, if you like. So while I appreciate that the share of the Cameco assets, for example, have been applied on two fronts — one against the General Revenue Fund through a special dividend, and the other held within CIC — it diminishes debt, but it also, in essence, has liquidated an asset.

So I wonder, Madam Minister, if you would break down for us, please, the detailed breakdown on the \$2 billion that you say that we've paid down the debt from '94 to '97 and where it's originated from — from the General Revenue Fund, from activities within the Crowns, and from surpluses in the budget — and then '97 onwards. Would you break down that \$4 billion that you're saying that our debt has been reduced?

Hon. Ms. MacKinnon: — Mr. Chairman, first of all I'd make two points in response to that. When Standard and Poor's upgraded our credit rating, they were quite specific in terms of the debt that was reduced. They talked about dramatic reduction of tax-supported debt. It's not possible to make a clear distinction between reduction of Crown debt and reduction of GRF (General Revenue Fund) debt because there's tremendous crossover.

And to clarify that, let me give you an example. Recently we announced that we were reducing the debt of Crop Insurance by, I believe it's \$149 million. In fact that money came out of the General Revenue Fund, out of your tax dollars. But because the Crop Insurance Corporation is a Crown corporation, the debt that went down was Crown corporation debt. But clearly it's taxpayers' dollars that have to go into it.

So because of accounting crossovers like that, it's not possible to just do a quick breakdown because some of the debt that is in fact Crown debt was reduced by government funding being increased to that sector. And it works the opposite way. Some of the Crown assets that were sold came across and reduced government-supported debt. So as I say, there is a crossover.

And I think the key thing is when an outside agency gives this province a credit rating upgrade — something almost unprecedented in the '90s — and says one of the main reasons for this is a drastic decline in tax-supported debt, it means that the record on that side is very impressive.

Mr. Gantefer: — Well, Madam Minister, you've certainly opened up other issues that I would like to deal with later. Certainly the issue of the fact why there isn't a consolidated financial statement whereby the Provincial Auditor has been asking for a relationship between CIC and the General Revenue Fund on an ongoing basis, in a projected way. And I'm sure that we'll have an opportunity sometime in the not too distant future, maybe even later this evening, to get into the Crop Insurance debt and the whole GRIP (gross revenue insurance program) fiasco, and asking you if you're providing for contingent liability under the lawsuit that you're being served with in terms of the way you dealt with that whole issue.

What I wanted to know is a simple question. Since you are very willing to share with the viewers and the people of Saskatchewan the fact that \$4 billion in consolidated debt or whatever has been reduced from 1994 to the current time, please tell us what it is.

Hon. Ms. MacKinnon: — Mr. Chairman, what I'm saying to the member opposite is, you can't make that fine distinction. You can look at charts which will tell you how much the GRF debt has come down, how much the CIC debt has come down. But there's obvious crossover. There's obvious . . . and I just gave you an excellent example of \$149 million — which is money coming out of the taxpayer's pocket — going to pay down debt, but because of the accounting of it it's Crown debt that's being reduced.

Mr. Gantefer: — Minister, that sounds like you're arguing the case that the Provincial Auditor is bringing forward for a consolidated statement. You made the statement here before us,

just several minutes earlier, that the overall debt of the province has come down, you said some \$4 billion. I'm asking you, if you can make that kind of statement to the House, please itemize the items and the amounts that have gone into that; otherwise how can you say it's \$4 billion?

(1915)

Hon. Ms. MacKinnon: — Well what you can say is, you can say here is the debt of the whole government across the piece — Crown debt, GRF debt, Treasury Board Crown debt — and here is how much it has been reduced by. But actually tracing the sources back to, this is Crown debt, this is GRF debt, is very difficult. Plus I would ask the member opposite, why does a gain on an asset belong only to the Crown sector? Doesn't the gain on the asset belong to all of the people of Saskatchewan as well?

And so that was the principle behind Cameco money being used to reduce GRF debt, government . . . basic government debt. But I think the key point is this government has been clear. If we sell an asset, a major asset, the money will be used to reduce government debt. What I would say to the members opposite is, there isn't the same clarity on that side of the House. You've said — one of your members have said — well if we sell Cameco shares, let's reduce the debt with that money. Another of your members said no, let's use that money to fund a tax cut.

We are clear. If we sell major assets, we reduce the debt. Our goal is to reduce the debt of the province. But not just to do that — to cut taxes and also enhance basic programs in the province.

Mr. Gantefer: — Minister, you're misunderstanding. The process of the exercise this evening is for you to be held accountable for statements you have made. And not 10 minutes ago, you said that the overall debt of this province has been reduced by \$4 billion. It's one thing to throw around that kind of figure loose and easy; I'm asking you for an itemized, detailed list of how you justify that kind of a statement. I'm not asking you to debate the fact that Cameco shares should or should not have been applied to General Revenue Fund or partly to CIC. I'm saying you've made the statement of \$4 billion in debt. I'm asking you for a detailed list and accounting for the figures that you've used to make that kind of a statement.

Hon. Ms. MacKinnon: — What I've said to the member opposite, Mr. Chairman . . . I keep repeating the answer. It's not possible to separate the two out in that way. You can say, here is Crown debt. Here's how much Crown debt has come down by. Here's government tax-supported debt; this is how much this has come down by. But there are obvious crossovers in the numbers.

No credit rating agency is able to do what you say, and no credit rating agency asks you to do what you are asking for. What they say is this. What is the debt of the province? Is it coming down, and is it coming down relative to the size of the economy of the province?

And I think the clear point here that we are making to the people of Saskatchewan is there is a dramatic reduction in all

forms of debt of the province. We chose to use government tax-supported dollars, money from taxes, to reduce Crop Insurance debt, even though that's Crown debt, because we believed it brought not only a benefit to the government's debt, but also to the farmers of this province.

The members opposite are always saying, well what have we done for rural Saskatchewan? What we've done for rural Saskatchewan is reduce the Crop Insurance debt to ensure that the new crop insurance program could begin as an effective and affordable program with reasonable premiums for farmers.

So what you're asking for is not what is important here and it's not the kind of thing that we have broken down in the way that you're talking about it.

Mr. Gantefer: — Madam Minister, I wasn't the person 10 minutes ago that said . . . and I'm paraphrasing loosely because I of course do not have *Hansard*. You said — and I jotted down the note — that between 1994 and 1997 the debt of this province was reduced by \$2 billion, and that from '97 to the current time it reduced a further \$2 billion, for a total of \$4 billion.

I'm simply asking you to defend the statement that you put onto *Hansard* in this House of saying that \$4 billion of debt has been reduced in this province. It's not my figures, it's not my statement; it's your statement, and I'm asking you for a breakdown as to how you justify that statement or how can you make it.

Hon. Ms. MacKinnon: — You know, Mr. Chairman, the way I would answer it is this: if you look at the debt of the province in 1994, it was \$14.9 million . . . billion dollars — I wish it was 14.9 million — \$14.9 billion. If you look at the debt of the province as of 1997, it's \$12.8 billion. If you look at the debt of the province as of 1998, it's \$12.6 billion. If you look at the debt of the province at 1999, it's 12.1 billion. 2000, it's 11.5; 2001, it's \$10.9 billion. So it has been reduced by \$4 billion over that time frame.

Mr. Gantefer: — Okay, Madam Minister, then if that is true, then why is it so difficult to ask what were the constituent components of the reduction of that debt of \$4 billion over the period of time that you outlined?

And I recognize what I'm asking for is a consolidated picture from the overall vision of where the province is at. How much of that debt — if you can use those figures — are coming from CIC, how many are coming from the general revenue side, and what were the component ingredients of the figures you've just quoted?

Hon. Ms. MacKinnon: — Mr. Chairman, to the member opposite. What I'm saying to the member is you can't make that clear distinction. Because in cases that I've mentioned, government tax dollars are used to reduce CIC debt. In other cases, assets are sold and the proceeds are divided. In the case of Cameco, 50/50 — half going to CIC, half going to General Revenue Fund debt.

You cannot make that sort of clear distinction because there is

crossover in government operations. But the main point that is important and indisputable is the debt of the province has gone down by about 4 . . . by exactly \$4 billion, and this is one of the main reasons why the credit rating of the province was upgraded, agencies said.

So I say you don't have to take the government's word for it; look what outsiders have said: dramatic reduction of debt to enhance the fiscal foundations of the province.

Mr. Gantefer: — Minister, I don't know why this is so difficult. I mean you have facts and figures, and you quoted from the figure that said in 1994 the debt of this province was \$14.9 billion. Why is it so hard, if you can come up with that total figure at the bottom of the column, why is it so difficult in order to tell us what were the constituent elements of that column?

You've got to come up with the justification of these figures coming from something, otherwise who can possibly accept the figures as you're outlining them. And secondly, if you can do the one column of figures, surely you can do the second column of figures for 1997 that justify the \$12.8 billion that you just talked about. Why is this so difficult? If it's so difficult, then on what basis can you justify the validity of the figures?

Hon. Ms. MacKinnon: — Mr. Chairman, what I'm saying to the member opposite is he is trying to make something simple that is in fact complex; because there is crossover.

What I am saying to the member opposite is, the people of the province should be very proud of the record of this province in terms of debt reduction. And they should take great pride not only in what people within the province have said about the debt reduction in the province, but what outside agencies have said. And as I say, I will get the exact quote and read you what Standard and Poor said:

The most important upgrade that has occurred in the last five years in Canada, upgrading a province's, a government's credit rating from one level to another.

Why did they say we deserve that upgrade, the people of Saskatchewan? They said, two reasons: you got rid of the deficit; and you have made dramatic efforts to reduce debt, including tax-supported debt.

Mr. Gantefer: — Well, Madam Minister, I find it totally unacceptable that you're unwilling to give us the figures that come up to this number, because without it, the numbers themselves, or the total, the total itself that you're outlining, comes into question.

Madam Minister, on one side we can use a concrete example, and you used that as an example and you said that sometimes money that comes from the General Revenue Fund goes to pay down debt in the Crowns and so that the situation of the province is in essence neutral. Because of used cash position on the General Revenue Fund to pay down long-term debt in the Crown Investments Corporation, you really have transferred profits, if you like, in the business vernacular, to pay down long-term debt. And that's probably a very good idea.

But when you're starting to sell long-term assets, for example, when you sell the \$700 million of assets in Cameco, I mean you have the \$700 million — and I'm not disputing that you decided to put \$350 million, give or take, into CIC debt, and you decided to put 7 . . . or \$350 million into the General Revenue Fund by the way of a special dividend. Don't get into . . . don't be mistaken; I'm not debating that decision. But the reality is, is when you took the \$700 million of cash to pay down these items, you also liquidated \$700 million of assets. And so that while it improves our liquidity position and our reliance on foreign borrowings, we also are in essence no better off.

Madam Minister, I'd like to refocus in the time I have left allocated to me . . . the time that I would like to say is that . . . How do you explain to taxpayers who have assumed since 1992 that they were firstly paying this special surcharge to reduce the deficit and once that came into balance, by your way of calculating the figures, that it was then renamed to a debt reduction surcharge, how do you explain to the people that are accepting that extra surcharge on their income tax with the clear understanding that all of this money was clearly and directly going, as their contribution, to the paying down of the long-term debt, how do you explain to them that you're not doing that at all? And all that's going to pay down the long-term debt, outside of these other figures that you won't give us, is the surpluses under the balanced budget legislation from the General Revenue Fund, where something like \$22 million are projected this year while you're collecting \$58 million from this debt reduction surcharge.

How do you explain to them that you're not really being straight up with them in terms of this money going directly on debt?

Hon. Ms. MacKinnon: — Mr. Chairman, to the member opposite, I would say we're being absolutely straight up with the people of Saskatchewan. We're being straight up with them in two senses. We're saying we are committed to reducing the debt of the province, and obviously the record of the government shows that. As I say, I can read you more quotes.

When upgrading the province's credit rating from one level to another, Standard and Poor's cited, and I quote, "the sharp decline in tax-supported debt." An outside agency, they're not talking about CIC debt or Crown debt, they're talking about the sharp decline in tax-supported debt. Moody's talked about a significant improvement in the fiscal position of the province and talked about persistent deficit financing. They talked about the past and reduction in debt commitments, including tax-supported debt. What I would say . . . so I'm saying to the member opposite, our commitment on debt is clear. We're committed to reducing the debt dramatically and we've done it.

And I would say, by the way, to the members opposite, one of the things we've been keeping track of upstairs is the spending that the members opposite have proposed during this session — the extra money that they would spend through their comments in this legislature. If in fact you folks were on this side of the House, you wouldn't be reducing any debt and you wouldn't be cutting any taxes, unless you wanted to run a deficit, because all your fiscal room would be taken up by more and more and more spending when you look at that list.

I would say . . . the other thing I would say to the member opposite is this. The government made a choice when it sold its Cameco shares. It made a choice as to the timing. When the members opposite advocated that the Government of Saskatchewan should sell Cameco shares, the shares were worth \$18 — \$18 — that's what the members opposite would have sold Cameco for. The government decided that that was not an appropriate decision. Instead of selling Cameco shares when they were \$18, we sold Cameco shares when they were \$75.50.

Now from our point of view, the benefit of that belongs to all the taxpayers of Saskatchewan, not just to a particular agency that happened to make that particular decision. And we're committed to using a significant portion of that to benefit all taxpayers of Saskatchewan by reducing the debt of all taxpayers of Saskatchewan.

Mr. Gantefer: — Madam Minister, I wish that you were spending as much time keeping track of the numbers that I just asked you for — and you seem to be unable or unwilling to give us — in terms of what was contributing to these figures that you're talking about, than trying to keep track of some mythical figures that we're talking about. You may also, if you've got so much surplus staff, in order to keep track of these mythical things, you might keep track of the *Gilligan's Island* kind of promises that your federal counterparts are talking about in this election.

I want to focus on the numbers that are in your budget, Madam Minister, and the numbers that you've been throwing around here in terms of saying that the financial wherewithal of this province is, by defined amount of money, so much better off than it was in 1992. And obviously you're unwilling to supply us with those numbers while you're willing to play politics on the provincial and federal level with mythical numbers. I would suggest that your department focus more on what your responsibilities are, rather than some calculation of the *Gilligan's Island* thing that your federal counterparts are looking at.

(1930)

Madam Minister, I would like to quickly turn to another issue that I would like to raise before we leave my section of this evening's questions. And that is the question of where the Provincial Auditor's recommendations are with respect to combined financial statements.

Certainly in your comments and the way you've responded to my questions in terms of the global numbers of the overall provincial debt, you seem to be agreeing with the Provincial Auditor in terms of, projections should be done on a combined financial basis. So that the province can't be held up to be confused by the smoke and mirrors game that goes on between shuffling assets and debt and money from the General Revenue Fund and the Crown Investments Corporation and your slush fund on alcohol and gaming; so that you can draw out of that as you see fit to exercise your own requirements.

Madam Minister, do you accept the Provincial Auditor's recommendation about combined forward projections for the

combined Crown Investments Corporation and the General Revenue Fund?

Hon. Ms. MacKinnon: — Mr. Chairman, the member opposite introduced into the discussion, a topic I wasn't going to get into, and it's once again the federal government and the Liberal Party of Saskatchewan's persistent goal to defend Ottawa in this legislature, rather than the people of Saskatchewan.

What I would say is, I'm not sure why I would stand there and want to defend a government — the federal Liberals — who have not balanced the budget; have increased the debt more dramatically than any other government in the history of the country; cut health care dramatically, except when an election comes; promised to cut taxes — the GST (goods and services tax) — and not delivered. So, Mr. Chairman, we might be better off to leave that topic and go on to what we're supposed to be dealing with here.

With respect to the auditor, I think the important thing is his job is to look at the financial statements of the province and to say to the people of Saskatchewan: have they spent the money the way they said they were going to and according to the laws of the province? And that's what he does when he looks at the summary financial statements of the province. He either has to sign off and say, I give it my stamp of approval, or else he has to say, I have these qualifications. That's the job that he is assigned by mandate to do.

When he looks at the summary financial statements of the province, not only does he sign them off, he puts right on that signature, no reservations. That is, I haven't got one quibble, no matter how minor, with how the government is actually doing the job that they've been asked to do.

Now with respect to the issue of how we budget, he has an opinion that he'd like to see the government budget on a government-wide basis. Quite frankly I don't agree with that opinion because I think it's outdated. I don't think it takes into account the fact that our Crown corporations are going to have to deal in a competitive environment — are already dealing in a competitive environment.

And I would ask the people of Saskatchewan: do you think it's fair, when you are getting phone calls regularly from Sprint and other competitors of SaskTel, to force SaskTel to come to the legislature to lay before the people of Saskatchewan — before the fact — all of their plans, all of their strategies, when we can't force Sprint and their competitors to come here and do exactly that?

I think the people of Saskatchewan would say that's not fair and reasonable. And it's probably a recommendation that comes from a party that would probably like to, underneath it all, kill the Crown corporations — because that would probably be the effect of what the member opposite is saying.

But I want to ask the member opposite, if he is such a strong supporter of the Provincial Auditor, then why doesn't he support the Provincial Auditor when he says you can't do dedicated financing in this government? That is, you can't say this tax is directed to this program. That's what the auditor says

too. So you can't have part of what the auditor says and not the other part.

Mr. Gantefer: — Madam Minister, I'm not the one perpetuating this illusion that there is dedicated funding. I am absolutely in agreement with the Provincial Auditor that if you can't have dedicated funding, don't pretend that you've got it. Don't fool the people that are paying taxes in this province by making them think that you're actually dedicating the debt reduction surcharge to the debt.

You're perpetrating a fraud on the taxpayers, and I think the Provincial Auditor is absolutely correct by . . . when you're saying that you can't do it and it's improper for you to carry this on. So I'm in absolute agreement, Madam Minister, that the Provincial Auditor is right.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Mr. Chairman, what I would say to the member opposite, he might like to look at some of the things that the auditor does say about the province's financial statements.

He says in his 1996 fall report: the government's summary financial statements are first-class. 1995 — his spring report — the government does publish complete financial statements. The government's summary financial statements are among the best in Canada. They provide a full and reliable accounting of the financial results of the government as a whole.

Mr. Boyd: — Thank you, Mr. Chairman, Madam Minister, and to your officials. I wanted to enter the discussion here this evening with respect to the total debt of the province.

And I think that . . . I would like you to know, and I certainly would like all people of Saskatchewan to know, that as a fiscal conservative I very much agree with the view that government should operate on a balanced budget and that you should work towards a positive bottom line, whether you're in government, whether you're in your household, or within your business. And I think that that's extremely important. I've always been on record, I think, as suggesting exactly that. And certainly the party is today of that view, that balanced budgets are extremely important. We've put forward legislation, private members' legislation, over the last number of years with respect to that.

So in terms of the discussion about debt and where it's going in Saskatchewan, I think it's positive, a positive development that we see debt in Saskatchewan being reduced. To pick up a little bit on the member from Melfort's questions with respect to this, I wonder if you . . . In your projections of total debt — you started at 1994, working up to 2001 — in terms of total of debt in the province of Saskatchewan, you've come up with those figures ranging . . . starting at 14.9 and reduced to \$10.9 billion. That is, I assume, on the general revenue side only.

Can you provide details, similar details, with respect to debt on CIC debt and on the unfunded pension liabilities, Madam Minister?

Hon. Ms. MacKinnon: — Mr. Chairman, to the member

opposite, I have to correct the member opposite. Those numbers are total debt of the whole government.

Mr. Boyd: — Unfunded pension liabilities included?

Hon. Ms. MacKinnon: — No, that's not included in the debt, but the debt, the numbers that I gave you for debt, are both government and Crown debt.

Mr. Boyd: — So for a taxpayer of Saskatchewan, if they were looking at it and if they were going to go into their bank, like many people do in the spring, particularly people who operate either farming operations or business operations, and were going to present to their bankers a complete picture of their financial health or well-being to the bankers, just as you do, Madam Minister . . . and we realize that government is perhaps more complicated. But reduced to its basic levels, it's the same thing as a business operator walking into the bank and saying that I've got \$100,000 worth of long-term debt and I've got, say \$80,000 operating line of credit and I've got \$20,000 outstanding payments to my creditors that is due, but on the other hand, I've got this amount of revenue projected for 1997.

It's in essence the same sort of thing. And I do it on an annual basis. Many, many people in this legislature, and certainly all across Saskatchewan, do it on an annual basis, make those same sort of projections, those same sort of arguments, and present it all as a package to whomever finances them, if indeed they require financing. You do it as well, only yours is on a far more larger scale than the average person is and everyone understands that.

But, Madam Minister, I think the argument is clear, that in order for people to accept the total debt picture, they have to have some indication as to the breakdown of those debt. If I walk into the Royal Bank and said to them: here's my total debt, they would want to know the components of that debt or projections of the components of that debt. And I think that that's all that we're really asking for here, Madam Minister, is the projections of those debts — whether it's the General Revenue Fund, CIC debt, or unfunded pension liabilities.

And I would like to, after you answer that, I want to get back to that unfunded pension liabilities concern. Because it's a large concern, I think, to the people of Saskatchewan because it is . . . And I know you will get into the debate about whether it is indeed a liability, or whether it's an unfunded pension liability and you've made provisions or not. But I think most people in Saskatchewan would view it as an obligation that at some point is going to have to be met by the people of Saskatchewan. And in terms of that, most people, I think, would assume that that would be considered a liability and a debt that would have to be addressed.

So, Madam Minister, I wonder if you might care to make comment on that part of the discussion.

Hon. Ms. MacKinnon: — Mr. Chairman, to the member opposite, I think the issue on the pension liability is twofold.

First of all, the problem has been "fixed" in the sense that the government — the government of the past, the Blakeney

government in 1978 — took the action required to ensure that the pensions from 1978 onward would be totally funded pensions, and I would say as well, taxpayer-friendly pensions. That is, they're no different than the pensions that you would have if you worked in another organization. You put your money in; the government puts its money in. When you retire, you get only what's in the fund. So I think the first thing is that the required action was taken, was taken some years ago.

In terms of the pension liability, it is included in the summary financial statements of the province. And there are provinces — I would mention your Tory counterparts in Manitoba, for example — they still don't record that pension liability on their summary financial statements, as do other organizations. So the problem, in that there had to be a change in the pensions; the pensions have been changed so they are, from 1978 onward, sound. And they are included in the summary financial statements of the province.

Mr. Boyd: — Thank you, Madam Minister. I guess my response to that is if the province of Manitoba doesn't, I think they should. And I think probably the majority of people in Manitoba would likely agree with me on that. That if they feel that it's a debt owed to people within their province and an obligation that's going to have to be met in a number of years over a period of time, I think it's important that that be pointed out.

Madam Minister, just for the benefit of whomever is watching this evening's proceedings, I would like you to provide that information with respect to the unfunded pension liabilities and what they are currently and what your projections of them are, say up to that same time frame of year 2001 that you've used as an example in other discussions with respect to debt.

Hon. Ms. MacKinnon: — Mr. Chairman, what I can say to the member opposite is, that I can tell him what they are today — \$3.4 billion — but I cannot tell him what they are because we don't project them into the future.

Mr. Boyd: — Three point four billion dollars and that is considered to be liquidated over a period of how long?

Hon. Ms. MacKinnon: — Mr. Chairman, to the member opposite, you can't calculate that because it depends on many individuals' individual decisions: when they retire, how long they work for. It depends on the decisions of people who were part of the government in one way or another before 1978. So it's impossible because I don't know the . . . we cannot add up the individual decisions of those individuals. Besides that, I'm sure they haven't taken those decisions yet.

Mr. Boyd: — But you and your department must surely work through some "what if" scenarios. Pension plans of every sort, insurance companies of every sort, have actuaries that work on this type of thing to be able to make projections as to where they expect their future liabilities to come in a period of time down the road. They make those kinds of judgements so that you and your department officials can make accurate assumptions as to what kind of obligations the taxpayers of Saskatchewan will have to make into the future.

So I would hope, Madam Minister, that you and your department has that kind of information at its disposal. And then if it doesn't, I think you probably owe the people of Saskatchewan an explanation as to why it doesn't.

Hon. Ms. MacKinnon: — Mr. Chairman, what I would say to the member opposite is, that it's impossible to project those into the future for the reasons I've already given. But the governments of Saskatchewan have done what is required. That is, they have dealt with the problem. They have recognized that they needed a change in the pension schemes so that the pension schemes would be affordable to taxpayers now and into the future.

And we've also done the other thing that is required, which is ensuring that the province is in good fiscal and economic shape and is in a position to absorb these pension costs as we are absorbing them today.

Mr. Boyd: — Well I think that's fine and well, Madam Minister, but I'll still believe that the concern is there that if your department doesn't have that information, do you think it not important that you work through the actuarial position of these pensions to determine and to be sure that we aren't going to have any surprises in the future that we might not be anticipating at the time being?

(1945)

Hon. Ms. MacKinnon: — Mr. Chairman, what I would say is what we have done is we have included these liabilities in our summary financial statements. When we look at the total debt picture of the province we include the pension liabilities and the estimate — the 3.4 billion — is exactly that. It's the estimate of the cost of those pensions as far out as we can see.

So that's what it is — on the basis of what you know today, this is what these are going to cost. And we include that in the summary financial statements and those are the statements which the auditor signs off and says, I approve entirely, absolutely accurate. So that's the best you can do, is knowing everything you know today, what is your projection as to the liability. That liability isn't due today; it's due well into the future.

Mr. Boyd: — Is that liability apt to change then, Madam Minister? Do you anticipate — given the fact that things in the economy change from time to time — do you anticipate there being any problem in the future; that this \$3.4 billion may turn into \$4 billion shall we say, or on the fortunate side that the \$3.4 billion may turn into \$2.8 billion?

Hon. Ms. MacKinnon: — The answer to that question is this. When you look at everything you know today, every piece of information you have available today, the liability is \$3.4 billion, not due today in any sense, due at different times in the future.

I can tell you with certainty what the future liability is going to be at some point in the future and that is zero, because at some point everybody who was on the old plan will unfortunately have retired and passed on and we will be on the new plan, the plan put in place after 1978. Anybody who joined the

government after 1978 will have their pension fully funded from day one. So the future at some point is zero. What I can't tell you is how long the people in the early plan are going to live and I can't tell you when they can retire, except I can say as of today that liability is \$3.4 billion.

Mr. Boyd: — Thank you. Madam Minister, to move to areas of revenue raised by your government, can you provide information with respect to the total revenue raised by government in taxation, excluding corporations, in the last fiscal year; a detailed breakdown by tax of revenue raised, the projected revenue by tax for the last fiscal year; the projected revenue by tax for the fiscal year of 1996 and 1997; and a list of studies conducted analysing the impact these taxes have on the taxpayers of Saskatchewan.

Hon. Ms. MacKinnon: — Mr. Chairman, I would refer the member to page 66 of the budget speech where exactly all of that information is broken down for the member opposite.

Mr. Boyd: — Thank you, Madam Minister. To move to another subject matter, with respect to the whole area of native taxation in the province of Saskatchewan, you have alluded over the last months, I guess, to the fact that you are in negotiations with the native leadership of Saskatchewan in terms of taxation in a number of areas. I wonder if you could indicate to us where those discussions are at, at present time? And what kind of . . . Is this issue about to be resolved, or what can we expect in terms of this?

Hon. Ms. MacKinnon: — Well what we have said on this topic is, we have a long-standing tax understanding with the first nations people which differs in some significant respects with the tax regime in other provinces but costs the taxpayer about exactly the same as it does in other provinces like Manitoba or whatever. And there has been pressure, primarily from the first nations people, to change that tax regime. We have said we're prepared to discuss changes to the tax regime, but they have to be balanced and fair changes. And that's where it rests. We're still talking. The matter is not resolved. And I'm not sure that it is close to being resolved, but the discussions are ongoing.

Mr. Boyd: — Thank you, Madam Minister. Is that something that . . . What kind of dollars are we talking about here? Are we talking hugely significant amounts of money, or is it something that perhaps at some point your government will negotiate with the native leadership on this issue? I think for the benefit of Saskatchewan taxpayers, we would think it appropriate that we know what kinds of figures we're talking about here.

Hon. Ms. MacKinnon: — Well I'm not sure exactly what the member opposite is asking because those things are difficult to break down. But I'll answer the question this way.

In Saskatchewan we do not charge the education & health tax off reserve. In Manitoba they do charge the education & health tax off reserve. But in Manitoba, the same first nations people pay cigarette and tax gas on reserve off . . . they do not pay cigarette and gas tax on reserve. In Saskatchewan first nations people do pay cigarette and gas tax on reserve.

So we could switch to the Manitoba regime. Our discussions with Manitoba, my discussions with the minister in Manitoba, suggests that the taxpayer would be in about the same position. So whether we have the regime we have in Saskatchewan or the one that exists in many other provinces, the net effect, in that we can estimate it, is very similar for taxpayers.

Mr. Boyd: — What is that figure then, Madam Minister?

Hon. Ms. MacKinnon: — Well I don't . . . we don't have a precise breakdown. What we're saying is, if you look at the benefit associated with not paying sales tax off reserve, you estimate what the benefit is of not paying cigarette and gas tax on reserve, you look at estimates about what consumption might be, they are very equivalent to an offset. So you take one person, and you say how much does that person buy on . . . off reserve, tax free purchases, sales tax free purchases. Take that same person, estimate how much cigarettes and gas they would buy on reserve if it was tax free, and it's about equivalent dollars.

Mr. Boyd: — Then from there I would think that you could work through what that overall picture is in terms of the trade-off there. Essentially that's what you're saying, is there's a trade-off. If you use the Manitoba model, the trade-off is such that there's no net gain or net loss to the people of Saskatchewan. And in order to come up with that assumption — I don't know, what do we do — just times it out by the number of native people that live on reserve and off reserve in Saskatchewan to come up with an accurate figure or an estimate of a figure?

Hon. Ms. MacKinnon: — Well I think you could do the calculation probably using you and I. If you and I didn't have to pay sales tax, calculate that, think about what the benefits are. But think about, on the other side, if we didn't have to pay any taxes on our cigarettes and gas, there would be an equivalency or a very close equivalency is what we're saying. That's as far as the discussions have gone.

And as I say, I've discussed this with my counterparts in Manitoba. They agree that there is an equivalency there.

Mr. Boyd: — Thank you, Madam Minister. I wonder if you could provide projections of revenue to the province would . . . the province would receive if status Indians did pay the PST (provincial sales tax) for off reserve purchases?

Hon. Ms. MacKinnon: — Mr. Chairman, no, I wouldn't have that estimate.

Mr. Boyd: — Not with you or it isn't available or you haven't worked through the numbers?

Hon. Ms. MacKinnon: — Mr. Chairman, we haven't worked through the numbers beyond what I'm saying to you in terms of the offset. We've looked at an average individual living on a reserve and said, okay, what sorts of estimates would you make about purchases of cigarettes and gas relative to tax free purchases off reserve? And they're in the same ballpark.

Mr. Boyd: — Thank you, Madam Minister. Is that something that your department could come up with a figure of?

Hon. Ms. MacKinnon: — I think, Mr. Chairman, it would be very difficult to do so.

Mr. Boyd: — Well I'm not quite sure how to respond to that, Madam Minister — very difficult to do so. It is an issue in Saskatchewan. As you know, it was raised in the last election campaign with respect to the whole area of native taxation within our province. We made an election commitment that we believed that, in terms of the whole issue of tax fairness, that that should be something that is addressed in the future.

And given, I guess, even the fact that it is difficult to do, I wonder if you would care to undertake to do it so the people of Saskatchewan would know what kind of figures we are talking about in this whole area. And then they can, I suspect, make some kind of a judgement themselves as to whether or not it is something that you should be proceeding with.

Hon. Ms. MacKinnon: — Mr. Chairman, what you would come up with is nothing more than an estimate. And I think it's probably worthwhile putting a ballpark estimate on the table because I think what the members opposite do, because I see it when I go out and talk to the public, they have these exaggerated notions. Boy, you could really reduce the sales tax if you forced Indians to pay the sales tax.

But we're talking an estimate in the neighbourhood of \$10 million, which isn't going to get you . . . it's going to get you about a 7 per cent . . . it's going to give you about a 17 per cent of one point on the sales tax. So it's a very, very small part of the revenue of the province.

And what I would say to the member opposite, because I know he plays a lot of politics with this one, the minute that you try to get rid of sales tax off reserve, you look at what happens. Look at the Tories in Manitoba. You would find yourself very shortly thereafter having to exempt cigarette and gas tax on reserve. That would cost you exactly the same ballpark, \$10 million or so.

Mr. Boyd: — Well why didn't you just say that at the beginning, Madam Minister? Here we are, we've spent 20 minutes getting you to come up with that estimate of \$10 million. And for some reason you've been dragging your feet, entirely reluctant to do it. And then just glibly at the end of your comments, you pop out the \$10 million figure, and you say that that's the estimate, and that other people go around the province and make exaggerated claims of whatever it is.

Well if we make . . . if anybody was making exaggerated claims, you, Madam Minister, have the resources through your department to set the record straight. I don't know why you wouldn't want to do that. And I wonder, to the people . . . You could explain that to the people of Saskatchewan.

Hon. Ms. MacKinnon: — Mr. Chairman, because — mark my words — instead of you going around and quoting, well it's in the neighbourhood of around \$10 million, which is a very rough and fuzzy number . . . Mark my words. You will have that nailed to a cross as a \$10 million figure. That's why, unless you have a precise number that you can say, here it is, you're very

reluctant to give to the member opposite, a number.

Let's see. Let's see if he goes around and says, well it could be closer to \$10 million than a higher number. Or let's see if we end up with that number as a nailed-on-the-cross number. I think it'll be a good test case.

Mr. Boyd: — I think it will too, Madam Minister, because you're the one that made the statement, not me. I simply asked you for the figures; you've provided an estimate of it, which is all I've ever asked for from you, was an estimate of it.

I suspect the comment that you will see from us in the future will be: the Finance minister, on May 5 of 1997, made the estimate of what the revenue is. She also put in these qualifiers that you may be looking at court action with respect to other concerns on that.

But at least we're at the point where we have some discussion about the relevance of imposing that tax or not imposing that tax, and not just allowing anyone to make any kind of a wild-eyed estimate of what it is. Because essentially, Madam Minister, that's all that there was before you made the statement here this evening that that's the kind of ballpark that we're playing within.

And I think that that's important, that the people of Saskatchewan do know that that is what you and your officials make as an estimate, based on the fact of a number of concerns like what the average family, the average native family, use . . . spends in Saskatchewan.

So I think that that's . . . I think we've made some progress on that issue, Madam Minister, and I'm pleased to see that. And I think that that lends itself for future discussion as well as intelligent discussion about the whole areas of taxation — how they're imposed on the people of Saskatchewan, how they aren't imposed on the people of Saskatchewan, whether they should or shouldn't be. And I think that that's important, Madam Minister . . . (inaudible interjection) . . . Thank you. I'm just trying, Mr. Chairman, to listen to the member's comments and gain some sort of insight into what he's saying there, but it's apparently nothing there.

(2000)

Madam Minister, you've made, in the last number of months, trips abroad to, I understand, Japan and Hong Kong. Could you provide us with a report on this trip, including who attended, who went along with you, Madam Minister, the meetings that you embarked upon and the results of those . . . of the trips or . . . of the trip, including what kind of future benefits the people of Saskatchewan might enjoy from that, and an estimate of the cost of the trip.

Hon. Ms. MacKinnon: — Mr. Chairman, to the member opposite, the last one we don't have yet. Who went along? The deputy minister of Finance went from the department; Rae Haverstock, who's in charge of debt management, went, and Cheryl Loadman from my office went.

In terms of who we met with, there was a press release at that

time, but we met with the Bank of Tokyo Mitsubishi, which is the largest bank in the world; we met with Nippon Life, the largest . . . one of the largest life insurance companies in the world. We met with Meiji Life, which is a major life insurance company. We met with the Industrial Bank of Japan. We met with Kampo, which is the largest single purchaser of government bonds. Kampo is the post office agency in Japan. We met with Hutchinson Whampoa, which is Li Ka Shing's operation in Hong Kong.

We had meetings with the ambassador — the Canadian ambassador to Japan — and the Canadian ambassador to Japan hosted a lunch with investors and also hosted a reception with about a-hundred-and-some investors in Tokyo. So that's a rough list of the people who we met with.

Mr. Kowalsky: — Mr. Chair . . . (inaudible) . . . to move to Agriculture and Food estimates, so therefore I would move that we report progress.

**General Revenue Fund
Agriculture and Food
Vote 1**

The Chair: — Before we begin, I'll just remind committee members this department was last before the committee on April 14, and before I proceed further I invite the minister to re-introduce his officials, please.

Hon. Mr. Upshall: — Thank you, Mr. Chair. Tonight I have with me, deputy minister Dr. Murray McLaughlin to my immediate left; on his left, Dale Sigurdson, assistant deputy minister; on my right, Terry Scott, assistant deputy minister; behind me, Ross Johnson, budget officer, administrative services branch; and Jack Zepp, director of administrative services branch. Sitting at the back, we've brought in people from Ag Credit Corporation: Norm Ballagh, general manager; Doug Matthies, general manager of Sask Crop Insurance from Melville; and Greg Haase, director of lands branch.

Item 1

Mr. Aldridge: — Thank you, Mr. Deputy Chair, and good evening to the minister's officials and to the minister too.

Mr. Minister, I think you have become quite aware of some of the initiatives that we've undertaken as official opposition in terms of our concern for farmers and costs of farm inputs and the high cost of farm inputs, and in fact it seems like an ever-increasing problem. And we've undertaken to do some rather extensive surveying of farmers in the province, particularly my constituency. And I note I had several hundred responses to farm input surveys that I had sent out earlier in the year, actually late year, earlier in this year as well. And they covered quite a wide cross-section of my constituency.

I have the communities and districts of Avonlea, Bateman, Cardross, Chaplin, Coderre, Crane Valley, Glenbain, Goultdown, Gravelbourg, Herbert, Hodgeville, McMahon, Moose Jaw district, Mossbank, Morse, Neville, Pense, Ponteix, Rouleau, Shamrock, Spring Valley, Swift Current, Tuxford, Vanguard, Waldeck. Just to show you that the concern certainly is one that is widespread throughout the farming community,

certainly across my constituency, and I dare say you'd find the same thing in yours.

I found some rather common threads of concern, and they pertain to farm input costs that are under the control of this provincial government. For example, a gentleman from Avonlea cites tax assessment as one of the problems. From Chaplin, Roy and Hazel Coates saying SaskPower and SaskEnergy rates are a problem. Gordon and Patsy Anderson from Coderre, the same. Lawrence Gibson from Crane Valley citing electrical costs.

A couple from Dorintosh here talking about rising farm input costs. Actually they were some residents of my riding previously and they moved on, and they expressed their gratitude to me for taking up the cause of trying to defend farmers and the costs of farm production. And as a matter of fact, they did let me know their son's taken over the farm and thanks for the concerns, is what they expressed to me.

Mr. Jahnke from Goultdown is talking about, again prices of gas, diesel, and sales taxes significantly higher than those in Alberta. The Bouviers from Gravelbourg — SaskPower, SaskEnergy rates. Piches from Gravelbourg — tax assessment, SaskEnergy hook-up rates. The Heinrichs from McMahon — tax reassessment. The Carters from Moose Jaw as well — tax reassessment.

Some other individuals from the Moose Jaw district concerned about the control and management of wildlife as it relates to costs to farmers. And also citing their appreciation for the official opposition's concern for future farming generations. Another from the Moose Jaw district — SaskPower rates. Mossbank the same thing — common concerns, SaskPower, SaskEnergy rates. Ponteix the same; Swift Current and Waldeck.

So as I say, some rather common threads here and I do acknowledge I wrote a letter to you, Mr. Minister, in March of this year expressing some of these concerns to you, and I have your response in front of me. And what we are talking about here is some problems related to things that are under the control of the provincial government in terms of costs that could be kept in line. And I note in your letter on page 2, your suggesting here that your government also tries to control those charges and fees that you levy directly on farmers such as utilities, crop insurance, and grazing fees.

That being the case, I wonder if you would like to comment on what seems to be a considerable amount of concern out of the farming community relating to costs that are in fact under the control of your government and are you taking seriously the rising farm input costs and its affect on agriculture in this province?

Hon. Mr. Upshall: — Mr. Chair, I would like to join with the member opposite. And I know he's sincere about his concerns about input cost because as a rural person he knows . . . I believe he would know that that is one of the most serious issues facing farmers in Saskatchewan today.

And I think I'll just lay out some of the processes that we've gone through to try to address some of the concerns that you

have about input costs.

As opposed to the process that the federal government went through when they had a joint House of Commons-Senate committee study the input cost issue about 1995 or early '96 — a couple of years ago, a year and a half ago — where they did a review of input costs . . . To make a long story short, they came up with a three-page decision that says farmers should “shop around.” I was very, very disappointed in that, and so dismissed it accordingly.

At that point in time we took it upon ourselves in Saskatchewan to sit down and talk about what we could do as a lone provincial government, and decided that there are some things we could do as a provincial government by ourselves, but in order to ensure that nationwide, the companies who are in the business of supplying crop supplies, supplying supplies for crops, have a watchdog, it would have to be a national joint project between all the provincial governments and the federal government.

But just let me tell you a couple of things that we did before . . . you know, in the process. We started in February 1996 — my first federal-provincial agriculture ministers' meeting — and brought the issue of inputs costs to the table. There was some interest from other provinces, but it wasn't very well taken up, let's put it that way.

So again in . . . that was the interim meeting in February '96. At the annual meeting in July 1996 in Victoria we again brought the issue to the table, and managed to get together a working group where we co-chair with the federal government a group that is trying to put in place a process that we should go through as a nation, with federal-provincial support, to try to monitor the input costs.

Now I can say one thing. There wasn't much interest from the federal government in the beginning, or many of the provincial governments. But we stuck to it for a year and a half and we now have it again on the agenda for the July 1997 meeting in Victoria where we are going to be putting forward a list of things that we can do in order to try to make sure that input costs are monitored on behalf of the farmers, because it's a very, very important issue.

In the meantime what we did, I tell the member — and he will know this — we said, well we can't just stand up here and say, you, Mr. Federal Government, should do this because it's your jurisdiction even though the provinces are getting together and we got to monitor this.

We chose to be leaders in the field. We put all our resources together — not all of them — many of our resources together from the crop sector program and reduced input costs more than they've ever been reduced in Saskatchewan in my memory. That was crop insurance — a 23 per cent decrease in that input cost right across the board in this province.

(2015)

So we just didn't want to say, you know, you guys should do something in the federal government. We thought we'd provide

some leadership — we did. Saskatchewan Crop Insurance is a joint federal-provincial program. We did the meetings around the provinces, made the recommendations, and the federal government said, okay, we'll join in with that.

Unfortunately, the 23 per cent probably could have been 26, 27 per cent had the federal government reduced their share of the reinsurance debt to zero, as we did. Now I know they're strapped for resources, but they brought theirs down to \$90 million left. If they had've brought it to zero it would have been another 3 or 4 per cent; so we could have been up to 20, probably 27 per cent reduction in that input cost — in one input cost.

The other thing we did to try to prove that we wanted to lead by example is that we reduced the E&H (education and health) tax on many of the intensive livestock operations, potato storage, fruit storage, and greenhouses.

And so we've provided some action and we are desperately trying to get the federal government and other provinces onside to monitor and try to reduce action in the private sector. You can't dictate what prices are going to be. You can't tell Monsanto or any chemical or fertilizer company . . . you can't dictate what they're going to charge. But what you can do on behalf of the producers is unify cross-Canada-wide — one province alone won't do it. You've got to have everybody participating to sort of be the watchdog on behalf of people, farmers, who use the inputs.

And one of the things that I would suggest to you that we work together on in the future and that is probably one of the biggest input costs right now farmers have, and that is the price of transporting the grain from their farm to market and that is the transportation costs.

We've seen, unfortunately in the province — and I'm not complaining about this because we're working desperately, as you know, and I think you agree — that we're trying to get the hog industry going to replace the \$320 million of transportation cuts to the province. You know we're encouraging the poultry industry — anybody that can use Saskatchewan grain — to do that and add value to our products.

But unfortunately, if you take from 1997, now, till the year 2000, compound the \$320 million, you're going to see a billion dollars taken out of the pockets of Saskatchewan farmers by the federal government. I know you don't like that and I don't like that. I know you're not in the position to defend your federal cousins. All I'm saying is that if we can work together and then put up a unified voice from Saskatchewan, maybe we can accomplish many of these things that I think we both desire.

Mr. Aldridge: — Thank you, Mr. Deputy Chair. Mr. Minister, I didn't neglect to mention; I wanted to get into it right now, in terms of costs, costs perhaps that aren't so nearly under your control, related to farm inputs, and of course numerous times these ones being cited as well. And the high cost of farm equipment and equipment parts, certainly one of the predominant threads as well in terms of responses to our questionnaires, as was the high cost of farm chemicals, fertilizers, and pesticides.

Now I've pulled a little bit of information off of the Internet concerning some of these companies that certainly have been doing quite well off of the avails of agriculture, a number of the farm equipment companies being no exception, certainly, where John Deere reporting first quarter, 1997 earnings — net income of \$177 million for first quarter of '97 alone. We have New Holland posting a strong fourth quarter and full-year revenues, revenues totalling 5.5 billion. And those are up 11 per cent over the previous year reported. We've got the Case Corporation reporting, as of this date, 12 straight quarters of year-over-year improvement in operating results. Agco reporting record fourth quarter sales and earnings, earnings in the order of \$125.9 million.

So certainly, if only we could have such an optimistic outlook for those people who produce the commodities, wouldn't that be a grand thing in the scheme of things? But certainly those who would provide the equipment to agriculture are making sure that their net earnings are staying strong despite what is happening in the agricultural economy as we speak. We've got fertilizer manufacturers like Viridian — fertilizer earnings improving significantly, recording net earnings of 183.5 million in this report. Rohm and Haas, one of the chemical manufacturers. Financial performance in the fourth quarter was a fitting end to a very good year for Rohm and Haas they go on to say, net earnings of 75 million in 1996 alone, of which agriculture chemicals played a significant part, something like 19 million, of that total figure.

I've taken it upon myself as well to write letters to many of these manufacturers of farm chemicals, the manufacturers of farm equipment, to try and get some responses from them as to why they feel it necessary to see the costs of those goods that they are manufacturing increasing at a time when farm commodity prices seem to be then to head the opposite direction. There have been a few responses to me to date, Cargill being one; I've got one from 3M Canada. I didn't bring one with me from Imperial Oil. And I've got Shell, who has indicated they will be responding soon.

I wonder though in terms of this government, your government, and its initiative so far in this regard, would you have similar letters from farm equipment and farm manufacturers, chemical manufacturers, or the correspondence you may have had with them to show the people in the province, the agricultural producers, that you are genuine in your attempt to — use your words from earlier — taking a watchdog approach? Because essentially this is what we have to do in this matter, is to express our vigilance on behalf of farm producers in the case of farm equipment and chemical manufacturing.

Would you have anything like that, either here or available to us, to show that your government is taking this matter very seriously?

Hon. Mr. Upshall: — No, I have not written any of the companies. I commend you for doing so. That's the route you chose and there's nothing wrong with that. I am one that believes that, while you can write the company and ask them why they're doing it, the answer will be . . . they'll explain exactly why they're doing it but they won't tell you they're going to do anything to change.

So I've taken the alternate route. And I'll tell you something, if it had not been for the Government of Saskatchewan, we wouldn't have the input cost issue on the federal-provincial table. It's taken me, it'll be a year and a half almost in July, to come to where we might have a decision item on the table, or a process on the table that we can monitor the input costs across this country on behalf of producers and the people who use them.

So like I say, I commend you on writing those letters, but if you don't . . . You can't dictate the price. I mean if we were in another, if we were in another economy, you may be able to say, okay here's the price of fertilizer and nitrogen, here's the price of phosphate, here's the price of a tractor of 130 horse, here's the price of a 200 horse — can't do that.

Supply and demand, supply and demand . . . (inaudible interjection) . . . Well the member from Kindersley says there's some places or people who advocate that. Well I'm not one of those people, because I live in the real world, I think, as maybe you do and he does, that says you can't dictate price.

But what you can do on behalf of producers . . . If you can't dictate the price, what can you do? You can monitor the situation. You can look into whether or not there's inconsistencies in pricing. You can look into whether or not there's inconsistencies of supply and demand. Just be the watchdog looking over the shoulder of . . . and I would be sure that the chemical companies and farm machinery companies, everybody who supplies inputs, wouldn't mind that, because I'm sure they want to be fairly open as well.

But nobody's doing it right now. We have provisions in Ottawa to do it. They failed miserably two years ago, a year and a half ago.

So all we're trying to do in Saskatchewan . . . And like I say, I got to repeat again, not to brag, but had it not been for the Government of Saskatchewan since February 1996, we wouldn't have this issue on the table. And we're going to pursue it the way we can. You're pursuing it by writing those people; I commend you for that. And I think that through these processes, each of our processes, we can maybe make those people who are supplying inputs look over their shoulder and say, well you know we better make sure that everything's above board.

Because you can look at their margins. What are the profit margins? 5 per cent? 10 per cent? 30 per cent? 50 per cent? You've got to be able to look at all these things and decide whether or not they're gouging, whether there's price fixing, whether there's supply fixing, and the like.

Mr. Aldridge: — Thank you, Mr. Deputy Chair. And, Mr. Minister, I would just maintain that if you were only to use the power of your office as well and join with us in terms of writing formally some of these manufacturers, as we have done, that in terms of the watchdog approach, being ever vigilant on behalf of farmers — not necessarily promoting price control as some might dictate in some other economy — but certainly using the weight of your office essentially, would no doubt lead some of

the manufacturers to have some second thoughts when it comes to trying to increase some margins in some of these sectors.

Now I note, and I think earlier on in your response, you may have made reference to a July 1997 meeting, and would that be with respect to the interprovincial committee that you refer to in your letter that's examining these farm input costs? Would you be able to just . . . I didn't catch that. When is the date of the meeting and location? And how many resources from your department of the monies we see in these estimates tonight would be devoted to that undertaking and to the ongoing examination and study of farm input costs?

Hon. Mr. Upshall: — Well I think that . . . You know, what we can do here is we can write, as my colleague says, Ford Motor Co. and tell them the price of cars are too high too, but whether that will do a lot of good, I'm not sure.

But maybe that you could help me in tabling the documents that you have referred to in this debate; so we might have the advantage of knowing exactly what they say, to add to our cause. I'd appreciate that very much. And any further documents you might receive, I'd ask you to table those as well.

One of the things that we have done is met with the Crop Protection Institute of Canada, CPIC, a few months ago. That's where all the major players for crop protection belong to. And we sat down with them. We talked about a number of things, including the cost of inputs and the fact that it's one of the major problems that farmers are facing on the Prairies today.

(2030)

And as far as what we're doing in our federal-provincial meetings, it'll be in Quebec this July. And we're going to have a progress report because right now studies are being done by our department on inputs. So we're trying to get . . . While the final report won't be done, we'll be able to have a progress report. And at that point in time I think we will know exactly . . . or about when the final report will be done. And then when the final report's done, what we'll do is come together again, decide exactly what should be done, what should be put in place to monitor the situation. That's a rough outline of what will take place.

And as far as the province of Saskatchewan is concerned, we put in, in cash or in kind, in this process — and I repeat again, had it not been for us, this wouldn't have happened — but we put in, out of our provincial coffers, about \$100,000 in cash or in kind up to date to make sure this is happening, and there could be and probably will be more in the future.

Mr. Aldridge: — I thank you, Mr. Minister, for the reply and also to let you know that we are very genuine in our concerns for farmers in this province. And if there's anything as official opposition that you require from us in terms of the information that we're gleaned from constituents province-wide in this regard, we will certainly share it with you if it goes towards what is a common good here, which is to try and keep a lid, so to speak, on some of these farm input costs.

But if I could turn just briefly to one item, of course, which is

directly under your jurisdiction, and you do make some mention of it in your correspondence to me, and that was with respect to department Crown land grazing rates. And you in your letter referred to the fact that they're tied directly to market returns and they're adjusted automatically to fluctuations in the livestock economy.

Well I have concerns expressed to me on a fairly regular basis in terms of grazing fees charged by this province. One before me right here from Richard and Sandra Voisin of Mossbank expressing that very same concern.

Now in a response to a request for information pertaining to the revenues derived from both leasing and rental of Crown grazing land, I see for the fiscal year '96-97 it was estimated at \$6.3 million. The year previous was 7.9. There's still some rather significant revenues being attained there, and I'm told that there hasn't really been much of an adjustment in terms of the grazing fees that are charged in provincial pastures. I may stand corrected on that.

As a matter of fact, I'm a patron of one of them. I haven't paid that close attention to it for my own particular circumstance, but a number of constituents have expressed concern that grazing fees haven't really decreased in any way. And certainly coming through what was a very difficult winter for cattle producers in this province again, back to back with what was a difficult winter of 1995 — '6 as well — that there should be some further consideration given to livestock producers and also too with the cattle prices . . . cow prices having dropped as they did in late 1996, how do you factor these into your formulas?

You've made reference that it is, but it seems to me that there isn't enough consideration being given to market forces in the cattle industry as it relates to fees that you attach to Crown grazing land. Could I just get a comment from you in this regard.

Hon. Mr. Upshall: — Well I have here the recent history of grazing rates for Saskatchewan. And of course the grazing rates are based on a weighted average — the weighted average price of cattle sales, okay. And that gives you the rent formula. Now I'll just give you the recent history — 1994, the actual rent was \$5.42; '95, it was \$5.05; in '96, it was \$4.06; and in '97, \$3.67. So you can see that the trend has been down.

Now as government I'm not going to stand up and take credit for that — for lower grazing rates — because it's hooked to the price of cattle. And I think if we were all being honest with ourselves . . . (inaudible interjection) . . . the prices are dropping, exactly. That's why the rents are going down. I think that producers out there would like to see more of a constant rent and keep their price at a constant level rather than having the ups and downs. But the actual rents have gone down, but like I say that's basically hooked to the price of cattle so in . . . by formula. I hope that's answered your question. If I haven't answered your question, just tell me what I haven't answered.

Mr. Bjornerud: — Thank you, Mr. Deputy Chair. Mr. Minister, I only have a couple of questions for you, but I'd like to comment on a couple of things you said to the member for Thunder Creek. And you talked about the input costs coming

down more than anything governments have done in history around here. And I think you're familiar with that because if I remember right the member for Rosetown was Minister of Agriculture when he did more damage to farmers in this province than anybody in the history of Canada has ever done with the GRIP program and I'm sure you're very familiar with that. So I wouldn't stand up and start blowing your horn too loud because your record in agriculture in this province is dismal at best.

You talk, Mr. Minister, about the Crow being gone, and yes, it hurts when we haul grain. Every farmer in this province when they haul a load of grain and look at their cheque can't believe the amount of freight we pay. On the other hand, I think in 10 to 15 to 20 years we're going to be far better off because we have to get off our butts here in Saskatchewan and start looking after ourselves.

And I think that you talked about showing leadership over there. I think what that has done is forced you into for once doing something in the right direction.

Mr. Minister, as you know, you had answered a farmer of mine lately that had wrote in about the GRIP program; and you had answered him. And I'm not questioning on that. But in this report it says receivables as to the GRIP bills left outstanding as of April 10, '97 was \$1.527 million. That farmer received a bill, his GRIP bill that he had not paid, and why he had not paid it was more on principle than not because he didn't have the money. Were all the other farmers that are still outstanding also turned over to Crop Insurance, like the same as he was?

Hon. Mr. Upshall: — Yes. Crop Insurance administers the wind-down of the GRIP program, so everything's been moved over to Crop Insurance. And I'm really pleased that we agree on the fact that . . . While I can't comment on the GRIP program because it's before the courts right now, I would like to say that Saskatchewan . . . I would have to disagree that we have devastated the farm economy.

And I don't want to get into a whodunit mode. But if you look at the crop insurance program, if you look at the E&H (education and health) reductions that we've had across the piece, if you look at the agri-food innovation fund — \$91 million in that — if you look at the agri-food equity fund where you put money into . . . \$20 million into value added processing, if you look at the ag development fund where we're, in all those funds, putting emphasis on adding value to Saskatchewan products, I just really disagree with your analysis of the fact we haven't done anything for agriculture as opposed to the federal government . . . (inaudible interjection) . . . Yes. I did give . . .

I took credit . . . I mean you gave us credit for moving into a very positive, real environment, and I think that's what we plan to continue to do. But we did it on a gradual basis. The problem that I have with your comment on Saskatchewan is that you seem to take no credit or no ownership of the fact that, if you look at what the federal government's done to Saskatchewan in the last few years, we've had \$250 million safety-net funding reduced; \$250 million annually. We have Crow benefit eliminated — \$320 million annually.

We have cost recovery for grading and inspection now from the federal government. We have cost recovery for pesticide registration. We've seen reduced spending on agricultural research. They've closed the Regina research station. We've seen the dairy subsidy cut. We've seen deregulated transportation from WGTA (Western Grain Transportation Act) to the CTA, Canadian Transportation Act. That's costs us basically \$200 million this year as producers.

You've seen discontinued green plan, PARD (Partnership Agreement on Rural Development) and PAWBED (Partnership Agreement on Water Based Economic Development), and a reduced role in the Farm Debt Review.

So while we haven't done everything right in Saskatchewan Ag and Food — I'll admit that — we've done a lot of things right. But I'll tell you, if you add up the 250 million from safety net, 320 million from Crow benefit, that's 570 million. You add 200 million on this year for demurrage and lost sales because the federal government didn't put in place any serious penalties for people like the railroads who didn't get the grain in on time, I mean you're getting close to a billion dollars in one year, in one year.

So I mean, you may say that the Government of Saskatchewan hasn't done everything, but I'll tell you; we've really been kicked and kicked harder than we've ever been kicked by the federal Liberal government, including when the Conservative government was in power.

Mr. Bjornerud: — Thank you for that short answer, Mr. Minister. I'd like to follow up — I think, for I can't even remember what question I asked — but I think it goes back to something about . . . no it wasn't . . . yes it was GRIP.

Okay, Mr. Minister. you know the question I'm asking. That farmer that I talked about . . . and I think a number of others out there either didn't have crop insurance or were not in arrears with crop insurance until this point. Now all of a sudden we've taken this money and handed it over to crop insurance collections. These farmers in arrears, now if they want crop insurance this year, are they eligible for crop insurance without paying this bill?

Hon. Mr. Upshall: — I just want to take a minute to make sure I give you the right answer because — believe it or not — I don't know everything. Okay, I won't make a good stand-up comic either.

First of all, let me say that when the bills went out in 1996, we said at that time we weren't going to penalize you; so we gave the farmers a year's grace for 1996, okay. Then we rolled it over into the . . . GRIP . . . you know, the crop insurance administrative . . . and what we said to producers is, you either had to have it paid up in full by April 15, or you had to come into the corporation or talk to the corporation and make a repayment plan. That repayment plan was based on some standard criteria. But in extenuating circumstances, if you could make a good case, then the Crop Insurance people would look at that as well.

So yes, either pay up or come in and make arrangements to pay, and then you'd be eligible for 1997 after having sort of 1996 as a free year without penalty.

Mr. Bjornerud: — Okay, thank you, Mr. Minister. I don't think that's going to make these farmers happy that are in arrears out there, that have been in good standing with Crop Insurance.

I just want to touch on it . . . and I knew you touched on it before and said you wouldn't like to comment on it, but I think you've had ample time now, with the delay in the GRIP decision. And I think a number of us feel that the longer this delay goes, that it's probably going to be in favour of the farmers. And you've had a fair number of time lapse now that you should have been able to — probably and I'm sure you have — figure out the amount of the money that would be owing in GRIP.

And I guess it's a threefold question I'd like to ask. When the decision comes down, and if it's shortly in favour of the farmers, when will the cheques be mailed to the farmers? What will the average cheque be? And what is the total amount of the pay-out that will be owing to farmers?

(2045)

Hon. Mr. Upshall: — I just want to clarify one thing for the member. Under the rules from the time that GRIP began, Crop Insurance administered it. And basically the rules were the same. I mean it was a bill from one year. Whether you had crop insurance outstanding premium or GRIP, if you didn't have your arrangements made, you were putting yourself in the same position as those people are this year who don't have arrangements made.

And I'm not sure what you're suggesting. If you're suggesting that we should sort of push the GRIP bills aside and forget about them and not have them hooked into having crop insurance, if that's what you're suggesting, then you need to tell me how we should, as a responsible government, try to collect that money for the taxpayers of Saskatchewan. You know, you might want to give me your suggestions on that.

As far as your questions are concerned about GRIP, I think that you know that I cannot answer those questions — because it may prejudice the case that's before the courts — before the judgement comes.

When after the judgement comes and there's no appeals from either side, or when this is absolutely done, then I'd be glad to sit and talk to you about that and argue that point with you for as long as you'd like to argue. But I think you can appreciate the fact that I just simply can't answer those because I don't want to put myself in a position to prejudice the case in any way.

Mr. Bjornerud: — Thank you, Mr. Minister. The point I'm trying to get across is that these GRIP premiums were owing from the GRIP gross revenue insurance plan which, in my mind as a farmer, I thought was a separate entity from the crop insurance. And being especially now that the decision of the

judge is being withheld and you don't like to comment on it when that's happening — and I guess that's fair game — but then at the same time, how can we ask these farmers to pay this back when we're not even sure they owe you? If the judge comes down in favour of the farmers, you owe them. So on one hand we're saying no, you can't have crop insurance unless you pay your debt, and we're not even sure they owe you, Mr. Minister.

Hon. Mr. Upshall: — Well you can't bring the two together. I can give you a detail on the GRIP bills. Keeping in mind that there were a large number of people . . . I just forget; what was the total pay-out? — that there was a \$12 million pay-out to farmers at the GRIP wind-up, and we know the process that was gone through. But despite that, we had 11 and just about \$12 million, \$11.691 million outstanding, and 11,719 farmers who owed GRIP bills in January 1996.

I think we gave them lots of time, lots of leeway. And for the most part, they've responded very well because as of April 4 — that's just a month ago, less than a month ago, about a month ago — we had 1,598 farmers who hadn't paid their bills and with the total outstanding amount of \$1.5 million.

So I understand there's always a number of people out there who can't pay their bills. But of these people, with over 1,500 . . . So that's what? A thousand dollars average per person. Okay, 1,598, is that right? With \$1.5 million? It's about a thousand dollar average. All they have to do is come in to the corporation and make arrangements to repay. They don't have to, as somebody said, cut the cheque. They have to pay part of it and show good faith and make arrangements to pay the rest over a term, whatever that term may be.

So I think that the corporation has been more than fair or very fair with these people. There's not a whole lot left: 13, 14 per cent, 13 per cent of the money outstanding. And if I know the majority of the people of Saskatchewan, those people would want to pay. If they're not going to repay because of philosophical reasons that they just didn't like what we did with GRIP, that's their prerogative. But we have to establish a set of rules. We've done that, and the overwhelming majority of people have complied with that and paid their bills, or made arrangements.

Mr. D'Autremont: — Thank you, Mr. Deputy Chair of committees. I'd like to welcome the minister and his officials here today.

And I guess when that person takes it as his prerogative not to pay back the GRIP overpayment that you have claimed, according to you, that he's also taken the prerogative of not having crop insurance. So it's kind of a heavy-handed prerogative that he has to deal with. I guess it's sort of like Spartacus and every slave holds the price of his freedom. You just don't ever want to have to pay that price.

Mr. Minister, what I would like to talk to you a little bit about is the Crow pay-out and what's been happening with the money that goes to Crown lands, be they federal or provincial. I have before me a news item from the paper, from the *Star-Phoenix*, that talks about FCC (Farm Credit Corporation) using the Crow

pay-out as a lever to try and get people to buy the land last fall at an elevated price to what it had been previously in an attempt . . . so that those producers who were farming the land could access the Crow pay-out.

Mr. Minister, what has happened with the ACS (Agricultural Credit Corporation of Saskatchewan) lands, with lands branch lands of a similar nature? What has happened with that Crow pay-out? Has it been paid out to the producers who are farming the land, who own the land and are paying . . . either are leasing it from lands branch or are buying it through ACS? What has happened with the Crow pay-out in those particular areas? Is your department trying to drive up the prices by trying to force farmers to purchase that land to access those Crow pay-outs?

Hon. Mr. Upshall: — No, we're not trying to drive up the price of land, or forcing them, rather, to buy. We gave an option. If a producer wanted to purchase the land, then he would receive the entire benefit of the pay-out, as a private individual would receive the benefit of the entire pay-out if he owned the land. But you must understand that what we tried to do, if somebody didn't want to buy the land, then we had to amortize the benefit of that pay-out over a period of years. Because if we were to give it to a renter, to a lessee, in one year, then he dropped that lease the next year — somebody else got the lease — the value of that Crow benefit would be gone to the one person. So we gave them an option: buy the land and receive it all as a person who owned their land already in the first year, or we were going to amortize that benefit over a period of time to ensure that everybody was fairly treated; because as you know there was always leases changing hands.

Mr. D'Autremont: — Well thank you, Mr. Minister. Over what time period were you amortizing the Crow pay-outs and were you including any interest? Because obviously if you were to amortize it at today's rates over a 20-year period, all you would be paying that leaseholder would be the interest off of the money, assuming you're getting 5 per cent. And I think if you shop around a little bit you can get that much and still be a fairly secure investment.

So what are you doing? Are you shortening it up? Are you including the interest? Or what is your amortization period?

Hon. Mr. Upshall: — Well the interest costs aren't taken into account. The interest generation isn't taken into account, but remember that the benefit from the reduction is passed on right through the system for . . . in perpetuity. And if you . . . I'll give you an example — in 1996 the average rent per acre without WGTA would have been \$12.45, and the actual, the actual was \$10.87. In 1995 it was 10.43 to 9.02. So the rent has been reduced by that price for that year, the next year, and the continuing years, because you've had the two-year lag come into it, and now it goes all the way out to the out years.

Mr. D'Autremont: — Okay, thank you, Mr. Minister. I guess that works out to probably what? — about a 10 per cent reduction in the lease costs. Roughly. So if you . . . that's a 20-year pay-out of the principal, so basically they're getting the principal over 20 years plus the interest off of it so, barely acceptable — C.

Mr. Minister, what about the other government agencies though to which the Crow pay-out would have gone, such as some of the Crown lands on which is being farmed. Crow money would have . . . goes to those. I'm thinking specifically of SaskPower in the Estevan area. What has happened with their money?

Hon. Mr. Upshall: — During the process we consulted with other agencies, and for the most part, they did basically the same . . . follow the same procedure, a very similar procedure, as we did with the lands that they held . . . they hold.

Mr. D'Autremont: — Thank you, Mr. Minister. What tax implications would there be involved in the reduction of the lease fees for those leaseholders? Would that be classified as income for them? Because in other sectors, if the landowner passed on some of the Crow rate to his leaseholder, that became income for the leaseholder. Now in this particular case, because not all landholders will have received this reduction, is that taxable income for some?

Hon. Mr. Upshall: — Well because the rent was reduced, the expense to the farmer would be reduced and it would then affect your net income. So you know, it would affect your tax situation but not to any large degree.

Mr. D'Autremont: — Have you made any presentations to the federal minister dealing with the Crow pay-out that has gone to renters of farm land? Because when they receive that portion I know that the federal government put in place a process where the renter could apply for a portion, along with the landowner, for a portion of the pay-out.

When those renters received their portion of the pay-out, that became income. For the landowner, it wasn't income; it was a capital sale which was held off until the land was actually disposed of. But for the renter, it became income that year. Have you made any presentations to the federal minister about that particular situation?

(2100)

Hon. Mr. Upshall: — What we did do, among other things, but I think the most important thing that I can relate to you is that what we did is we certainly made representation to the federal government on the inadequacy of the pay-out in terms of the hurt that it would bring upon the producers of Saskatchewan — the level of pay-out when you're losing nearly a billion dollars between 1997 . . . or \$320 million a year. So by the year 2000, a billion dollars out of the economy of Saskatchewan.

We just said that the payment level wasn't adequate — simply, it was not adequate. Mr. Goodale and the federal government chose not to listen to that and we can't change that, but we certainly made representation to let them know that it wasn't adequate.

Mr. D'Autremont: — Well thank you, Mr. Minister. It wasn't certainly adequate when \$7 billion had been offered at one time — not in writing, but had been talked about and offered. And at that point in time certain organizations didn't want to talk about possible demise of the Crow; so nothing happened and a few years later it's gone and we're left with a big hole in our pocket. But that's not really the same issue.

Here we're talking about more of that money, that \$1.6 billion that went to farmers. A portion of that is going back to the federal government through income tax. So farmers didn't benefit even by the 1.6 billion. They benefited by something less than that because all the monies that were passed on to renters was turned into income rather than being a capital sale, which was not taxable, for the landowners. And so that portion has gone back to the federal government and obviously a portion of it has stayed with the provincial government.

So, Mr. Minister, I believe that there is an avenue that still should be pursued because those taxes are just being paid as of the end of . . . the beginning of April . . . end of April. And it's perhaps possible to recover some of that money yet.

The other issue dealing with the Crow pay-out is the freight adjustment program that is in place. There are quite a number of inequities in that particular program, Mr. Minister. I can give you the example of Benson and Stoughton. Both are on east-west tracks. I believe the cost of shipping grain out of either point for spring wheat has about a 95 cent difference, and yet one point receives a \$7 adjustment, freight adjustment, and the other one receives a \$3-and-some-cent freight adjustment.

They're 20 miles apart on a north-south line. So they're the same distance from port either direction — it doesn't matter which way they go — and yet one of them is benefiting by twice as much as the other point. I'm sure this has occurred at various points around the province where that kind of a disparity is in place.

Have you made any presentations to the minister about that particular item? Because again, that is another one that is still open for some adjustments and should be pursued.

Hon. Mr. Upshall: — Well certainly in our talks with the federal government . . . And I think we both can agree on the fact that this whole adjustment process, we knew it was going to be a mess before they started because the examples that you put forward have come to fruition.

Besides the fact that the further west you come, there's going to be minimal cheques come out. And you know you might have a situation where — what'd you say? — 10 miles apart there's a big discrepancy, and a producer might even be hauling, you know, in a different direction.

We've told the federal government that there was going to be some problems in this area. Remembering that we disagreed with the reduction of the \$320 million, they didn't do anything about it. We disagreed with the adjustment process, and they weren't going to do anything about it. We disagreed with leaving forage crops out. We made representation time and time again to the federal government, my predecessors and myself.

Unfortunately, like we say, the federal government had the bit in their teeth, and they weren't going to listen to anybody. They had gone ahead. And all what we're trying to do in Saskatchewan now is respond to that drastic cut, take advantage of the new realities, build our livestock value added industry, and go boldly forward and try to return the economy of this

province . . . try to regenerate the \$320 million of Crow that we've lost, through adding value to our livestock, grains, and many other ways.

Mr. D'Autremont: — Yes, Mr. Minister, we all want to live long and prosper also. For those of you who don't know what that is, that's a quote from *Star Trek*.

Mr. Minister, since we've been talking about the federal government, I have another federal item that I would like to talk about, and that's the CWB (Canadian Wheat Board) barley vote.

And what money did the provincial government put into that particular vote? And where were those advertisements, because I know you were doing some advertising. Was that the entire amount of money, and where did it go to?

Hon. Mr. Upshall: — We spent in total — there was two go-rounds — in total about \$84,000 in the process of trying to join with the farmers, the majority of the farmers in Saskatchewan, and save the Canadian Wheat Board through advertising in weekly papers, *The Western Producer*, and a host of other things that . . . we worked with a coalition of groups who came together to try to save the Canadian Wheat Board and especially barley in the board.

Mr. D'Autremont: — Mr. Minister, I wonder if you can give me some indication as to the number of barley producers in Saskatchewan, the number of permit holders that would have been eligible to vote.

Hon. Mr. Upshall: — The vote was not broken down by province. So at this point in time I don't think that we would be able to get the number of producers from Saskatchewan — at least the federal government has not indicated that we would be able to. When the vote was put forward it was done on a Wheat Board-area basis and unless something has changed, we're not able to break out Saskatchewan's numbers from the global picture.

Mr. D'Autremont: — Well thank you, Mr. Minister; that's too bad because I think it would have been an important number.

I know in the past we have criticized you for spending this money but I think in the long run it has been worthwhile, because your advertisement, and the whole campaign, managed to move prairie farmers from 2 per cent in support of the total open market to 35 per cent. So I think, on behalf of those who supported the open market, we would like to thank you for your advertising campaign. It certainly was a benefit to us.

Mr. Minister, part of what's happening now with the Canadian Wheat Board is Bill . . . I believe it's No. 72 — or 71 or 72 of the federal government — that it's going to change some of the rules and regulations with the Canadian Wheat Board. Part of that is governance.

I wonder if you have any comments to make on that, because we believe that, even though it seems to be in it a move to open up the governance of the Canadian Wheat Board by allowing voting to vote for the members that would sit on the board,

some of those members would continue to be appointed, and all of the members would be appointed by government with the federal government picking the chairman and being able to remove any of the board members at any time they decided that particular board member no longer followed their wishes.

And so we believe that's not the way that even a revised Canadian Wheat Board should be; that it should have full farmer representation on the board and that those should be elected by the producers themselves and accountable to those producers, not to the federal government.

Hon. Mr. Upshall: — Well the first thing I want to say is to explain to you how disgusted I am that the federal Liberal government chose not to pass this legislation before they called a federal election.

In Saskatchewan they were very, very eager and able to push through The Election Act despite the fact that they didn't know what time it was in Saskatchewan and don't seem to care if they inconvenience our people in Saskatchewan, as they don't seem to care if they inconvenience the people of Manitoba during the flood. But put that aside — that's their prerogative. And I think they'll pay the price for that in Saskatchewan and Manitoba.

But the most disgusting part of it all is, I think this is a little too cute by half on the part of the federal Liberal government, because you have legislation, and now what you're doing is what I think they want people to do. They want you to assume that the Liberals are going to win the election and this legislation is just going to continue . . . (inaudible interjection) . . . Okay. Well I hope they're wrong. But that the Liberals would again come to government and that they would just carry on with this legislation.

Well that's not the way the world works. What happens, what happens is that legislation dies on the order paper. So what the federal Liberal government and Mr. Goodale have successfully done, they've tried to keep everybody happy. Because the people who oppose the legislation, the Farmers for Justice and others, they're going to say, oh, new life. We got new life. We're going to be able to go in there again and get our point across.

And the people who support the legislation are sitting out in the country and sort of assuming, as I think you are, that well, this legislation is going to go forward after the election as is. Don't for a minute, don't for a minute assume that the legislation that as we see it in Ottawa today, died on the order paper, is going to be the same legislation that they put through if they get to be government.

And so what they've successfully done is try to keep everybody happy. And I think we've got to make sure . . .

An Hon. Member: — They're Liberals. What do you expect?

Hon. Mr. Upshall: — They're Liberals; what do you expect? Exactly.

What we have to do is make sure that everybody in this province especially, in western Canada, know that. I don't care

what side of the issue you're on in this one, you can't play both sides of the fence, as the federal government's trying to do on this issue.

Now to the point of the question. What we said, what I said when I was before the Standing Committee on Agriculture, is that the president, the CEO (chief executive officer), and the chairman should be named by the board of directors. If you elect the board of directors, then that board should be able to do like every other duly elected board, is to name the Chair and CEO.

And the Liberal government said, well but we want to have power to appoint them. And what we said is no, you shouldn't have power to appoint them but you should have the power to veto that appointment if they're not acting in the best interests of the Canadian Wheat Board region and doing the job properly.

So we took the other approach. But the fact of the matter remains, who knows what they're going to do? Who knows what Mr. Goodale and the federal Liberals are going to do, because this thing died on the order paper. They may scrub it after the election if they win. If they win, they may make some other changes. We don't know. Right now he's trying to play both sides of this political fence, and I think we've got to stick the barb where it belongs.

(2115)

Mr. D'Autremont: — Well, Mr. Minister, we certainly have not made any assumptions that the Liberals are going to win the election. Indeed if they continue to campaign in the same manner that they have been, they must have been taking lessons from you in the barley vote because their polls are dropping just like yours were during the barley vote, Mr. Minister. So I think they've got a long ways to go yet before Ralph wins his seat back, Mr. Minister.

But, Mr. Minister, part of our concern with the governance that was proposed by Ralph Goodale was that it gave equal weight to the other provinces. We believe that it should be weighted to those that are producing the grain, which is Saskatchewan — producing the higher value grains that go through the Canadian Wheat Board — because that doesn't include things like canola, rather than say equal weight to northern British Columbia, which is a very small portion of the Wheat Board commodities.

Mr. Minister, what are your thoughts on the governance structure? Should it be equal for all provinces or should Saskatchewan somehow be weighted in . . . the board be weighted somehow in favour of Saskatchewan?

Hon. Mr. Upshall: — In the representation I made to the standing committee, we made it very clear that we thought that the representation should be based on the percentage of product that your province ships. Therefore Saskatchewan should get roughly 60 per cent of the representation on the board.

An Hon. Member: — That's only fair.

Mr. D'Autremont: — Well the member for Swift Current

thinks that's only fair. You know what — I even agree with him.

So, Mr. Minister, now that we have come to a situation where the amount of production is translated into the number of votes on the board, why would you not also allow the same thing to take place when you have, say, the barley vote? The producers who grow the grain should get more votes than the guy who grows 5 acres worth of barley.

You're saying Saskatchewan should have a preponderance of voting power on the board — because we produce 60 per cent of the grain, we should get 60 per cent of the vote. Surely the producers that are growing 80 per cent of the barley, that represent approximately 20 per cent of the actual number of producers, should have got an equivalent amount of vote in the barley vote — your argument, the same, Mr. Minister. The rest of the voters would have remained at the 20 per cent. If it's good for the goose in the governance of the Canadian Wheat Board, surely it should also be good for the gander in the barley vote.

Hon. Mr. Upshall: — Well I think the member is making one huge basic assumption. From listening to what your comment was, you're saying that the people who produce smaller amounts of barley are board supporters and the people who produce a larger amount of barley are not board supporters . . . (inaudible interjection) . . . Well that's what you're insinuating, and for the life of me I don't think that's true. I don't think that's true.

And besides, the fundamental principle, if you look at the Alberta . . . if the judgement from the Alberta case where the judge said, the fundamental principle here is that if it's going . . . if the change to the Wheat Board is going to affect the general Wheat Board area and the producers negatively, then the people who are in the minority position should not be allowed to let that happen.

So if you want to make the assumption that the large producers are anti-board and the small ones are board, you can do that but I don't think, I don't think that it would make any difference — any difference — if you did it by acres or by producers. But you got to remember the fundamental principle is that what's good for the whole board region is what's important, not what's good for the one person or few people who want to ship their grain across the border.

Mr. D'Autremont: — Well, Mr. Minister, I guess it's just simply an assumption on somebody's part as to what is good and what is not good for the board. You seem to be making the assumption that if Saskatchewan had 60 per cent of the vote on the governance board, that would be good for the Canadian Wheat Board. Well maybe somebody in Manitoba disagrees with that and doesn't believe that it would be in the best interests of the Canadian Wheat Board if Saskatchewan had 60 per cent of the vote.

To translate that back to the barley vote, who makes the assumption that one producer, one vote, was good for the Canadian Wheat Board? Or that one bushel, one vote, is good for the Canadian Wheat Board?

If you're giving people a vote on an issue, who says it has to be good one way or the other? That's why you're having a vote for people to decide what is best for themselves. That's where the decision is made. We have a federal election going on. Our colleagues next door here, they would say that a vote for the current government was good for Canada. You would say that a vote for that party would not be good for Canada and we would have to agree with that, but everybody is making their own assumptions. So when you make the assumption that the vote has to . . . whatever decisions have to be made have to be good for the Canadian Wheat Board, obviously the fact that you're having a vote means there's some contention there as to what is good for the Canadian Wheat Board.

Now would you support a weighted vote if barley or wheat ever comes up again for a vote across the Canadian Wheat Board area as to whether or not to open up the markets? Would you favour a weighted vote based on production? Because that's basically what you're saying to do on the government side.

An Hon. Member: — You better say no.

Hon. Mr. Upshall: — No. I'll tell you why . . . (inaudible interjection) . . . No, I don't think I've been sucked in at all. I know where the member is trying to go, but he's not very successful at going there.

I'll tell you what I do support. Because of the value of the board, what I support . . . and I'm not defending Mr. Goodale's decision as to how the vote was taken place at all because I didn't agree with it because it wasn't barley. I mean this vote wasn't on barley. This vote was on the Canadian Wheat Board, whether we should have it or not, and barley was one of the issues. What I support is that every producer — every producer — have a vote because if it affects you, you should have a vote. Just because you don't grow barley, another undermining of the board by reducing of the crop, therefore reducing the power of the board, affects you whether you're a barley producer, durum producer, or a wheat producer. So my opinion has been, right from day one, every producer should be able to vote on this issue.

Mr. D'Autremont: — Mr. Minister, if you believe every producer, whether they actually are CWB, have a permit book or not, should be allowed to vote, I guess that brings open the question of the governance situation. Every province in Canada should have input into it because obviously the sales made by the Canadian Wheat Board also affect the barley producer in New Brunswick. So if you are saying every producer should have a vote on the Canadian Wheat Board, then every province should have input into the governance of that structure on the same basis, Mr. Minister.

I happen to disagree with that, but that seems to be the logic that you are pursuing in this particular area. I believe that the votes taken on the changes to the Canadian Wheat Board, such as the barley vote, should have been weighted to those producers that are producing the grain. If I grow 5 bushels of barley to feed my pet pig at home, why should I have the same amount of vote as the guy down the road who is growing it to either feed a thousand-hog barn or a malt barley, as the case

may be.

Mr. Minister, I'd like to go on to another deal with the Canadian Wheat Board, and that's the Warburton contract where Manitoba producers are being given a special privilege to export grain to the Warburton mills in England at a premium price which goes strictly to those producers. The contracts were not opened up to Saskatchewan farmers whatsoever. We didn't have a chance to get any piece of that. The extra money is not going into the Pool accounts; it's going straight to the individual producers that are providing that grain to the Canadian Wheat Board for export directly to England.

Mr. Minister, have you approached the Canadian Wheat Board to get a piece of that action for Saskatchewan farmers? And do you support the fact that the premium money is going to the farmers and not to the Pool accounts?

Hon. Mr. Upshall: — I have a letter on file — I don't think we have it here — that explains that there was no favouritism involved. They were agents of the board and in this particular case they weren't the only one; there was other companies that were agents of the board. And the accusation was that the Wheat Board was favouring some people in Manitoba. Well that simply wasn't the case.

It all went into the Pool account, and those people who . . . or agents of the board supplied the grain to that company in England, and we have . . . as I say, I can supply you with a letter from the board that explains how that process worked. I checked this out because I know the accusation was there. So there was nobody who lost. No farmers lost or gained because of this. It is simply a transaction that went down the same as many other agents of the board operate.

Mr. D'Autremont: — Well, Mr. Minister, we'd certainly be interested in seeing that letter and a copy of those contracts which state that the premiums go into the Pool accounts. Because from our information, it went straight to the farmers through the Manitoba Wheat Pool elevators delivering to . . . other systems were not given an opportunity to deliver that grain.

So we'd be very interested in seeing both that letter and the contracts involved in that to ensure that indeed any premiums went into the Pool accounts. But I'd ask you to explain why Saskatchewan farmers were not allowed to participate in delivery of these contracts.

Hon. Mr. Upshall: — I can just go through this for you. Now there was an article in the March 4 issue of *Grainews* that was complaining about this. And Mr. Pallister, a spokesperson for the Farmers for Justice and a member of the Canadian Wheat Growers Association . . . The *Grainews* issue of March 18 had several references to misinformation in the article. And I want to clear that up. But most specifically, there was a letter from representatives of Warburton, which they indicated that the supply contracts were arranged by Warburton, not by the board, okay.

And like I say, that letter, I just don't seem to have. We've got everything else. There was a letter . . . oh here, yes, this is the letter to the editor. Anyway I'll give it to you in brief.

Warburton did not have an exclusive contract with the Manitoba Wheat Pool, but a dual contract that included Paterson grain as well as Warburton . . . as well as the Manitoba Pool, rather. The premiums paid to producers for the 1996 contract and the 1997 contract is \$20 per tonne, not \$30 per tonne as Mr. Pallister had indicated.

(2130)

A premium was paid to producers because of the strict conditions in the contract which included the use of certified seed only. These were some specifics that the growers were using — specific varieties, identified by Warburton; submission of special growing season reports; guarantee of purity on delivery. And even after all that, the contract is void if specific protein levels and baking tests were not met by the wheat delivered.

So the premiums were paid because they related to very specific, extra things that the contract holder had to hold out. Well this was an arrangement by Warburton, not by the Canadian Wheat Board.

Mr. D'Autremont: — Thank you, Mr. Minister. So then you're saying that if a farmer in Saskatchewan can arrange a special contract with a miller some place, that he would be given the same privileges as the Warburton contract to go outside of the Canadian Wheat Board and not have to go through the Pool?

Hon. Mr. Upshall: — Well no, they're agents of the Canadian Wheat Board. So it wasn't outside of the Canadian Wheat Board.

Mr. D'Autremont: — Well that's what you had said earlier, that they had not gone through the Canadian Wheat Board, Mr. Minister. So perhaps you need to clarify that.

And if you can line up one of these special contracts, will the producer be entitled to continue to receive the \$20 premium or \$30 premium, whatever it might be? Let's say someone can line up a premium durum contract. Will they be allowed to deliver that contract and retain any premiums that they can garner if they go through the Canadian Wheat Board?

Hon. Mr. Upshall: — I'm just trying to refresh my memory in this case because it came awhile ago. But it worked like a buy-back situation, so it does go through the Pool. And if Warburton, Paterson wanted to put that through the Pool, then buy it back, then through special arrangements — as I said, certified seed — and they're paying it; not coming out of the Pool . . . they're paying the producers after they've accessed . . . This is a very high quality niche market they've developed on their own. There's nothing wrong with that. But it's gone through the Wheat Board, through the pooling system buy-back. Like any farmer can use the buy-back system to sell his grain, then buy it back through the Board, but it all goes through the pooling system.

And this company has worked very diligently on very high quality contracts. And if the producers are willing to participate with all the extra work that goes into it, then they're going to

get a \$20 premium for that. But it's nothing to do with the pooling or the way the Wheat Board operates; it's simply a provision the board's put in place to allow more flexibility for sales of our grain overseas.

Mr. D'Autremont: — Okay, thank you, Mr. Minister. The more we talk about this particular case, it seems to be more and more that the story shifts a little bit. The sands are unsteady underneath this particular item, and the Canadian Wheat Board seems to be grasping at excuses as to how they did things.

I'd like to move on to the grain transportation issue right now. Across the Prairies this past winter, as you are very familiar, we had a great deal of difficulty shipping our commodities to port. That backlog is still in place, because farmers are just coming through the period of road bans and now are getting into seeding. So it relates back to some of the issues on crop insurance; people didn't have the cash flow to make their payments. I know I've discussed this with you privately in the past as to some of the concerns that are in place with people who don't like the idea of postdated cheques and want to make some other arrangements, Mr. Minister.

But that's not particularly where I want to go on this. It's the delays and who is responsible. We believe that a change needs to be made to the whole transportation structure to hold each of the parties that might affect the grain transportation and movement, responsible for any part they play in this particular issue; be it the farmer, if he doesn't deliver the grain, then he should be the one who pays for the demurrage. If the rail . . . if the elevator companies don't provide the facilities and unload the grain on time, then they should be the ones to bear the responsibility; same with the railroads, and indeed the same with the Canadian Wheat Board.

Now in the case of the Canadian Wheat Board though, again that relates back to the farmers. Somehow or another the managers, the people who are making the decisions at the Canadian Wheat Board, need to also be held responsible, and perhaps there needs to be some sort of mechanism put in place to dock their pay if things don't move properly.

Now I know some . . . You might question, how can the Canadian Wheat Board be responsible for the lack of movement. But if you look at what grains were in place in Vancouver last fall — 75 per cent of the storage capacity in the Vancouver terminals was full of Canadian Wheat Board grain, but unfortunately it was not the grain that the ships were there to load. So somebody in the Canadian Wheat Board had messed up and put the wrong grain in place in Vancouver and Thunder Bay. And that wasn't what was needed, and the railroads couldn't move the rest of it fast enough.

So, Mr. Minister, do you favour having penalties in place for all of the participants in the transportation system, including the managers and the people responsible at the Canadian Wheat Board, not the farmers paying both for their own reluctance to ship or any failures by the Canadian Wheat Board?

Hon. Mr. Upshall: — I know that we want to move on to Highways and Transportation, and you're not going to vote this off, so we can continue this debate another time. But I'll just

make a quick response to two things.

First of all, just on the last issue we were talking about, where you were saying that it's the Canadian Wheat Board's problem that they were trying to grab . . . I don't know exactly what you're talking about. But it's no different what Warburtons were doing than what the organic producers do. The organic producers . . . The Wheat Board have become flexible. They'll let the organic producers sell through the board. They can buy it back, and then they can access any market they want in the world. That's the way the buy-back system works. This is a flexibility built in by the board, and if the Liberals had passed legislation there would be more flexibility.

And then with regard to your question, the answer is yes. I believe that everybody who handles the grain has a responsibility to be liable if they do not do that to the best of their abilities or if they cause a delay that causes a demurrage charge to be paid.

Now how do you do that? Well you talk about labour, yes. But the question is how you do it? You don't want to take away collective bargaining rights of labour, but they have a responsibility in making sure our grain gets on that ship. The same way, you know, you . . . How do you penalize the Wheat Board? Dock the person's pay. I mean that doesn't make a whole lot of sense. But I mean if you wanted to argue that you could.

All I'm saying is . . . what I'm saying, everybody should have a responsibility. Let's sit down, get together and carve out the terms of reference and make sure that we can get this grain moving. Because next crop year we don't want the same thing happening as we had this crop year.

Mr. Kowalsky: — In order that we get to Highways and Transportation, I now move that we report progress.

General Revenue Fund Highways and Transportation Vote 16

The Chair: — Before we start, I would ask the minister to introduce his officials, please.

Hon. Mr. Serby: — Thank you very much, Mr. Chairman. Seated to my right is Mr. Brian King, who's the deputy minister of Highways and Transportation. To my left is Mr. Barry Martin, who's the executive director of engineering and services division. To my far right is Mr. George Stamatinos, who's the executive director of preservation and operation, southern region. And directly behind me is Lynn Tulloch, who's the executive director of corporate information services. And behind Mr. King is Mr. Bernie Churko, who's the executive director of logistics, planning, and compliance.

Item 1

Mr. Belanger: — Thank you, Mr. Deputy Speaker. First of all, I want to welcome your departmental officials. And I've realized that, at the expense of the third party, they've been waiting out in the hallways for quite some time and we'll do our very best to liven things up here.

I guess in essence, looking at the Highways and Transportation budgeted from the year 1991, '92, '93, '94, '95, '96 — that's almost four or five years — the total cumulative shortfall since 1990 to 1991 has roughly been \$187,192,912. That's quite a drastic decrease in highways maintenance and construction in general.

And I guess in some of the questions we're going to be asking you, our focus will basically be on northern Saskatchewan and some of the issues that we've been speaking to the Assembly about for the past several months and for the past several years. I guess in essence we speak about a number of challenges in northern Saskatchewan, and one of them is, the connection to many of these communities, to other communities and of course to the rest of Saskatchewan, is by way of roads. And you look at some of the examples, as in Turnor Lake or as in Canoe Lake, where they have no airstrips to connect them with the rest of the country, basically their roads become their only source and only link to the outside world.

For a number of years different communities have been approaching various ministers of Highways to talk about a comprehensive strategy dealing with northern Saskatchewan roads and their challenges. And just for your information, Mr. Minister, I wish to clarify some of the roads in northern Saskatchewan that do need immediate attention, and some of the roads that have consistently provided very, very limited use, because of their condition, to the residents of Saskatchewan's North. And I share this information with you, Mr. Minister, so you're fully aware of what the challenges are.

(2145)

Are the people of Athabasca asking for 2,000 kilometres of road to be repaired and upgraded? No, Mr. Minister. Are they asking for 1,500 kilometres of road to be repaired, Mr. Minister? The answer is no. They're asking for a little over 200 kilometres of road to be fixed, and which would serve at least 7, maybe 8,000 people.

And let me explain to you, Mr. Minister, those roads I speak about. The first road is of course the most important road, we feel, in northern Saskatchewan. This is the road going on to Garson Lake. As you're aware, over the number of years people from Garson Lake and La Loche have been fighting to have the road built using training dollars and welfare reform dollars and equipment that's being offered by training institutions. And the amount that they have to finish this road, Mr. Minister, is anywhere between 30 to 40 kilometres.

And what that will do is it'll connect the community of roughly 200 people to the rest of Saskatchewan; a community that is isolated and a community that definitely needs to be connected to the rest of Saskatchewan. So Garson Lake is probably very important for a number of reasons, but the number one reason is to connect that community with the rest of Saskatchewan, and I hope the government hears me loud and clear on that.

The second reason why, Mr. Minister, we should be connecting Garson Lake to the rest of the province is on from Garson Lake is the potential connection to Fort McMurray. And we all know

that Fort McMurray is a bustling city in northern Alberta, a city that's probably going to be of benefit to the whole north-west region, if and only if it's connected to the west side of the North — which is of course referred by many government departments as simply the west side.

Why, Mr. Minister, should we make the extra effort of trying to connect Garson Lake? One is for the people and, of course, number two is that to hopefully impress upon the Alberta government that we want to have our Garson Lake connected to Fort McMurray as well, so there is really a western-eastern connection between the two communities.

Now as you are probably aware, Mr. Minister — I'll clarify again — Garson Lake is in Saskatchewan, an actual community in Saskatchewan. Its mayor or chairperson of the LAC (local advisory council) is Donald Laprice, and Donald has been for years talking about the need for this road to be constructed.

And we're not asking for a huge amount of dollars, Mr. Minister. What they're asking for is 30 or 40 kilometres to be built using our welfare reform dollars and training dollars so that people themselves can build that. Now they've asked on a number of occasions up to \$250,000 per year to assist in the training needs to cover some of the training costs to have these roads built, and they've asked that for a period of three years — to come up with 250,000 each year. And that in essence would have a road built to accomplish both the objectives of having this community connected to the province and, of course, being connected to Fort McMurray.

And, Mr. Minister, the key thing I'd like to focus on today as well, and the third reason why we need to have a Fort McMurray-Garson Lake-La Loche road is, because as you're probably aware, there's a number of roads being built and developed in the north-west, and these roads are being primarily developed by the forestry industry in cooperation with the government. We understand that these negotiations and these discussions and these plans have also been developed over the past years in concert and in consultation with the forestry companies. So as a result, most of these roads were planned four or five, six, seven years ago.

Now these roads do begin to open up. These roads, these logging roads, will have an adverse impact on the traffic flows of the north-west.

As you're probably aware, Mr. Minister, the main route in northern Saskatchewan or the main road is Highway No. 155. It goes from Green Lake on to Beauval on to Ile-a-la-Crosse, Buffalo Narrows, La Loche, and on to Cluff Lake.

Now what we have is we have an unsteady, an uncomfortable level of service to that main road. A lot of the focus has been on a secondary road that travels in from Meadow Lake pulp mill in to Canoe Lake and now is now connected on to Dillon. So we now have traffic trends that are adversely affected by some of these logging roads.

And if you look at a map, Mr. Minister, what you see is you see that there is potential to go in from Dillon on into Garson, because in the area I speak of, we now have natural gas

exploration; we have the forestry area that's really rich in terms of the abundance of timber and the size of timber. And in essence what you have, Mr. Minister, is you have a potentially damaging alteration of traffic and that's going to affect the main Highway 155. And that's the third and most important reason why we must protect the main highway and we must have effort to make sure this road is properly upgraded and kept to the current level of standard, if not greater.

So the key thing on this road, Mr. Minister — the Garson Lake Road — it does a number of things. First you provide linkage to the province for Garson Lake. Secondly, you also provide linkage on to Fort Mac which could provide a huge, tremendous traffic flow for the people of the north-west, thereby perhaps stimulating the economy. And third, Mr. Minister, is you also displace the effort that has been undertaken in the last several years to alter traffic flows in the north-west and to have the traffic flows go into the resource-rich area, and again shift from the communities of Buffalo Narrows, La Loche, Beauval, and Pinehouse, and Patuanak on to a more southerly super-highway that has been built for the extraction of the resources.

So those are the primary, necessary reasons why we have to talk about these things when you talk about highways. I invite you to consult with the mayors and certainly the mayor of La Loche, Mr. Wilbur Janvier, and his councillors and his staff, as well as the mayor of Garson Lake, and of course Donald Laprice, as I mentioned, was the mayor. These are some of the people that we have to get in touch with to talk to them about the traffic patterns and the problems associated with the reason why we have to make sure the Garson Lake Road is built.

And, Mr. Minister, I'll clarify that the Garson Lake Road is 30 kilometres in terms of needed construction, and then you will see most of these problems will disappear. So in my humble opinion, aside from the Black Lake Road, the Garson Lake Road is probably the most critical and the most important road that needs to be developed.

And some of the other roads that I speak about — well I'll give you a chance to answer in a few minutes — include the communities of Dillon, again connecting to the main road of Highway 155; the communities of Turnor Lake, again connecting to Highway 155; the community of Patuanak, again connecting to Highway 155; and the community of Pinehouse, again connecting to Highway 155.

And to give you some examples, Mr. Minister, some of these roads, for example Patuanak, they had six wash-outs last year, and these wash-outs were quite severe, and as a result people were stranded. And there's roughly 12 to 13 to 1400 people in the community of Patuanak that had no choice but to stay home or hop in a boat and take a long and scenic route out of Patuanak. So six wash-outs in one road, and the total amount of kilometres that need to be repaired, Mr. Minister, is probably roughly about 70 kilometres into Patuanak.

And into Dillon, we also have training proposals that would really benefit the whole north-west when you look at the Turnor Lake and to Highway 155. Again, Mr. Minister, it's not 300 kilometres they're talking about; it's 30 kilometres, 18 miles. And you look at Dillon, Mr. Minister, again it's 60 kilometres,

not 600 kilometres.

Now these roads are very dangerous, and practically people are having a difficult time travelling on them, and we spoke about a teacher named Barb Gibb several weeks ago when she was travelling on a logging road, and unfortunately that road was probably in better shape than the main road. But nonetheless, you know, these are some of the examples of the danger that many northern people face when they travel these roads.

So we look at the Garson Lake Road of 40 kilometres. You look at the Turnor Lake Road of 30 kilometres. You look at the Dillion road of 60 kilometres. You look at the Patuanak road of 80 kilometres. That's roughly 180 to 190 kilometres.

So you can see, Mr. Minister, we're not asking for a million kilometres of road to be built, and we're not asking for a massive amount of monies to talk about these roads. But, Mr. Minister, what we're asking you to do here today is to look at a comprehensive strategy, that within five years to ten years the people that we've been neglecting for many years again have a decent road on which they can travel on, a road that will not threaten their lives, a road that you could regularly travel on no matter what the weather's like, and a road that would not damage their vehicles. And it all makes sense, Mr. Minister.

So when you talk about a comprehensive highway strategy and a strategy which deals with developing roads in northern Saskatchewan, people are saying: let's even look at the training option. We don't have to go through the expensive route of hiring contractors for every kilometre that needs to be rebuilt and built up in northern Saskatchewan. How about if we do a five-year, X amount of million-dollar training program to rebuild these roads in concert with the federal government, in concert with the different training institutions out there in Saskatchewan? That could be done. It's a cost-efficient, very powerful message that people will support.

And hopefully one of these days, Mr. Minister, when you look at the situation . . . is a member from Regina South that travels 2 kilometres on a beautiful road to come to work here. Maybe one of these days he'll appreciate the fact that some people have 60 kilometres to travel on very poor roads to get medical attention. And today now he thinks it's a big joke. Well, Mr. Minister, the people of northern Saskatchewan don't feel it's a joke. They don't feel it's a joke. And he can harp all day if he wants, but the fact of the matter is the people of northern Saskatchewan will hear how he's been harping, and they'll continue to hear how he's been harping.

You know the fact of the matter is the North needs to be caught up with the rest of the province. And when we're trying to put that message forward, we have heckling and we have comments that he's making across the room. That's not fair to the Saskatchewan people. These are words that are coming from the people of northern Saskatchewan, not me. I'm merely their voice, Mr. Speaker.

So the fact of the matter is — again I reiterate my comments — is that the member from Regina South should stop cooking his food in aluminium pots. You know it's very damaging to your mental faculties.

However we must make sure the people's voice of the North, their problems of the North, is simply heard in this Assembly. So with that, Mr. Minister, I'll give you a quick summary of the overall problems with the roads in northern Saskatchewan and the problems that we have. And I urge you at this point in time to simply fix the problem, and we'll go back and forth in question and answer here. Thank you very much.

Hon. Mr. Serby: — Well thank you very much, Mr. Chairman. I think that the member has pretty well covered the entire highway system that you have in northern Saskatchewan, and certainly appreciate, for me in particular, the opportunity for you to do that because I have yet not had the privilege or the pleasure to travel in northern Saskatchewan and get sort of a firsthand view of all of the roadways that exist up there.

But as I certainly paid attention to the map as you spoke of the number of roadways that exist in the North and some of the issues that are related to the need for improvement to some of those areas. I certainly made a note of them and I want to thank you for the opportunity to have a brief visit to the North through your explanation of the roadways that are there.

I want to say to the member from Athabasca that . . . or from Athabasca that certainly your comment about the need to have a comprehensive transportation system in the province is critical. And I know that you are certainly aware of this but we have now in Saskatchewan developed a very comprehensive strategy for transportation across the entire province which certainly encompasses many of the issues that you talked about that exist in northern Saskatchewan.

And some of the things that you talked about that are imperative I think, for the people who live in the North are certainly critical for all of the folks who live across Saskatchewan. I think you talked about sort of the easy access of movement of individuals from one community to another or from a trading centre or shopping centre, from one part of your region to another is critical. I mean that concept exists not only in northern Saskatchewan but certainly consists across the entire province and fits in nicely to the strategy that we talk about in the development of the highway strategy that has been put together over the next couple of years.

I think you also talked about the importance of having low-cost, safe roadways in the North and certainly that's consistent with what the strategy document talks about: ensuring that people have access to things like employment opportunities; that they have access to health care services; that they have good access to schools; to recreational facilities and centres, are essential in today's modern society.

(2200)

And certainly I concur with all of those comments and statements that you make. And through the course of the future months we're going to be working hard at ensuring that across the province we have that kind of accessibility for all people irrespective of where they live — be it in the northern part of the province or whether they live in the southern part of the province.

But clearly I think some of the issues that you articulate as it relates to the northern part of the province are a bit more unique than maybe what we experience for sure in the southern part of the province. Part of that is you don't have the large road networks that we have in the southern part of Saskatchewan and as a result of that you have a greater dependency on things like air travel. In the case of some of your lake or water travel that some of your residents need to access throughout the various different times of the year, ice roads that you need to include in some of your transportation systems there in order to make communities accessible, those are all critical to the way of life in the northern part of Saskatchewan.

This year of course, our government has announced that we're going to be spending somewhere in the neighbourhood of \$30 million on roadways in the province. Some of that of course, will be making its way to the northern part of Saskatchewan, will be included of course in the comprehensive strategy.

As you know, we use a rate, cost/benefit factor in terms of determining where in fact roadways should be built across the province, and retrofit. And there will be some improvements and some added revenue funding to the North for some of the roadways that exist there today.

Specifically, I think some work — as my officials indicate to me — is being done on Highway 965. Some work is also being done on roadway 903. But specifically to the roadway that you spent some time talking about as the important linkage between Garson Lake, La Loche, and I think on to Fort McMurray, that particular piece of roadway in this given budget, '97-98, we have not set aside any significant dollars to attain the kinds of requests that I think you've put before me tonight.

That doesn't of course preclude the fact that into the future, as we continue to do the cost/benefit analysis on roads in Saskatchewan, that that won't be considered in a roadway that will get additional funding.

As you are likely more aware than I am, I know that there are some partnerships of course that have been established in the North and it's consistent with the kinds of partnerships that we're entering into with both the various different grain companies in the southern part of the province, some of the railroads, a partnership of course that we talk about with Mystic Lake, where I think there's about \$230,000 that's being set aside for that particular development.

So all in all, I really do appreciate the fact that you've indicated that there needs to be I think, a broader consultation process. You talked briefly about the importance of sitting down with some of the mayors in the northern part of the province, talking with them about some of the requirements for area planning.

And that's essential I think, when we take a look at the strategy document that I've mentioned a couple of times already for the future, because when you look at the south-west part of the province, there is today a very significant group of folks there who were working on a transportation area planning strategy that have incorporated the expertise of municipal levels of governance. Certainly the stakeholders that live and reside and

do business within a particular area planning module are all involved in those kinds of discussions that will certainly enhance the quality of transportation in those areas.

And so when you make the comment about the need to have that kind of discussion with our northern leaders, that's imperative. And as we move on into the future with our transportation strategy, you can be assured that those kinds of discussions will take place and allocations will be made accordingly as the budgets certainly allow them to occur, and with the kinds of planning that takes place with the individuals who are involved in that process.

Mr. Belanger: — Thank you, Mr. Minister. I guess some of the questions we have in terms of the ongoing consultation that has been coming from the northern mayors and northern leadership, there is a resolution passed by the North West Saskatchewan Municipalities Association over a period of four or five years — consistent resolutions — and I'm sure the Department of Highways has copies of them.

And I believe also as well, New North, which is an organization I think partly founded by the Government of Saskatchewan to deal with northern issues, also expressed a strong desire to look at the impacts of the logging roads in terms of the changes to the traffic routes as a result of these new roads coming in.

But the most important thing was Garson Lake. There's an overwhelming, resounding level of support from all the communities in that area. And the primary reason, Mr. Minister, is the fact that if the Garson Lake Road does not happen — and I mean Garson Lake connecting to La Loche and Garson Lake connecting to Fort McMurray — what you're going to have is you're going to have a different road coming up a different area, and that will adversely affect the economies of all these communities.

And we're talking Buffalo Narrows, we're talking Ile-a-la-Crosse, we're talking La Loche, we're talking Beauval, and we're talking all the communities on the west side. So it's very, very important, Mr. Minister, that you understand.

And I appreciate the offer you made today in terms of consulting with the communities along that area as to exactly what would happen if that super-highway that's built for collecting resources, namely forestry at this point in time, is built. It will alter the traffic flows for the entire west side. And as a result the many businesses in these communities and the millions of dollars of infrastructures in some of these northern communities and the homes and all that of different people would be adversely affected if the traffic flow was not maintained on Highway 155, and that's why it's very important to understand the critical challenge that your department faces in reference to the Garson Lake Road issue.

I know they've been putting a lot of effort into trying to get the road built. And from the last discussion we had with various people from the community of La Loche and Garson Lake . . . is that they requested 250,000 per year over a period of three years to have that road built and completed within three years. Would you undertake at this point in time to re-look at that issue and wish that once it was turned down to see if you could possibly

regenerate interest amongst the cabinet and perhaps reverse the decision not to allocate 250,000 per year for three years for the Garson Lake Road building training program?

Hon. Mr. Serby: — Well I think what's important to realize, and I tried to summarize it I think, in my brief comments to the member, and that is that we are having some significant discussions already with the folks of course in the north-west and the north-west planning group. The importance of the linkage, as you put it, with Garson Lake and La Loche and Fort McMurray I think is, as you define it, is a critical linkage.

I think part of the issue here I think that needs to be resolved and discussed, is some work of course needs to be done on the Alberta side as I understand this. There hasn't been a commitment, as I understand it and have been advised, in respect to the Alberta government's commitment to this particular piece of roadway. I think that there's a county road of course that's currently in that area, but there hasn't been any kind of confirmation — I guess is the word I'm looking for — on that piece of roadway. Your request in terms of, are we prepared to revisit this in this particular budget year, I think the commitment of course is that we'll continue to work closely with the north-west planning committee.

We have had some discussions of course with Mistik here, which is the forest partnership. My commitment to you this evening will be that we'll continue to have those kinds of discussions through the course of this given year and work hard, I think, or diligently with all of the folks that are in that area, keeping in mind that the comments that you've made as it relates to the importance of that particular roadway to the folks who live in that area of your community.

Mr. Belanger: — Thank you, Mr. Minister. I think the important thing is that the people of the North and the north-west in general would appreciate efforts of that nature, and certainly by way of *Hansard*, we will forward the copies and the discussions of this evening's talk about the highway problems in northern Saskatchewan. And obviously when you talk about consultation in reference to the highway problems, you're talking about consultation, not only to the Garson Lake issue, but the Turnor Lake issue, the Dillon issue, the Black Lake issue, and also the Patuanak and Pinehouse issue.

I think the key reason why we must do this is, it's much different in the North than it is in the South as you're probably aware. If there is a road washed out 20 kilometres, there's another road in which you could take as a route. So really the key thing here is the main roads that are serving these communities are the only links.

And we must make an effort to do either of two things. Either say yes, we will develop within three years sound road systems in which that'll cost the provincial taxpayers 13, 14, \$15 million. Or we can do with the other option saying yes, within five years we will have these roads developed to an acceptable level in concert and in cooperation with the communities on a training program to amalgamate all kinds of training dollars. So local people could be trained, so the people of Patuanak could build their own road, the people of Turnor Lake could build their own road, and the people of Garson Lake could build their

own road, and Dillon, and on and on and on.

So the key thing here is not only are you looking at this option as a short-term employment strategy, Mr. Minister, you're also dealing with the very critical issue of infrastructure, because roads in northern Saskatchewan are very, very dangerous. And I really look forward to you travelling to northern Saskatchewan on some of these roads to see some of the conditions that they're in.

And I've had nurses that have phoned. I've had taxi driver operators that have written me letters complaining about the roads. I've had taxpayers and teachers that have phoned my office complaining about the roads. So these aren't imaginary problems we're making up here, Mr. Minister, and I'm sure you would more likely agree that these problems are persistent.

But northern Saskatchewan as a whole is an area in which we simply want to be on par with the rest of the province of Saskatchewan. That's the key thing, is we don't want any extra special treatment. We don't want billions of dollars thrown in the North. We just want to have equal treatment as the rest of southern Saskatchewan has in terms of economic opportunity, housing, health care, and now, of course, roads.

So I think the key thing is, do you have a time line in which you hope to have consultations with these various communities I'm speaking about in reference to a strategy to deal with the road problem issue in northern Saskatchewan?

Hon. Mr. Serby: — Mr. Chair, just to state again I think, to the member the importance of recognizing the kinds of road linkages that exist in the northern part of the province. I don't think that this government needs to be convinced, and certainly I don't need to be convinced that we need to do a lot more work as we continue to develop our strategy in terms of transportation in the North. As I've indicated to you earlier though, the entire transportation strategy for the province of Saskatchewan is all-inclusive. And within that transportation strategy of course, will be some . . . a great deal of effort of course in all parts of the province, but recognizing the kinds of individual issues that you raised with me tonight.

I think it's important to keep in mind that in this particular budget for Saskatchewan — it's been announced already and you're aware — that we're going to be spending somewhere in the neighbourhood of \$30 million on roadways across the province. And we know that a portion of those will go in — as I've identified earlier — into the northern part of your province, part of our province.

As you are also aware, that over the next couple of years — 10 years — we're going to be putting an additional \$2.5 billion into roadways, into . . . I mean Highways and Transportation across the province. And a portion of those dollars of course, will be making their way into the northern part of the province of which you represent.

(2215)

I realize as well the importance of the kind of connector that you talked about again. This is about jobs. And any time that

you're undertaking these kinds of opportunities in the development of infrastructure, it always creates opportunities for people, both in the individual areas in which you're doing the work, and also provides some opportunity for economic growth in those regions. And so I understand what you're saying around those areas, and we'll continue to keep those factors in mind.

Those partnerships that you talked about and I talked about earlier are ones that we are already involved in to a small degree. And when you asked me specifically about the kinds of time lines that we're working on, I think it would be fair to say that within the period of the next six months you will see some additional involvement, or increased involvement, by officials from my department with folks who are in leadership roles in the northern part of Saskatchewan, to work closely with them to develop some of those partnerships that we're talking about, that include Mistik of course, and some of the local leadership that exists in your communities.

I'm also going to take the opportunity, as you've raised it again with me tonight, to travel up into the northern part of the province; have a firsthand look at what exists there. I expect that some of those roads that we're talking about today were likely developed in their initial stages as logging roads, have since been converted for use, I think, for transportation by the local individual residents who live in those areas and of course were never, ever designed to be anything more than that, and are certainly being used, I expect, for transportation purpose today.

I know that when I talked earlier about some of the work that's been done, I think with individual bands, there's likely some partnerships that we're involved in today where roadways from main arteries are now running to reserves. Some of that work, I expect, has been . . . we've been involved in through the Department of Highways. I expect that into the future some of our involvement will increase in those areas.

But those are just, I think, some of the commitments that we're prepared to make tonight to you as we work along in the broader picture of enhancing and ensuring that we have a comprehensive transportation system for all of the province.

Mr. Belanger: — Thank you. A couple of questions. The first question I have is, how does a road allocation in terms of budgetary processes to improve a certain highway system . . . how is the process come about in terms of, do you have the initial request from a departmental official? Or do you have a request from the community? Or do you put all these requests forth in cabinet and they decide which roads are prioritized? Like how does a road become a priority for your government?

Hon. Mr. Serby: — Mr. Chair, there are two methods that are used, of course, to determine the priority in roadway, particularly in the development of roadway in the province.

The one of course is a capital benefit cost one which is on new construction. And of course what would happen here is that there would be a formula that would be used that would look at two or three different areas. Like the issue around safety benefits to a particular area, the economic benefits of

developing a roadway, and what might be the return of use on that particular piece of road once it's constructed. That capital request of course, would come through the department's budgeting process and then that particular cost/benefit formula would be applied to it.

In regards to the expenditure on the preservation side, what we would do is do an evaluation, and it's ongoing on all of the roadways that exist around the province. And then on a priority list as it relates to roads that require the greatest need, would then be prioritized as receiving the bulk of the funding for preservation. That would be the process that we would be using, that's being used today in terms of determination, in terms of expenditure of cost both on capital and on preservation.

Mr. Belanger: — Thank you, Mr. Minister. Just to clarify the answer, so the decision on which highway you wish to repair or to upgrade or to bring to an acceptable level is basically in your departmental decision. What I'm leading to here, Mr. Minister, is what can the communities do to assist you in prioritizing some of these highways? Is there a role that the municipalities or the Indian bands can play in impressing upon you the need to repair or to build certain roads?

Hon. Mr. Serby: — I really appreciate your comment or your question, because I think that it blends nicely to the earlier comments that I made in respect to the new transportation strategy and of course what the transportation strategy really identifies — and I think the strength of the strategy is about — is it really tries to partner up with local regional planning areas or authorities. Because through those local planning authorities what you'll see and what will increase of course, is greater input at that local level in terms of identifying the roadways that are of the highest need or that require the greatest retrofit, if I might use that in respect to the preservation.

And so as our area planning authorities develop in the future, as we have already two in the province and building on a third, more and more of that kind of information will make its way into the system through the people who are responsible at the municipal local levels in terms of identifying the needs that are necessary for preservation. So that's the process that we're using today in respect, as I said earlier, to the capital construction. By and large, those are identified currently by the department. Some of that of course, would also be involved in the area planning processes into the future.

Mr. Belanger: — Thank you, Mr. Minister. And I wish to clarify in terms of a couple more issues on the roads in general to Garson Lake. The roads I was referring to of course — again talking about our main Highway 155 — I'm talking about the connecting road of 903 from Meadow Lake into the neighbourhood of Cole Bay, and then 903 connecting onto 925, which is roughly the Dillon area. And those are the secondary super-highways that I referred to in terms of the extraction of all the resources. So just to clarify which highway I am talking about, that is a stretch through Highway 155. So that's just for clarification.

The second point is, in these various regions that you're talking about in terms of planning committees or planning areas, is

there a policy within your department that, in essence when you talk about reducing or saving in the Highways department, is there a policy in your department that you are aware of that rewards regional managers or sector bosses — or whatever the phrase is — a certain percentage of any money that they save from their allocation of the Highways budget for that particular region?

Hon. Mr. Serby: — In respect to your first question, the two roadways that I think I'd mentioned that we were going to do some work on, I believe I said 903 and the other one that I'd mentioned that there would be some work done in the 1997-98 budget year was 965.

In respect to your final question that you'd asked of whether or not there's any kind of additional remuneration or performance bonuses — if I might use as a term — for regional managers or for that matter, senior officials of the department, there isn't that kind of an option available today and I don't anticipate that you'll see that at least in the next little while.

Mr. Belanger: — Okay, so the simple question. Now the simple answer to the question, do you reward any of your regional bosses any percentage of any savings for their particular department ... for the Highways department and their particular area, is no. Unequivocally, no. There are no bonuses of such a nature.

Hon. Mr. Serby: — This response will be relatively quick. The answer to that is no.

Mr. Belanger: — The second part of my question is going to ... a Bill that we introduced in terms of allowing the municipalities to name airports within their jurisdiction and of course the Indian bands would have the same opportunity.

One of the things we spoke about, Mr. Minister, is for example the Semchuk Trail from La Loche on to Cluff Lake. Semchuk Trail was of course named after the previous Highways minister and many local people there really wanted to name that trail Clarke Trail. In fact I think the reason why they wanted to call it Clarke Trail, it was really the person that blazed the trail into Cluff Lake was Jonas Clarke. He was a respected elder, a fisherman and a trapper, and really a guy that knew the land in and around La Loche and on northwards to Cluff Lake. So they tried for many, many years to try and convince the government to rename Semchuk Trail, Clarke Trail. If not Clarke Trail then perhaps looking at the airport of being a Jonas Clarke field or something of that nature.

Again, what the northern people want to do is they want to emphasize and they want to, I guess show off and show compassion to some of these pioneers that had the ability, the intelligence, and the leadership to really build up northern Saskatchewan and its people. So really it's an incredible opportunity for your government to look at possibly either renaming Semchuk Trail to Clarke Trail, or looking at least to extending and affording the opportunity of the municipality to name an airport in favour of some of their local people that have really helped build those communities.

Hon. Mr. Serby: — I appreciate the question that the member

raises in terms of whether or not there can be some local input into the whole process of working at trying to determine what kinds of naming you might give to a particular roadway or bridge or a highway. I think, as the member . . . or maybe an airport. I think, as the member realizes, that this is never a very easy responsibility to take on, because for as many people who you would consult with, in many cases you would get requests for what the name of a particular airport or a road or a bridge might be.

And as you probably have some sense of the infamous bridge that has now been built at Cumberland, as an example, we've had a number of people now who've petitioned us in a variety of different ways to name that particular bridge. And of course it has been identified that the person who sort of worked the hardest at this, in his opinion, should be the person who should have this particular bridge named after them.

I think that the most I can say about this is that we'll continue our consultations with the people of the North. When we have milestones that we want to celebrate or particular facilities that we've constructed that require that kind of designation, we'll continue to have those kinds of discussions with your area planning folks in hopes that we might achieve the kinds of expectations that you have made of us.

Mr. Belanger: — I'd like to thank the minister for his questions and again thank his officials.

Mr. Toth: — Thank you, Mr. Deputy Chairman. Mr. Minister, while I realize that time was passing on here, a couple of questions I just want to get off. In view of the fact that you're fairly new in this portfolio, and there were a number of questions I was hoping to get into with the former minister, the member from Carrot River Valley, I believe, but I just wanted to bring a couple of questions to your attention so you'd have a chance to look at them before we get into department review next time.

Number one is our caucus normally sends out a global series of questions. I would like to know where that global set of responses are to those questions, how soon we can expect to receive them? And secondly, Mr. Minister, a follow-up to an issue that was raised, I believe by the member from Melville, maybe in question period. I was looking for it in estimates. But there's some information — it may not hurt just to touch base with the former minister on . . . or just review a bit regarding Wood Country and access to their business along Highway No. 1. I'd like to get into some of that, at the community of McLean, the next time we are up for estimates on Highways.

So just a couple of things that you can maybe sit down and refresh your memory on before we get into further debate. Thank you.

(2230)

Hon. Mr. Serby: — I just want to advise the member for Moosomin that we'll do both of the . . . just sort of review first what's happened with the global set of questions that he's asked me about. I think in a previous estimate that I was at he'd asked me the same question and he hadn't had the information

to date. I'll just advise the member that I believe that those questions have been all prepared — the responses have been prepared — and they should in my opinion be making their way to you within the next little while.

In respect to the Wood Country issue, I appreciate the notice on it. And we'll be reviewing it for the next time that we get together on the estimates issue.

The committee reported progress.

The Assembly adjourned at 10:33 p.m.

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