

The Assembly met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Mr. Bjornerud: — Thank you, Mr. Speaker. I have petitions to present on behalf of Saskatchewan farmers. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to demand that the federal government work with Saskatchewan to put in place a farm aid package that provides real relief to those who need it, and that the provincial government develop a long-term farm safety net program as it promised to do when it cancelled GRIP against the wishes of farmers.

The communities involved, Mr. Speaker, are the community of Langenburg.

I so present.

READING AND RECEIVING PETITIONS

Clerk: — According to order the petitions presented at the last sitting have been reviewed and found to be in order and are hereby read and received.

INTRODUCTION OF GUESTS

Ms. Julé: — Thank you, Mr. Speaker. Mr. Speaker, I am very pleased today to introduce to you some very special students, many of whom are from my home town of Bruno, seated in the east gallery. And, Mr. Speaker, to you and through you to the Assembly I have 37 grade 8 students and I'm looking forward to talking with them a little bit later on today.

Accompanying the students are Mr. Jake Jmaeff, teacher from Bruno; Mr. Scott Linton, teacher from Cudworth; and just behind the bar a teacher associate, Ms. Dawn Buckle. And accompanying them also are a number of chaperones — Mrs. Janet Hering — Janet is a member of the Wakaw School Division Board; Mrs. Connie Basset, Mrs. Brenda Tremel, and Mrs. Marie Tegenkamp. And also a chaperone from Cudworth, Jackie Williams.

I would ask all the members of the Assembly to issue a warm welcome to these students, teachers, and chaperones from Bruno and Cudworth. And in a very hearty manner put your hands together and welcome them here today.

Hon. Members: Hear, hear!

Hon. Mr. Cline: — Thank you, Mr. Speaker. It's a pleasure for me to rise and to introduce to you and through you to all members of the Assembly, a group of, I think 10 students sitting in the west gallery along with two teachers.

The students are part of an interchange of Canadian studies, which as the name would imply, Mr. Speaker, means that

they're having a look at politics and history and things going on in Canada. And part of what they're doing is to examine the legislative process and the political process.

And I think that's to be encouraged and they're to be commended for taking an interest in current affairs and in government and political affairs. And I hope that they find today's proceedings to be interesting, and I hope somewhat enlightening. We'll see.

And with them today, Mr. Speaker, are teachers, Mrs. Heather Marshall from Mount Royal Collegiate in Saskatoon which happens to be in my riding. And I might add, it's a very good school, I attended it myself, Mr. Speaker. And Mr. Bill Harrison, who is from Bedford Road Collegiate which is down the road on Rusholme Road in Saskatoon.

And I will be meeting with the teachers and the students and answering their questions, and providing drinks, I think. And we're going to have our picture taken. And I'd like all members to join with me in welcoming these students from around Saskatchewan, and their teachers, to the legislature here today.

Hon. Members: Hear, hear!

Hon. Mr. Upshall: — Thank you, Mr. Speaker. Mr. Speaker, I would like to introduce to you and through you to the members of the Assembly, a very important guest . . . a couple of important guests in your gallery.

With us today is His Excellency José Letelier, the ambassador of Chile. And with Mr. Letelier is Eduardo Santos, who is the agriculture attaché in Washington DC (District of Columbia). His Excellency is visiting us for a few days here.

Yesterday, I met with him; and he met with the Genex Swine Group. This morning, His Excellency met with the president of SaskTel; the Speaker, I believe; and I'll be hosting a luncheon later on; and he has meetings with STEP (Saskatchewan Trade & Export Partnership) and SaskEnergy later this afternoon.

As you know, Chile's an important country to Canada, we've got a free trade agreement, and he is here exploring new ground and meeting some people and we want to have all members welcome His Excellency and Mr. Santos to the Assembly today.

Hon. Members: Hear, hear!

Mr. D'Autremont: — Thank you, Mr. Speaker. I would like to join with our colleague across the floor, on behalf of the official opposition, and welcome the ambassador and friends from Chile. We look forward to developing business interests between both of our nations, and I hope that you find excellent opportunities while you're in Saskatchewan. Welcome.

Hon. Members: Hear, hear!

Mr. McLane: — Thank you, Mr. Speaker. I, too, on behalf of the Liberal caucus, would like to welcome our guests here from Chile and hope that being here in Saskatchewan and Canada at this time of year — one of the most wondrous times of the year when new life is springing forth — that you enjoy your stay and

we're certainly happy to have you here and welcome.

Hon. Members: Hear, hear!

Hon. Ms. Bradley: — Thank you, Mr. Speaker. Mr. Speaker, today I want to introduce to you and through you to the members of the Assembly some important guests in your gallery. Mr. Harry Gow is the national volunteer president of Transport 2000 Canada. Groups in Ottawa and Saskatchewan founded Transport 2000 simultaneously in 1976, and Mr. Gow was the first national president and was elected again last year.

He resides in Chelsea, Quebec and teaches sociology at the University of Ottawa. The aims of Transport 2000 are consumer advocacy, balanced national transportation policy, and environmental protection. While interested in all forms of transportation, Transport 2000 has been particularly active in promoting rail travel.

Mr. Gow is here to attend the annual meeting of Transport 2000 Saskatchewan — the provincial affiliate of his organization. He's also here to become better informed on transport issues here in Saskatchewan and will be meeting with officials with our Department of Highways and Transportation.

Accompanying Mr. Gow is Michael Jackson, our chief of protocol who was the co-founder of Transport 2000 Saskatchewan and served as the organization's first executive director before joining our public service. Accompanying also Michael Jackson is his seven-year-old daughter Sarah Anne and we want all members to welcome our important guests here today. Thank you.

Hon. Members: Hear, hear!

STATEMENTS BY MEMBERS

Civil Rights

Mr. McPherson: — Thank you, Mr. Speaker. Mr. Speaker, for the last few weeks, this Assembly has been treated to the spectacle of sanctimonious bleeding from the NDP (New Democratic Party) on obeying the law.

It is ironic that 30 years ago this month, Mr. Speaker, in Memphis, Tennessee, African-American garbage collectors went on strike because even though they worked at the same job as their white counterparts, they were paid less. The city council of the day, the lawfully elected council passed a motion to force them back to work. The garbage workers refused and called on Dr. Martin Luther King to help support them.

The law was unjust, the issue was fairness, and Dr. King led the struggle against it even though it eventually cost him his life.

If these examples don't hit home for the Premier, perhaps he would consider these. In the First World War Slavic Canadians were put in camps because the government thought they would be disloyal to Canada. Countless Canadians were deprived of their civil rights again in the Second World War when Japanese Canadians were interred as a result of government laws.

If the Premier cannot abide men and women of good conscience

objecting to unjust laws, then perhaps he should re-examine his own commitment to democracy and human rights.

Some Hon. Members: Hear, hear!

Good News Headlines in Saskatchewan Weeklies

Mr. Renaud: — Mr. Speaker, yesterday it was good to hear a Tory report on some good constituency news — a rare but welcome one. That reminded me that we have been somewhat remiss this session in helping the opposition bring good news of the province to their constituents.

So to catch up a bit, here are five recent good news headlines from weeklies around our province. From *The Melfort Journal*, March 30, "New company ready to start construction of agricultural service centre in Melfort." In *The Four-Town Journal*, March 31, "Local entrepreneurs run top shop in Saskatchewan." *The Gravelbourg Tribune*, March 29, reports that "Gravelbourg enterprise centre taking shape." Also from the *Tribune*, April 6, "UGG fertilizer plant opens." And to conclude, two for the price of one: from the *Foam Lake Review*, March 29, "Grand opening of Peppertree restaurant." And the March 31 *Kindersley Clarion* tells us, "Subway to open restaurant in June."

Welcome announcements, large and small, from around the province, brought to you by the caucus that believes the sun rises in the east and sets in the west — and that pretty much everything else is on course as well.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Marsville '99

Ms. Julé: — Thank you, Mr. Speaker. Mr. Speaker, last weekend 14 grade 7 science students from Bruno school went to Holy Cross High School in Saskatoon to take part in Marsville '99. Ten other classrooms from around the province also participated in that program.

Now, Mr. Speaker, Marsville is a simulation activity where students build habitats to live in as if they were on Mars. Three schools get together to build a habitat made of clear plastic, sealed with duct tape, and inflated with a fan. Students have communicated with other schools by Internet throughout the year planning their projects. Students also had to make a model of a recreation and health system that would be needed on Mars, something that would be suitable for anyone from age 1 to 100.

While at Marsville, students had a video linkup with other sites in Canada and had a video conference with Edmonton where they showed each other their systems. Students also had an opportunity to ask questions of a former astronaut, Mike McKay. The Bruno science class spent a great deal of time designing mission patches for their school and two of those patches will be going up in space next month with Canadian astronaut, Julie Payette.

Mr. Speaker, I wish to extend my congratulations to the grade 7

science students from Bruno school and their teacher, Mr. Garry Sibley, for undertaking this successful and innovative project. Thank you.

Prince Albert Domino's Pizza Manager Honoured

Hon. Mr. Lautermilch: — Thank you very much, Mr. Speaker. As a member of this legislature I've had the privilege of informing my colleagues on a number of times about the amazing and talented people that live in Prince Albert and I want to say it's a honour to stand here again today and recognize the achievement of another one of my constituents. Rarely have I had the opportunity to inform the House that one of my constituents has been recognized as the best in the world in their chosen profession. I have that good fortune to do so today.

Mr. Al Mohr, the manager of Prince Albert's Domino's Pizza restaurant has been selected Domino Pizza's international manager of the year beating out, Mr. Speaker, competition from such places as the Netherlands and Australia. Al is the first Canadian to receive such an honour.

Among other things Al was recognized for unique innovation, and customer service, and employee training and motivation. I want to say, Mr. Speaker, the pizzer at Domino's . . . the pizza at Domino's — that was a bit of a tongue-twister — the pizza at Domino's is as hot as our latest poll results and I look forward . . . And I want to say congratulations to Al for being the best in the world.

Some Hon. Members: Hear, hear!

Kenaston School Receives Earth Award

Mr. McLane: — Thank you, Mr. Speaker. Last week I was in the community of Kenaston to celebrate with the students at Kenaston School. The school received an Earth Award, Mr. Speaker. We all know that as our environment becomes more fragile we must make a greater effort to preserve it.

Mr. Speaker, only a few schools in Saskatchewan and indeed across Canada receive this award and the students at Kenaston School have taken up the challenge to help clean up our environment and should be commended for it.

So congratulations to Linda Purves, who spearheaded the green machine; principal, Dan O'Handley and all the staff who supported the students; the community of Kenaston and surrounding area. And once again a special thanks to all the students at Kenaston School for taking up the challenge, Mr. Speaker.

Some Hon. Members: Hear, hear!

Weyburn Company Receives Power of Business Award

Hon. Ms. Bradley: — Thank you, Mr. Speaker. Mr. Speaker, I hope the members in the House don't get tired of hearing all the good news that comes out of the Weyburn-Big Muddy constituency because I'm proud to announce more today.

Earlier this week the Deputy Premier announced that a

Weyburn company, Alcatel, received the Power of Business Award introduced by SaskPower to recognize important contributions made by local Saskatchewan suppliers.

John Murray, the Alcatel plant manager in Weyburn; Wayne Conroy, the regional sales manager; and Brian Tinkler, vice-president and general manager of Alcatel Power Cables were on hand to accept their award.

Alcatel employees 110 people at its plant in Weyburn, which has been operating since 1956, manufacturing a wide variety of cable for power transmission. Alcatel's vice-president, Mr. Tinkler, said, "Our partnership with SaskPower has enabled Alcatel's Weyburn plant to expand and diversify."

He also hinted that Alcatel in Weyburn has a good chance for further expansion, and that's very good news.

This type of partnership between SaskPower and Alcatel is a win-win-win situation, benefiting jobs, service, and the community. When you have high quality products and reliable service such as Alcatel provides you can see why Alcatel is deserving of the SaskPower Power of Business Award. Congratulations.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Women of Distinction Awards

Hon. Ms. Hamilton: — Last night the member from Regina Qu'Appelle Valley and I were pleased to attend the 1999 Regina YWCA Women of Distinction Awards banquet at the Centre of the Arts. This event is one of several held around the province to honour women who are making significant contributions to their communities in several categories.

In Regina the ceremony has a significant other purpose as well. Proceeds help support Y-sponsored services such as the Isabel Johnson Shelter, the children who witness violence program, Big Sisters, and several others — all very worthy causes.

Last night women in nine separate categories were honoured. It is always worth noting that most categories had more than one nominee. All of them deserve equal recognition with the winners.

The award winners were: Karen Harvey as Young Women of Distinction; Helen Marzolf as Arts and Culture; Jeanne Martinson in the Business, Labour and Professions category; Bonnie Morton in Community or Humanitarian Service; Marjorie Wilson for Contribution to Rural Community; Dr. Heather Hadjilavropoulos for Health and Wellness; Francis Haidl for Science and Technology; Darlene Solie in Sports and Recreation; and Ruth Dafoe received the Lifetime Achievement Award.

My congratulations to these recipients, to all the nominees, and to all the women of distinction throughout our great province.

Some Hon. Members: Hear, hear!

Armstrong Cheese Company Opening in Saskatoon

Mr. Flavel: — Thank you, Mr. Speaker. Mr. Speaker, today I'd like to join with the Minister of Agriculture and Food in welcoming a new agriculture investment to Saskatchewan.

The Armstrong Cheese Company announced yesterday that it will be establishing a new cheese manufacturing operation in Saskatoon. Work has already started on the operation inside the Agri-Foods International processing plant. They will take up to 30,000 square feet and produce around 40,000 kilograms of cheese per day. This means that 22 people will be directly employed in manufacturing and distribution positions.

The Milk Control Board has assured Armstrong that they will be able to supply all the milk that is needed to make the cheese, and Saskatchewan milk producers will be able to maximize the return of their products by allowing their raw milk to be manufactured into a high-value item.

Rob Dougans, general manager of Armstrong, says he's delighted to make this investment in the province of Saskatchewan, and I'd like to say we're delighted to have him.

The new operation is expected to be up and running by July. I'd like to congratulate everyone involved with this announcement and wish the Armstrong Cheese Company much success in Saskatoon.

Some Hon. Members: Hear, hear!

ORAL QUESTIONS

Nursing Shortage in East Central Health District

Mr. Bjornerud: — Thank you, Mr. Speaker. Mr. Speaker, my question today is for the Minister of Health or her designate.

Mr. Speaker, all week the minister has been bragging about the nurses they've been hiring in Saskatchewan. Of course the same NDP government that promised to hire 200 nurses last year and then wound up closing 64 beds in Regina because of a nursing shortage.

Well, Mr. Speaker, the problem is spreading. Today we learn that the East Central Health District is closing 18 beds in the Yorkton hospital. And what's the reason? Not enough nurses, Mr. Speaker.

Madam Minister, when are you going to deal with this problem? When are you going to stop driving nurses out of Saskatchewan? And when will we see some of the nurses you've been bragging about hiring in the East Central Health District?

Hon. Mr. Cline: — Thank you, Mr. Speaker. Mr. Speaker, we have heard very loudly and very clearly the concerns of the nurses being expressed across the province about workplace issues, and the position of our government is that every effort should be made to ensure that services are managed in a way that does not require excessive overtime.

The East Central Health District is actively recruiting nurses

and they are reviewing six applications presently from outside the province I understand, Mr. Speaker. From our point of view we want the district and the nurses, Mr. Speaker, to work co-operatively to address the concerns. And for our part what we're doing as a result of the recent budget, Mr. Speaker, is funding the best ever offer that has been put on the table to resolve some of the nurse's workplace concerns.

And if we work co-operatively, Mr. Speaker, with the interests of patients in mind, I think that these parties, the administration and the nurses, who are people who can operate in good faith and have patient safety in mind, will start to address some of these concerns and we support them in that endeavour, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Bjornerud: — Thank you, Mr. Speaker. Well, Mr. Minister, it doesn't matter what kind of a spin you put on this, the bottom line is beds are closing because of a nursing shortage.

Mr. Minister, there's no one else to blame but you. This nursing shortage and these bed closures are a direct result of your mismanagement in the health care system, and you haven't learned anything. You haven't heard a word nurses are telling you and now beds are closing and patient care is going to be jeopardized in the East Central Health District. Mr. Minister, you're failing the people of Saskatchewan. And if you are listening, why are beds continuing to close in Saskatchewan hospitals in the East Central Health District?

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Mr. Speaker, I'd like to congratulate the opposition in its ability to identify the problem. I think the opposition is very effective at identifying the problem.

But unfortunately, what they're not very good at is identifying the solution. And as was indicated in the Moosomin *World Spectator*, Mr. Speaker, of November 23, 1998, the Leader of the Conservative Party said this:

"We've been able to identify some of the problems, but we haven't been able to identify the solution," Hermanson responded.

So we hear the problem, Mr. Speaker. We don't hear any solutions from over there, except for this, that in the platform of the Conservative Party, what is proposed? What is proposed is the freezing of health care spending.

I'd like to ask the member opposite, Mr. Speaker, how that's going to solve any of our problems. I don't think that's going to solve the problem.

And I think for a change, even the Saskatoon *StarPhoenix* got it right on March 27 when they said, "Given the tax-gutting, expense-freezing alternative offered by the Saskatchewan Party, the campaign should prove interesting."

They have no solution, Mr. Speaker.

Some Hon. Members: Hear, hear!

Management of Crown Investments Corporation

Mr. Boyd: — Thank you, Mr. Speaker. My questions this morning are for the minister responsible for CIC (Crown Investments Corporation of Saskatchewan).

Mr. Minister, it's now clear that you and your government learned nothing at all with regard to Channel Lake last year . . . learned nothing from it. You have done nothing to remove political interference from the Crown corporations. Your NDP family of Crown corporations are still riddled with mismanagement and political interference from you and your government, and Saskatchewan families pay the price every time they pay their utility bills.

Mr. Minister, why have you done nothing to remove NDP political interference from the Crown corporations?

Hon. Mr. Lingenfelter: — Mr. Speaker, I think the member shows his ignorance about the operation of business in general, whether it's private or public. But maybe that shouldn't surprise us given the fact that he, along with Mr. Devine when they went to conventions, had a policy to privatize the Crowns. And in their new party platform, if you look at the page where it talks about privatization, they say clearly that they would privatize SaskTel and look at privatizing other Crown corporations.

So I say to the member opposite, as it would relate to the management of the Crown corporations, obviously there is a role for the government in treasury benches in operating Crown corporations in the big picture. How else would you have it? But as it would relate to the day-to-day operations of the Crowns, if you're saying Mr. Frank Proto, the new chair of SaskEnergy, or Milt Fair over at Power are political appointees, you're actually doing those individuals a big disservice.

Some Hon. Members: Hear, hear!

Mr. Boyd: — Thank you, Mr. Speaker. Mr. Minister, well that's a very lovely answer. The problem is no one in the province believes you including . . . including . . . including your own SaskPower board members. I have a copy of a letter of resignation you recently received from Calgary lawyer, Gwen Randall, who used to be on the board of SaskPower, who when appointed to the board of SaskPower wrote the following letter to you:

I accepted the appointment to the board of directors on the understanding that the corporations were seeking a more independent business-based board.

That's what you've always said, Mr. Minister.

However in the past year I have found that I cannot fulfill my fiduciary responsibilities because of the governance structure of the corporation. Key decisions which have a profound affect upon the corporation's business are made elsewhere. I cannot agree with the decisions that were in the best interests of the corporation.

Mr. Minister, isn't this a clear indication that the NDP's

political interference in the Crown corporations is alive and well over at SaskPower?

Some Hon. Members: Hear, hear!

Hon. Mr. Lingenfelter: — Mr. Speaker, not at all. I don't agree with that member on many things. I don't agree with him on privatizing SaskTel, which is his intent. When you sweep away his cover, what it really is is the policy of the Saskatchewan Party, as it was with the Tory Party in the late 1980s to privatize SaskEnergy, now to privatize SaskTel.

But I want to say to the member opposite that the management of the Crowns, the management of the Crowns is a balance between what the Treasury Board or the treasury benches through CIC and that board giving direction to the Crowns, which is an appropriate and I think the only way to operate the Crowns at one level, leaving the day-to-day operation of the Crowns to the management and boards of directors.

Now does everyone agree on that balance? Obviously not. But if you were to ask Mr. Proto or the other Chairs of the boards, they would understand that that balance, while not perfect, is in line with the recommendations from the review that was done in 1996.

Some Hon. Members: Hear, hear!

Mr. Boyd: — Mr. Minister, this person, Gwen Randall, resigned because she couldn't put up with your political interference. In her letter of resignation she said:

Key decisions, which have a profound effect upon the corporation's business activities and structure, are made elsewhere.

Key decisions are made with you, and you know that.

What does she mean by that? Does she mean your office or the Premier's office? Mr. Minister, what exactly does she mean when she says that there is interference from elsewhere? What caused Gwen Randall's resignation, when she said to you in a letter, "Key decisions . . . are made elsewhere"?

Hon. Mr. Lingenfelter: — Mr. Speaker, I'm not in a position to get into the individual's mind as to what the rationale was, but I'm sure she has good rationale for what she says in her letter.

And I want to say that there is debate about what the balance is as to what role should be played by the executive of the Crown corporations and the board of directors of CIC. But what I can tell you is the management of the Crowns . . . And that balance, I believe, has never been better both with SaskPower today — and you may have liked it better when George Hill was there, your boy, earning over 400,000 a year with total political involvement from the then minister, whether it was Mr. Berntson or other people who were involved in the management of the Crowns.

But I can tell you that the management of the Crowns today, creating some profit for return to the investors — that's the family of Saskatchewan — with the lowest rates for most

corporations in terms of rates in Canada, it's well balanced.

And I think the member opposite should apologize to the men and women, who he continually slurs, who manage these corporations.

Some Hon. Members: Hear, hear!

Mr. Boyd: — Thank you, Mr. Speaker. I have another question for the minister responsible for political interference over at CIC. A few weeks ago, Mr. Minister, SaskFor MacMillan invited bids on its oriented strand board plant in Hudson Bay. The original tender was for an open shop project.

Then all of a sudden you and CIC stepped in and said that there's going to be a project agreement with the Building Trades Council and the Construction Labour Relations Association. Mr. Minister, in effect that means that it will be a closed shop. Just like your union only tendering policy here in Saskatchewan, the Crown Tendering Agreement.

Mr. Minister, why is CIC stepping in to insist on a union only policy after their original tender call called for an open shop project?

Some Hon. Members: Hear, hear!

Hon. Mr. Lingenfelter: — Mr. Speaker, I want to say to the member opposite again, his lack of understanding about project management, whether it's the private sector or public sector, or in this case, a joint venture, a joint venture of a large multinational corporation and SaskFor — this is a joint venture.

And I know the article you're quoting from where it says, Mr. McLachlan says, and I quote: "My understanding is, it's going to translate into a hundred per cent increase in labour costs."

Now do you think that MacMillan Bloedel, an international, multinational corporation, would stand idly by and pay 100 per cent more when they're a major partner. Give your head a shake. That's not the way it works.

But what I do want to say is that this will be a site agreement if the project goes ahead. That's the same thing as Grant Devine did on the Shand project, on the Husky upgrader at Lloydminster. It's what is happening in Alberta in all major projects because it works best for the investors. And for you to say that somehow this is a wrong-headed idea, puts you totally out of sync with what's happening in the industry in Western Canada.

Some Hon. Members: Hear, hear!

Mr. Boyd: — Mr. Minister, once again your political interference is costing the people of Saskatchewan millions of dollars of wasted taxpayers' money.

The construction association says that your policy will drive up the cost of this project by some 30 per cent. We understand the original open-shop bid was for about \$10 million. That means you're going to be wasting about \$3 million of taxpayers' money on your union-only tendering policy.

The problem is this project was supposed to create jobs for local people, like farmers and other people in the area who need the extra income. Your union-only policy will prevent local people from the Hudson Bay area from getting the jobs.

Mr. Minister, why don't you just simply stick with the original open-shop tender project? Why are you going to call on a union-only tendering project that will cost taxpayers several millions of dollars and likely put at risk jobs for local people in this industry?

Hon. Mr. Lingenfelter: — Mr. Speaker, I want to say to the member opposite that when site agreements are used on major projects — again I say if the project goes ahead at Hudson Bay — are common and standard procedures within the industry, whether it is private or public or in this case joint venture.

And I want to say that our friends in industry in Western Canada, some even go further than this. Denis Kornelson, the CEO (chief executive officer) of the New Alliance Pipeline, has chosen to build the Alliance Pipeline, the biggest project in the history of Canada, totally union. And they also are purchasing their pipe and are required to purchase their pipe from a union-only steel plant at IPSCO. Why do they do that?

Why do they take time to pay extra to train Aboriginal people which they are doing? Why do they do that? Do you know why they do that? Because it's the best in building a solid infrastructure in inclusion . . . including people, union, Aboriginal. And it may cost a little more but in building a society even the private sector is way out ahead of the old tired Tory of divide and rule for political purposes.

Some Hon. Members: Hear, hear!

Nursing Shortage

Mr. McPherson: — This morning we talked with Yorkton local SUN (Saskatchewan Union of Nurses) president, Suzanne Stewart. She says the large amount of nurses who are unable to work in Yorkton is not a job action. She says this is simply a response to all of the overtime that they have been forced to work.

A lot of nurses there are above the average age for nurses in the rest of the province. In her words, and I quote, "They're tired and sick and no longer feel safe to provide safe patient care." She adds, "There comes a time when the body says it just can't take it any longer."

Mr. Premier, Suzanne is home right now with pneumonia. She is upset that management has insinuated that this is a job action when it is really just a response of years of overwork brought on by your health care reform.

Mr. Speaker, to the Premier: what does he say to all the nurses in Yorkton and other communities throughout Saskatchewan who are sick and tired, brought on by continual overtime and your health care reform, and what action are you going to take today, Mr. Premier, to reopen those beds in Yorkton?

Hon. Mr. Cline: — Thank you, Mr. Speaker. You know, in this province over the last several weeks and I think even a few

months, we've heard a lot about the concerns of nurses. And many of those concerns are legitimate, Mr. Speaker. And we've heard the concerns of management.

But what I would say to the member opposite, Mr. Speaker, is this. Let's try to get the parties together, focusing not on the concerns only of nurses or the concerns only of management, but on the concerns of the patients and the public of Saskatchewan, Mr. Speaker.

The nurses of Saskatchewan are good people; they are people that want to proceed in good faith, and I believe so are the people that operate our health districts. And what we need, Mr. Speaker, is not rancorous debate and to raise the level of heat on this issue; we need to get people together to focus on patient care, and let's all work together to try to resolve these workplace issues for the benefit of the patients, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. McPherson: — Mr. Speaker, I would imagine if there's nurses watching this television broadcast today, they're laughing all over the province at that response.

Mr. Speaker, supplementary question to the Premier. You can't say you weren't told that workplace stress has taken a high toll on Saskatchewan nurses. You can't say you didn't know that Yorkton was facing a shortage of nurses.

According to a freedom of information request obtained by our caucus last January, the East Central Health District reported that for general duty registered nurses, several casual positions remain vacant. For the position of long-term registered nurses, several casual positions remain vacant. For the position of home care registered nurses, several casual positions remain vacant. That means no relief, Mr. Premier.

What are you going to do, Mr. Premier, to change that? And how are you going to reopen those closed beds in Yorkton because of your shortage of nurses?

Hon. Mr. Cline: — Mr. Speaker, I think the member will be aware that there is a nursing shortage, not just in Saskatchewan, but all across the country. And we've got to do everything we can do to try to resolve the nursing shortage, there is no question about that. And we have to acknowledge, Mr. Speaker, that the nurses work hard and they work under stress and they work with people who are acutely ill when they're working in the hospital sector, which is mainly the sector that the member is raising.

And I just say to the member opposite, Mr. Speaker, that my sense of the situation, I think the sense of my colleagues and perhaps even some members of the opposition, is that the public has heard the debate, they've heard the discussion, we have heard the concerns of the nurses. We can't solve them like that overnight, but we can work toward a solution and that's what we need to do. And we need to do it co-operatively, in good faith, and let's try to get everybody moving forward together to resolve these concerns, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. McPherson: — Mr. Speaker, I listened to that response; it is ridiculous. He's letting on that they can't come up with a response overnight, the problem didn't come on board overnight. And we've been raising this for four or five years of the nursing crisis, and the Premier is standing up and saying he just found out about it only a few months ago — looked like Bambi caught in the headlights.

Mr. Speaker, another supplementary to the Premier. The Premier said addressing workplace concerns is a priority for his NDP government. However in Yorkton, nurses are getting a different story. You heard them yesterday, Mr. Premier, during your visit to Yorkton; you heard them but you weren't listening because Yorkton still had to close 18 beds due to nursing shortages.

You are showing other priorities besides nursing concerns. According to another freedom of information request obtained by our caucus from the East Central Health District, the president/CEO of the East Central Health District gets not only a salary of \$115,000 a year plus benefits, but he also gets a district vehicle at his disposal.

Mr. Premier, for the price of a district CEO and the car that he's driving you could have had . . .

The Speaker: — Order, order. The hon. member has been extremely lengthy in his preamble and I'll ask the hon. member to now . . . order . . . I'll ask the hon. member now to go directly to his question.

Mr. McPherson: — Mr. Premier, it's a case of priorities: hundred and fifteen thousand bucks a year on cars or nurses — you tell us what it is.

Hon. Mr. Cline: — Mr. Speaker, I just would say to the House and to the hon. member that it is time — it is time. It is time to get off of the politics. It's time to get off of the political platform and to try to bring everybody together to try to fashion out solutions that are fair to the nurses and fair to the rest of the people of the province and to focus on patient care. Let's try to work together, Mr. Speaker, move things along to resolve some of the very legitimate concerns that nurses have in the workplace

Some Hon. Members: Hear, hear!

Mr. McPherson: — Thank you, Mr. Speaker. I dare say you haven't done a thing to try and resolve some of these issues. And you've heard about it for years. You've been listening . . . or you should have been listening to nurses tell you about being overworked and burnt out, and you attempted nothing.

Mr. Speaker, the NDP would rather spend money on hacks and flacks than nurses. The NDP figure that if they spend money on spin doctors instead of real doctors and real nurses maybe they can spin their way out of this nursing crisis. Well it isn't working. Too few nurses means bed closures no matter how you spin it.

Mr. Speaker, the NDP like to remind everyone about the \$15 billion debt left by those Tories. Well they should also remind people of the 600 nurses that their government, that NDP

government fired with their health care reform.

Eighteen hospital beds closing is devastating in a community like Yorkton. The nurses there are tired and worn out — worn out because of no overtime and no relief.

Mr. Speaker, to the Premier, look back, and don't you realize and won't you now admit that you caused this nursing shortage when you, sir, fired 600 nurses in this province.

Hon. Mr. Cline: — Well, you know, Mr. Speaker, I've been appealing to the member to get off of the politics and get on to the issues surrounding patient care, and to try to take some of the heat out of the situation and encourage the parties — who are both good parties — to work together to try to resolve some of these difficulties.

The member clearly does not want to do that, Mr. Speaker, because the member believes that this is his opportunity to advance his political agenda and the political agenda of the Liberal Party of Saskatchewan on the backs of the nurses and the managers and the patients of Saskatchewan.

And I say to the member opposite, Mr. Speaker, get off that dime. It's time to cool it, bring the parties together, and try to fashion co-operative solutions instead of divisive politics, Mr. Speaker.

Some Hon. Members: Hear, hear!

Tax Rates

Mr. Gantefer: — Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister of Finance. Mr. Speaker, Saskatchewan is falling further and further behind when it comes to cutting taxes. Yesterday Manitoba cut its basic income tax rate to 47 per cent. The Ontario government announced a plan to cut its income tax rate by 20 per cent over the next four years, all the way down to 32 per cent. Mr. Speaker, Saskatchewan simply is falling further and further behind on these tax issues.

Mr. Speaker, the government always says they don't believe the credibility of our plan. Well maybe they should have attended Mr. John Brennan, the former dean of the College of Commerce's classes and learned something about economics. Mr. Speaker, will the minister announce some long-term sustainable tax relief for the people of this province?

Hon. Mr. Cline: — Well, well, this is very interesting, Mr. Speaker, coming from a party that never saw a tax it didn't like. And I could get into their record, Mr. Speaker, but let me point out to the member: Manitoba's basic income tax rate this year is 48.5 per cent; Saskatchewan's basic income tax rate this year is 48 per cent. Lower, Mr. Speaker.

Manitoba's sales tax rate is 7 per cent — 7 per cent and is applied to many more goods than Saskatchewan. Saskatchewan's sales tax rate, Mr. Speaker, is 6 per cent. Manitoba has a payroll tax of 2.25 per cent, Mr. Speaker. Saskatchewan does not have a payroll tax.

Mr. Speaker, Saskatchewan's taxes are lower than Manitoba's

taxes, but in one respect we do have . . . there is something that's higher, Mr. Speaker, and you know what that is? That is our interest payments on the debt which in Manitoba are \$480 million a year but thanks to the members opposite in Saskatchewan this year they'll be \$724 million. That's the difference between Manitoba and Saskatchewan, Mr. Speaker.

Some Hon. Members: Hear, hear!

The Speaker: — Order. Order.

Hon. Mr. Nilson: — Mr. Speaker, I would ask for leave to introduce a motion to appoint the Ombudsman as well as introduce some guests during my introduction.

Leave granted.

MOTIONS

Reappointment of Provincial Ombudsman

Hon. Mr. Nilson: — Thank you, Mr. Speaker. At the conclusion of my remarks I will be moving a motion that Barbara Tomkins be recommended by this Assembly for reappointment as the Ombudsman. And before I begin my remarks I would like to introduce to you and to all members of the legislature a number of people who I will ask to stand when I give their name. First is Barbara Tomkins; her husband . . .

Hon. Members: Hear, hear!

Hon. Mr. Nilson: — We'll save the clapping until everybody . . . if you could remain standing. Her husband, Kirk Rondeau; their children Meaghan, Andrew, and Anna. And then the Children's Advocate is here as well, Dr. Deborah Parker-Loewen. And then the other people who are here are members of the staff at the office. And I would like them all to stand as well. Let's all give them a big welcome to the legislature.

Hon. Members: Hear, hear!

Hon. Mr. Nilson: — Mr. Speaker, as you know, the Ombudsman is an officer of the legislature, and her appointment by order of the Lieutenant Governor in Council only occurs on the recommendation of the Legislative Assembly. The term of appointment set out in the Act for the Ombudsman is for five years with an ability to serve one additional five-year term.

Barbara Tomkins was appointed to serve her initial five-year term as Ombudsman on July 17, 1994. And accordingly her current appointment expires on July 17, 1999. I rise today to seek the support of this Assembly in recommending the reappointment of Ms. Tomkins to this position.

Mr. Speaker, the Office of the Ombudsman plays an important role in ensuring that government remains responsive to the citizens of Saskatchewan. In my view both the government and the Saskatchewan public benefit from the additional scrutiny of the Office of the Ombudsmen. Citizens are provided with an independent arbiter for disputes with government agencies while government is provided with careful advice from an

independent source as to what the public interest may truly be in a given situation.

Mr. Speaker, Ms. Tomkins has made many strides in reducing the backlog of complaints in the Office of the Ombudsman. At the same time while the number of complaints received by this office has risen over the years, office procedures have been streamlined to address these complaints more efficiently.

Ms. Tomkins has implemented the introduction of an early intervention system for the resolution of complaints. This allows the office to address the immediate concerns of members of the public in an alternate way in addition to the more formal processes as set out in the Act. This intervention system includes the introduction of mediation as a mechanism to promote mutually acceptable resolution of public complaints regarding government services.

Mr. Speaker, in addition to internal changes to improve efficiency, the Office of the Ombudsman has undertaken increased public education efforts to ensure that the public are aware of the functions and services this office supplies. The public profile of the office continues to be increased through the release of the Ombudsman's annual reports.

Mr. Speaker, I am sure that all members of this Assembly will agree that Barbara Tomkins has shown herself to be very capable as the Ombudsman. She has demonstrated her commitment to serving the public by consistently performing her duties in a professional and judicious manner.

Mr. Speaker, the original appointment of Ms. Tomkins as Ombudsman was the result of consultation among all members of this Legislative Assembly. Therefore, Mr. Speaker, I am confident that all members will share my view that the reappointment of Barbara Tomkins as Provincial Ombudsman for a second five-year term will continue the importance and independence of the office.

I would like to conclude my remarks, Mr. Speaker, by making the following motion, seconded by the member from Humboldt:

That this Assembly hereby recommends that the Lieutenant Governor in Council reappoint Barbara Tomkins of the city of Estevan in the province of Saskatchewan as Ombudsman pursuant to section 3 of The Ombudsman and Children's Advocate Act.

Some Hon. Members: Hear, hear!

Ms. Julé: — Mr. Speaker. Mr. Speaker, I would just like to take a moment on behalf of the Saskatchewan Party official opposition to congratulate Barbara Tomkins on her reappointment. She has done a great deal of work for the people of the province in taking their queries and concerns about government departments and working diligently with her staff to ensure that all people in the province are treated fairly.

At this time, Mr. Speaker, I would also like to commend the work of the child advocate, who is also in your gallery, on the work that she has done on behalf of children in the province. It is a tremendous work and a very worthwhile work, and I've worked with Ms. Parker-Loewen in the past, as well as with

Barbara Tomkins, and I look forward to working with you in the future, as do all members of the Saskatchewan Party opposition and I'm sure all members of this House.

And so once again, congratulations, Ms. Tomkins, on your reappointment. It's well deserved. You're a great worker for the province of Saskatchewan. Thank you.

Some Hon. Members: Hear, hear!

Motion agreed to.

TABLING OF REPORTS

The Speaker: — Before orders of the day, I table the annual report for 1997-98 for the Saskatchewan Information and Privacy Commissioner.

ORDERS OF THE DAY

GOVERNMENT ORDERS

COMMITTEE OF FINANCE

General Revenue Fund Agriculture and Food Vote 1

The Chair — I will ask the minister to introduce his officials, please.

Hon. Mr. Upshall: — Thank you, Mr. Chair. Mr. Chair, today I have with me to my right, Terry Scott, deputy minister; Hal Cushon, director of administrative branch . . . of policy and program, rather. Who else have we got? Ross Johnson, budget officer, administration services branch; Jack Zepp, director of administrative services; and Doug Matthies, the general manager of Sask Crop Insurance.

(Subvote AG01)

Mr. Bjornerud: — Thank you, Mr. Deputy Speaker. And welcome to your officials this morning, Mr. Minister. Mr. Minister, the hot topic as you are well aware is the AIDA (Agricultural Income Disaster Assistance) program. We've been saying it's not working. I believe that's what you've been saying — it's not working.

Could you maybe give me an overview of what you are doing as the Minister of Agriculture to either lobby the federal government for changes, or where are we? Are there any chance of any changes with this program for this year — which I doubt — but what about for next year, Mr. Minister? What are you doing to address that problem for next year?

Hon. Mr. Upshall: — Last week, Mr. Chairman, last week in Ottawa I asked that very question to the federal minister — if there is any possible . . . the possibility of any changes this year. His answer was no.

But at the press conference after the World Trade Organization meetings he did indicate that there may be an opportunity to make some changes for next year. We have to explore that. I

hope that's what he meant.

Therefore we need all producers to fill out the forms, bite the bullet, take your time. There's a five page form you can fill out. You don't know exactly what you're going to get . . . (inaudible) . . . after you fill that out. But you send it away and they'll reply.

And unless we do that . . . If we do that, if all producers do that, it gives us the ability to examine the program, identify the problems, and then present it to the federal government. So that's the route that we're on now.

And this program has been quite confusing. As yesterday, of course, some people like yourself had indicated that because we hadn't signed the agreement, that somehow we're holding it up.

What I'd like to ask you is, after you found that not to be true, why did you go out and repeat it to the press again? And would you say that was a fact or a falsehood?

Mr. Bjornerud: — Well, Mr. Deputy Speaker. Mr. Minister, I believe, number one, you were caught off guard. I don't think you even realized you hadn't signed an agreement or that you had to sign an agreement.

Mr. Minister, why in Saskatchewan, being one of the leading agriculture provinces in this country, do we always have to be the last one to do anything? We wait on all the other provinces ahead of us. Just like negotiating the AIDA package to start with. We seem to be on the back end — everybody else was at the table except us. We're going to be stubborn, we're going to negotiate hard, as you kept saying, Mr. Minister, and look what we've got. A program that is absolutely useless to the farmers of Saskatchewan.

So I, yes, I did go out and say that we should have signed the program. Why haven't we been lobbying them to get the forms out? If you knew that these forms, this agreement had to be signed, why weren't you pushing Mr. Vanclief to get that out here, get it signed, so we can get some money in the hands of farmers?

Mr. Minister, the other day when the Minister, I believe it was, of Municipal Government was answering some questions in agriculture, she made this comment, and she goes on to say, ". . . the federal government has indicated that if what we've been saying all along is true and that there will be (a minimum payout) . . ." here on the current criteria, then they are prepared and willing to consider some enhancements to the program. And I find that interesting, and I hope there's some credibility to that, Mr. Minister.

Is Mr. Vanclief of the federal government realizing this program is not working in Saskatchewan? And are they willing to either top up NISA (Net Income Stabilization Account) accounts or do something like that to cover for the shortfalls of the NISA . . . or the AIDA program this year?

(1100)

Hon. Mr. Upshall: — Mr. Chair, I'm simply not going to allow this member to get away with the statements that he's making,

because you said we weren't at the table. We've always been at the table, that's not true, You said we were always last to do something, that's not true at all. We've been there right from the beginning. I'm not sure why . . . and you still say that there's a correlation — you still say after you know it's not true — that there's a correlation between signing the deal and getting the money. It's not true.

You still say that somehow, that they're trying to say that the Government of Saskatchewan or the Government of Manitoba, because we're all in the same boat as the ones that are being administered by the federal government, had somehow had something to do with handing it out, with holding things up. It's not true.

And I just don't know . . . you always been fair . . . members have always been fairly credible in this Legislative Assembly. I'm not sure why now you're taking this account. Stand up on your feet and admit that the signing of the agreement . . . You also say that I didn't know I had to sign it — that's not true.

Stand up in this House, regain your credibility, Mr. Chair, and tell the people of this province that you were wrong when you said the signing of the agreement had something to do with the farmers of Saskatchewan getting their money.

Mr. Bjornerud: — Well, Mr. Deputy Speaker, Mr. Minister, we've got our information from the AIDA people themselves, and their comment to us, and I have no reason to believe they don't know what they're talking about — I would think they do — said that until the agreement is signed, that a farmer from Saskatchewan that qualifies for aid will get 42 per cent of the amount he qualifies for. If the program had been signed, they would be receiving 70 per cent upfront; the balance of the 30 per cent in September.

So you say I'm . . . I guess what you're saying is I'm lying. And I'm sorry, Mr. Minister, I'm going by the information from the AIDA people that we have received. And that information tells me that the farmers that do qualify are only going to get 42 per cent. So yes, Mr. Minister, it does affect the payout of what farmers in Saskatchewan will get.

Now you can take up this problem with AIDA, but don't point the finger at me. That was the information I received from them. Maybe you should check with those people. Maybe the problem doesn't lie on this side.

Mr. Minister, I guess we could hassle about AIDA all today and next week, and it really doesn't seem to be going to matter.

Do you have a plan or an idea you'd like to put to Mr. Vanclief as to how we could change this program, throw it out; what we could do for next year with a different kind of a plan that may help the farmers of Saskatchewan and not be completely designed for Ontario and the eastern provinces?

Because from what we see now, Mr. Minister, and I'm sure you must agree with me that when we hear of average cheques coming out in Ontario of \$25,000, some cheques in PEI (Prince Edward Island) of \$38,000 — and again, Mr. Minister, I'm getting my information from the federal government, their people said this — we see the problem in Saskatchewan. I

honestly believe, and I believe you believe this too, Saskatchewan needs help the most of any province in this country. We're hurting the worst — whether it's our hog industry or whether it's our farmers with cultivated land out here that are seeing low grain prices.

So what do you see in the future? What will you be pushing for, Mr. Minister? Really, what hope do our farmers have in Saskatchewan of getting some help? And I'm afraid I have to agree with you on this, that probably the help we're stuck with this summer is AIDA, and very few are going to qualify.

What small sense of optimism can we give the farmers in Saskatchewan that something better may be in the works next year. And it certainly isn't the AIDA program?

Hon. Mr. Upshall: — Well, Mr. Chair, the member opposite is not going to get off that easy. I will answer the question on what are the options for next year and address the 25 and \$38,000 in other provinces.

But first, you're right. A federal spokesperson said something that was wrong and you repeated it. And that's understandable — in good faith you were repeating what he said. After I explained in this House yesterday to you that that's not the case, you went outside and repeated it.

Now either you're saying that I'm not telling the truth . . . Well I guess you are. And that's not true. The truth is there's no correlation between the signing of that agreement and the people of Saskatchewan getting their money. And I take great offence to that. And I want you to stand up in your place and agree there's no correlation. Just say you're right, there's no correlation.

The fact that you repeated something that was wrong from a federal civil servant that I don't know why that was said, and I'm not blaming, but I understand why you would do that. But what I don't understand is how you can stand here and repeat it and keep on the intimation that it's going to be some correlation. And I want that apology and that respect from you because I think I deserve it because I didn't treat you the same way. And I take a great offence when this happens.

When the . . . (inaudible) . . . options for next year . . . We went through a number of options, Mr. Chair, before this. We said that the three-year base, successive years of loss, wasn't going to work. We've got to prove that now to the federal government by people sending in the forms.

The other thing that we've got to do . . . that's just one thing. There's a number of others. If your land size increased, the payment's got to correlate to the size of the land that you have, and that's not included this year either. But there's one other thing that we have to talk to the federal government about and that is, is this the best method, period? Or should we take the money and do something else with it, like a NISA top-up?

Those are the questions that we have to answer, but before you answer those questions you have to do the analysis of where the money is going this year. And the only way to do that analysis, and I ask you again to help that the cause, the people of Saskatchewan, by saying: we know we don't like the forms, we

know it's not great, but lookit, you've got to fill out the forms so we know what to tell the federal government.

Because right now the federal government is sitting there, 302 forms in as of April 23, last Friday, a week ago today, and they're saying well why aren't people applying? I'm saying look, people aren't applying because it's complicated, they don't like it, they're deceiving, the accountants are loaded at this time of tax year. But they have to apply in order so that we can tell you what to do. And the federal government just basically says, well we'll see how many apply. So we have to have people apply. We need all of us encouraging them to apply.

Mr. Bjornerud: — Thank you, Mr. Deputy Chair. Well, Mr. Minister, I would suggest that hell will freeze over before you will get an apology out of me over information that I got from a federal department and have no . . .

The Chair: — Order, order. Order. Now I'm sure that the hon. member from Saltcoats realizes that the words that were used are unparliamentary and I would get him to withdraw.

Mr. Bjornerud: — Thank you, Mr. Deputy Chair. I will withdraw those comments.

Thank you, Mr. Deputy Chair. Well I guess, Mr. Speaker, we can agree to disagree. I think . . . I would hope the one thing we do agree on that this AIDA program is just not doing the job that we had hoped it would do, and that next year, for next year you will work very hard, you and your department, to make changes to this program.

Mr. Minister, I'd like to go in just a few other areas here today, and just a few short questions. But I'd like to touch on ACS (Agricultural Credit Corporation of Saskatchewan). On the Ag Credit Corporation. I notice in the *Estimates* for 2000, you go down to where it says loan losses, and you have I think \$4.1 million budgeted last year in the last year's estimates. This year you have nothing. Can you maybe explain to me, is there going to be no losses? Are we past that point right now? Or why was the budget set up that way?

Hon. Mr. Upshall: — Mr. Chairperson, I'm saddened by the fact that the member takes a stand when he repeats something that he knows is wrong and won't have the decency to apologize. But I'm going to leave it there.

The loan loss provision is a feature where every year we look . . . we have a fund in ACS for loan loss, and every year we look at that fund and compare that to what we project the loan loss is to be for that year. And then if we think that there needs to be more money in that account, then we budget from the department to put that money in there.

This year there was enough money; we calculated there'd be enough money in that fund so that we didn't have to budget any more money for it.

Mr. Bjornerud: — Thank you, Mr. Minister. Mr. Minister, I'm getting calls from a few farmers, and I'm not sure how many this is happening to, but I believe there's a number of court cases going on right now to do with the collections of past ACS

loans. Can you maybe explain what's happening there and maybe give me a number of how many of these court cases are going on this spring?

Hon. Mr. Upshall: — Thank you, Mr. Chair. My officials have just looked up the number and it appears as though we have about eight cases ongoing right now.

Although the process is that we deal with this on a business-like basis, if people are in a position where they have very little asset base, well then there's no point in, you know, proceeding. And this has worked very well over the last number of years.

The department from time to time will initiate a process if they think there's a log jam and just to get you know some action, some people at least just talking and trying to resolve. And so they may initiate a process, but that simply leads to discussions and solving or restructuring the debt somehow.

So there's about eight ongoing right now.

Mr. Bjornerud: — Thank you, Mr. Minister. The one call I got this morning, Mr. Minister, was a farmer out there that has to go to court to do with his ACS loan. And the court date, I believe — and I may be corrected and I'll get you the information later, Mr. Minister, pass it on to you because I just got it this morning — was to do with a farmer that has to go on May 10.

And it's actually happening right in the middle of seeding and was wondering . . . I don't think he, you know . . . He knows he's got to go to court and do his . . . do whatever happens to whatever, you know, comes out of the court case.

(1115)

But I think it was timing, was their problem right now. And I guess what he was asking me, if there was any way that they could have that delayed till after seeding. And I'll pass the . . . And I don't want to use the name, Mr. Minister, but I will pass that on to you after and see if there's anything we can do about that.

Mr. Minister, I'd like to touch on crop insurance this morning for a few minutes. Do you have any idea how many people are in crop insurance for this year? How many people have signed up for crop insurance for this year?

Hon. Mr. Upshall: — Yes, of course the contract numbers are the number of producers, but we won't know . . . The important number to us is the number of acres that are involved and we won't know that until that information's sent in by producers this year. But right now we have about 34,000 contracts on grains and about 1,200 contracts for forage.

Mr. Bjornerud: — Thank you, Mr. Minister. Mr. Minister . . . and I agree with you, the numbers of farmers taking out crop insurance really doesn't tell the whole picture. But I'd just like to go . . . 'in '92 I believe there was — and you can correct me if I'm wrong on this — but I believe there was 55,000 farmers signed up for crop insurance in '92 and last year, if my numbers are anywhere close here, it was approximately 38,000.

Now I know, as I said, that doesn't tell the whole story and I

agree with you there. But I believe in 1992, 33.8 million acres were insured under crop insurance and in 1998 that number was down to 21.5. Maybe, Mr. Minister, do you have any idea why this decline is happening in crop insurance?

Because as you know, I'm not a big fan of the way crop insurance is set up right now. I don't feel it's doing the job it needs to do out there. And is this maybe not an indication that many farmers out there feel the same way about it, when we don't just see the number of farmers dropping that are taking crop insurance, but the number of acres that are covered under crop insurance.

Hon. Mr. Upshall: — Okay, this is from the annual report, so if you want to check the figures later, you can. In 1991-92, we had 51,466. Now you'll remember that there was an enticement for farmers to get into — because of the GRIP (gross revenue insurance program) program — and so the number of 51.

If you look at the total number of crop insurance and NISA — NISA being the revenue side — you've got about 56,000 people in NISA. And now the crop insurance numbers are down, but you can't compare them to 1991-92. If you go back prior to '92, they're running about the 45,000 number, and now we're about 35,000-plus number.

But the acres, the insured acres are the important thing, and those acres are trending up. And we all know that the farm size is getting bigger, so you have fewer contracts but you have more . . . I mean more acres per contract. So if you look at crop insurance and NISA and the acres under crop insurance, there's fairly good participation in both.

Mr. Bjornerud: — Thank you, Mr. Minister. Mr. Minister, from information that I've had sent to me — and this is from a farmer that has done a lot of homework — he says that between '91 and 1997 there was actually a surplus of \$292 million in crop insurance. Is there any validity to that, and if there is, where did our \$292 million go?

Hon. Mr. Upshall: — Yes, okay, just so that I'm clear here and I can be clear to you. Right now we have about close to \$213 million surplus in the . . . that's the total number in the crop insurance fund. And if you recall, we like to keep a surplus, a little surplus, for sure because a couple of bad years will take that down very quickly to a negative figure.

If you recall, two years ago we put in 120 million . . . (inaudible interjection) . . . \$123 million into the re-insurance fund to bring it up to zero. Basically what we did is wiped out our crop insurance debt using that crop . . . the money from the safety net package. The federal government, as you recall, put in some money and brought theirs down to about 90 million. They still have a debt and a portion of debt on their side but that's very important to pay that debt off, get it down to zero. Now we've had a couple of decent years as far as crop insurance — hail and drought and stuff like that — concerned so we have built up a surplus. And that's what right now is \$213 million.

Mr. Bjornerud: — Thank you, Mr. Minister. One last question for myself before the member for Kelvington-Wadena would like to ask a couple of questions, Mr. Minister. I noticed in the estimates for '99-2000 under crop insurance program, crop

premiums: they were down about \$4 million there. Could you explain what that drop is all about?

Hon. Mr. Upshall: — Yes that's an estimate. Like previous years, you estimate how many premium dollars you'll need from government as your share. And the estimate last year was high and so we've brought that estimate down as we know better the participation rates from the new programs. And so that doesn't show a decrease in . . . It shows a decrease on the line item but what it means is that we estimated high last year and some more real estimate this year.

Ms. Draude: — Thank you very much, Mr. Deputy Chair. Mr. Minister and officials, I have a couple of questions. One of them is on . . . I'm sure you've had a lot of calls from farmers asking why, when the rural underground gas project was deleted or taken out. There's about 15 per cent of the people don't have natural gas and it's making it very unfair for those farmers who are trying to dry their grain using propane. It makes it a lot more expensive.

And I'm just wondering how you, the Department of Agriculture, has been working with or negotiating or bargaining with SaskEnergy to see if this isn't an issue that can be brought back into the forefront? Because it really is being discriminatory against the number of the farmers that don't have this option any more.

You'll probably say they do but they have to pay for it. We know that at the beginning it was \$2,600 and now the minimum that I've heard lately is about 9,000. And I know it's not a lot of people but it's enough people that it's again picking favourites. It's again some people are winners and losers in this market, and farming is a tough enough business right now. And if you have it stacked so that your neighbour across the road can get natural gas and you don't have it, it is very unfair. So I'm just wondering what Department of Agriculture has been doing on their behalf?

Hon. Mr. Upshall: — Well of course I understand maybe why you asked the question. You will know that we don't have a line item in our budget for any RUD (rural underground distribution) program. So I'll tell you what I do is continually talk to — not continually but from time to time — talk to the minister and the departments about what we can do to help economic development in terms of the Crowns and what their role should be in an economic development. And that's one of them.

And of course the other things we do is when there's a lot of tough grain in years, we inform SaskEnergy about where the areas are and try . . . I know they've put temporary hookups in different areas to help, you know, an elevator or something to help people dry grain.

So this is an ongoing process and it's one that I invite you too as well, to lobby along with me with the Crowns to continue . . . for them to continue to view . . . or determine what their role is in economic development. And if that means, you know, another underground distribution program, I guess that would be good for it to finish off the areas.

But right now they have an underground distribution program

as you know. It is more expensive than it used to be. But the problem in — and I know you can stand there and say this isn't fair, and I agree — but the problem comes when we took over government there was a myriad of these things that were being done. And all good intentions. But what it did was drove the debt of the province completely through the roof. And now we have to come back and say, what's rational?

We know it's not totally fair, but what's the rational thing to do? And that's what I do when I talk to SaskEnergy. I say look it, you know, I think what I want you to do, SaskEnergy, is you know maybe review what your role is in economic development.

So those are the kind of things I invite you to lobby with me.

Ms. Draude: — I thank you, Mr. Minister. And of course we all, probably all MLAs in this room have been lobbying with you to see if they can't look at this issue.

We all know that as well, the North was given natural gas this year, or there was intentions to bring it up there, and that is going to be giving benefits for a number of people. I don't know if the number of people is any more or less than the number of farmers who are still waiting with bated breath to be looked at as being an economically viable part of this society as well.

Mr. Minister, I have a question for . . . the hog barns that are set up right across this province. After winter there's usually a very large pile of carcasses, and I've heard people call it, the dead pig man is coming around to pick up these hogs. Can you give me an idea of what is happening with all these carcasses around the province?

Hon. Mr. Upshall: — Well when we have applications for a new hog barn, for example, they have to have a number of things: manure management being one of them; you know, site selection also being included. And they have to put in the plan what they plan to do with the deads. And most of the new barns now have a cooling room that they keep them in, and Saskatoon Processing, I think it's called, come around. All you got to do is phone them and they'll . . . they run a truck through a route and they'll pick up the carcasses.

There are some areas, of course, where the barns are a little older and they don't have a cooling facility to keep the deads in, and the timing of the truck being there is critical. And so with producers who have a concern with that, all they've got to do is phone the Saskatoon Processing and they will send a truck out to pick it up.

Ms. Draude: — Probably, Mr. Minister, there are . . . over winter and with snow problems, maybe this is the issue that they're dealing with. I know of a number of examples where there is a large number of animals that are still outside.

But if that's your answer, I just have one other issue that I wanted to bring up with you, and that is farmers' markets. I know that you've been lobbied to look at farmers' markets and recognize their potential in diversifying the agricultural economy.

And I know that Alberta is moving a long ways towards helping individual farmers sell their products and make a living . . . it's just cash products that will actually put food on the table. There hasn't been any initiatives by this government to recognize that farmers' markets can be a viable part of the economy. And I'm wondering what your plans are in that area?

Hon. Mr. Upshall: — I want to talk briefly, Mr. Chair, about the deaths . . . the animals. The Agricultural Operations Act has provisions to . . . for complaints if there's dead animals that are rotting and carcasses that are rotting. And so we . . . and as government we encourage you or anybody to make us aware if there's a pile of dead animals somewhere because that's, that has to be handled.

And The Agricultural Operations Act talks about good farming practices or standard . . . acceptable farm practice. And that's deemed to be non-acceptable farm practice if you have a bunch of animals rotting, because of disease and other things.

So if you know of any, please give us a call and we'll check that out.

We certainly encourage the farmers' markets. I know there's a number, there's a number of farmers' markets around the province, and it is a great, little, local business that we have.

We haven't dedicated any funding to any farmers' markets. I think the best thing what I see as happening is that the local areas are developing their farmers' market association and planning days in town where the . . . you know, usually a Saturday. I think that's a very important aspect of our rural, local economy and I just encourage them to continue.

Mr. McLane: — Thank you, Mr. Chairman. Mr. Minister, officials, following up on the hogs a bit if I might. Does your department, Minister, have any numbers set on the number of hogs that were actually destroyed or died over the winter when the pig market took a dip?

Hon. Mr. Upshall: — We don't have . . . we didn't have any complaints from people about hogs being killed or left out. And I just want to make a point. If an animal dies over the winter, it really shouldn't make any difference because the Saskatoon processing truck travels all year round so there shouldn't be a build up. I mean there might be a build up for while when it's frozen, but then it's incumbent upon a producer to call the truck before it gets too warm before you have a problem.

The numbers on . . . we don't have any numbers or reports out of the ordinary when the hog prices went down of any more deaths.

Mr. McLane: — Mr. Minister, I was just trying to wonder how many pigs were actually destroyed as a result of the downturn in the hog market over the winter, if your department has any actual numbers on that?

Hon. Mr. Upshall: — We have no way of gathering that number. But it is our impression because we know the industry, we know the producers — we have Pork Central who deals with them all the time — we know that there was some media reports, but we believe and know that they were greatly

exaggerated in terms of producers.

I mean the prices went down. Most producers market their animals and some became very inventive in terms of how they did that. But you know, we have no way of gathering a number.

But we are close enough in contact through Pork Central with the producers that we would have known if somebody was going to be just shooting animals or destroying animals because they felt that they wouldn't make any money marketing them.

Mr. McLane: — Yes, I guess if you think that the media number were greatly exaggerated, you must have some idea then as to what the numbers actually were. So can you give us that number?

Hon. Mr. Upshall: — The only report we heard was the one that you're probably familiar with through the media, but we had no reports of anybody killing hogs.

And just think of it logically. If you're a producer, the hogs are even three-quarters the way to slaughter weight, what would be the point of killing them? I know that people were frustrated, but I mean if you sold them, even if you're losing money, you were gaining some money to pay off some of the bills that you've incurred.

So most producers think that way. They just don't go out there and say, oh, the price is down, I want to shoot my hogs.

And the other thing I might add that through this whole piece, Mr. Chair, our hog . . . the industry never quit building. The hog numbers continued to rise. Even when the prices were at their lowest part, the producers who were in the industry are in for the long haul. They know the prices swing up and down. And they're not the type of people who would just say, oh, hog prices have fallen to the bottom, I'm going to go shoot all my hogs. I mean we didn't have any reports of that.

Mr. McLane: — Well, Minister, as you maybe have forgotten, I am a cattleman, and at one time I was a hog producer. So I know all about the ups and downs. And the one interesting thing about the hog industry as opposed to the cattle industry is that many farmers can get in and out of the hog industry very quickly, where in the cattle industry you don't do that because of the investment.

So we know all about that and I'm sure that most farmers, certainly the smaller-type farmers that are on the land, try to maintain their hog supplies through ups and downs as you have said. But there are many over the years that have not done that.

Minister, can you tell us how much money that your government has invested in the hog industry to date?

Hon. Mr. Upshall: — I'll get you a best figure we can from Agriculture. But you realize that the Opportunities Corporation which is under Economic Development have made, I think, four investments. The number's very, very small, though; I'll get you that in a minute.

But I want to make a point here about getting in and out of the industry. At one time hog producers could get in and out very

quickly and it was done basically in facilities that they already had in the farm and it was done on an individual basis in a smaller way.

Those days have pretty much passed. You don't jump in and out of the hog industry any more either. I know it's been a few years since you've been in the industry and you maybe don't understand it, but if you're building a 600 sow unit or 1,200 sow unit for — well 1,200 sows run about \$13 million — you don't sort of just jump in and out. You're in there for the long haul. That's why these producers are not destroying their animals; they know they're in for the long haul and they're not going to change that.

I'll just take a second now and see if we can get that number for you.

Hon. Mr. Upshall: — Yes. With the investments in the hog industry, you might want to ask the Minister of Economic Development when those estimates are up, because SOCO (Saskatchewan Opportunities Corporation) does have I think it's four. They had five, I think one was paid out. I think they have four loans now, and percentage-wise they would be . . . I would guess in the area of 5 per cent of the total project. I know one of them was about a million dollars in a \$13 million, so that's a fairly small investment.

But as far as Agriculture is concerned, the only thing that we have . . . the only vehicle that we have to put money directly into the hog industry was ACS. And, as you know, they quit lending . . . We're winding down ACS and there hasn't been any investment for about four years now, since 1996, I guess.

Before that there was of course some investments in some of the loans program. They would be basically for smaller operations. We could . . . we haven't got that number identified because you'd have to go through the loans because some of the loans were for more than just the hog operations; there were improvement loans for the farm and consolidated.

So we have very . . . we have some money in, but it's old money. Since the wrapping up of the hog industry in the last basically two years, the Department of Agriculture hasn't lent any money directly to the hog industry since 1996.

Mr. McLane: — Thank you, Minister. I do recall back in the early '70s when hog barns, fairly substantial-sized hog barns, were being closed, moved off, burnt down — whatever you have. So there were huge hog barns back then, and the guys got out of the pigs because the market fell through and they couldn't keep up with it. And this will happen in today's pig industry as well, Mr. Minister, with some of these hog barns, as is happening with your potato industry in Outlook where the creditors are saying, hey, you're not keeping up. They have no choice; they want their money.

Mr. Minister, I know that you have to leave here shortly, and I will want to come back to this. But there is one issue I want to address with you quickly today before we leave because it's of utmost importance. And that is to do with the bureaucracy and fees within your department. And I've talked to you a couple times about this; I've sent you a couple letters. And to your credit, you've actually I think tried to address the problem and

have made a couple changes, which I'm happy to see. But it seems like we solve one problem on one hand, and then the next . . . out of that resolve another problem springs out of your department.

It's to do with an issue with a small piece of wasteland that's sat idle for decades. And a young farmer, after taking over, has come forward and said I'd like to take this piece of Crown land and utilize it.

So initially your department told him that they wanted \$200 a year preparation fee for the lease — it's 44 acres of wasteland — plus other fees plus some rent for this piece of land. I came to the department, came to you with the problem, and we seemed to have it fixed.

However, as I said, another problem has sprung up now within your department. And we've got the lease extended from one to five with the fees coming down but now your department seems to want to get into how this particular operator operates his land. And they're asking for such things as: a set time to have a fence put around this piece of land; they're telling him that by a set time he has to have so many head of cattle on that piece of land, even though the farmer knows himself that that piece of land cannot sustain that type of numbers.

Why does the department continually want to get into these types of things? Your Premier keeps telling us in the House, Minister, that we're cutting back on the red tape, we want to cut out the red tape. And here's a classic example of where someone in your department wants to get involved in the cattle industry and try and tie the hands of this young farmer who's trying to make use of a 44 acre piece of wasteland.

Minister, can you look into this if I send you over the land title and the name of the farmer and see if you can't get this thing straightened out once and for all?

(1145)

Hon. Mr. Upshall: — I just want to make a final comment on the hog industry, Mr. Chair. I've got a lot of faith in the people who are producing hogs, as opposed to the member opposite, because I don't believe that there's going to be another 1970-71 incidence. I don't believe those incidents are going to be happening. And I think the hog industry is vibrant, viable, and long term in this province. And I've got great respect for the producers.

The issue you bring up, we of course tender parcels of land. And whenever somebody takes up a piece of land, they have to use it. They can't just say, okay I've got the lease on this land now I don't have to use it, because there may be other people who would want to use it.

So what we'll go into . . . send me the details of that case. If there's discrepancies for example in the number of the carrying capacity, we can always discuss that. But we have people . . . in fact we have probably the best rangeland technologists in the world right here, as proven by the international conference we held last year. Our department has people who are superior in terms of assessing what the carrying capacities are. And those can be discussed and can be altered.

So I just say I'm not familiar with that case. But the point I want to make is, if somebody gets a lease, they have to use the land. That's our policy.

The committee reported progress.

SECOND READINGS

Bill No. 35 — The Land Information Services Facilitation Act

Hon. Mr. Nilson: — Thank you, Mr. Speaker. I rise today to move second reading of The Land Information Services Facilitation Act. The purpose of this Bill is to remove any statutory impediments to the creation of a Crown corporation under The Crown Corporations Act, 1993 thereby facilitating the timely development of the new land project.

Mr. Speaker, the proposed Crown corporation will partner Saskatchewan Justice land titles with the SaskGeomatic division of Saskatchewan Property Management Corporation in order to provide integration of land titles information and the Saskatchewan Geographic Information System.

This will lead to a faster, simpler, and more effective land title/GIS (Geographic Information System) and registration services to the people and industries of Saskatchewan while facilitating economic growth in the province.

Mr. Speaker, to allow for the creation of the proposed new-found corporation, this Bill provides for amendments to The Land Titles Act and The Land Surveys Act. These amendments do three main things.

Number one, transfer employees from Saskatchewan Justice and SaskGeomatics division of Saskatchewan Property Management Corporation to the proposed new corporation.

Number two, authorize the payment of revenue from land titles and SaskGeomatics to the new corporation.

And number three, confirm that the pension and other rights of the transferred employees will not be diminished.

Mr. Speaker, the Act also addresses the transitional requirements necessary to ensure that all rights and liabilities of the Government of Saskatchewan are transferred to and continued under the new Crown corporation.

Mr. Speaker, it is intended that this new corporation will be in place by the fall of 1999, thereby securing the necessary corporate governance and funding structure to ensure the timely completion of this important project.

Mr. Speaker, I move second reading of An Act to facilitate the Modernization of Land Information Services in Saskatchewan and to amend The Land Titles Act and The Land Surveys Act.

Some Hon. Members: Hear, hear!

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

COMMITTEE OF THE WHOLE

Bill No. 26 — The Apprenticeship and Trade Certification Act, 1999

The Deputy Chair: — Before I call clause 1, I'll invite the minister to introduce his officials.

Hon. Mr. Sonntag: — Thank you, Mr. Chair. Seated to my right is Wayne McElree, who is the executive director, programs branch; and to my left is Mr. Doug Muir, director of the apprenticeship and trade certification unit.

The Deputy Chair: — Thank you, Minister.

Clause 1

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

Mr. Minister, in the development of this particular piece of legislation you consulted, I'm sure, with a number of different groups. Did you consult with any student groups before bringing forward this legislation?

Hon. Mr. Sonntag: — The public meetings were open to the public and certainly to students. And in the industry-led and the department-led consultations, there was attendance by students at a number of the meetings.

Mr. D'Autremont: — Mr. Minister, was there any invitation though extended to student organizations at SIAST (Saskatchewan Institute of Applied Science and Technology) or perhaps from the university level or community colleges to do a organizational representation to you on this matter?

Hon. Mr. Sonntag: — The invitations were actually done through SIAST to the students, many of whom are their apprentices.

Mr. D'Autremont: — Okay, thank you very much. What this Act is doing is proposing to establish a new commission with an industry majority board as an agent of the Crown to manage the renewal of the apprenticeship program.

What was the reason behind establishing the Saskatchewan Apprenticeship Certification Commission as a corporation rather than as a branch of Post-Secondary Education?

Hon. Mr. Sonntag: — Let me just respond briefly by first of all saying there were several things that sparked this change, if you will. First of all, the demographics of Saskatchewan, the changing technology in the workplace, and also the federal government withdrawal of funding.

The rationale, largely for the establishment of a structure like this though, was so that we would be more responsive to industry as it pertains to training and apprenticeship.

Mr. D'Autremont: — Thank you, Mr. Minister. Why do you need a corporation to do that though? Couldn't you do that, or are you not doing that through the Department of Education?

Hon. Mr. Sonntag: — In the public consultations it became clear to us — and by the way, this has gone back as far as 1996 — in the public consultations it became clear to us that we needed a structure that was more responsive. And certainly in designing the apprenticeship and in the training that we have, there's been consultation with industry. And when I say industry, I mean the employer and the employees. But they were not a decision maker.

This new structure will allow industry, to a large degree, to be the decision makers around how training in apprenticeship will actually function.

Mr. D'Autremont: — Thank you, Mr. Minister. It pleases me to hear that the corporation is going to be able to respond to the changing needs of industry and of students within the apprenticeship program. But it saddens me to hear that the Department of Education cannot be more responsive, that you're obviously saying that it's hidebound and bureaucratic and can't respond to the changing needs in education.

And I think if that is the case, then the Department of Education needs to take a very serious look at itself and what it's doing. If we have to go outside of the Department of Education to provide educational opportunities for students in this province, then obviously we have a failing in the Department of Education.

I think perhaps you and your . . . the other Minister of Education need to sit down and take a serious look at what's going on in your departments, and why you are unable to respond to the needs of students and of businesses in this province in providing apprenticeship and other people to work in those industries.

So hopefully your new corporation will be able to do that, and it simply won't be a rebuild of the Department of Education.

Mr. Minister, it talks in the Bill about the ability to situate the head office for this corporation at any place in Saskatchewan that the minister may approve. Do you have any sites in mind? And what is going to be the deciding factor on where the location of that corporation will be?

Hon. Mr. Sonntag: — There's been no decision or discussion on that yet. The head office will be located in Regina.

But just on your earlier point as well, I think I need to respond to that. First of all I would disagree with what you have said in that the departments haven't, haven't done a good job. I think they've done a very good job as it pertains to training and education.

(1200)

We have always room for improvement. And under the structure that is being proposed, it has been our view through the public consultations obviously that we will have a more responsive, more responsive training structure in place. Much of the training will actually take place on the job site as it did before, and many of the programs will not fundamentally change in the regional colleges or at SIAST.

But what we believe we need to do is to be more responsive as, as I described earlier. This is largely driven by technological changes, by the fact that the federal government withdrew funding, and purely the demographics of Saskatchewan. We have a large land base and land mass, and we need more points of delivery, I guess, for training. And under this structure we believe that will happen. But I will certainly defend the department in that I think they've done a very good job to this point in time.

Mr. D'Autremont: — Well thank you, Mr. Minister. It was your words that said the department couldn't respond as quickly as the new corporation would be able to. So that's why I'm saying, if there's a fault there that the department can't respond properly, then it's up to you to investigate it and find out why that is. It was your words that said they weren't responsive enough, not mine.

Mr. Minister, under the corporation, will the employees of the corporation be tied to the same collective bargaining agreements as those affected under the Department of Education and under the school divisions? Or will they be under separate collective bargaining agreements?

Hon. Mr. Sonntag: — They'll remain under SGEU (Saskatchewan Government Employees' Union).

Mr. D'Autremont: — Thank you, Mr. Minister. Will they bargain separately or will they bargain . . . will their bargaining take place same as SIAST or the school divisions?

Hon. Mr. Sonntag: — They'll remain part of the overall government bargaining process. They will not bargain separately.

Mr. D'Autremont: — Thank you, Mr. Minister. When it comes to the appointment of the board of directors for the corporation, how will those directors be appointed and what will their qualifications have to be?

Hon. Mr. Sonntag: — First of all, it's an industry-majority board. The names will all be approved by order in council, but they will be approved based on recommendations from what we describe as five industry sectors.

There'd be a minimum of one employee representative and one employer representative from each sector. And we would have one employee representative of the Department of Post-Secondary Education and Skills Training, one employee representative of the Department of Education, one representative from SIAST, and one or more persons to act on behalf of underrepresented persons or groups.

Mr. D'Autremont: — I thank you, Mr. Minister. And what do you mean exactly by under-represented? In what sense are they under-represented and who determines whether or not they are under-represented?

Hon. Mr. Sonntag: — . . . large percentage of the population, that's right. As an example, possibly if there's not full proportional representation of women or Aboriginal groups, that's sort of what we have in mind.

Mr. D'Autremont: — Would they be . . . would it be someone who was mentioned then in the Human Rights Commission legislation? Or does it designate an economic under-representation? I think you need to give a more broader definition than saying women and Aboriginals will be . . . those people we'll consider for under-representation.

You know, what about truck drivers? What about farmers? What about school teachers? You know, if they don't represent a large portion of society — they're certainly not the majority — so how do you determine who is under-represented?

Hon. Mr. Sonntag: — I think I'll just refer directly, because I think this is an accurate description. The under-represented group as described directly out of the proposed legislation means a group of individuals whose participation rate in the opinion of the minister in the apprenticeship program, is less than the group's proportional representation of Saskatchewan's population.

Mr. D'Autremont: — So, Mr. Minister, if you didn't have a truck driver on this board, then you can make the determination that truck drivers are under-represented in the apprenticeship board and could appoint a truck driver to the board?

Hon. Mr. Sonntag: — Occupations would already be represented through their trade boards, because they're broken into the sectors. So the example that you use is not likely possible.

Mr. D'Autremont: — Okay. Well perhaps you could explain to me what the designated sectors are; I think you mentioned five sectors.

Hon. Mr. Sonntag: — The five sectors are agriculture, construction, mining, manufacturing, mechanical repair, and tourism service.

Mr. D'Autremont: — Well, Mr. Minister, I don't see anything in there for transportation which would be the truck driver area. Obviously then, they become an under-represented sector of society. So would they be included in that area and appointed to the board?

Hon. Mr. Sonntag: — First of all, there are currently 44 trades that are represented in Saskatchewan. Truck drivers are not currently a designated apprenticeshipable trade. But under the legislation there would be provision for that to happen if they so desired; I mean if they chose to do that, to go that route, then obviously under the structure that we have in place then they could have representation through the advisory boards as well on the new commission board too.

Mr. D'Autremont: — If they so desired, would then there be another category entered into here for you have agriculture, construction, mining, manufacturing, mechanical repair, and tourism? Would there then be another seat added to the board to represent truck drivers and transportation?

Hon. Mr. Sonntag: — As I said there are 44 trades in . . . apprenticeshipable trades in Saskatchewan right now so as the example that you used if truck drivers so chose to become one of trades these are . . . an apprenticeshipable trade, that would

make, logically would make 45.

What we've done is, as I've described, we broke them down into five sectors. There would have to be some discussion about what sector they would fall under. And through that, through that structure, as one of the . . . falling under one of those sectors, I'm not sure exactly sure which one they'd come under, but they would then have access to have representation on the commission by virtue of the fact that they would fall under one of the sectors.

Mr. D'Autremont: — Well thank you, Mr. Minister, well then wouldn't not all female and Aboriginal employees also fall under one of those sectors?

Hon. Mr. Sonntag: — Yes, really what you're describing is really one . . . the example that you're using is based on occupation and the other is citizenship, and that's largely what we're looking for, for the one seat just to ensure that we have representation, as I said, from under-represented groups.

There well may be others. The examples that I've used are simply Aboriginal people and women. If there are other, if there are other citizen groups that aren't represented that just don't come to mind right now, they could well fall under that category also.

Mr. D'Autremont: — Well thank you. Mr. Minister, when you talk about citizenship groups, I'm not exactly sure either what you mean. If a member of the Lions Club was then to approach you that they wanted to come in the apprenticeship program, would they qualify as a citizenship group that is under-represented because there are no Lions represented on your board?

Hon. Mr. Sonntag: — I think largely we'd be using the designated groups as defined under the human rights.

Mr. D'Autremont: — Well thank you, Mr. Minister, I asked you that question right upfront — the first thing — was it a designated group under the Human Rights. And then you went off on some other tangent. We could have eliminated all of this if you'd have answered yes in the first place.

Well, finally, Mr. Minister, thank you for trying to circumvent the questions but finally coming back to where we started from 10 minutes ago. That's all the questions I have.

Clause 1 agreed to.

Clauses 2 to 65 inclusive agreed to.

The committee agreed to report the Bill.

(1215)

Hon. Mr. Sonntag: — Thank you, Mr. Chair. I just want to take the opportunity to first of all thank the member for the always thoughtful questions. I appreciate that. But as well I do want to thank the two officials that were with me, Doug Muir, and Wayne McElree, who have done hours and hours of work on this, and many hours of driving across the province in consultation with the public and industry.

And this is a Bill I believe that will be well-received across the entire province by a lot of people. So I want to take the opportunity to thank both of them very much here. Thank you.

Mr. D'Autremont: — Thank you, Mr. Chairman. I'd also like to thank the minister and his officials for coming in today and answering our questions. And I'm sure the truck drivers were very interested in this. Thank you.

Bill No. 16 — The Mineral Taxation Amendment Act, 1999

The Deputy Chair: — I'll invite the minister to introduce his officials.

Hon. Mr. Lautermilch: — Thank you very much, Mr. Chairman. To my right I have Dan McFadyen, who is the assistant deputy minister of resource policy and economics division. And to my left is Maurice Hall, the director of industrial minerals branch.

Clause 1

Mr. D'Autremont: — Thank you, Mr. Chairman. I'd like to welcome the minister and his officials here today. It's my understanding that the purpose for this Bill is to change the way that the Potash Corporation taxes are collected and payable to the government; that it's being consolidated into one payment per individual corporation rather than a payment by the individual mines.

Will this have any effect on the overall revenue taxation from those mines?

Hon. Mr. Lautermilch: — Mr. Chairman, just I think if I could, I'd just briefly go through what the changes in this Act are intended to do.

Firstly, it will increase the operating efficiency, because as you have said, the companies will no longer have to consider the tax effects when allocating their resources between mines because they are consolidated by company, and you're right on that.

Secondly, and I think as importantly, is simplifying the reporting requirements. It was time-consuming for the department, time-consuming for industry, the process that we had, and we wanted to eliminate some of what we felt to be unnecessary work, frankly.

And the second or the third component was that with respect to increased investment from incentive effect, the companies being able to write off the costs of large investments at one mine against income from other mines.

So I think personally it's a simplification. It allows the companies I think to make better business decisions. And from a departmental perspective it will and should decrease some of the workload that we had in the past.

Mr. D'Autremont: — Thank you, Mr. Minister. You've also talked about how it would encourage investment and expansion in the potash industry. How much investment do you expect to flow into Saskatchewan because of these changes to the

structure, the taxation structure?

Hon. Mr. Lautermilch: — Mr. Chairman, we're expecting as a result of these changes, about half a billion dollars, \$500 million, over the next five years.

Mr. D'Autremont: — Would you say, Mr. Minister, though that that is related to this Bill or that this Bill is irrelevant to that increased investment?

Hon. Mr. Lautermilch: — Mr. Chairman, this Bill is just part of the whole package that we put together over a course of two years in discussions that we had and negotiations that we had with the potash industry in Saskatchewan. This is just one component of the whole package that was put together so I guess it's part of what will attract that investment.

Clause 1 agreed to.

Clauses 2 to 5 inclusive agreed to.

The committee agreed to report the Bill.

Hon. Mr. Lautermilch: — Mr. Speaker, I would like to thank my officials for the work that they did in putting this legislation together, but as well the overall package and the work that was done in terms of putting together a royalty taxation and legislative structure that will ultimately make our potash industry more competitive in the global marketplace it operates in. And I want the member opposite for his questions.

Mr. D'Autremont: — Thank you, Mr. Chairman. I'd also like to thank the minister and his officials for coming in and answering our questions today, and we do indeed all look forward to a prosperous potash industry.

Bill No. 32 — The Corporation Capital Tax Amendment Act, 1999

The Deputy Chair: — I'll invite the Minister of Finance to introduce his officials.

Hon. Mr. Cline: — Thank you, Mr. Chair. With me today, sitting beside me is Mr. Bill Jones, who's the deputy minister of Finance; and immediately behind me is Mr. Len Rog, who's the assistant deputy minister of the revenue division; and behind Mr. Jones is Mr. Kelly Laurans, who's the manager of corporate taxes and incentives in the revenue division of the Department of Finance.

Clause 1

Mr. Gantefer: — Thank you, Mr. Chair, and good morning — good afternoon, I guess technically — Minister, and officials.

Minister, I believe Bills 32, 33, 34, and 40 are a result of the changes announced in your budget. Is that correct?

Hon. Mr. Cline: — Yes, that is correct.

Mr. Gantefer: — Thank you very much, Minister. I think we've had the budget debate; we will not re-engage it.

Hon. Mr. Cline: — I thank the member for his question; and I thank the member for his co-operation as usual in the co-operative spirit that the member and I operate in, in moving these pieces of legislation through the House.

Clause 1 agreed to.

Clauses 2 to 9 inclusive agreed to.

The committee agreed to report the Bill.

**Bill No. 33 — The Tobacco Tax
Amendment Act, 1999**

The Chair: — Is the minister using the same officials? Seeing the nod in the affirmative, we'll proceed straight into Bill No. 33 of 1999, An Act to amend The Tobacco Tax Act, 1998.

Clause 1

Mr. Gantefer: — Thank you, Mr. Chair. And, Minister, I again understand that this is an adjustment because of the change in the provincial sales tax.

However, I have a question that maybe is interconnected with Health. There has been some discussion across the country and across the province of a relationship between the cost of tobacco and the likelihood of young people in particular to engage in smoking. And I don't really want to get into the debate about the appropriateness of those arguments.

But my question is simply this: has your department as the agency that actually determines the level of taxation on tobacco, has there been discussions with Health department or across the country in terms of perhaps moving the price of tobacco up and the implication with smuggling and all of those issues? Could you update us, Minister, on those issues?

Hon. Mr. Cline: — Yes, the answer is yes. I'm not sure that we have any formal studies as such but certainly I am in communication regularly with the Minister of Health. And officials of Finance will certainly be familiar with what the Health officials think about the importance of the certain level of taxation on tobacco products, because the member is correct that taxation certainly has an impact on the number of young people that will start smoking.

On the other part of the question, I think the implication of the member's question is also correct; that is, that we could increase the level of taxation on tobacco more than it is right now. But there is a balance between having the tax high enough to discourage smoking but not so high as to encourage smuggling.

And the advice I have from the revenue officials at the Department of Finance is, generally speaking, that we have achieved a balance which seems to indicate that our tax is reasonably high in comparison to some jurisdictions to combat the taking up of smoking by young people and, at the same time, not so high that we have a large smuggling problem.

So in a way we seem to be in a situation where we have the appropriate balance now and these are the factors that we

certainly do try to take into consideration.

(1230)

Clause 1 agreed to.

Clauses 2 and 3 agreed to.

The committee agreed to report the Bill.

**Bill No. 34 — The Education and Health
Tax Amendment Act, 1999**

Clauses 1 to 6 inclusive agreed to.

The committee agreed to report the Bill.

Bill No. 40 — The Income Tax Amendment Act, 1999

Clauses 1 to 8 inclusive agreed to.

The committee agreed to report the Bill.

THIRD READINGS

**Bill No. 26 — The Apprenticeship and Trade
Certification Act, 1999**

Hon. Mr. Van Mulligen: — Mr. Speaker, I move this Bill be now read a third time and passed under its title.

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

**Bill No. 16 — The Mineral Taxation
Amendment Act, 1999**

Hon. Mr. Van Mulligen: — Mr. Chair, I move that this Bill be now read the third time and passed under its title.

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

**Bill No. 32 — The Corporation Capital
Tax Amendment Act, 1999**

Hon. Mr. Cline: — Thank you, Mr. Speaker. I neglected in the Committee of the Whole to thank the opposition member for his co-operation in passing this Bill and the others that I have today, and I do thank him for that.

With that, I move that this Bill be now read the third time and passed under its title.

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

**Bill No. 33 — The Tobacco Tax
Amendment Act, 1999**

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

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

**Bill No. 34 — The Education and Health
Tax Amendment Act, 1999**

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

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

Bill No. 40 — The Income Tax Amendment Act, 1999

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

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

COMMITTEE OF FINANCE

**General Revenue Fund
Finance
Vote 18**

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

Hon. Mr. Cline: — Thank you, Mr. Chair. Beside me is Mr. Bill Jones, who's the deputy minister of Finance; to his left is Mr. Terry Paton, who's the Provincial Comptroller; directly behind me is Mr. Len Rog, who is the assistant deputy minister of the revenue division of the Department of Finance; to his right is Mr. Jim Marshall, who is the executive director of economic and fiscal policy in the Department of Finance.

Behind Mr. Jones, is Mr. Kirk McGregor, who's the assistant deputy minister of taxation and intergovernmental affairs in the Department of Finance; and to his left behind Mr. Paton, is Mr. Bill Van Sickle, who is the executive director of the administration division of the Department of Finance. And we also have some other officials seated at the back in case we need to rely upon their expertise and I won't introduce them right now unless we require their help. Thank you.

Subvote (FI01)

Mr. Gantefer: — Thank you, Mr. Deputy Speaker. And again welcome, Minister, and officials this afternoon. First of all, Minister, I'd like to express my appreciation. In the interim supply discussion I'd asked for some information and I would like to acknowledge and thank the department for providing that in a timely basis. So thank you, particularly Mr. Jones, for providing that.

Minister, there's a couple of areas that I would like to touch on. And again, although you and I may very much enjoy and appreciate the opportunity to get back into the budget debate, I intend to ask the questions and ask information that is very much in the public interest.

An area that seems to be a new and potentially expanding area

of commerce, not only in Saskatchewan but across the country, is the whole issue of Internet commerce. Recently I've seen articles with the Cuenet I believe where the encryption technology, etc. is available to make secure transactions possible.

And certainly while all of those things seem to be happening at an accelerating rate, it would strike me that this has some great potential issues for Finance in terms of the collection of provincial and national sales tax.

Could the Minister please update the Assembly on where the department is in regard to the issues surrounding Internet commerce?

Hon. Mr. Cline: — Yes. It's a very good question. And I must say that we and the other governments in the country, federal and provincial, are more in the process of identifying the problem and trying to assess the range of it and study what solution might be possible than actually being in a position to offer a solution at the present time.

But I would say that the subject matter of the question is certainly pertinent and one that obviously causes some concern to governments across the country, both the federal government in terms of the GST (goods and services tax) and provincial governments that have a provincial sales tax.

So this is something that's being looked at. There's a national committee set up under the auspices of the federal government to examine the problem and to try to find ways that co-operatively governments could work together to try to monitor the situation and deal with it.

Beyond that, I don't have very much detail for the member today, other than saying we think it's a problem we have to look at. We think we have to examine solutions. And in the long term either there will be solutions that are workable and practical or else governments will have to examine their revenue generating capacity and the way that they raise revenue and perhaps at some point examine whether sales taxes are an effective way to do that.

In that regard I think the fact that Saskatchewan at least has a narrower range of PST (provincial sales tax) than most jurisdictions with a provincial sales tax and also a lower PST than we've had in the immediate past does something to ameliorate the problem.

But the problem nevertheless exists and what we need to do right now is to remain in the very much research mode and looking at it mode and try to determine what the nature of the problem is, how big it may become, and in due course to take appropriate measures to deal with the problem.

And as I say, I can't give you specifics of those measures today because that's very much under review by all governments in the country.

Mr. Gantefer: — Thank you, Minister. I think that you would probably acknowledge that timeliness is probably increasingly important. As with most things related to the Internet and the whole computer industry, it seems to move forward always at

an accelerated rate so that this whole issue is probably one that's going to build significantly in very short order. So that I think the minister probably is very aware of the timeliness factor as well.

Minister, another area I'd like to touch on is the issue of forecasting. And I recognize that, you know, a crystal ball is always a bit cloudy in the best circumstances. And I believe that you've included some of your assumptions in forecasting in terms of the price of oil and the interest rates and the Canadian dollar and a lot of those issues.

(1245)

Minister, for example I believe you, if I read it right, is that you're looking at a sales, retail sales increase of some 2.2 per cent. And in the retail sector that I participate in and in other areas in the community, it seems that there doesn't translate, anecdotally at least that those retail sales are starting off with the likelihood of attaining that. In fact, in the recent Saskatchewan *Trends Monitor*, I notice that for the first month of this calendar year at least — and I recognize that that's not identical to our fiscal year — but the sales are actually down 6.3 per cent.

Have you done any adjustments in your forecasting to reconcile what seems to be a very soft market, particularly in some sectors, with your projection of a 2 per cent increase?

Hon. Mr. Cline: — My understanding is that the retail sales have certainly been up and down. I think the member referred to the first year of the calendar year as opposed to the fiscal year.

No, we have not adjusted our projection because I'm advised by officials in the Department of Finance that: (a) it's too early to really tell and it's too early to assess the impact of the recent sales tax cut; and (b) they do believe that notwithstanding what happened in January, that things have changed somewhat since then.

The advice I have from my officials is that they feel that the 2.2 per cent increase projected for the 1999-2000 fiscal year is still a reasonable projection. And I would say to the members, the member probably knows, generally speaking the projections from the Department of Finance tend to be fairly prudent and cautious and we have been meeting them mainly year after year.

So this is the advice I have and we won't be changing the projection now. Of course, if it proves that sales are higher or lower than the 2.2 per cent increase, then we'll be doing some kind of adjustment later in the year. But the long and the short of it is it's too early to tell what is actually happening in this fiscal year.

Mr. Gantefer: — Thank you, Minister. In terms of your department's forecasters, they would look at things like long-term interest rates, oil prices, commodity prices, some of the key indicators. And it seems in information that I've read that there is somewhat I would describe as guarded optimism that the economic downturn, particularly in the Pacific Rim, has maybe at least seen it's worst days and that there is some hope that commodity prices may see some gradual improvements.

Minister, has this information been included in your estimates for the factors in this year and how does your forecasting work in terms of being able to run that forward in a four or five year projection?

Hon. Mr. Cline: — Yes, we have factored the projected changes in I think in a very cautious way. I could refer the member to page 25 of the budget address booklet, actually 24 and 25, which have several projections.

But in particular on page 25 you will see that we're projecting for example for 1999, world price of oil at 13.96 average throughout the year. And presently I think oil today is somewhere around \$18. So it's up, it could go back down. Who knows. But in any event I think it's a fairly cautious projection. Lower than what we had last year. Some of the industry people I have spoken to indicate that they think that we'll do better than we've projected.

But on potash there's a slight increase in price, about 1 per cent I think, that's projected this year over last year.

Wheat, a slight increase in terms of Canadian dollars per tonne. And those as the member will see, there's a five-year projection there and these are the assumptions that we go on in terms of those major commodity prices. But also there are various assumptions made with respect to national and international economic conditions that are set out on page 24. And of course as the member has referred to other factors on page 27.

And as I indicated, the Department of Finance tends to be fairly cautious in its projections, and it also tries . . . well, it doesn't try to; it does compare its projections with those of the various private sector forecasters. It tries to make sure that it's in the range of what everybody else is saying.

And I'm pleased to say that it's been quite successful in projecting out. Sometimes, you know, one thing might be somewhat higher but something else is lower, and so on. But they tend to be fairly accurate when you get right down to it.

So these are the projections. Yes, we've tried to take some amelioration upward into account. And yes, we've set out a five-year plan, which also is part of our objective of setting out a four-year plan to keep the budget balanced. We have to explain how we're going to do that, and all of these factors go into that projection.

Mr. Gantefer: — Thank you, Mr. Minister. Minister, as well on the expenditure side . . . and my colleagues will have undoubtedly been asking some of these questions in the various departments. But for example, in forest fire fighting and things of that nature, it's impossible to foresee exactly what kind of a fire year we're going to have in any given year because so much is climatic in terms of its impact. And I recognize that SERM (Saskatchewan Environment and Resource Management) basically comes up with an average and budgets at that level. But, if the forest fire season is particularly onerous, then you have to do special appropriations in order to cover the difference.

Minister, you know, there are those kinds of areas in forest fire — I use that by way of example. Last year there was extra

overruns and expenditures in I believe eight of the departmental areas. The surplus is pretty razor-thin in terms of the budget numbers.

What contingency plans do you have in place to meet unexpected shortfalls, given the fact that Liquor and Gaming has been drawn down pretty substantially in this budget and there's been a significant extra dividend declared from the Crowns?

Hon. Mr. Cline: — Yes, well the member's point I think is well taken, that we have to manage expenditures very carefully. And in answer to the question about forest fire expenses, there really is no way to estimate what those will be with any kind of certainty in the sense that nobody knows how much rain we're going to have and how many forest fires we'll have.

So the way they do that is simply to go by the long-term averages. And so we allocate a certain amount to fight forest fires based upon what would happen in an average year. And the member is correct, that if it turns out there's more forest fires, then it will be more expensive; if there's fewer then, you know, we might be under budget.

And the answer to the question, generally speaking, is that while we may be over budget in some area, usually that will be coupled with being under budget in another area or having increased revenue where we don't expect it.

Because the whole process of course for budgeting is estimates. That's why it's called estimates. And we do our best to estimate what the revenues will be in each category, what the expenditures will be in each category. And undoubtedly some of them will be higher than we estimate for expense, but at the same time some of them will be lower. But more importantly, I think, some of the revenue projections we have will be lower than what we actually get.

And what we need to do is use the reserves that we are projected to have this year, which is I think approximately \$85 million, reserves in the liquor and gaming fund, to make sure that we . . . That's at the end of this fiscal year; presently the reserves are much higher than that.

But my point is that there are reserves we have available to us, but overall we have to manage public expenditures to make sure that when we are hit with something unexpected, that we can withstand that hit.

If I can make this observation, if you think back to 1995 when we also had record forest fires, the province — even though we had just come off the deficit budgeting and just balanced the budget — the province was hit that year with record forest fires at that time and I think spent upwards of 50 or \$60 million more than budgeted, if not more. But we managed our way through that.

And in 1998 we were hit with forest fires, the low farm prices, the low oil prices, and then \$140 million expense on the farm income and disaster program that we hadn't anticipated. So in the last year we actually managed a few hundred million dollars of unanticipated expenditure and we did that by drawing down on our reserves,

My point is the member is correct. There are certain things that could happen that we have to manage our way through. My answer is yes, that's right. We have to be careful. We will manage our way through because that is our job and we have a responsibility to do that. And if we're hit with something that's very unfortunate, we'll do our best to manage through it as we have in the past.

The committee reported progress.

The Speaker: — It now being the hour of adjournment this House will stand adjourned until Monday afternoon at 1:30 o'clock. The Chair wishes all hon. members some relaxation in your constituencies and with your families this weekend. I look forward to seeing Monday afternoon at 1:30 o'clock.

The Assembly adjourned at 1 p.m.

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