

The Assembly met at 13:30.

Prayers

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Mr. Kwiatkowski: — Thank you, Mr. Speaker. I rise to present a petition on behalf of citizens of northeast Saskatchewan concerned about the condition of Highway No. 23 west from Junction 9 to the town of Weekes. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to take immediate action and make necessary repairs to Highway 23 in order to avoid serious injury and property damage.

This petition, Mr. Speaker, is signed entirely by citizens of Weekes.

I so present.

Ms. Draude: — Thank you, Mr. Speaker. I rise today on behalf of people who are concerned about tobacco legislation:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to immediately amend tobacco legislation that would make it illegal for anyone under the age of 18 to be in possession of any tobacco products; and furthermore, anyone found guilty of such an offence be subject to a fine of not more than \$100.

The people who have signed the petition are from Wadena, Margo, and Watson.

Mr. Gantfoer: — Thank you, Mr. Speaker. I rise this afternoon on behalf of citizens who are concerned about the severe weather conditions and the crop insurance program. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the provincial government to halt its plan to take money out of the crop insurance program and hike farmers' crop insurance premium rates while reducing coverage in order to pay off the provincial government's debt to the federal government.

Signatures on this petition this afternoon, Mr. Speaker, are from Tisdale and from Pontrilas.

I so present.

Mr. Bjornerud: — Thank you, Mr. Speaker. Mr. Speaker, I have a petition from concerned citizens to do with the overfishing at the Lake of the Prairies with nets. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to work with the federal government, First Nations representatives,

and with other provincial governments to bring about a resolution in the Lake of the Prairies situation and to ensure that our natural resources as a whole are used in a responsible manner by all people in the future.

The signatures, Mr. Speaker, are from the communities of Saltcoats, Bredenbury, and Churchbridge.

Mr. Stewart: — Thank you, Mr. Speaker. I rise this afternoon to present a petition signed by citizens concerned with the condition and capacity of the Avonlea dam. And the prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to reconstruct and expand the Avonlea dam to meet current water supply demands, allow for sufficient water supply to accommodate proposed economic developments, and reduce flooding that has caused significant hardship in previous years.

Mr. Speaker, this petition is signed by individuals from the community of Avonlea.

I so present.

Ms. Bakken: — Thank you, Mr. Speaker. I rise today to present a petition on behalf of citizens who are concerned about the tobacco legislation. And the prayers reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to immediately amend tobacco legislation that would make it illegal for anyone under the age of 18 to be in possession of any tobacco products; and furthermore, anyone found guilty of such an offence would be subject to a fine of not more than \$100.

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

And the petition is signed by residents of Weyburn, Stoughton, and Colfax.

I so present.

Mr. Brkich: — Thank you, Mr. Speaker. I have a petition here to improve Highway 42:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to make the necessary repairs to Highway 42 in the Arm River constituency in order to prevent injury or loss of life, and to prevent the loss of economic opportunity in the area.

As in duty bound, your petitioners will ever pray.

Signed by the citizens from Tugaska, Central Butte, Moose Jaw, Davidson, Eyebrow.

I so present.

Mr. Wiberg: — Thank you, Mr. Speaker. My petition today

regards the legislation surrounding tobacco products in the province. And the petition reads as follows, Mr. Speaker:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to immediately amend tobacco legislation that would make it illegal for anyone under the age of 18 to be in possession of any tobacco products; and furthermore, anyone found guilty of such an offence would be subject to a fine of not more than \$100.

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

And, Mr. Speaker, this petition comes from the good people of Prince Albert.

I so present.

Mr. Weekes: — Thank you, Mr. Speaker. I also have a petition from citizens concerned about the increased crop insurance premiums. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the provincial government to halt its plan to take money out of the crop insurance program and hike farmers' crop insurance premium rates while reducing coverage in order to pay off the provincial government's debt to the federal government.

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

Signed by the good citizens of North Battleford, Edam, Battleford, Saskatoon, and Dalmas.

I so present.

Ms. Harpauer: — Thank you, Mr. Speaker. Mr. Speaker, I have a petition today of citizens concerned about Highway No. 15. And the prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to use a portion of its highway budget to address the concerns of the serious condition of Highway 15 for Saskatchewan residents.

And, Mr. Speaker, the citizens are all from the good community of Simpson.

I so present.

READING AND RECEIVING PETITIONS

The Deputy Clerk: — According to order the following petitions have been reviewed and are hereby read and received.

A petition concerning the reconstruction and expansion of the Avonlea dam; and

Addendums to previously tabled petitions being sessional paper no. 7, 18, 23, 24, 31, 132, and 134.

NOTICES OF MOTIONS AND QUESTIONS

Mr. Brkich: — Thank you, Mr. Speaker. I give notice I shall on day no. 53 ask the government the following question:

To the Social Services minister: how many communities under the housing authority program have vacancies on its waiting list; and further to that, what are these communities?

And also I have another question to the Social Services minister: how many communities under the housing authority program have waiting lists; and further to that, what are these communities and how many people in each community are on these waiting lists?

INTRODUCTION OF GUESTS

Mr. McCall: — Thank you, Mr. Speaker. It's my pleasure to introduce to you and to the members of this legislature somebody who really needs very little introduction. The person I'm referring to is seated in your gallery, Mr. Speaker, and it's an individual by the name of Dwain Lingenfelter. Please rise and give us a wave.

Hon. Members: Hear, hear!

Mr. McCall: — As the current member for Regina Elphinstone, it's a real pleasure and honour to introduce Dwain today and, again, if you could give him another round and maybe he'll come back another time to visit us again soon.

Hon. Members: Hear, hear!

Hon. Ms. Lorjé: — Thank you, Mr. Speaker. You know when you're in an airplane and you're flying over Saskatoon and you see a big school with a big, beautiful, blue roof, you know you're in the riding of Saskatoon Southeast. And in that school, Mr. Speaker, are 54 of the smartest, greatest, coolest students you will ever want to meet. And they are seated right now in the west gallery, Mr. Speaker. I'm referring to the students of St. Luke School in the constituency of Saskatoon Southeast.

Now I hope I've got all the adjectives right here. But I really want to add one adjective myself, and that is that they are also the most polite students that I have had the pleasure of meeting this session. And they are here to watch everyone behave equally politely during question period.

Mr. Speaker, they are accompanied by their teachers, Mrs. Muzzolini and Mr. Holowachuk, as well as the vice-principal — the new vice-principal — of St. Luke School, Mrs. Prytula. And they have with them chaperones, Mrs. Hebig and Mr. Meyers.

As I said, they really probably don't need chaperones because they are incredibly well behaved and good mannered. I would ask everyone to welcome these cool, smart, polite, bright students from St. Luke School.

Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: — Thank you very much. Mr.

Speaker, I'd like to introduce to you and through you to all members of the Assembly, a number of officials representing the Saskatchewan Mining Association. This is, as members will know, Mining Week, a week in which we recognize the importance of the mining industry to our province, to the people who are directly and indirectly associated with the benefits it brings to Saskatchewan.

In your gallery, and I'll ask them to stand and be recognized, is Mr. Phil Reeves, the executive director; Mr. Al Shpyth, the chairman of the uranium section; Mr. Josef Spross, the past president; Mr. Moe Daveyduke, member at large; and Mr. Michael Hogan, who is the second vice-president.

I ask all members to give these gentlemen who do so much for our province a very warm welcome to the Assembly.

Hon. Members: Hear, hear!

Mr. Stewart: — Thank you, Mr. Speaker. On behalf of the official opposition I also would like to introduce to you and through you to all members of the Assembly the mining people in your gallery, Mr. Speaker. And I hope that all members of this Assembly will show them how much we appreciate the contribution they make to our province.

Hon. Members: Hear, hear!

Hon. Mr. Melenchuk: — Thank you very much, Mr. Speaker. And in your gallery this afternoon there's a gentlemen accompanied by a member of my staff, Marv Schultz. And this gentleman was raised on the family farm in the Last Mountain-Touchwood constituency, then went to the University of Regina where he completed bachelor's and master's degrees in engineering.

He then moved to Manitoba with his family to take up a position with Unisystems and then Nortel. He has since returned to Regina and is the current vice-president of engineering for Access Communications. I'd ask Joe Toth to stand up.

And more important to me, it is my cousin and I would ask all members to welcome him to the Assembly today.

Hon. Members: Hear, hear!

Ms. Hamilton: — Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to all members of the Assembly, 15 students from the English as a second language class at SIAST (Saskatchewan Institute of Applied Science and Technology) in Regina. There are members seated in your gallery on the east side and a few of the students seated on the floor of the Assembly. They're accompanied today by teacher, Ron Mang.

Mr. Speaker, I had an opportunity to meet with them and answer some of their questions — very good questions — before the bells rang to call us to the Assembly. And I know they are looking forward with interest to watch the proceedings on the floor this afternoon.

I'd ask all members to welcome the English as a second

language students from SIAST. Please join me in giving them a warm welcome.

Hon. Members: Hear, hear!

Mr. Hart: — Thank you, Mr. Speaker. Mr. Speaker, I'd like to join with the member from Regina Wascana Plains in welcoming the students from SIAST. I hope that they have an interesting and informative visit here this afternoon. And I would once again ask members to join with me in welcoming them.

Hon. Members: Hear, hear!

STATEMENTS BY MEMBERS

Well-known Saskatoon Man Passes Away

Mr. Hermanson: — Thank you, Mr. Speaker. Today I would like to acknowledge the death of a very special person from Saskatoon and a personal friend of many of us in this Assembly.

Mr. Speaker, Hugh Arscott died Saturday evening of pancreatic cancer. A well-known storyteller, writer, political activist and business person, Hugh will be sadly missed by his family, friends, and the entire Saskatoon community. Hugh will be remembered for his humour and wit best exemplified by his affiliation with the Rhinoceros Party. Hugh used humour to make political points, and he always managed to find the lighter side of things when dealing with difficulty or tragedy.

He authored Hugh's Views which ran in *The StarPhoenix* for many years. We who knew him were amazed at his ability to keep one eye focused on so much.

An active member within the Saskatoon community, Hugh volunteered in many organizations including the Saskatoon Foundation, the Kinsmen board, and the Salvation Army.

Mr. Speaker, on behalf of the official opposition, Saskatchewan Party, and all members of the Legislative Assembly, I would like to express our sincerest condolences to Hugh Arscott's family and friends.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Saskatoon Child Hunger Program Volunteers Honoured

Ms. Atkinson: — Thank you. Today I want to recognize a very special group of volunteers. This past Saturday, the MLA (Member of the Legislative Assembly) for Saskatoon Idylwyld and myself attended the Child Hunger and Education Program's annual volunteer appreciation breakfast in Saskatoon. Saskatchewan people know the importance of volunteers to our communities. And the group of volunteers honoured at Saturday's breakfast is no different.

The Child Hunger and Education Program works with the Saskatoon community to achieve solutions to hunger and to improve access to nutritious food for all. CHEP (Child Hunger

and Education Program) programs emphasize nutritious food, promote nutrition education, encourage self-reliance, offer respect, and work collaboratively to address food security.

(13:45)

This year's volunteers for CHEP will have donated almost 42,000 hours of their time in providing one quarter of a million nutritious meals to children, coordinating and packing good food boxes, leading collective kitchen groups, and helping out at community garden sites.

The hard work and selfless dedication of this group of volunteers continues to help make Saskatoon a strong and healthy community, as well as a great place to live.

I invite all members of our House to join me in congratulating the Child Hunger and Education Program volunteers in Saskatoon for the commitment to their community and their endless efforts to help Saskatoon grow and prosper.

Some Hon. Members: Hear, hear!

Mining Week in Saskatchewan

Mr. Stewart: — Thank you, Mr. Speaker. Mr. Speaker, this is Mining Week in Saskatchewan. Mining is an industry that's very important to our province and will also play an important role in our future.

This industry contributes more than \$2 billion to the province in terms of goods and services and wages. It paid out over \$200 million to the provincial government in taxes and royalties last year. And it also employs close to 20,000 people.

Mr. Speaker, the Saskatchewan Mining Association reports that our province ranks fourth in Canada in terms of total value of mineral production. We are the world's largest producer and exporter of both uranium and potash. We also have the largest reserves in the world of both of these commodities.

The Saskatchewan Mining Association has numerous events planned for this week, one of which is the meeting this afternoon between the SMA (Saskatchewan Mining Association) and our caucus to discuss many issues of importance within the industry.

Mr. Speaker, members on this side of the House fully understand and appreciate what the mining industry does for this province and how much more it will be able to do under a Saskatchewan Party government.

Some Hon. Members: Hear, hear!

Mr. Goulet: — Mr. Speaker, in addition to the statement by the member from Thunder Creek, a statement was made also by the member of Lloydminster announcing the beginning of Mining Week two weeks ago.

Of course, Mining Week started yesterday, but that's okay, Mr. Speaker, because jumping the gun on this case is perfectly understandable because mining is the most impressive record in this province.

I want to echo the earlier remarks of the Minister of Industry and Resources, who in introducing our guests reminded us of how important mining is to us. And in particular, Mr. Speaker, how important mining is to the constituencies of northern Saskatchewan.

Over 17,000 people work directly and indirectly in the mining industry, and many of these workers are northern Aboriginal people. Take away mining and you take away a lot of what is significant for people in the North. The industry is to be commended for working directly with the government and our institutions to train and employ northerners.

And as the minister said, overall the mining industry is clearly of great benefit to those in the provincial economy. But I want to emphasize a special relationship with the mining industry in the North.

Approximately 80 per cent of the 900 northerners are First Nations and Métis people. There have been about \$200 million worth of contracts and wages held by northern businesses. There are also three environmental quality committees. Mr. Speaker, the mining industry is tremendous for this province and is especially great for northern Saskatchewan.

Some Hon. Members: Hear, hear!

The Speaker: — Order. I would just like to remind members that during members statements they are not to refer at all to any other member's statements that have been made.

Camp Wekando Held in Saskatoon

Mr. Kwiatkowski: — Thank you, Mr. Speaker. Mr. Speaker, in 1996 my daughter Krystal was diagnosed with juvenile rheumatoid arthritis. I am also aware that there are other members of the Legislative Assembly with family members who have rheumatic disease.

To assist families of children with rheumatic disease, The Arthritis Society sponsored Camp Wekando on May 10 to 12 in Saskatoon. Parents were given an opportunity to network and meet with internationally recognized experts in the area of rheumatic disease.

Some of these experts included Dr. Taunton Southwood, Department of Rheumatology, Birmingham University, United Kingdom; Dr. Ross Petty, British Columbia Children's Hospital; Dr. Kiem Oen, University of Manitoba, and Dr. Ron Laxer, Hospital for Sick Children, Toronto, Ontario.

A very inspirational speech was given on the Friday evening by Nicole Watt who herself, Mr. Speaker, was diagnosed with juvenile rheumatoid arthritis. And after her speech she was promptly surrounded by autograph seekers.

For the weekend events, a very special thank you should go to Joy Tappin, the Chair of the organizing committee.

The camp activities over the weekend were enjoyed by children from all across Saskatchewan and pediatric rheumatologist Dr. Alan Rosenberg of Saskatchewan was the centre of attention for much of the weekend. Respected and revered by his colleagues,

valued and appreciated by his patients, Dr. Rosenberg was a key and integral part of the conference as he is in each one of his patients lives.

I would ask everyone to join with me in thanking The Arthritis Society for their good, hard work. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Yorkton Short Film and Video Festival

Hon. Mr. Serby: — Thank you very much, Mr. Speaker. I want to take a moment to congratulate all those that were involved in yet another highly successful week, the week ending on Saturday, which is the 55th annual Yorkton Short Film and Video Festival.

As you know our festival is the oldest continuous festival in North America and last year was given the outstanding cultural event award by Attractions Canada.

Screening of the many films began late Monday in order to allow for the largest possible audience to view what is new, innovative, and exciting in short film. What is once a weekend festival is now a week-long affair.

The focus of this year was on education and on new filmmakers; and there were workshops on directing, producing, scriptwriting, and animation all directed by a beginning artist.

On the main three days of the weekend there were nine workshops as well as continuous screening, especially this year, of Saskatchewan made films. The prized Golden Sheaf Award ceremony was held on Saturday night with special guest Jeff Hutchenson from *Canada AM*.

Among the winners was the film *Christmas at Wapos Bay*, which won the best Saskatchewan film and the best children's production.

Mr. Speaker, I congratulate the film festival president, Janet Hill, and all of her staff and volunteers, and urge all members next year to take some time out of their schedule to attend the 56th edition of the Yorkton Short Film Video Festival. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Congratulations to Mrs. Cora Hansen on her 103rd Birthday

Mr. Elhard: — Thank you, Mr. Speaker. Mr. Speaker, I would like to recognize Mrs. Cora Hansen, a constituent of mine who recently turned 103 years old.

Until this past December, Mrs. Hansen lived with her daughter, Eleanor, and her son-in-law, Alistair MacArthur, on a ranch near Sceptre. She now resides at the Western Senior Citizens Home in Leader.

Mrs. Hansen was the proud recipient of a certificate recognizing her as a member of the Three Century Club having been born in 1899, living through the entire 20th century, and now two years

into the 21st century.

I had the distinct pleasure to present Mrs. Hansen with her certificate in the summer of 2000, and at that time was very impressed with her excellent well-being, both physically and mentally.

We all know the Three Century Club was initiated as a way to acknowledge a unique group of pioneer citizens, and Mrs. Hansen was one of 179 residents of this province to be so recognized.

Her name has also been engraved on a bronze commemorative plaque unveiled on June 27 last year here at the Legislative Building.

The future of our province has been built on the character and accomplishments of people like Mrs. Hansen, and I ask that members join me in recognizing her contributions to this province.

Please join me in wishing her good health and happiness in the coming years. Congratulations, Cora Hansen, and happy 103rd birthday. We wish you more.

Some Hon. Members: Hear, hear!

ORAL QUESTIONS

Response to United States Farm Subsidies

Mr. Hermanson: — Thank you, Mr. Speaker. Last Friday Prairie leaders met with federal cabinet ministers in Saskatoon to discuss the federal government's response to the US (United States) farm Bill.

The meeting was encouraging as Ottawa is now acknowledging the need for new dollars. But it was discouraging to hear Lyle Vanclief continue to talk about a 60/40 cost share with the provinces.

Mr. Speaker, as we have mentioned before, North Dakota taxpayers are not picking up 40 per cent of the cost of the new US farm Bill, and Saskatchewan taxpayers should not be asked to pick up 40 per cent of any trade injury compensation here.

Mr. Speaker, of Ottawa's responsibility for international trade, it is clear, the Saskatchewan Party has stated, that this latest attack on Canadian farmers is an international trade issue. It is a federal responsibility.

I would ask the Premier: what further steps is the provincial government taking to make this point with the federal government?

Some Hon. Members: Hear, hear!

Hon. Mr. Serby: — Thank you very much, Mr. Speaker. I want to echo the comments of the member opposite and the Leader of the Opposition who — I was pleased — at the meetings reiterated what he said here today, and that's the importance that Saskatchewan and Canadian producers and Canadian provinces not participate in any of the share as it

relates to trade injury.

And the message was loud and clear, Mr. Speaker, not only from the farm organizations and farm leaders, but also from the premiers, Mr. Speaker, who've also said that the responsibility of managing and handling trade injury needs to be that of the federal government.

And our Premier, as you know, is on record now on several occasions indicating that this issue should be dealt with at the national level financially. Our Premier has had discussions now — and is having discussions now — with his colleagues across Canada to ensure that when this matter becomes part of the national debate with all premiers that the message will be conciliatory and solid, where all of the premiers across Canada will be calling for full participation by the national government.

Some Hon. Members: Hear, hear!

Mr. Hermanson: — Thank you, Mr. Speaker. Well, Mr. Speaker, of course there's no disagreement between the opposition and the government as to the responsibility the federal government must entertain.

But, Mr. Speaker, that's the part of the message that I don't think that they wanted to hear on Friday, and they continue to treat this matter as though it was strictly a farm issue, perhaps even rolling it into the new ag framework which would mean the province could pick up as much as 40 per cent of the cost.

Mr. Speaker, this is unacceptable. Saskatchewan's share of a \$1.3 billion trade injury package would be about \$500 million; so using Lyle Vanclief's cost-sharing formula, Saskatchewan could . . . would perhaps have to pick up as much as \$200 million of that cost.

Mr. Speaker, Saskatchewan taxpayers should not be asked to pick up \$200 million in injury payments.

Mr. Speaker, the federal government's responsibility is for international trade so what we want to know, and what Saskatchewan people want to know, is what is our provincial government doing to ensure that this cost is picked up solely by the federal government?

Some Hon. Members: Hear, hear!

Hon. Mr. Serby: — Mr. Speaker, what this government and this Premier and this Minister of Agriculture have been doing and saying now for the better part of 18 months or 20 months since we've been managing the agricultural file, is saying exactly what the member opposite, what the Leader of the Opposition is saying — that Canadians should be . . . that provinces should not be picking up any of the trade injury.

We provided, Mr. Speaker, to the national government through the Standing Committee on Agriculture, a document, last February — not this past February, but a year ago February — which said to them this issue should be fully funded by the national government.

Our Premier submitted a document in October of last year that said exactly the same thing, Mr. Speaker, that we should be

seeing that the national government pick this up fully.

I am absolutely delighted, Mr. Speaker, today to hear the Leader of the Opposition say again that he is on record and his party's on record in supporting the national government's picking up the full amount of the cost of the trade injury by the provinces. And I know that he's supporting the work of the Premier, and I appreciate that a whole lot, Mr. Speaker.

Some Hon. Members: Hear, hear!

Health Care for Children

Mr. Gantefoer: — Thank you, Mr. Speaker. Mr. Speaker, my question's to the Minister of Health. Mr. Speaker, *Today's Parent* is a national magazine dealing with the issues surrounding parenting of children and their families in Canada. It's a national magazine that deals with many topics of interest to young families.

And in the June of this year's issue, the current issue, they have a headline exclusive, "Health Care in Canada, How does your province rank?" And the article asks a very simple, fundamental question. It said, which province delivers the best health care to kids and their families?

Simple question, Mr. Speaker, and guess how they ranked our province? You think we finished first? No. Do you think we finished second? No. Third? Fourth? Fifth? Or even in the middle of the pack? No. Mr. Speaker, again by another national rating mechanism, Saskatchewan is dead last.

Mr. Speaker, will the Minister of Health answer the question of isn't he embarrassed that we continue to rank dead last on so many indicators?

Some Hon. Members: Hear, hear!

(14:00)

Hon. Mr. Nilson: — Mr. Speaker, in this province we're working together with the people of the province to make sure that our health system provides the services that we need across the country. One of the challenges that we face is the fact that now and again, institutes like the Fraser Institute use some anecdotal evidence to try to analyze what's happening in our system. Unfortunately *Today's Parent* used the Fraser Institute information to build some of what they're doing.

Mr. Speaker, I think what we need to do here in Saskatchewan and together with our Prairie provinces and our Western provinces, we need to work together around how we provide the services because the people of Saskatchewan and the people of Western Canada want to know that we're working together to provide the best services possible for everybody.

Some Hon. Members: Hear, hear!

Mr. Gantefoer: — Mr. Chair, the Minister of Health should be apologizing to the people of Saskatchewan rather than ridiculing the *Today's Parent* magazine and the work that they've done.

Mr. Speaker, the journalists who researched this article looked at several factors to determine how the province ranks in terms of health care delivery for children and their families. The article states, and I quote:

Saskatchewan, the birthplace of medicare, hit the bottom of our comparative barrel with the highest infant mortality and the worst treatment referral waiting lists.

Mr. Speaker, other factors were considered by the authors were the number of general practitioners working in the population, child mortality, asthma rates, and the percentage of the public sector spent on health spending. Mr. Speaker, they conducted that Saskatchewan spends the second highest per capita amount on health and yet we finished dead last.

Mr. Speaker, will the minister explain why he's getting so little value for the money Saskatchewan taxpayers are spending to end up always last?

Some Hon. Members: Hear, hear!

Hon. Mr. Nilson: — Mr. Speaker, once again, the reporter in this particular article used the infant mortality rates from 1997, which were 8.9 infant deaths per 1,000. If he would have used the figures for 1999, which is, I think is one of the more recent reports, it would have shown it was 6.3 per 1,000. And basically what we are doing, Mr. Speaker, is we're going to work with all of the people in this province to make sure that we have a good health system.

What I say, Mr. Speaker, where is that party on health issues? What are they going to do? In their '99 plan, it was to do an audit, freeze the costs, and try to figure out what they were going to do from there.

Mr. Speaker, we will work with the people in our province to make sure that we have the best health system possible and we will continue to do that along with the people who know what our system is like, not some others who are taking potshots from the side.

Some Hon. Members: Hear, hear!

Mr. Gantefoer: — Mr. Speaker, this magazine looks at comparative analysis across this country. And in any analysis that happens, time after time and time after again, by different analysis systems, Saskatchewan always finishes dead last. And so, Mr. Speaker, it seems to be a bit of a contradiction that we're always last.

Mr. Speaker, it makes sense that we start dealing with the fundamental issues of our province — the economic, the health issues, opportunities for people in our province — so that the article's point is saying that we've got to turn around the fundamentals of this province if we're going to get it out of this mess that we're constantly in.

Some Hon. Members: Hear, hear!

Mr. Gantefoer: — Mr. Speaker, instead of the government always questioning valid articles and organizations that question the government, why don't they do something about

fixing the fundamental indicators that are ending up with us being dead last time and time again?

Some Hon. Members: Hear, hear!

Hon. Mr. Nilson: — Mr. Speaker, there are a number of ways of looking at some of these issues.

We know, on a national basis, Saskatchewan is the only province where child poverty has decreased in the last number of years.

Some Hon. Members: Hear, hear!

Hon. Mr. Nilson: — Mr. Speaker, we know that when *Maclean's* magazine did a review of the health systems across the country by looking at various cities, that both Saskatoon and Regina did very well, but Saskatoon did very, very well in that kind of a review. And, Mr. Speaker, we will continue to work with all of the people involved in the health care system and make sure that they get the kinds of support that they need.

Mr. Speaker, we ask those members opposite to be part of the positive, building party that we're . . . we are part of on this side, not the negative, tear down and throw away Saskatchewan.

We believe in Saskatchewan. We want Saskatchewan to grow. We want Saskatchewan to be a place for all of our grandchildren. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Processing of Claims for No-fault Insurance and Workers' Compensation

Mr. Heppner: — Mr. Speaker, my question is for the minister responsible for SGI (Saskatchewan Government Insurance). No-fault insurance is another example, Mr. Speaker, of the NDP (New Democratic Party) government making bad public policy. Now, in what appears to be yet another problem, many people who file no-fault insurance claims are complaining that the NDP government is conducting criminal background checks without their knowledge or permission.

Mr. Speaker, is it true that the NDP government routinely conducts criminal background checks on people who file no-fault insurance claims with SGI without their permission?

Some Hon. Members: Hear, hear!

Hon. Mr. Sonntag: — Thank you very much, Mr. Speaker. I am aware, certainly, that SGI does investigations. It's part of ensuring that insurance fraud doesn't take place. They also look to recover stolen vehicles in a number of instances, Mr. Speaker, and I'm aware that SGI does do that.

Some Hon. Members: Hear, hear!

Mr. Heppner: — Thank you, Mr. Speaker. Short answer but it wasn't to the question — a very simple question. The question is this, Mr. Speaker: does SGI conduct criminal background checks on no-fault insurance victims without their permission?

Hon. Mr. Sonntag: — Mr. Speaker, I have been advised as well that certainly when there's issues . . . instances of fraud, that they believe fraud is taking place, I would believe that the individual may not be aware the checks are being done. But certainly this is nothing different than any other public or private insurance company would conduct and it's done under very strict regulations and very tight controls.

Some Hon. Members: Hear, hear!

Mr. Heppner: — Thank you, Mr. Speaker. So the answer to people who file with no-fault insurance is that they have a check done without their permission no matter how the weasel words came out.

Mr. Speaker, Saskatchewan people don't have a choice when it comes to vehicle insurance; they have to deal with SGI. And when they deal with SGI they get no-fault insurance. Now we found out the NDP routinely conducts criminal background checks on SGI no-fault insurance claimants.

Mr. Speaker, how does the NDP carry out these criminal background checks, and who is doing these investigations? Are the NDP's no-fault insurance investigations being conducted by SGI staff or are the criminal background checks in the no-fault investigations contracted out to private investigators?

Hon. Mr. Sonntag: — Mr. Speaker, I would be advised as well that these checks are not routine as the member opposite would describe. These checks would be done in situations where it is believed that there has been insurance fraud, Mr. Speaker, where stolen property or stolen vehicles would be involved, Mr. Speaker, but it would not be as a matter of routine course, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Heppner: — Thank you, Mr. Speaker. The story gets more interesting all the time. First we find out that the NDP routinely conducts criminal background checks on no-fault insurance claimants, then we find out that these criminal background . . .

The Speaker: — Order, please. Order. Order.

Mr. Heppner: — Used to be a story told in this place, Mr. Speaker, about a stone being thrown and a lot of yipping going on. I think it applies.

Then we find out that these background checks are done without the permission of the no-fault claimant. And now we find out that the NDP contracts out the no-fault investigations to private investigators.

Mr. Speaker, in the course of running undercover investigations and performing criminal background checks on Saskatchewan citizens who make no-fault claims, do private investigators gain access to CPIC (Canadian Police Information Centre) or any other personal or confidential information held by the government on people who make no-fault insurance claims?

Hon. Mr. Axworthy: — Mr. Speaker, the member asks do . . . does SGI have the opportunity to access CPIC in order to conduct investigations of insurance fraud and the recovery of

stolen vehicles, which is what they would use it for. The answer is yes, Mr. Speaker. I think, Mr. Speaker, if the member checked with every single insurance company in the country, he would see that their investigators have exactly the same powers.

And would the member have it any differently, Mr. Speaker? Would he want SGI to be paying out in the event of fraud by claimants? Or would he want it to be handled in a businesslike way which is what takes place?

Some Hon. Members: Hear, hear!

Mr. Heppner: — Thank you, Mr. Speaker. Mr. Speaker, short question: has the NDP government hired Robinson Investigations to run surveillance or otherwise investigate Saskatchewan residents who make SGI no-fault insurance claims?

Hon. Mr. Sonntag: — Mr. Speaker, I have been advised that they have been . . . that Robinson has been employed by SGI. But in response to the specific question I would have to take that question under advisement, Mr. Speaker.

Mr. Heppner: — Thank you. I am sure they're not fixing fenders, Mr. Speaker.

Mr. Speaker, my next question is for the minister responsible for Workers' Compensation Board: if SGI is running background checks and hiring private investigators to spy on Saskatchewan residents who make no-fault insurance claims, it makes you wonder what other NDP organizations routinely run criminal background checks and hire private investigators to spy on Saskatchewan residents.

Mr. Speaker, will the minister responsible for the WCB (Workers' Compensation Board) assure the legislature and the people of Saskatchewan that the Workers' Compensation Board does not access personal information such as CPIC records or conduct criminal background checks without notifying and then getting the permission of the WCB claimants that they are investigating?

Hon. Ms. Higgins: — Mr. Speaker, the question that the member opposite asks is fairly in depth and in detail so I will take it under advisement and get him an answer when I can.

Mr. Heppner: — Thank you. Mr. Speaker, does the WCB hire private investigators to run surveillance or otherwise investigate on WCB claimants? And if so, is Robinson Investigations one of the private investigation firms the WCB contracts with to perform these investigations?

Hon. Ms. Higgins: — Mr. Speaker, as I said just two minutes ago, it is a fairly in-depth and detailed question. And I will take it under advisement and I will take notice of the question.

Mr. Heppner: — We found out from SGI that they're spying on Saskatchewan citizens. We got a good clue from WCB that they're spying on Saskatchewan citizens.

My question, Mr. Speaker, is to the Premier. To the boss, the Premier: how many other government organizations are spying on the citizens of Saskatchewan?

Some Hon. Members: Hear, hear!

Hon. Mr. Axworthy: — Mr. Speaker, I think the member should be careful about what he's saying. First of all, he's misrepresenting what the member, what the minister for SGI said. There is no wholesale, willy-nilly investigation of people in this province.

If fraud is suspected, Mr. Speaker, if crimes are suspected, then surely it's proper that this government take every steps it can, on behalf of the people of the province, to make sure that money is invested and paid out in an appropriate way, Mr. Speaker.

If the member were to have it any other way, Mr. Speaker, let him suggest that we should not expose those people who are committing crimes against SGI, against Workers' Compensation Board, against any other, against any other organization, Mr. Speaker. Because it is not, Mr. Speaker, the member's money, it is not our money, it is the money of the people of Saskatchewan at stake.

Some Hon. Members: Hear, hear!

Assistance to Municipalities for Firefighting

Mr. Bjornerud: — Thank you, Mr. Speaker. Mr. Speaker, my question is for the minister of Municipal Government. The extremely dry conditions across the province have increased the concerns about forest and grass fires in most Saskatchewan rural municipalities, towns, and villages.

The dry conditions combined with the high winds carried several grass fires great distances last week. The town of Archerwill, Mr. Speaker, was directly affected by fire, as were surrounding municipalities. Without lots of wet weather in the near future, these conditions and the devastation caused by fire will not change. RMs (rural municipality) and towns incur considerable expense to fight fires like the one that affected Archerwill last week.

Mr. Speaker, will the minister explain what funding might be available from the government to help rural municipalities and their residents fight fires?

Some Hon. Members: Hear, hear!

(14:15)

Hon. Mr. Belanger: — Mr. Speaker, there's no question that the fire situation in the province of Saskatchewan is drastic. There are many villages, there are many RMs, there are many forests that are under threat. And as we speak we have many firefighters and many pieces of equipment working on trying to contain some of these fires.

And, Mr. Speaker, I would assure that member that we are working with many RMs. As many people know, The Prairie and Forest Fires Act does not mandate SERM (Saskatchewan Environment and Resource Management) to fight fires in the RM areas.

What we do, Mr. Speaker, is on a case by case basis we work

with the RMs. We sit down with them. We discuss how we're able to assist them to make sure we're able to fight the battles and fight the blazes that are out there, alongside of many RMs. And I can point out, Mr. Speaker, that that co-operation between the RMs and certainly the SERM firefighting staff is very good.

We're facing some tinder dry conditions and strong winds, so there is no question it is a very tough place to be now. But we'll work with the RMs. We'll stand beside them and, Mr. Speaker, we'll do all that we can.

Thank you very much.

Mr. Bjornerud: — Thank you, Mr. Speaker. Well, Mr. Speaker, my next question is for the Premier or his designate.

The Premier visited Nipawin just over a week ago and personally witnessed the damage caused by fire in the community and one neighbouring RM. At the time the Premier told the media a financial contribution from the province is appropriate and that the government would be very flexible.

The damage the community of Archerwill and its surrounding area experienced was no less devastating, yet the Premier has not offered to visit that community. And he certainly hasn't offered any financial help to help with the costs incurred by the fires they had to fight.

Mr. Speaker, was the Premier making policy on the fly during his Nipawin visit? How much is the government planning on contributing to the costs in fighting the Nipawin fire? And will other communities and RMs be eligible to receive provincial assistance to help with the cost of firefighting during this excessively dry season?

Some Hon. Members: Hear, hear!

Hon. Mr. Belanger: — Mr. Speaker, once again, as I pointed out, the Premier has made many visits to many sites in this province. And certainly as his visit to Nipawin, if he were to visit some of the forest fire areas, Mr. Speaker, he'd be in the air steady. Mr. Speaker, as I've mentioned, there are fires throughout the province raging as we speak now.

And I would point out to that member when their . . .

The Speaker: — Order, please. Order. Order. Order, please.

Hon. Mr. Belanger: — Now, Mr. Speaker, when the Premier went to visit Nipawin, he understood and he assessed at that time, Mr. Speaker, that there was a devastating loss to the community. There was a huge employment industry that was burned to the ground. He understood that he had to go there and he had to go and help the people as much as he can, Mr. Speaker.

And what he does not do, Mr. Speaker, he doesn't fly around, make policy as he flies around viewing some of the challenges that this province has.

When he went to Nipawin as a case, Mr. Speaker, on a case by case basis, we look at how we're able to assist. And that goes

with firefighting and certainly that goes with trying to respond to some of the community's needs in the event that they've gone through a devastating loss.

And I say, Mr. Speaker, shame on that member trying to play politics with the fact that the Premier went out, toured, and offered to help Nipawin. I say good for Nipawin, good for the Premier, and good for this province.

Some Hon. Members: Hear, hear!

Mr. Bjornerud: — Thank you, Mr. Speaker. Well, Mr. Speaker, I think we all understand on this side of the House why the Premier ended up in Nipawin. It was going to be as hot in here for him at that time as the fire was in Nipawin.

Some Hon. Members: Hear, hear!

Mr. Bjornerud: — We know full well, Mr. Speaker, that that's why that Premier headed out there and that's why he was making policy on the fly and he offered to pay Nipawin some money. Now that's fine, Mr. Speaker, but what about other communities, other RMs in this province, that also need help from that wee Premier.

Mr. Speaker, the fire at Archerwill I understand is burning again today. It's relit and it's burning. The water bombers are fighting. Archerwill will need financial help also. Will the Premier go to Archerwill now and take a look at their fire?

And does he promise to go around the province to where there's been other fires? And does he promise to go to other communities where new fires are going to pop up and will they be receiving government help, Mr. Speaker?

Some Hon. Members: Hear, hear!

Hon. Mr. Thomson: — Mr. Speaker, as the minister responsible for the provincial disaster assistance program, I'm pleased to take this question today. I think all members are aware that we do in fact have funding in place in certain circumstances. We have made sure that we've got a coordinated response from the government.

But what I want to say to that member opposite who politicks on the floor of this House about the fire situation is be very careful because you don't want to find yourself in the same position . . . the member does not want to find himself in the same position as the member who represents Archerwill and found herself apologizing for misinformation put forward in that community.

We should take a circumspect response. We should make sure we provide the information to the communities. We should make sure we work it through the disaster program and not to confuse the issue and play politics like the members opposite want to.

Let's stick with what we know and that is how to go and work with these communities, coordinate the response, and respond appropriately, Mr. Speaker.

The Speaker: — Order.

MINISTERIAL STATEMENTS

New School Facility Planned for Ile-a-la-Crosse

Hon. Mr. Melenchuk: — Thank you, thank you very much, Mr. Speaker. This morning I had the opportunity to participate in a very exciting event for northern Saskatchewan. I joined with special guests Dr. Bill Duffee, director of education; the secretary-treasurer of the Ile-a-la-Crosse School Division, Kamal Fichtali; William Caisse, the Deputy Chair of Ile-a-la-Cross School Board; principal Barb Morin; Mayor Max Morin; and my colleague, the Hon. Minister of Northern Affairs and MLA for Athabasca, to deliver some very exciting news to the students of Rossignal School.

I was very pleased to announce that the approval for a new high school in Ile-a-la-Crosse and 100,000 in funding for the planning and design of the new school in Ile-a-la-Crosse. The results will be plans for a top quality learning environment for students in that community, Mr. Speaker. Construction costs for the new school will be determined during the planning phase and the costs will be shared by the department and the Ile-a-la-Crosse School Division.

Now, Mr. Speaker, Rossignal High School has served that community well for close to 50 years. However, the time has come to provide senior students with a more modern education facility, a facility that has the potential to include space for a community school program and initiatives such as a nutrition program and day care.

The Ile-a-la-Crosse School Division shares with us a common determination to ensure safe and functional learning environments for students and teachers throughout Saskatchewan. Above all else, we are focused on meeting the needs of all young people in Ile-a-la-Crosse and across Saskatchewan, Mr. Speaker.

There has been discussion among various interested parties regarding the high school being incorporated into a joint use facility. Sharing resources is an excellent way to benefit everyone in the community and is part of the overall vision of School^{PLUS}.

Capital projects are a priority for the government. With the 45 million in the Department of Learning capital budget, including the 5 million from the Centenary Fund, Mr. Speaker, approximately 140 school construction, renovation, or upgrading projects will be funded in communities around the province this fiscal year, Mr. Speaker.

The new Education Infrastructure Financing Corporation makes it possible for communities such as Ile-a-la-Crosse to benefit from the building of new facilities.

Mr. Speaker, we are investing in schools, in students, and in the future of Saskatchewan. Together we are building a school system that future generations that will thank us for.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Ms. Draude: — Thank you, Mr. Speaker. I'm pleased to stand today to respond to the ministerial statement, and I thank the minister for sending it over.

On behalf of the Saskatchewan Party, we congratulate the people of Ile-a-la-Crosse for their commitment to learning for the children in their community. I had the opportunity to visit Ile-a-la-Crosse school when the now Minister of Northern Affairs, the Hon. Buckley Belanger, was in opposition to this government.

Role of the School and School^{PLUS} speak . . .

The Speaker: — I just want to caution the member about using names while she's in debate.

Ms. Draude: — I apologize, Mr. Speaker.

The Role of the School and School^{PLUS} speak adamantly about the importance of community schools and the concept of interdepartmental co-operation. I'm pleased to hear that the facility is being considered as a potential place for making this facility a community school.

The Saskatchewan Party also congratulates the citizens of Ile-a-la-Crosse for considering the prospect of being a joint use facility. Making the best use of taxpayers' dollars is a must as we juggle the money the taxpayers put forward into billing the infrastructure we need to grow the whole province.

Saskatchewan Party recognizes the need for educated skilled workforces to grow the province. Our northern communities will play an important part in growing Saskatchewan and building educational facilities is good news for the whole province.

The 140 communities that the minister discusses as being part of the capital project fund this year will be interested in hearing who's next on the list and I'm sure we're all waiting with bated breath to see where the minister will go next. Congratulations to Ile-a-la-Crosse.

Some Hon. Members: Hear, hear!

The Speaker: — Why is the member from Regina Qu'Appelle on his feet.

Hon. Mr. Wartman: — With leave to introduce guests.

Leave granted.

INTRODUCTION OF GUESTS

Hon. Mr. Wartman: — Thank you very much, Mr. Speaker, and members. I would like to introduce to you and through you to the rest of this House a long-time friend of mine, John Barber.

John is a Winnipeg lawyer. He's a farmer. John's father was a minister at Wesley United Church in Prince Albert for many years.

And he's seated up in your gallery beside the Minister of

Education's cousin. And so I'd like to express our welcome to John to our legislature. He's here in the city on business and I would ask all members to join me in welcoming him here to this legislature.

One other . . . thank you. One other thing, Mr. Speaker, is that he did appear in this legislature once before. He too is a member of the youth parliament in his background. So welcome to John.

Hon. Members: Hear, hear!

ORDERS OF THE DAY

WRITTEN QUESTIONS

Mr. Yates: — Thank you, Mr. Speaker. I stand on behalf of the government today to table written responses . . . response to written questions 205, 206, 207, 209, and 2010 . . . or 209, Mr. Speaker.

The Speaker: — Responses to questions 205, 206, 208 . . . Pardon me — 205, 206, 207, and 209 have been tabled.

Mr. Yates: — Thank you, Mr. Speaker. We will convert for debates returnable.

The Speaker: — No. 208 converted to a motion for return debatable.

GOVERNMENT ORDERS

COMMITTEE OF THE WHOLE

Bill No. 12 — The Farm Financial Stability Amendment Act, 2002

Clause 1

The Chair: — I invite the Minister of Agriculture to introduce his officials.

Hon. Mr. Serby: — Mr. Chair, I have with me today the assistant deputy minister, Mr. Hal Cushon. And seated behind Hal is the director of financial services . . . financial services branch, is Dave Boehm.

(14:30)

Ms. Harpauer: — Thank you, Mr. Chair, and I welcome the minister and his officials as well today.

The first question that I have on this Bill is that I was wondering if the minister could tell us if there are any specific incidents that prompted this amendment to the Bill as far as cattle being seized because of an individual's debt?

Hon. Mr. Serby: — Mr. Chair, to the member, the answer would be that, no, that there were not.

Ms. Harpauer: — Thank you, Mr. Minister. What is it then or which interest group requested that this amendment be made if there was indeed not any particular incident that had created this

difficulty?

Hon. Mr. Serby: — Mr. Chair, to the member, the groups that have asked for these changes were the Cattle Feeders Association, the producers advisory committee, and the lenders, of whom we've been meeting with on a regular basis.

Ms. Harpauer: — Thank you, Mr. Minister. Is the reason why they're asking for this is the concern of what may happen in the case that a particular member in a cattle feeders association had a debt and the cattle in the association could be seized? Or, like, were they concerned about a possibility of it happening?

Hon. Mr. Serby: — Mr. Chair, to the member, I just want to read a section out of the second reading speech which I think would be helpful in terms of identifying why it is that we are introducing the amendments. And by and large, the largest piece here is to allow the corporations that operate feedlots to be eligible for membership within the association. That would be really the key piece here.

Which Bill are we on . . . (inaudible interjection) . . . We're on The Farm Financial Stability Amendment Act (No. 2). That's the piece of legislation that we're working on here.

Maybe we could have Mr. Chair just clarify the piece of legislation that we're working on.

The Chair: — I have Bill No. 12, An Act to amend The Farm Financial Stability Act — item 12, Bill No. 12. The committee will take a brief pause while we double-check something.

Order. After consultations it's reaffirmed that we are on item no. 12, Bill No. 12, An Act to amend The Farm Financial Stability Act.

Ms. Harpauer: — Okay, now that there no longer seems to be any confusion, I hope, could the minister please tell us if there are any specific incidents that prompted this amendment as far as cattle being seized because of individual debts?

Hon. Mr. Serby: — I can understand now, Mr. Chair, why the member was concerned about my later answer because we're now on the same Act, I can see. And the answer to the member, Mr. Chair, is yes. My answer to the last question was no, my answer to this question is yes.

Ms. Harpauer: — I thank the minister for now giving the correct answer. How many producer associations are in place that will be affected by this legislation?

Hon. Mr. Serby: — There are, Mr. Chair, 128 producer associations in the province and it would impact them all.

Ms. Harpauer: — Now you had mentioned earlier a number of organizations that had asked for this Bill, except that it wasn't necessarily this Bill. So can you describe the discussions that the government has had on these changes, over what period of time, and with what special interests are the ones that came forward and requested that these changes be made?

Hon. Mr. Serby: — I think, Mr. Chair, to the member, it would be the same groups of individuals whom we had spoken with.

And the producer advisory committee would be really the lead on this, who would be asking us to make some changes to this piece of legislation. Also, cattle feeders would also be the other group.

Ms. Harpauer: — I thank the minister. If I'm understanding the Bill correctly, what the amendments will do, it will protect feeder associations from individual member's creditors so that the producer or the feeder association is not liable for any one particular member's bad debt.

But then the producers in the feeder association will no longer have legal ownership of the cattle that's in the association. Am I understanding the Bill correctly?

Hon. Mr. Serby: — Mr. Chair, the member is correct in assuming that it clarifies that the association is in fact now the owner. And the liability then would be to the association.

Ms. Harpauer: — Thank you. What is the implication then of the . . . What is the tax implications of this type of arrangement? Because a lot of producers get involved with feeder associations. They buy the cattle and they use the cattle as a tax write off or a tax expense in their income tax for income tax purposes.

So in changing this legislation where the association is the owner of the cattle, what implication does that have on the producer's income tax with Revenue Canada?

Hon. Mr. Serby: — Mr. Chair, I'm advised that this doesn't change the tax implications at all. We were of the impression or the opinion, I think all the time, that the association was the owner of the livestock and the, of course, the couple of court cases which the member's aware of has raised the issue as to why . . . and this is why we're bringing the legislation forward today. So there should be, as I'm advised, no implications to the tax.

Mr. Weekes: — Thank you, Mr. Chair. A question to the minister concerning the tax implication. The way the Act read before, the association was the trustee of the cattle and the individual owned the cattle. Now the association owns the cattle. So if the individual does not own the cattle, the minister is saying that it still does not affect the tax implication.

But I'd like to know if the minister has got a ruling from Revenue Canada concerning that change in the Act and how it will affect the Act concerning the individual's tax position by buying cattle and using that cattle purchase as an expense.

Hon. Mr. Serby: — I think, Mr. Chair, to the member. The member raises the question and clearly there was identified by the producer advisory committee that there is risk in making this kind of a change. There's no question about that. But what the cattle . . . or what the producer advisory committee was more concerned about here is that the cattle can't be seized out from under them. And this is why they were really seeking to make the change.

Mr. Weekes: — Thank you, Mr. Minister. I appreciate that and there was definitely a concern about the concerns of producers having the cattle seized and it's very important that we make

the change.

But my question again goes to the tax implication. Because it's very serious for a producer who goes on the understanding that they can purchase cattle through the feeder association loan guarantee program and using it as an expense and find out a number of years later, maybe five years later, that the Revenue Canada has come back and said they . . . that was a . . . not an appropriate expenditure, and then be in the position of having to pay a tremendous amount of taxation because of that concern.

I was just wondering again if the minister has asked the provincial revenue Finance department about . . . if they've had a . . . their opinion on that and also if they've spoken to Revenue Canada about that concern.

Hon. Mr. Serby: — I think, Mr. Chair, the member raises a very important question. And I might say to the member that we've had some very generic conversations of course with the producer advisory committee and with the departments that are responsible that the minister identifies as it relates to the taxation issue. And the producer advisory committee raised this issue as well with us, or we raised it with them, in terms of it being a risk.

It was their view that the risk was . . . was needed to be taken because of the seizures around the livestock. And so what we've decided, Mr. Speaker, is to bring the legislation forward in the way in which we have if the . . . with the intention here that we're leading with making sure that we provide the securities first and then the financial implications that the member raises were of the view . . . will be . . . will remain as they are currently under the current status.

We recognize however that there may be implications down the road. But Revenue Canada, we're somewhat hesitant if I might say to draw this immediately to their attention today.

(14:45)

Mr. Weekes: — Thank you, Mr. Minister. Well I appreciate what you said. My concern is that the producers in the province really won't know what to do this fall when they're buying livestock or making their tax decisions.

And I understand what the minister is saying about that, but it's just another area that's left wide open for interpretation. And I know in these matters someone will have to fight the battle all the way to the Supreme Court in order to get a ruling or a decision.

But it certainly leaves the industry at a disadvantage having this uncertainty about the tax implications of this change in the Bill. And as we all know we agree on both sides, it's very important that the feeder loan guarantee is an important part of the process of the need to grow the livestock industry in the province.

So I hesitate to just leave it, you know, at the . . . leave it up to future rulings even though we know there is a definite need to look after the ownership concern as far as being . . . as far as other losses in an individual's operation or debts.

And so once again I'd just like to ask the minister if there's a

clarification of that, or is there any future thought to really closing that loophole, I guess you might say, and leaving the producer in the full knowledge of where he stands as far as the tax implication and his decisions that the producer will be making this fall?

Hon. Mr. Serby: — Well, Mr. Chair, to the member opposite, that there's no question, as I've said already in my comments, that the producer advisory group saw that this was going to be a issue and could very well be an issue and that there may be greater risk here. There was never, ever a challenge, as I understand it, and the term trustee . . . under the term trustee, there was in our view still a grey area although it was never, ever tested, as we understand it.

And so when we went to the producer advisory group to provide us with the kinds of recommendation that we wanted on this piece, they remained convinced that we would be in a better position to change the language in the way in which we've changed the language, and then remove the need for the registration under the Properties Securities Act and then ensure that we don't get ourselves into the kind of situations that we've been in the past where we've actually had losses to the individual producers.

And that was the advice that they provided to us and it's on that basis from which we bring forward the recommendations or the amendments.

Mr. Weekes: — Thank you. Mr. Chair. To the minister, did your department, did the minister's department look at any other alternatives as far as changes to the Act that would look after the concerns about cattle being seized from the feeder association while still leaving the feeder association cattle in a position to be used as an expense?

Hon. Mr. Serby: — I think, Mr. Chair, to the member opposite, that when we looked at the changes to this piece of legislation with the producer organizations, it's my view and my understanding today that there just were not other, any other areas of which we might be able to have found the solution to the question that the member raises in terms of ownership versus liability.

And the reality there is, is that they're both sort of mutual exclusive to one another. And when we go to proceed with the amendments, clearly the lesser risk — if I might put it that way — was the recommendation to proceed down this particular path.

Mr. Weekes: — Thank you, Mr. Chair. To the minister, did the minister or your officials speak to the Alberta government concerning the feeder association loan guarantee that is run in Alberta? They've had a plan in place much longer than we have in Saskatchewan. Have they made similar changes to the ownership aspect of the cattle to ward off any seizures of cattle? And did you ask their opinion of . . . or how are they handling the taxation concerns and issues?

Hon. Mr. Serby: — I should say to the member opposite that in Alberta's case, they have not done anything with their current legislation. It remains as ours was. And so the issue here is the cost of registering — remains the expense in Alberta with the

Alberta farmer.

Now in Saskatchewan, what the producer advisory committee said to us is that we should fix it and this is the way in which they recommended that we should fix it. And I know if the member asked the question further about what happens as it relates to claiming the expenditures with Revenue Canada, the recommendation that's come to us from the producer advisory committee is that we should then take it up with Revenue Canada at that particular time or make the amendments that might be necessary if there are any to address the kinds of issue that the member raises with me.

Mr. Weekes: — Thank you, Mr. Chair. To the minister: are there any other changes in this legislation that has, in effect, a lot of changes of ownership of the cattle? Is there any other effects that this change will have on ownership rights of the association or the individual?

Hon. Mr. Serby: — Mr. Chair, my officials tell me that it only does . . . this Act does really two things: that it confirms ownership by the association; and secondly, it exempts under The Personal Property Security Act. And that's really the only two issues that remain that this legislation touches.

Mr. Weekes: — Just one more follow-up question, Mr. Chair, to the minister. I believe you are also adding provisions that will allow other commodities to come under the auspices of these producer associations. Can you tell us what these commodities will be?

Hon. Mr. Serby: — Mr. Chair, this issue really is a housekeeping issue which allows us to define other commodities, which would be not only cattle but certainly bison and sheep and other livestock that we might want to include in the future under this particular program.

Mr. Bjornerud: — Thank you, Mr. Chair. Mr. Chair, to the minister, were some of these changes brought about with the situation that happened on the east side of the province? I can't remember the exact name of that co-op but I think you're well aware of what I'm talking about. Were some of these changes brought about with that situation that happened out there?

Hon. Mr. Serby: — Mr. Chair, I'm told that it's other associations of which, not the one that I think the member is thinking about — I think we're thinking about the same one on our side of the province. It's not that one, there was another situation where that was the case.

Mr. Bjornerud: — Well thank you, Mr. Minister. Mr. Chair, to the minister again then. The changes that have been made or that you're proposing and we'll pass today probably, would that have made a difference to that co-op out there?

Because I think we all understand the situation that many local cattlemen out in that area were caught in and, I mean, I know the minister is well aware that many farmers out there lost a pile of money when that co-op went under. Would some of these changes have actually made the situation better for those farmers?

Hon. Mr. Serby: — I'm told that this wouldn't have

necessarily assisted with the situation we're talking about because what we had there was a situation or case of fraud, and this piece of legislation would not address that.

Mr. Bjornerud: — Well thank you, Mr. Minister. Mr. Minister, I see here and I know that the government guarantees 25 per cent of the association's loan. In the case in my area then, did the government lose dollars when that association went down?

Hon. Mr. Serby: — The answer would be that we did, yes.

Mr. Bjornerud: — Thank you, Mr. Minister. Mr. Chair, I wonder how many dollars would we have lost as a government at that point? Do we have those figures?

Hon. Mr. Serby: — Mr. Chair, to the member, we don't have the exact number with us here today, but what we'll do is provide that for them because there was a number of associations, a number of feeders that were affected here, and we could provide that for the member.

Mr. Bjornerud: — Well thank you, Mr. Minister, once again. And I don't know how strongly I can put . . . And I'm sure you're well aware, I think you've talked to many of the farmers out in that area, I know some of them very well that were burnt very badly with what happened out there.

Are we thinking or have they even asked of the associations — because I like this program, it's a very good program that's helped a lot of farmers — have any of the associations asked to fill some of the loopholes that caused the problem that happened out there? And I think we understand some probably was human error in some parts, but there still have to be loopholes to let this situation grow like it did on my side of the province.

Many farmers that are in this situation buying cattle certainly can't afford to lose the equity that they've built up in here. In a way it's somewhat of a pension for them, to the point when they retire that that money would probably be sitting there. And many of those farmers, Mr. Minister, as you're well aware, have lost that money.

So I'm wondering if the association themselves have asked to have some changes brought in that would guarantee that when an association is caught in this situation or maybe would prevent an association from being caught in this position, have any of those suggestions been brought forward to you, Mr. Minister?

Hon. Mr. Serby: — Thank you very much, Mr. Chair. The member raises a very important point and we've now had two different kinds of conversations — one with the producer associations and clearly, within our own department.

We think that issues like the one we're talking about — you and I are familiar with — could have been prevented maybe if we would have had a bit stronger due diligence on both fronts where you might have had a little stronger due diligence on the part of the association.

And clearly what we have done is we've upped our inspection

processes as well because we think that, you know, by increasing the amount of inspection that we do, that would . . . could prevent the kinds of situations that we've recognized on our part of the province.

Mr. Bjornerud: — Thank you, Mr. Minister. Mr. Chair, to the minister, I would hope . . . I mean we all don't want regulations just for the sake of regulations. But I saw the hurt, and I believe you understand in a number of areas where it may have put farmers right under and others, I know it put them up against the wall what happened out there. So I sympathize with those families, those farm families out there, as I'm sure you do. So thank you for your answers.

Ms. Harpauer: — Thank you, Mr. Chair, I have one other question. My understanding in Manitoba with feeder associations, that it's mandatory that they register a PPSA (personal property security agreement). And that's sort of how they've dealt with this problem.

Was that something that was discussed when you were meeting with the groups that are interested in this particular piece of legislation as an option that could be considered, that that became mandatory for the members of a feeder association? Maybe that could help solve both of the problems of the Revenue Canada situation and also the creditor situation for each individual member.

(15:00)

Hon. Mr. Serby: — Well, Mr. Chair, the answer to the question is that we did pursue that, of course, and did have that conversation with them. They didn't want to go there. The Advisory Committee didn't want to go there because, as I said earlier, this is an expense to the associations and they just didn't want to go through that process.

Ms. Harpauer: — I thank the minister and I have no further questions.

Clause 1 agreed to.

Clauses 2 to 7 inclusive agreed to.

The committee agreed to report the Bill.

THIRD READINGS

Bill No. 12 — The Farm Financial Stability Amendment Act, 2002

Hon. Mr. Serby: — Mr. Speaker, I move that the 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.

COMMITTEE OF FINANCE

General Revenue Fund Agriculture, Food and Rural Revitalization Vote 1

Subvote (AG01)

The Chair: — Would the minister please introduce his officials to the Committee of Finance.

Hon. Mr. Serby: — Thank you very much, Mr. Chair. The officials that are with me: to my immediate right is Mr. Hal Cushon, who is the assistant deputy minister; seated right behind me is Ms. Louise Greenberg, who is the assistant deputy minister, programs and services division; I think Mr. Jack Zepp is directly behind Mr. Cushon; and off to my right is Mr. Ross Johnson, who is the budget officer of administrative services branch. Seated in the back area is Greg Haase, who is the director of lands branch; and Mr. Dave Boehm, who is the acting director of financial programs branch. And those are my officials that are with me at the current time, Mr. Chair.

Ms. Julé: — Thank you, Mr. Chair, and good afternoon to the minister and his officials. Mr. Minister, I want to start some questioning on budget estimates by referring you to page 30 of the budget document.

And I had asked you earlier on in the Assembly through a written question whether or not the waterfowl damage compensation program would be administered this year and there would be funding for it, as well as the big game damage compensation program, and you did answer me to the affirmative that, yes, it would. I find it a bit puzzling because in looking at page 30 of the document, I see that estimated for 2002-2003 are zero dollars for these programs.

So in regards to your answer to me in the affirmative that this program . . . these programs would still be in place and funding would be there for them, I have to ask you, if there is no money estimated through the crop insurance portion of Agriculture and Food for this, where will the money be coming from?

Hon. Mr. Serby: — Mr. Chair, to the member, we answered affirmative, as you've said, to both of the funds because they remain intact. In both of the reserves we have substantive money to look after the fund, and that's why in this year when we were budgeting we didn't add any additional dollars to either one of the funds because we can manage those funds nicely with the reserves that are in place.

Ms. Julé: — Well, I thank you, Mr. Minister. I think that it just would have provided some clarity not only to members on this side of the House, but to people throughout the province, in fact, that are concerned about this if in fact you would have had an estimate of what kind of money is going to be utilized for this year or what's going to be needed.

Is this a practice, Mr. Minister, of your government that if you have extra reserve funds from the previous year that you do not enter into the budget estimates for the current year?

Hon. Mr. Serby: — If we are of the view that we have a program that would be actuarially sound in terms of managing it through a course of the given year that we're going into, then we wouldn't . . . we would not identify any new dollars going to it. If the member's suggesting that in the reporting process we should be showing somewhere what the level of the reserves might be, I certainly would take that under advisement.

Ms. Julé: — Thank you, Mr. Minister. Mr. Minister, I'd just like to move over to the situation that we have in the province right now, the situation of drought that we have been speaking about in this Assembly and certainly citizens of the province of Saskatchewan are very, very concerned about it this time.

It doesn't matter, it seems, that . . . there's many, many issues actually that are confronting farmers right now and it's very worrisome. But over a great part of our landscape in the province there is a major drought going on. The grass is yet very, very brown and the topsoil is blowing. Many farmers are reseeded or thinking of having to reseed, and they're concerned about their ability and their viability to keep on in the future.

But in respect to that, Mr. Minister, there have been a couple of programs, I know, that have been put in place. And one of them is the Canada-Saskatchewan livestock farm water program last year. Could you advise me, Mr. Minister, whether or not this program is going to be extended into this current year and give me some sort of prognosis about how long the monies for this program will be available to farmers in the province.

Hon. Mr. Serby: — The monies that the member is talking about is funds that we were able to extract last year from the federal government through the PFRA (Prairie Farm Rehabilitation Administration) program. As the member is likely familiar, what we tried to do last fall is encourage the . . . and summer of last year, to try to encourage the federal government in the same way that we are today to put additional money into the PFRA program.

They put in about \$2.2 million annually into the Prairie Farm Rehabilitation program of which, again this year, the \$2.2 million has gone in and the . . . I think by about the middle of April all the funds are gone. And we had far more applications again this year than we had money last year.

So what we did last year is that we said to the federal government that the 2.2 wasn't sufficient, that they should be putting additional money into the pool. And it took us the better part of eight months in order to get the federal government to make a commitment . . . or six months to make a commitment to put new money in. And they put in about 1.1 billion . . . million and we put in the 1.5 and that gave us the new program.

What you should know is that there were about, I think, 16 or 1,700 applications that weren't actually met. We had a larger need than we had money. The federal government has just recently announced that they would make up the shortfall and added yet another 1.1 million, I think, to look after the applications of last year.

This year what we're doing of course is asking the federal government to put in not 2.2 million, but we asked them to put in 5 million this year to try and address the kinds of needs that Saskatchewan producers are facing. And you identify appropriately and correctly, particularly for the livestock people and water, this would be a huge, huge, of huge benefit.

As of Friday I've not had any response from the Minister of Agriculture federally. I had yet an occasion to speak with Mr. Vanclief on Friday when we were in Saskatoon. He understands the seriousness of the drought in Saskatchewan, parts of

Alberta, and even parts of Manitoba, and he gave me the undertaking that they are looking at trying to find additional resources to address the water piece.

And so at this point in time, by way of a long explanation, we have not received any commitment from the federal government to add new dollars yet. My hope is that within the next short while we're going to get an affirmative response.

Ms. Julé: — Thank you, Mr. Minister. Mr. Minister, I recognize that Saskatchewan has a program manager for this program. And I'm wondering whether or not it is up to Saskatchewan to . . . it's up to Saskatchewan also to determine what the eligibility criteria are in order to access money or a grant from this program.

Hon. Mr. Serby: — Mr. Chair, to the member, what we did last year with the . . . with this program is we simply made available only some clerical support to assist and to administer the program. It was our decision that we should not duplicate the program. We already have a PFRA program in Saskatchewan.

What we would simply do is make our funds available to the PFRA and have them administered on our behalf. And so they did that for us and we provided them with some clerical support — I think part of a position — to help them administer the program.

Often there is criticism about duplicating programs. This is an example of where we felt that the money would be better served and always is, if you can make the money available for programs. So we put the entire amount of dollars that we had available into the program; and the PFRA folks, through their administration system, looked after it for us with the aid of one of our clerical support people.

(15:15)

Ms. Julé: — Thank you, Mr. Minister. Mr. Minister, could you give me the name of the clerical support person?

Hon. Mr. Serby: — I think the name of the individual, Mr. Chair, is Diana Berita and I think the last name is spelt B-e-r-i-t-a. I may not have pronounced it right but I think I've got all the letters in the right place.

Ms. Julé: — Thank you very much. Mr. Minister, could you tell me then, is there an office in Saskatchewan that people can put their application through or would it go to . . . is there a provincial, joint provincial/federal office, or where do people in fact send in their applications?

Hon. Mr. Serby: — Mr. Chair, they have the PFRA offices are . . . the regional offices are scattered about the province and the central office of the PFRA is right here in Regina. And so this is where the application forms would have been sent to.

Ms. Julé: — Thank you, Mr. Minister. So, Mr. Minister, then it is the PFRA person, through the federal government, that would review the applications and either grant or deny them. Is that correct?

Hon. Mr. Serby: — Yes, Mr. Chair, that's exactly right.

Ms. Julé: — Thank you, Mr. Minister. Mr. Minister, I guess I had a lot of preamble questions to come to the specific case that I want to bring to your attention. And I have a constituent out at Bruno, in Saskatchewan, that is a farmer. It's a family farm. And they have been experiencing water problems to no end on their farm.

Over the years, they have dug six wells in their yard but all of these wells have gone dry and I guess, considering what's happened with the drought, that's probably why that's happened.

But they were told about this program and decided that they would hook up to the Humboldt-Wakaw water pipeline in order to access some water. They have livestock. I mean, they have absolutely no water in their yard of any kind. And once they hooked up to that pipeline, they put in their application and they were refused.

Now I looked at the criteria — they were refused actually because they didn't meet the criteria — and as I looked at the criteria I had to question who, in goodness' name, came up with some of this criteria because some of it seems to be very nonsensical and irrational.

It is important that people are able to access water, and one of the criteria that is in place is that you have . . . How does it read here? Just a minute now. It says pipelines within a farmstead are considered distribution and are not an eligible project.

So I have to ask the minister if he knows anything about that specific criteria and whether that makes any sense to him. I mean these people . . . naturally the pipeline is going to be used for . . . or the pipeline water would be used for distribution because you're distributing it through your yard and to your livestock. So that particular wording seems to me to be — well irrational to say the least.

And I'm wondering if the minister has looked at that and whether or not there's possibly some argument that you could make in order for this family to be able to access that grant. I mean the existing pipeline, the Wakaw-Humboldt one, is already in place. And when that was put in place a few years back, farmers were told that they could hook up to that pipeline and get a grant for it. Now that happened, and many of them did.

Now these people can hook up to the same pipeline and find out that under this sort of irrational criteria, they are not receiving or are not eligible for a grant. Could you please explain this, Mr. Minister.

Hon. Mr. Serby: — Thank you very much, Mr. Chair. The member asks a, in my view, a very important question here in terms of how we address the future of supplying water to rural Saskatchewan irrespective of whether you're a farmer, or whether you're a small community, or whether you're a small-business person or a business person or an industry in Saskatchewan.

And the Humboldt-Wakaw pipeline I think is — not I think — but is established as a water transportation system for a whole host of people and businesses and communities who live along

that line. In the same way that in the part of the world that I come from we now have a pipeline and a waterline that serves the eastern side of the province by the city of Melville because they have a huge water source. And just to the . . . further north of that, in the town of Canora, they've just established now with a series of communities, a water system that supplies about five or six or seven different communities and a whole bunch of farm families.

And in my view, that's really where we need to get to, over time. And it's unfortunate that we haven't been able to get two things to happen.

One is that, even in those situations that you've described, we have communities today where the water and pipeline run right by it and they haven't hooked up, or you have farmers who are able to attach themselves to these particular waterlines and have not either. And because they have their own water system and their own water supply, when they get into some difficulty, of course, what happens is that they come back to the system.

I'm not suggesting for a minute that's the case with your file or your family. But when you're building these kinds of infrastructures and systems, you need to have communities and farmers and small business and industry working together for it to happen. And that's why you have the kind of success in some parts of the province.

This particular project was never intended to address the huge infrastructure needs that you've described where you have the Humboldt/Wakaw pipeline, or for that matter, the Melville one. It was very much for wells or dugouts or shallow-buried pipelines where water could simply be moved quickly and easily from one source to where the livestock producers needed it and was specifically for livestock producers. And as you can appreciate, the pool of money was very small. We have here about \$3 million that we try to accommodate the, you know, the drought area for livestock producers.

I would like to get to a situation in this province that you described, which we could have communities and farm families connected in the way in which Humboldt/Wakaw does. We have some tremendous water sources in the province that could serve communities in a very significant way but we need, as I said earlier, we need the buy in from municipalities in many cases and then it needs to be funded in a joint participatory ownership fashion which on some occasions becomes a difficult task as well.

So I know that the member yesterday — or sorry, not yesterday, but on Thursday — asked me the question, the member from Watrous, about whether or not we're prepared to take and put \$10 million into this kind of a project. It's exactly what we're talking about here today. And my response to that was that, you know, this is where our federal/national government should be participating when we're trying to address emergency crisis issues.

When we're talking about long-term sustainability of ensuring that we have good water sources in the province, we should be taking the model that's in your area, in my view, and we should be applying that model interprovincially — or not interprovincially — or provincially I mean, and have

communities and municipalities and consumers participating in a far broader way. Because you just can't, in my view, you can't find enough money to do this on a regular basis in a province as big as ours with as big as the agricultural industry is.

Ms. Julé: — Thank you, Mr. Minister. Mr. Minister . . .

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

Mr. Wakefield: — With leave, Deputy Chair, to introduce guests.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Wakefield: — Thank you, Mr. Deputy Chair. In the east gallery this afternoon we've just been recently joined by grade 8 students from the Turtleford School. These students have come a long way. I know how long it is. They now understand how long the drive is from Turtleford to Regina to attend the capital. And we certainly welcome you here.

I'd like to introduce, as well as the students, the teachers. There's Colleen Nelson and Val McNinch. And also a very important part of the delegation will be the chaperones. I'd like to introduce them. There's Rick Hartley, Gord Spencer, Barb Angus, Diane Pruden, and Dawn Simkins.

What we're doing this afternoon, as you may have noticed as you've come in, we are in a . . . something called the Committee of the Whole where it's . . . the Deputy Chair is allowing the opposition members to question the minister in particular areas and he is able to consult with his officials. And this will go on for some time. And I know we're going to meet shortly, so I would ask all people here to welcome the grade 8 class from Turtleford.

Hon. Members: Hear, hear!

COMMITTEE OF FINANCE

General Revenue Fund Agriculture, Food and Rural Revitalization Vote 1

Subvote (AG01)

Ms. Julé: — Thank you, Mr. Chair. Mr. Minister, I have to make a few other points about this particular situation because it is very, very disconcerting and unnerving and disappointing to the people that are needing the water on their farm.

Mr. Minister, these people have no water source within eight and a half miles of their farm but the nearest water source is eight and a half miles away. Now as far as digging new wells here, they could dig until you-know-what freezes over and it wouldn't help because the water is just simply not there.

Their dugout is dry and so it does not pay to reconstruct another dugout. And those things, like reconstructing a dugout, is

another criteria whereby someone may be eligible for a grant under the program. So those things are just out of the question. They're not working.

These people wrote to a Mr. Harvey Filson, I believe his name is, on Hamilton Street — and I take it that that's the PFRA office according to what you've told me. And for one thing the answer that people got from . . . these people got from Mr. Filson was a rather off the cuff and not very thoughtful way of giving them an answer. He was told . . . These people were told that they didn't receive eligibility for this grant because they didn't . . . they wouldn't own the pipeline that they had constructed to join up to the Wakaw/Humboldt pipeline. We don't own the pipeline so we don't qualify.

This just does not make any sense to me at all, Mr. Minister, and I, granted, I'm not going to be calling you on this if in fact your government has no say in the criteria or the, or the acceptance or denial of these applications. But I am asking you if you do have provincial people that are sitting in on this decision-making process, that maybe we should be thinking a little bit harder about the kind of criteria that are outlined, as well as determining whether or not a grant is given to certain farmers.

Mr. Minister, is there going to be an opportunity for you and your department to have some communication or conversation with the federal people. And if you are going to have that opportunity in the very near future, especially with the new funds that in place, I would ask that you sit in with them and make sure that people that are in such dire need of water are granted some of this money without giving them the runaround on silly things that they must be doing in order to make sure that they can have a process where they can access water from somewhere.

Hon. Mr. Serby: — I think what I want to say, Mr. Chair, to the member is that . . . Deputy Chair, to the member that I think that we need to look at approaches. And I appreciate your comments.

We need to look at approaches about how we can transport water in our province because there's no question that from . . . on any given year you'll find in Saskatchewan one part of the province or not that is dry. Because we have such a large, vast land area and such a diverse agricultural community that we need to find new and different ways of doing what we're doing today.

(15:30)

And I think one of the ways of doing it, as I've already said, is that we use the pipeline system that you talk about and what you have in your own area. I think that if we're now thinking about whether or not we might be able to use some of the RM community wells, which we have in many of the RMs across the province, or most all of them, an RM well and can we supply water to farmers, particularly for livestock, by using a different kind of pumping system, maybe an overground pipeline, can that work. And again that's only seasonal because what happens in the winter is that we'll have freeze.

Or maybe we need to look at, like they do in parts of Alberta

where they have actually ditching or your . . . or a ditching/trenching systems where you actually flow water, you know, through the course of the province and then have people connect to it or attach themselves through it to make sure that you have the kinds of things that we've talked about here today covered off.

Now will we be at the table in our conversations in the future? Absolutely we'll be in some very serious conversations as we continue to dialogue with the federal government about additional money. My officials are speaking with the federal people on a regular basis.

In some cases they think it's too much because — the federal government — because we're always lobbying them, talking to them about the need for additional dollars. And every occasion that I meet with Mr. Vanclief or see Mr. Vanclief . . . and just corresponded just last week again about the importance of additional drought assistance money. And our hope is that we're going to see at least a bit more than the 2.2 that they put into the program this year.

Ms. Julé: — Thank you, Mr. Chair. Mr. Minister, I have to ask you whether or not, once you hear this part of the criteria that are outlined here, whether you think it is a, it was a rational refusal that were . . . that was given to these people?

It says project eligibility requirements. Pipelines are considered an eligible project when they are constructed as an alternative to a new source development; example, a new well or a dugout, okay.

In the case of the people that I'm mentioning to you today, the new well, the new dugout would not pay because they're just having no success with those wells. And therefore, according to these eligibility requirements it does say that pipelines are considered as an alternative to that other source.

So the refusal of the grant application by these farmers from my area leads them to further questions. They're saying is there just no money left and they don't want to tell us, or why are we being refused when the eligibility requirements seems to be there on our part? We will be sourcing water from a pipeline according to this . . . these eligibility requirements. Everything should be in place, everything should be a go.

So I'm asking you, Mr. Minister, today if I bring this file to you, I'm wondering if you could possibly see to it that this whole thing is reconsidered again so that these people may have water because it's disastrous out in rural Saskatchewan right now.

Hon. Mr. Serby: — Well, Mr. Deputy Chair, the member might be happy to take the . . . take a look at the file of which you're working from and take a look at the criteria and examine whether the criteria is really the one that was established for the winter program or the one that's been there for the permanent operation of the pipeline. So if you could make that available to us, we'd be happy to take a look at it through the department.

Ms. Julé: — Thank you, Mr. Minister. And Mr. Minister, I have just one more specific issue here that was brought to my attention and it has to do with an application for C-SAP

(Canada-Saskatchewan Assistance Program) that was mailed last June 5. And the deadline for application was July 18.

When my constituent did not hear back from Crop Insurance about his application he called the Prince Albert office and he was told to be patient. He then contacted the Melville office and he was told that the application had not been received. So he faxed the application, a copy of it, to the . . . to Melville. But he was told that they could not accept the application. He appealed the decision and the appeal was denied. This gentleman was denied more than . . . or close to \$6,000.

So the contention was, I guess, as the conversation went back and forth, was that he . . . that Melville did not receive the application. This particular gentleman faxed a copy of that application, as he had it filled out by his accountant, to Melville and they would not accept that. That application, that faxed application, was dated and it was dated before the deadline. It was dated June 5.

So it seems to me that if this gentleman was eligible for \$6,000 . . . If it were me, for instance, Mr. Minister, I'd make sure that that was . . . that application was mailed in.

Now how do you dispute . . . How do you settle a dispute when the applicant says he mailed that in and the crop insurance office says they did not receive it? It seems to me and actually I do believe that we put forward after this case that was really very troubling, we put forward the suggestion that possibly the crop insurance offices should ask for registered letters when people are mailing in applications.

So from here on in, Mr. Minister, if this is going to be a problem . . . And people again have no recourse. I mean all they can do is accept . . . they must accept the word from Crop Insurance that their application was not in on time. The applicant claims it was.

So when people have no recourse, then there has to be some other mechanism in place to make sure that this dispute does not happen in the future. And I would suggest to you today that maybe your office should ask people to register the mail when they send in their applications.

Is there any mechanism for dispute besides the appeal right now? I mean there is an appeal process and he went through that. But the question remains: who is to say whether or not that application was mailed or not? The applicant says he mailed it. The crop insurance office says they didn't receive it.

Hon. Mr. Serby: — I just want to say to the member and, Mr. Deputy Chair, that this is . . . Mr. Chair, that this is an issue that is always troublesome when people make a submission and then are of the opinion that they should have received the application . . . they should have received their funding. And there's some dispute here about why it is that they didn't submit their application on time.

As you've identified, we do have the third party appeal process today, of which people can submit their concerns and then receive a decision from the appeal committee. We also had in this program . . . We had an interim program and then we had a . . . we had an interim payment — sorry, an interim payment —

and then we had a final payment.

And so when somebody, in the case of this family or others, didn't get their interim payment, one would have thought that they would have sort of recognized that they hadn't submitted their application form. Because the interim and the final payments were at some distance apart from each other.

Now we should be of the mind that appeal committees, and appeal boards, and appeal structures are set up for the very purpose of trying to determine whether or not somebody in fact does have a legitimate claim, or in fact there have been some extenuating circumstances that have caused somebody not to get their application form approved in time. And I just had my colleagues . . . my colleague advise me that the advisory committee . . . or the appeal committee has in fact taken into account circumstances in the course of examining an appeal.

And the, sort of the classic I think and I'm sure I'm not naming anyone, but the classic is an individual had actually forgot the application form in her diaper bag — and it was in this diaper bag for the better part of three months — and then made the appeal. And of course, who wouldn't believe that if you forgot this in your diaper bag for two and a half to three months that you'd be eligible for this?

So there have been circumstances where in fact the appeal board has in fact ruled in favour of an individual who made a late claim.

Ms. Julé: — Thank you, Mr. Chair. Mr. Minister, it is being said that this gentleman was denied Canada or Saskatchewan assistance program because his application was not received by the deadline. He was told, actually, by one crop insurance office — and I believe it was in Prince Albert — that as far as the interim payment, I believe, to just to wait to see whether or not . . . No, it wasn't the interim payment. I correct myself there, Mr. Minister. It was to see whether the deadline would be extended.

And so, he waited for them because he was under the impression that they would call him anyway. But the fact is he did have his application in by the 5th anyway and that was marked on the application form at the accountant's office.

Now when he went through the whole rigamarole of trying to attend to this question and then receive his money, according to a letter from crop insurance, there had been . . . had there been extenuating circumstances to warrant approval of late file declaration, he may have had approval. He's very upset with this ruling.

His application has been filed . . . filled out and mailed by June 5, as I mentioned, by his accountant or by himself. He was concerned when he didn't hear anything back regarding the money that he should have received. And then he contacted the office first in Prince Albert, then in Melville. He was told crop insurance had not received his declaration. So by that time, this was past the deadline to receive declarations.

He then contacted his accountant who provided him with a copy of that application and it was faxed to the Melville office. He was then told that crop insurance could not accept the copy.

Like, it seems this person is getting a real runaround.

So he was told he could appeal. He did this but that was denied also. And this is very, very discouraging, Mr. Minister, because this money was actually owed and should have come to this applicant. He's counting on this money for a lot of his commitments to debt and especially in drought situations like he is experiencing. And then to have to find that there's all kinds of reasons to deny money, he just feels really taken by this whole thing and very upset.

So I would just ask that possibly there are some suggestions, as I mentioned before, that might come forward from your office as far as asking applicants to register their mail so there can be no question as to whether or not the application has been received.

I don't think that anyone would be upset with that. It's not a great deal of money — a few dollars, in this case, compared to \$6,000 lost.

So, Mr. Minister, I'll ask you if you would care to reply to these statements. And if you do that's fine, I would like to hear your comments, and after which time I will turn the questioning over to my colleague from Watrous.

Hon. Mr. Serby: — I, Mr. Deputy Chair, take under advisement the member's recommendation around the registration of the . . . sending the application forms by registered mail. We certainly would look at that; I think that's a recommendation that we'd be happy to look at. And there'll be a cost of course involved anytime you're expected to register your mail.

And as you can appreciate, from time to time a small cost may not sound a lot to us, but when you get into this kind of discussion about how governments expect people to return their information, sometimes it then becomes the biggest issue for which people want to talk about, as opposed to the amount of money.

So we'll be happy of course to look at that. And on the file that you're working on, if you would like to make . . . have it make its way to our department, we'd be happy to examine it as well.

Ms. Julé: — Mr. Minister, I've just one more request of you. And I wonder if your officials could provide me with the number of applications put forward to crop insurance that were denied because of late application? Thank you.

Hon. Mr. Serby: — We'll just provide the numbers then for you. I think there were over 200 appeals. And we'll just get that information to you . . .

An Hon. Member: — Because of late application or . . .

Hon. Mr. Serby: — It would be a variety of things, I expect.

Ms. Julé: — Thank you, Mr. Chair. Mr. Minister, I would like specifics — I would like to know how many were denied because of late application.

Hon. Mr. Serby: — Agreed we'll get that, Mr. Chair.

Ms. Harpauer: — Thank you, Mr. Chair. Mr. Chair, I would like to go back to the topic that was being discussed some time ago, the last time the committee was meeting with the Agriculture estimates.

And the discussion at that time was on the Treaty Land Entitlement Framework Agreement and how the process works with the Treaty Land Framework Entitlement Agreement.

And I'm just going to quote to the minister what he had said at the very end of our discussion. We were talking about the process and what happens if the process is no longer working. And the minister said at the time:

... that in Saskatchewan, we have a process today in terms of selection and renewal of Crown land. Now this is why we have engaged in situations that are as delicate as the one we are talking about today — a mediation process.

And at the end of the day, if I'm asked because there hasn't been an ability to resolve the issue when it comes back to my table, then clearly I'll be examining these kinds of things. I'll want to know whether or not the people who were involved in the negotiation processes were actually negotiating in good faith.

So with that I would like to ask the minister if he would consider the use of foul language, verbal abuse, threats, and references to incidents of murder in the area, negotiating in good faith?

Hon. Mr. Serby: — Mr. Deputy Chair, I would say to the member that I would not view that at any occasion being a negotiation that would be in good faith. I mean, the use of that type of language or a threat to anyone while you're negotiating an agreement, in my view would be detrimental to the future of a reselection or for that matter, a renewal ... a selection or a renewal, if that type of language or that kind of practice was in use.

And I would hope that in the discussions and in the negotiations that there would be a great deal more civility in trying to reach an agreement.

Ms. Harpauer: — I thank the minister and I agree with his answer. If either of the parties in the negotiations, the lessee of the Crown land or the First Nations band who was trying to settle an agreement, was subjected to such inexcusable negotiating tactics while in negotiation, would that party then have the right of refusal to continue the negotiation process?

Hon. Mr. Serby: — Well, Mr. Deputy Chair, that's really why we have the independent mediator in place to try to find a solution to this particular issue.

And as I mentioned in the last occasion that we were together in the estimates, that ... and I expect that we're both thinking and talking about the same situation, and I might recognize the Rosemount pasture is maybe the area that you're identifying your thoughts around. And clearly it's in this ... it's on this forefront where we have the mediator engaged today to try and find a compromise and a solution to all the parties that are involved.

Ms. Harpauer: — I thank the minister. In the particular situation that he mentioned was there not a mediator in place prior to basically the negotiations going south with the verbal abuse and so on, and the tactics? Was there not a mediator in place at that point in time?

Hon. Mr. Serby: — Mr. Deputy Chair, to the member, there was someone called a settlement board Chair and this particular individual and role has a different function in terms of establishing a process for conclusion. And, you're right, there was an individual that was part of that process, but as I say they were part of the ... they hold the title of being settlement board Chair.

Ms. Harpauer: — I thank the minister. If I'm understanding this correctly, basically either party that's subjected to that type of negotiation tactics, be it the lessee or the First Nations band, if they're subjected to those type of tactics, they really don't have the right of refusal, then they have to again enter negotiations with yet another mediator?

Hon. Mr. Serby: — I should say, Mr. Deputy Chair, to the member, that in the circumstance if we're talking about the same file, it would be helpful if the member would just sort of advise me as we move along here about whether it is the same one that she's speaking about, because in that particular case there was a change in leadership by one of the parties.

And so what was required here of course is that there was a loss of some continuity, and of course, some history here. And as a result of that, it was my view that we needed to engage somebody who could take us back to that particular experience again and move from just before, if I might state it this way, there was a change in the leadership.

Ms. Harpauer: — I guess, Mr. Minister, I'm not ... I don't think that you're answering my question. Basically if either party is subjected to that type of verbal abuse — threats, references to incidents of murder, etc., in the area — if that happens, there is a mediator present, does either party, the one who's subjected to that type of abuse, have to continue the negotiation process?

Hon. Mr. Serby: — I think the answer would be, would be no, that you would not expect that to occur. And I think part of my issue was that I don't want to — if I might use a better word — I don't want to sort of tar a whole process here with what was being said by one particular group or another.

And in the particular case that certainly I'm referring to, I felt that it was important for me to get a full appreciation of what happened. And that's why I've asked and we've engaged a mediator to really go back into this process and examine it fully. Because I think, as you pointed out, any time that people are ... where there's a suggestion anyway or reference to where language may be used or inferences about the way in which people might be dealt with at the end of the day, it's serious enough in my view to have a full review and examination of that process. And in this case this is why we've moved away from a settlement board Chair and gone to have someone examine this fully as a mediator.

Ms. Harpauer: — I thank the minister. So if you have someone

examining this fully as a mediator, are they examining if indeed this type of verbal abuse had happened in the negotiations or not? Is that what you're examining? Or are you examining if the process should continue irregardless of whether it happened or not?

Hon. Mr. Serby: — Yes, I'm not, Mr. Deputy Chair, looking at someone who will bring me a report — or for that matter, the Minister of Justice — a report at the end of the day that will try to speak to what happened earlier. I'm not interested in having somebody go through that process to provide me with that kind of detail.

At what I'm interested here is trying to find a resolve to the circumstance where, in fact, the circumstances could allow for people to continue to live together in the same area of the province, to continue to be able to use the facilities in a fashion of which people have been accustomed to using it in order to protect the industry for those who want it protected in that part of the province, and also to ensure that under the treaty, treaty land entitlement piece, that we stay within the, sort of, the letter of the agreement of which we have also established in the province.

So it's about trying to find the . . . a resolution that would be satisfactory to all the parties involved.

Ms. Harpauer: — I thank the minister. In the Treaty Land Entitlement Framework Agreement under the "Principle underlying sale of Crown lands," 4.05(a):

Canada, Saskatchewan and the entitlement bands agree that, except as otherwise specifically provided herein, transactions involving the sale by Canada or Saskatchewan of federal or provincial Crown Lands . . . shall be governed by the principle of "willing seller/willing buyer".

So who determines if there is a willing seller and a willing buyer? Who makes that decision?

Hon. Mr. Serby: — Mr. Deputy Chair, the willing seller would be the provincial government because, in this case, it's our property. And in the process, we would need to be sure that this would be subject to all third party interests being looked after.

And so in the matter of this particular case, the government is the owner of the property. We have the request now under the TLE (treaty land entitlement) for a selection and, in all cases then, we would need to be sure that the third party interests are all adhered to.

Ms. Harpauer: — I thank the minister and if I'm understanding him correctly he, as a provincial government representative, would be the seller. It would not be the group, interested group or individual who's leasing the Crown land.

So therefore if it's in a mediation process and it's been determined that the process is no longer being negotiated in good faith — and the minister agreed earlier that if indeed the negotiations were not being done in good faith, that he would not . . . or does not believe that either party should be forced into the negotiations past that point — then would he, as the representative, if he was the seller of the Crown land, would he

then no longer be a willing seller?

Hon. Mr. Serby: — I think, Mr. Deputy Chair, that at the end of the day the province or the ministry would have really three decisions that we could make here. One of the decisions we could make, of course, is that we could provide to the First Nations band, in this case, the selection process to take place. And they could in fact select the land and then the land would then become theirs.

We would look after . . . We would ensure that the third party interests would all be looked after and the land would then change the kind . . . would change in ownership. Or we could in fact renew the existing lease over a period of time and then get into an agreement as to what the leasehold should look like and away we go. Or we could in fact decide to put the land up for sale and say that the renewal is now . . . that the renewal period is expired; the lease period has expired.

And we would now, because there has not been an ability for people to reach any kind of a solution, we could exercise the option of taking the land and putting it on the open market, and allowing for whomever chooses, in Saskatchewan, to purchase the land. And who knows what might happen with The Farm Land Security Act? It could be somebody in Canada who may choose to purchase this chunk of land, the property, and use it for whatever purpose they choose to make. So our options would be . . . could be all three of those.

I'm not suggesting for a moment that we have any interest in exercising any one of them at this time because of the mediation process, and look forward to what we've always wanted to achieve here and that is to try and find an amicable resolution to a very difficult piece.

Ms. Harpauer: — Thank you, Mr. Minister. If I'm understanding you correctly, you are listing one of the options of perhaps putting the Crown land for sale, which would be in direct conflict with our own provincial Act which states that we would lease land to anyone that has — or renew a lease, sorry — to anyone who's leasing land as long as they are tenants in good standing. So you would sort of ignore that piece of legislation and the policy that's been in place in our province for a great number of years and entertain the option of putting the land for sale?

Hon. Mr. Serby: — I think what's important, Mr. Chair, here is that the options that we would appreciate concluding on this particular file is one of two: where the parties that are concerned here would either come to a situation where the land could in fact be . . . would remain for selection, or in fact it could be renewed by the co-op. It would not be the option of the ministry to exercise the right to . . . exercise the right to sell the properties.

Now we should not confuse for a minute the notion that in Saskatchewan from time to time we do sell farm land, and we sell farm land to people who might in fact have had the lease before, which is usually the case; or in fact from time to time, on rare occasion, we have Crown land that makes its way to somebody who is a brand new owner.

So this would not be the option of which I would be interested

in entertaining. There's a long history here in terms of the utilization of a particular pasture. There's a long history here in terms of the relationship between the patrons of the pasture and the First Nations people who live arm's-length from each other.

And so my interest is to try to have the mediation process find a solution. And I'm optimistic, if I might say, that collectively they're going to be able to do that. So that would be, that would be the intent here.

Ms. Harpauer: — I thank the minister. I had suggested — or mentioned earlier — that if the mediation process has gone south in rather a drastic manner as far as threats and abuse and whatnot, would it then no longer be considered negotiations in good faith, and the minister agreed that it would not. And you also agreed that whichever party was being subjected to that abuse would not have to continue with negotiations.

He recognized that he would be the seller in the case of Crown land, so therefore if he agrees with those and it is the renter of the land that has been subjected to that type of abuse, it would be his option to decide that he no longer is a willing seller. And yet he said that his option then at that point might be to literally put the land up for sale for whoever.

I go back to what happens to the long-standing provincial policy that if someone is leasing land in good standing and wants to renew that lease, that they can indeed do so?

Hon. Mr. Serby: — Well, Mr. Chair, to the member, we have two policies in Saskatchewan. We have a policy in Saskatchewan that addresses itself to the Crown land lease process and a long history of how, in fact, Crown land leases are renewed in Saskatchewan.

And we also have in this province today a treaty land entitlement policy of which, in this case, well they're in conflict with each other not because the legislations are . . . or the Acts are in conflict with each other; the people who have different views about what should happen with the land are in conflict with one another.

And so the issue here is to try to find a solution with the people who are having the difficulty in finding resolve. And it's my hope and interest to see the mediator reach that kind of an objective. So that's the purpose from which I'm working from — or premise from which I'm working from and expect that with optimism, that's the kind of solution that we might see here at the end of the day.

Ms. Harpauer: — I thank the minister, and I realize that there is two pieces of legislation that's governing this. However, I do also believe that that's the reason why the TLE framework agreement has the clause under the "Principle underlying sale of Crown lands," 4.05(a), that says that the sale should be governed by the principle of willing seller and willing buyer because that would give the province a little bit of leeway as far as making common sense and ethical and moral decisions on how some of these sales should be taking place.

When the provincial government approves a TLE application on Crown land that is being leased by a party who is in good standing, who incurs the expenses involved with the mediation

process between the third party and the First Nations band, such as the legal fees, research fees, accounting fees, to have a value calculated for any of the assets upon the land in which . . . that the lessee has put on the land and the time taken away from employment, who incurs the expenses of that?

Hon. Mr. Serby: — Mr. Chair, each party would incur the expenses.

Ms. Harpauer: — I thank the minister. When an individual or a group of individuals enter into a lease agreement with the government on Crown land, is it written in the agreement that the lessee is responsible for any costs that may occur in the event that either level of government — the federal or provincial — chooses to enter into yet another agreement involving that same land but with a different party?

Hon. Mr. Serby: — Mr. Chair, it's not written in the lease agreement.

Ms. Harpauer: — So my question I guess would be, how on earth is it even possibly fair or how can you expect a leaser — or a lessee, sorry — to incur those kinds of costs? This is not an agreement that they even knew about or had any knowledge of when they entered the lease agreement. Why do we all of a sudden throw these type of expenses on there as their responsibility when this is not negotiations that is their responsibility?

Hon. Mr. Serby: — Mr. Chair, in most cases, cost is really not an issue because it's done with quite an expedient fashion. People are able to do that in an amicable way. And in most instances, it's not, it's not something that is a huge burdensome experience for most people.

And so it's because of this notion here that we don't have an understanding of each other's interest here, that we have sort of the elongated approach that's happening here and some concern about good faith.

And so it's when you get into those kind of circumstances where you have the kind of costs that I think you're talking about and that these folks are experiencing today.

Ms. Harpauer: — Okay. When those circumstances do happen, when those costs do incur, such as perhaps the case that we're talking about today — again, it was not included in the lease agreement with the lessee that there would be other agreements that they would be responsible for negotiating, that basically maybe should be the provincial government's responsibility — do they, can they not legally ask the provincial government to pay for those costs considering that there is no agreement in the lease agreement that they have to incur those costs?

Hon. Mr. Serby: — Mr. Chair, to the member, I think you raise an important point and what I have decided in this particular case is that the mediation services that are being conducted today are in fact being covered by us, because we understand how difficult and lengthy that this might be. So we've assumed looking after the mediation costs for both of those groups today.

Ms. Harpauer: — I thank the minister. It isn't just the

mediation costs I'm talking about. It's legal costs. And we all know that legal costs are quite considerable. And when the negotiations become as complicated as they sometimes can be, they're . . . the legal costs can be quite significant.

So I'm talking about legal costs. I'm talking about, you know, the research fees that needs to be done, accounting fees to have values put on assets that have been built on the land; I'm talking about other costs other than paying for a mediator.

Hon. Mr. Serby: — Well I think, Mr. Chair, to the member, we would have in most cases already determined what the particular value of the property would be. The value of the property would be determined based on assessment values for a particular area. And so I'm not sure to date, you know, what kinds of legal costs need to be incurred here in terms of sorting out this particular issue, but clearly the mediation costs which are ones that we think need to be borne by the department and by the ministry were ones that we're going to look after. Whatever resources people choose to ascertain on their own to help them deal with this particular issue at this point, I've said to them, would be their own costs.

The Chair: — I recognize the Hon. Leader of the Opposition.

Mr. Hermanson: — Mr. Chairman, with leave to introduce guests.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Hermanson: — Thank you, Mr. Chairman. It's a great pleasure to introduce 18 high school students from the community of Harris in the riding of Rosetown-Biggar. They are grade 11 and 12 students. And they're here with their teacher, Bev Seymour; and chaperones Dianne Campbell, Arlene Wells, Ginette Weins, Ron Genest, and Carol Cairns.

I would just mention to the students who are visiting we are now in a process of doing estimates. And the estimates under consideration are from the Agriculture department so the Minister of Agriculture has several of his officials in the House. And opposition members, including the Saskatchewan Party critic for Agriculture, is asking usually fairly specific questions about how the Department of Agriculture operates.

Members of the legislature, I would ask you to give a very warm welcome to the students from Harris who are visiting the Legislative Assembly tonight. Welcome here.

Hon. Members: Hear, hear!

The Chair: — I recognize the Minister of Agriculture.

Hon. Mr. Serby: — With leave just to make a brief statement to the guests who are here.

Leave granted.

Hon. Mr. Serby: — Thank you, Mr. Chair. Mr. Chair, I want to say to the members who are here — the visitors who are here from Harris, Saskatchewan — back in 1972 or '73 you had in

your community probably one of the finest hockey players in Saskatchewan. He's now the Minister of Agriculture for the province.

Some Hon. Members: Hear, hear!

Hon. Mr. Serby: — I want to say to you that our Harris team were an incredible group of men and women. I think we won — not I think; we won — the championship out there and I forget the . . . I don't forget; I won't say. But the individual who served us with some of the best raw oysters that you could eat in Saskatchewan, I still hope you have an opportunity to have them in . . . (inaudible) . . . So welcome to the legislature and the very best in your work in your community.

Hon. Members: Hear, hear!

The Chair: — The Chair won't make a comment about parliamentary language or anything like that.

COMMITTEE OF FINANCE

General Revenue Fund Agriculture, Food and Rural Revitalization Vote 1

Subvote (AG01)

Ms. Harpauer: — Thank you, Mr. Chair. As the minister is well aware, the decisions that we make today to ensure the Treaty Land Entitlement Framework Agreements are settled in the most fair way possible for everyone concerned are of the utmost importance to the future of the province. And we are about to set precedent on how we shall rectify land entitlement agreements within our province with a third party. And that may be any third party or any special interest group.

Today I've questioned the minister, and the last time the estimates were here, extensively on how the province is dealing with TLE agreements with the First Nations. But I think we're all aware that the federal government is debating Bill C-5, the Species at Risk Act. And this Act, along with others I fear will soon follow, empowers environmentalists with their ability to claim land for environmental purposes.

Does the minister recognize that there will be a realized hardship imposed upon any long-standing third party lessee of Crown land if they're forced to settle on a less than adequate lease agreement because their only alternative is to lose the land entirely, and yet they have built their agriculture business, the business that is essentially their livelihood, upon the faith and the trust of the past provincial government's policies on Crown land leases?

Hon. Mr. Serby: — Well, Mr. Chair, I think that the . . . I certainly don't disagree with the member when she speaks about the kinds of hardship that people might experience when you make a decision that might not necessarily be in their favour. And clearly the people today who are requesting renewal of the pasture have made it amply clear to me that if we are not in a position to renew the pasture then it has all kinds of repercussions for the individual producers there today who are making their livelihood from the lease of the pastures.

Clearly an argument could be made — and is made on the other side of the debate — is that people who are making claim today in Saskatchewan for treaty land are making the case that they in fact have experienced hardship over a lengthy period of time as well and accordingly are in a position today to try and rectify that through the treaty land entitlement, of which provinces and the federal government and administrations across the land are trying to find solutions to.

(16:15)

So I'm not for a minute suggesting here that there wouldn't be hardship on either front here when we talk about either making selection or either renewing. And that's why I'm so sensitive to this issue and have asked that we take an open-minded approach, that we engage people in a process that will try to address the issues of fairness and equity and economic benefit over time.

And with that, I say to you that I look forward to a resolution here as opposed to having to exercise any kind of an edict on either one of the decisions that are in front of me. And so my view is that this . . . through this mediation process, we might achieve that.

Will there be hardship? The answer is that there'll be hardship if the ministry is expected to make a decision. At the end of the day, there'll be hardship on either front.

Ms. Harpauer: — I thank the minister for his answer. The difference in a TLE settlement, or other special interest group, is a special interest group hasn't already invested money into that land or designed their livelihood around that land. This is land that they haven't had previously, that they haven't based and financed a whole entire business and their livelihood upon, whereas the lessee of the Crown land has. They are financially dependent upon that land as a matter of fact.

And if any special interest group shows or . . . shows an interest in getting Crown land and if an agreement cannot be made between the special interest group and the lessee, in some cases, it would literally mean the bankruptcy of the lessee. So I don't think that it is an equal hardship between the two parties in many, many cases.

If a Crown land lease is not renewed and the previous lessee has invested money into assets or infrastructure on the land such as fences, corrals, watering bowls, dugout, shelter, shed or a house, does he get paid by the government for those assets which could be viewed as land improvements? And who decides what the value of those assets would be?

Hon. Mr. Serby: — Mr. Chair, the value of the assets would be appraised and then it would be, would be . . . and we would then, would advise the third party of what the value of the assets would be. And it would be from that perspective from which we would go.

I just want to just make a short comment in terms of what the member has said regarding the hardship piece. We should recognize in Saskatchewan that this . . . the request for selection is not . . . I would not consider being made by a special interest group. This is not, in my view, a special interest group.

First Nations in this province have a status and an agreement with the province of Saskatchewan. This is a fundamental issue that we're dealing with here in terms of how in fact we can compensate people for what many in this room, I expect, would — or in this Assembly — would suggest has been harmful to the future and the viability of their society and of their lifestyle. And I would hardly for a minute want to be the judge of what that hardship has been.

And so in a generic fashion, I say that if and when we get to the debate about how in fact this decision will be made, we shouldn't forget for a minute that irrespective of what this decision is at the end of the day, it will be hardship on either front. And that's why the mediation process, in my view, is so important.

Ms. Harpauer: — I thank the minister for his answer. And I would like to point out that a significant percentage of the cattle industry in this province was built upon the trust and the stability of Crown land leases. Decisions that the government makes today will determine the growth of the very industry that this government has stated is so very important for our province and they've also quite openly stated that they wanted to expand in our province.

If Crown land leases are no longer viewed as stable, even if a lessee has been in good standing and has leased the land for decades, there can be no question that it will jeopardize the cattle industry in this province and it will impede further expansion of that industry in our province. Cattle producers will hesitate to expand their herds if Crown land is necessary to sustain the expansion and there will be a reluctance to invest in any infrastructure and improvement to the Crown land. And, in fact, I believe it's going to be most noticed in the cattle producers' inability to secure financing for their industry if they're securing financing for an operation that in any way relies on Crown land leases.

So does the minister recognize their long-term effects on the cattle industry of entering into land procurement agreements with any special interest group and if the land has been utilized for a number of years for cattle production?

Hon. Mr. Serby: — Well, Mr. Chair, to the member, I think it would be fair to say that in Saskatchewan the Crown land policy has been very instrumental in helping to build the livestock and the beef industry in our province. And we're not suggesting for a minute that we should change that in any way because we want to grow the livestock industry in Saskatchewan in a very viable, concerted effort.

There are large parcels and tracts in the province today where we have a very active livestock industry that has very little dependency on the Crown land — very little — and they're growing the livestock industry through their own investments as opposed to using the Crown land as part of the tool.

And now if the member from Watrous is suggesting that if we were to transfer this . . . a particular piece of property that's currently being held as a Crown piece of land and that First Nations people wouldn't grow the livestock industry, I would say to you that there's nothing further from the truth. Because today in Saskatchewan we have First Nations people who I

meet with on a regular basis who are not only talking about building and growing the livestock industry, they are.

They're making investments today in the livestock industry. They're buying tracts of land, not TLE land, but buying tracts of land today or buying land today that's not held as Crown land, but it's private land which they're buying, of which non-treaty people are happy to dispose of when the Indian bands come by and buy the land.

So I'm encouraged in this province that as we build the livestock industry in Saskatchewan, it will be a combination of a whole host of people who will be participating in it. There will be people who are currently in the livestock industry today. There will be stockmen who are there today. There will be people who will be using Crown land to be able to do that, and in my view there will be First Nations people who already own land in Saskatchewan, who will continue to grow our beef industry collectively.

So we shouldn't make the assumption here today — at least I don't — that if there were a particular decision made on a parcel of land today which the First Nations people would assume, that somehow it would destroy the livestock industry in the province. Because I don't think that that's quite accurate.

Ms. Harpauer: — Thank you, Mr. Chair. And I'm very surprised that the minister has such little understanding of the question that I posed before him and that didn't have to do with who was going to build the cattle industry. It had to do with the fact of the stability and trust of Crown land leases in the province and the history that the province has, that there is a trust upon that.

So it's disappointing that he went off in other directions that was not suggested on this side of the House in any way and ignored the question totally. But with that I'm turning it over to my colleague for the next question.

Mr. Huyghebaert: — Thank you, Mr. Chair. I have a couple of questions related to leasing also. And to start off with it's . . . I'd like to just read out clause 2(b)(iv) of the assignment of lease policy which states:

The purchaser of the deeded portion of the farm or ranch associated with the lease and does not already have a total resource base of more than 200% of the average assessment equivalent, including the deeded land being purchased, of farms or ranches in their rural municipality . . .

And my question to the minister is, does this clause apply to Sask-only farm land/ranch land?

Hon. Mr. Serby: — Mr. Chair, currently the way in which the policy reads, we look at all farm assets, farm land assets that the individual would have, whether it's Canadian owned or whether it's just provincially owned or whether for that matter it might be internationally owned.

So the way in which the current policy is, it encompasses the entire land holding that an individual might have.

Mr. Huyghebaert: — Thank you, Minister, for that question

. . . or answer. Just the word municipality has a little bit of a different connotation in Saskatchewan. Like in Alberta for an example, there is no municipality system. And so it's a little bit ambiguous.

My next question would lead to how does one make the assessment from another jurisdiction of the value of property, because there's no definition of resource base in different jurisdictions. How do you assign the assessment when it's from a different jurisdiction?

Hon. Mr. Serby: — Mr. Chair, how we would do that is we would look at the various different soil types that someone might have ownership of and then take a look at what the market values might be in the particular holdings that people have and then try to make a determination based on that data that we were able to collect.

Mr. Huyghebaert: — Well thank you, Mr. Minister. And I'm sure you gather where I'm coming from with this questioning. I have an individual or a couple that have purchased land in Saskatchewan. They moved here in 2001 from Alberta. They bought deeded land and as part of their purchase, leased land went along with it. And it was transferred as part of the sale. And at the time, this couple owned land in Alberta and the legal opinion was that it was less than the 200 per cent as outlined in the lease policy guidelines.

Now this couple have received notice that if they do not sell their land in Alberta before March 31, 2003, if they do not sell it, that the . . . I'll read what it says:

Failure to fulfill the terms of the lease utilization plan will result in immediate cancellation of the lease.

And again, it seems very ambiguous for somebody to make the assessment that their farm land value is over 200 per cent of what they've purchased, and yet the legal opinion was that it was not. Would the minister wish to answer that?

Hon. Mr. Serby: — Well I know that my department's been very busy dealing with people coming from Alberta and settling in Saskatchewan to farm. And I appreciate the fact that we recognize that we have a number of those kinds of cases.

But I want to say to the member opposite that under our lease policy, what we, what we understand . . . And I don't have the details on the file, on this file, but what we'll need to do is get them because there may have been in fact some agreement here in advance to them coming here and purchasing the land in terms of what they might do with theirs. I don't know the answer to this because there may have been an agreement here for that to occur. They may have since come and the land may not have been sold yet in Alberta. And that may in fact be impacting the kind of decision that needs to be made here.

So I think it would be useful for us to have a full appreciation of what the circumstances were when the decision was made to come here and purchase the property.

Mr. Huyghebaert: — Well thank you, Mr. Minister, and it's interesting, you comment about people coming to Saskatchewan. If we have this kind of a policy, we're not going

to have many more come. I think this is a trial case of a couple of people. And you can rest assured if this type of a policy continues, we're not going to have many more coming unless the policy is changed.

I'm sure the minister is sympathetic to the drought conditions and to put a condition of sale on, especially in a time when its . . . Western Canada is drought stricken — and to put a condition that if you don't sell your land — and land is not moving in drought areas so much right now — and to put a condition on that says if you don't sell your land, we're going to, going to cancel your lease.

And one of the reasons they moved here, to set up a ranching operation. And you already alluded to how ranching is growing in this province and going to grow. And yet we're being a little detrimental or a whole bunch detrimental to people that are moving here and want to continue with their lease.

And, Mr. Minister, I'd be happy to give you the whole file that I have on this — in fact, I give it to you right now. I've got a few of my own notes on it but I'd be more than happy to give it to you. And I would like to have an answer as soon as possible because these people are sitting in a quandary right now wondering what they should do.

(16:30)

Also in this is a transfer fund . . . or amount of funds and it's quite huge, and why would they pay a transfer fee for a period of time where they might only have the land until spring of 2003? It's kind of pointless for them to do a large sum of money for this summer of lease usage, I guess.

So I will gladly send this over to you, Mr. Minister, and . . . But what I would like from you is a date that you would have an answer back to me because I know these sometimes linger on and on and on. And as I said to one of the ministers the other night, I'm still waiting for answers from last year, so I really do like to have a date, time that I can expect an answer.

Hon. Mr. Serby: — Well we'll, Mr. Chair, if you send the information over to us, we'll have this back to you within a week to 10 days — we can make that kind of commitment . . . (inaudible interjection) . . . Yes, a week to 10 days.

And I would say to the member opposite that there is a good deal of sensitivity, as you can appreciate, about Crown lands. Where there are far more people who would like to have access to the Crown lands than we have land available. And so those people today who are Crown land lease owners, they are in an enviable position.

So when you have a circumstance like this, where you have somebody moving in from another province and are wanting to assume the extension of a lease, you would know of course that we would have received some calls as well from other farmers or ranchers in the area who are saying exactly something a bit different. Who would say, well why is it that you have somebody today coming in here from another province, assuming a lease of a piece of Crown land which we sure would like to have, as a Saskatchewan resident, access to.

So I mean there's another side to this particular debate. I don't know the answer to this particular file but I'd be happy to take a look at it within the time frame of which I've suggested.

Mr. Huyghebaert: — Well thank you, Mr. Minister. And I'll give you a chance to read the file but I just do want to make a comment. You say there's people that want lease land, and you're right. But these are Saskatchewan residents. They've moved there . . . They've lived here since I think it was — I gave you the paper now — 2001 or 2000 when they moved here. They're actually Saskatchewan residents.

And part of the agreement of the sale was the transfer of the leased land, which is fairly common. If you wish to buy some land and leased land goes along with it, that's fairly common to have a transfer of the leased land with it.

So I appreciate your comment about, and a reply to me, within 10 days. I look forward to that. And on that note I'll pass it on to my colleague.

Mr. Hart: — Thank you, Mr. Chair. Mr. Minister, we all know of the changes that you made to the 2002 crop insurance program, changes that we submit were not to the . . . in the best interests of the Saskatchewan farmer.

When you were contemplating making these changes, dropping the spot loss hail option and dropping the variable price options, did you do any calculations as to what the estimated cost of providing those options in 2002 would be? And if so, what would those figures be?

Hon. Mr. Serby: — Mr. Chair, I'd say to the member that I think the overall cost of the spot loss hail and the variable option was somewhere in the neighbourhood of 60 to \$80 million, would be everybody all in and all done. So it would be the federal government, the provincial government, and the producers.

I would take just a small exception — because I won't take many — when the member opposite says that it's not in the best interests of Saskatchewan farmers, the decisions that we made around the crop insurance.

I want to say to the member opposite, he knows what the dilemma was this year around the crop insurance program. It's the same kind of debate that we're having today around getting trade injury from our federal government, where we have not got the kind of dollars that we were asking for.

And so what we did is we took the pool of money or the pot of money that we had and it was our view that this year in Saskatchewan, putting money into grass and hay programs and to pasture programs was a pretty good idea because I . . . As important as hail insurance is — and it's extremely important in our province — so is the ability to be able to provide a grass and hay program.

When I look at the numbers this year and see what's happened here, where we I think last year had on a pilot project somewhere in the neighbourhood of about 200,000 acres, I think this year we're somewhere in the neighbourhood of 3 million acres of forage land that's been, in fact, insured. So I

think it's not a bad investment in Saskatchewan today, particularly given the extent of the drought, to be putting some insurance opportunities available for producers as it relates to grass and forage.

Mr. Hart: — Mr. Minister, the information that you . . . you provided me with in response to a written question for the 2001 program, your answer indicated that it cost the Government of Saskatchewan approximately 17 and a half million dollars for the spot loss hail. I would assume, with the increase in coverages due to an increase in most of the commodity prices, that that option would have cost the provincial government somewhere in the neighbourhood of 20 to \$22 million. I'm just guessing at that, Mr. Minister.

Could you . . . I wonder if you could comment on my assumption on that. Is that correct? And also in your answer, could you indicate what you calculated as far as the provincial cost for the variable price option in 2002, if that would have been included in the crop insurance program?

Hon. Mr. Serby: — Mr. Chair, I was using the number 60 to 80 million on the two programs. And from this perspective, that the producers' share last year to the program 2001 was 23 million, 313 — and that total is the Saskatchewan portion. And the Canadian portion was about 58 million.

So if you were to look at this year's cost to the program — and the variable price option, I think, last year was around 3 million or 3 and a half million, 3.6 million — and based on what the new prices are this year, my department tells me and crop insurance officials tell me that that could have been somewhere in the neighbourhood of 10 to \$50 million in addition to carry the program. So it has a very large ticket attached to it.

Mr. Hart: — Mr. Minister, when you were looking at making these changes, did you calculate or do an estimate as to what it would cost to producers . . . What additional costs the producers of this province would have to incur just to replace the spot loss hail option in 2002?

Hon. Mr. Serby: — Yes, Mr. Chair, we would have. Because you would have had to take then — because the hail program was subsidized by the provincial and the federal governments to the tune of \$35 million — so when we were making the decision of moving out of the spot loss hail, the subsidized spot loss hail, then in fact, and if producers were going to be insuring their crops to the same levels as they were under the crop insurance program, that this would be an additional injection of about \$35 million to producers across the province. Including an additional cost to our farm and I expect probably an additional cost to your farm too if you were a crop insurance carrier and you had spot loss hail.

Mr. Hart: — Well, Mr. Minister, I would suggest to you that the cost is considerably more than \$35 million. As I'd said earlier, the commodity prices have increased. The average level of crop insurance per acre, I would suspect, at the same level of coverage — and let's take a 70 per cent option — the coverage of crop insurance per acre will be higher in 2001 than in 2002 due to the increase in most of the commodity prices.

Secondly, if you factor in the surcharges that . . . when you're

buying private hail insurance, the basic charge that applies to your cereals does not apply to crops like canola, field peas, chick peas, and lentils where there is one and three-quarters times the basic rate and as high as . . . And canola I'm told this year is the only crop that is being charged at one and three-quarters time. All the other crops, the specialty crops, are two times.

So I would suggest, Mr. Minister, that the additional cost to the farmers of this province just to replace the spot loss hail option is somewhere in the neighbourhood of 45 to \$50 million of additional cost, Mr. Minister — I would think that's a closer figure. And I was just wondering if you would reconsider your answer. And do you agree with my calculations, Mr. Minister?

Hon. Mr. Serby: — Mr. Chair, I wouldn't disagree with the member at all. I think clearly what our costs were last year, 17 and a half million, this year our costs would be — with the value of the particular commodities this year overall I think being up slightly when you take into account the various different crops that we grow in the province — that certainly the number of \$35 million would be on the low side in my view. So it would be a higher number, no question.

But in the case of our commitment to the crop insurance program this year, as we may or not agree, at the end of the day in Saskatchewan this year, our provincial taxpayer today is paying more for the crop insurance program. We added an additional \$10 million to our crop insurance program this year. And so, you're right, producers are paying more today to insure their crop for hail, no question about that.

Producers are paying more today for insuring their crop insurance through Crop Insurance because the price of the commodity is up and the cost per acre of coverage is also up. Some might say not enough, but in most cases it's up. And at the end of the day when we put more money, taxpayers' money, into the crop insurance program, Saskatchewan taxpayers are paying more this year too, to provide coverage for the crop insurance program.

Now clearly this isn't what we wanted in Saskatchewan as you can appreciate. We wanted to see an enhanced crop insurance program which the new farm . . . the farm framework or the agriculture policy framework today has crop insurance in the safety net side, in the risk management side, we're leading with crop insurance. So crop insurance will be the program of the future for Canadian producers, not only in Saskatchewan but for Canadian producers.

But it will require, as you can appreciate, a fairly significant investment at the national level. We didn't get the additional \$200 million that we were looking for this year because that's what we wanted, that's what we thought that we needed to make the kinds of improvements that we wanted to see in the program; they just didn't come.

So over the next, this particular year, we'll get an opportunity to share with you what we're proposing. Producers are going to have an opportunity to challenge the position that governments are going to put forward in terms of what the new programs should look like. But there's no question that everybody is paying more this year for crop insurance program that in some

fronts doesn't meet the kind of expectations we'd hoped they would have achieved.

Mr. Hart: — Mr. Minister, I guess we really won't know what the additional cost to the farmers will be until the seeded acreage reports are in and we know how many million acres have been sowed to field peas and etc., and etc.

But for argument purposes, if we use a figure of \$50 million we're probably not too far out as far as determining the additional cost that Saskatchewan farmers will incur this year due to the removal of spot loss hail from the crop insurance program.

Now I have in front of me the latest projections from Ag Canada on realized net income for Saskatchewan. Last year, I'm reading here, that the realized net income for 2001 was \$972 million. It's projected to fall some 47 per cent to \$517 million. And these projections were done, this report is dated January of this year, so this report and these projections certainly would not have been aware of the changes to the Saskatchewan crop insurance program.

So basically, Mr. Minister, what you've done with one fell swoop of your pen is you've reduced the realized net farm income by a further 10 per cent, Mr. Minister. And I don't think that's something that the farmers of this province can ill afford, Mr. Minister. I think this change to crop insurance was ill-conceived, not well-thought-out and is certainly placing a huge burden on our producers, Mr. Minister.

(16:45)

Hon. Mr. Serby: — Well, Mr. Chair, the member makes a wonderful argument for why we should have compensation today for a trade injury. Clearly when you take a look at the numbers last year, and the member's absolutely right, the realized net farm income's over 900 million — almost \$1 billion.

Of that \$1 billion, the 972 million, it's made up of \$200 million last year that was paid out from C-SAP. We paid out \$330 million last year from crop insurance and we had some old AIDA (Agricultural Income Disaster Assistance) that was kicking around that was worth about 80 million. So when you put all those program numbers together and attach them to what the marketplace paid, our Saskatchewan producers finally got what they should get in terms of being competitive in the marketplace . . . our . . . in terms of receiving appropriate net farm income.

The average net farm incomes for Saskatchewan producers is about 550 or 525 to 530 million annually. So this year's projection of what the national government is suggesting of 517, they think is acceptable. Well on this side of the House and from this ministry and this Department of Agriculture, we don't think this is acceptable at all.

That's why the trade injury is such an important piece here where we're going to see — and hopefully see — from the national government what we're talking about. \$1.3 billion in trade injury would give Saskatchewan about 500 million. If you were to take that \$500 million dollars and attach it to the 517

that the . . . Ag Canada today is projecting, we'd have in Saskatchewan next year, or for this given year, about \$1 billion. And that's what Saskatchewan producers should be achieving in net farm income every year — not because they're getting only a cheque from the marketplace but they'll also be getting a cheque from the mailbox for the valuable work that they do.

And so when the member opposite makes the case for \$972 million in Saskatchewan, you couldn't . . . I couldn't agree more with you. That's exactly where we should be. And what got us there last year? Not the marketplace. The ad hoc payments got us there last year. And so we should keep in mind when we're debating over the next several weeks in this Assembly and as we promote across Canada the importance of the net farm . . . or the trade injury, that we want to get to \$1 billion in Saskatchewan because that's what our Saskatchewan producers should be receiving.

Mr. Hart: — Mr. Minister, this report actually projects a . . . total market receipts for 2002 of \$5.5 billion and not much lower than the 5.6 for 2001, Mr. Minister. And actually program payments were . . . are projected to be lower for this year, of 708 million versus 963.

However having said that, I certainly agree that there is a large, urgent need for the federal government to step up to the plate and deal with this . . . the implications of this US farm Bill and the trade distortion that, that it has already caused. And the new farm Bill will have a much greater impact on trade distortion.

Mr. Minister, this \$1.3 billion that was put out some time ago by various farm groups, including the Canadian Federation of Agriculture and the Canadian grain growers and a host of provincial farm groups, it's looking like reading the papers and hearing your comments and hearing the comments of the Leader of the Opposition and the Premier that at least the federal people are taking this very seriously. And it seems like sometime down the road in, hopefully, not too many months time that perhaps the federal government will come up with some sort of a dollar figure and that sort of thing. At least, it's my sincere hope that that will happen.

Mr. Minister, my question to you is, though, are you and your department working on any proposals to make to the federal government as to once a dollar figure is reached and agreed upon as to how that money will be used? Will it be put out in an acreage payment? Will it be put towards specific targets? Are you and your department . . . have you got any ongoing work in that area, Mr. Minister?

Hon. Mr. Serby: — The answer, Mr. Chair, to the member, is that we are working with the federal government to look at various different options that might be available in terms of how you might make a payout.

What we're really trying to secure right now of course is the figure. We think that the \$1.3 billion is what we need to achieve. At the same time, we're also trying to ensure that the federal government doesn't roll a portion of this money into the agricultural policy framework.

Because within the agricultural policy framework today exists the safety net money, which is for AIDA (Agricultural Income

Disaster Assistance) — sorry — which is for CFIP (Canadian Farm Income Program), NISA (Net Income Stabilization Account), and crop insurance. And we're always concerned that what they might try to do here is take whatever chunk of money they make available to Canada and say to us that it's now going to become part of the agricultural policy framework.

To date, we've been successful in keeping these two very separate, so that we get a trade injury payment from the federal government that addresses itself as specifically trade injury, and that we then work away at putting together the long-term safety net which I think we've been . . . revised long-term safety net from what we've had over the last five or six years in Saskatchewan and in Canada. So in sort of a long-winded way, to say to you that we are keeping the \$1.3 billion very much on the table for trade injury and then are looking for another parcel of money, if I might say, that would address itself to the agricultural policy framework.

So when we talk about 1.3, it's only one portion of what we might be looking for. We're looking for somewhere, I would expect based on the numbers that have been out there now, in the neighbourhood of about \$2 billion. And that the \$2 billion would not be for one year, but the \$2 billion would make themselves available for the period of the life of the US farm Bill, which is currently 6 years, and that's what we would anticipate Canadian farmers should have access to.

And clearly, if we could get that kind of an injection and \$500 million into Saskatchewan's economy in the next couple of months, that would be very helpful to address a whole different . . . a whole host of issues that are prevailing upon Saskatchewan producers today.

Mr. Hart: — Well, Mr. Minister, I certainly have to agree with one of the comments that you made there in the . . . Or at least if I heard correctly, you said that work needs to be done on a long-term safety net because, in fact, in this province there hasn't been a long-term safety net for quite some time, Mr. Minister.

Now the other question that I would have regarding this issue is the \$1.3 billion. That figure came about through calculations I believe over . . . when economists looked at the trade distortion that occurred from '96 to the year 2000 or . . . and really doesn't take into consideration the impact of this new US farm Bill which is expanded. It's much more onerous. It's much richer as we all know. In fact, I understand that the latest projection is up to some \$190 million over 10 years.

Are you and your department, are you doing an analysis of this new US farm Bill and . . . as to how it will impact on Saskatchewan farmers? Will you be able to quantify as best you can the dollar hurt, because I think that will be a very important figure that you will be needing in your negotiation . . . upcoming negotiations, Mr. Minister? Could you update me on any work that's being done in that area?

Hon. Mr. Serby: — Mr. Chair, to the member, we are absolutely looking at what the costs might be here in terms of impact to Saskatchewan producers. We're also assured, from the discussions that we had just on Friday with the Manitoba and Alberta people, that they're also looking at what the impact

numbers are for each of them. And as you point out, rightly, that the \$1.3 billion was done in advance of the pulse crops being included in the legislation, in the US legislation, so that impact might be slightly higher than the \$1.3 billion. But each of the provincial departments are now examining what the injury might be and we'll be using those numbers, in my view, to justify the position of what we're going to be enhancing.

I should say though in conclusion of my comments, where you say there has not been any long-term safety nets, and every time I hear people say that to me, it creates a bit of ire for me. Because in Canada today, we have had long-term safety nets in place. Now you can argue that they aren't any good, which you'll get no argument from me about for a moment.

But we have had long-term safety nets. They've been in the form of AIDA and CFIP and NISA and crop insurance. Those have been the long-term safety nets that we've had in Saskatchewan and in Canada now since 1997.

And we'll all agree that they haven't worked and they haven't been able to deal with the risk of the insurance piece, nor have they been able to provide income stability. But we shouldn't say to Saskatchewan people and to Canadians that you haven't had a long-term safety net, because they have.

Now it hasn't worked and we've put tons of money into it. Last year we put \$200 million, additional dollars, into C-SAP on top of the safety nets that are there. The year before that we put \$200 million worth of C-SAP I (Canada-Saskatchewan Adjustment Program) in on top of the safety net programs that are there. Prior to that we put \$300 million into an off . . . (inaudible) . . . a transportation program.

So in Canada today we have had a safety net, doesn't work. So that's why we have today the new policy framework, which I expect that you and I will have a debate about in the future, and that when the provincial governments and the federal government bring the program together that's going to be suitable, I know that you're going to applaud it because by then it will be a relatively good program.

Hon. Mr. Hagel: — Mr. Chair, I move that the committee report considerable progress on Agriculture, Food and Rural Revitalization and then proceed to estimates on Health.

The committee recessed until 19:00.