

The Assembly met at 10:00.

Prayers

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Ms. Eagles: — Mr. Speaker, I have more petitions regarding the condition of Highway 47 south of Estevan. And 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 47 South in order to avoid serious injury and property damage.

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

And, Mr. Speaker, this is signed by citizens of Estevan, and even one on here from Calgary, Alberta.

I so present. Thank you.

Mr. McMorris: — Thank you, Mr. Speaker. I too have a petition to present on behalf of citizens of the province and the shape of the highways we have. 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 to make necessary repairs to Highway 47 South in order to avoid serious injury and property damage.

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

Mr. Speaker, this petition is signed by people of Estevan and Hitchcock.

I so present.

READING AND RECEIVING PETITIONS

Deputy Clerk: — According to order the following petitions have been reviewed and hereby read and received as addendums to previously tabled petitions being sessional paper nos. 13, 18, and 21.

NOTICES OF MOTIONS AND QUESTIONS

Mr. Huyghebaert: — Thank you, Mr. Speaker. Mr. Speaker, I give notice that I shall on day no. 24 ask the government the following question:

To the Minister of the Environment: In 2002-2003 what flights were charged to the Department of Environment by Courtesy Air; what was the departure point, all stops, and final destination of each flight; what was the date of each flight; and who was aboard each flight?

Mr. Lorenz: — Thank you, Mr. Speaker. I give notice that I shall on day no. 24 ask the government the following question:

To the Minister of Health: what provincial funding is available to municipalities for the control of West Nile virus; when will the criteria for access for this funding be made available for which the currently prepared . . . municipalities that currently are preparing their budgets for this information; will this funding be targeting those municipalities with problems with West Nile virus?

Ms. Bakken: — Thank you, Mr. Speaker. I give notice that I shall on day no. 24 ask the government the following questions:

To the minister of Saskatchewan Liquor and Gaming: what services were provided by Wascana Gaming incorporated in the year 2000-2001 for \$169,500 paid to that firm by Saskatchewan Liquor and Gaming; and was this work awarded based on a tender or a request for proposal?

And secondly, I'd like to ask another question, Mr. Speaker. I give notice that I shall on day no. 24 ask the government the following question:

To the minister of Saskatchewan Liquor and Gaming: what services were provided by Wascana Gaming incorporated in the year 2001-2002 for \$254,250 paid to that firm by Saskatchewan Liquor and Gaming; and was this work awarded based on a tender or a request for proposal?

Mr. Elhard: — Thank you, Mr. Speaker. I give notice that I shall on day no. 24 ask the government the following questions:

To the Minister of Agriculture and Rural Revitalization: of the 10,458 existing Crown land leases in Saskatchewan, how many were renewed in the fiscal year 2003 . . . 2002-2003; further to that, in the fiscal year 2002-2003 how many of these leases were not renewed pending the proposed Crown land lease review; of the leases that were not renewed, how many were subject to a treaty land entitlement claim in the fiscal year 2002-2003; and in the cases where treaty land entitlement claims were denied, how many leases were still not renewed in the fiscal year 2002-2003?

And, Mr. Speaker, I have similar questions for the previous fiscal year.

Mr. Gantefoer: — Thank you, Mr. Speaker. I give notice that I shall on day 24 ask the government the following question:

To the Minister of Health: please provide a list of current publicly insured medical procedures; how many were done of each during 2001-2002; and the cost per procedure?

INTRODUCTION OF GUESTS

Ms. Bakken: — Thank you, Mr. Speaker. Mr. Speaker, it gives me great pleasure today to introduce to the Legislative Assembly my new constituency assistant, Bev Pirio from Radville and her son, Brett. And I'd just like to welcome them here today.

And I'd also like to tell you that Brett is very interested in politics. Although he's only 10 years old, he has aspirations of

being the prime minister of Canada some day.

So I hope that they both enjoy the session today and I'd like everyone to help me welcome them.

Hon. Members: Hear, hear!

STATEMENTS BY MEMBERS

Regina Chamber of Commerce Paragon Awards

Mr. Wakefield: — Thank you, Mr. Speaker. I'm sure everyone here knows the importance of business and innovation to the future of our province, and especially the potential of small and medium business in driving the economy for growth and job creation in this province.

Last night here in Regina the Regina Chamber of Commerce celebrated just such successes during their fourth annual Paragon Awards — that's the premiere business awards, that's the event in this city that celebrates these successes.

A record attendance was present to help celebrate the awarding of nine Paragon Awards and the categories . . . and one of the special categories was the President's Award. That honour was presented to Mr. Frederick Hill for outstanding achievement from his lifelong contribution to this city and to the province.

Of the 27 finalists, all winners in their own right, nine received the Paragon Awards for recognition in categories from Young Entrepreneurs to Community Involvement, from Marketing and Promotional Achievement to Community Alliances, and from Export Achievement to Customer Service and New Ventures.

In addition, the Athena Award dedicated to women entrepreneurs went to Brenda Klarer, Wascana Remedial Massage Centre. As well, the very prestigious Business of the Year was presented to Young's farm equipment here in Regina. Congratulations also to Shannon Stewart at Curves for Women; the Co-operators Life Insurance; Jane's Skin Care & Day Spa; and a special recognition to two double winners, Access Communications and Saskcan Pulse Trading Inc. here in Regina.

Well done, everyone.

Some Hon. Members: Hear, hear!

Hon. Mr. Wartman: — Thank you, Mr. Speaker. Well more good news for Regina, more good news for Saskatchewan.

Some Hon. Members: Hear, hear!

Hon. Mr. Wartman: — We have some tremendous businesses in this province, Mr. Speaker, and some tremendous ones in Regina.

Last night at the Paragon Awards we saw some of the exciting results of people who are committed to making their businesses go and to making this province thrive, Mr. Speaker.

Mr. Speaker, it was exciting to hear and to see what these businesses are doing in our community. And we had

opportunity through Industry and Resources to present some of those awards through our Crown corporations, SaskPower and SaskTel.

And, Mr. Speaker, when we look at what these folks are doing, we see Business of the Year, Young's farm equipment, even after their fire, accomplishing so much. Community involvement, the Co-operators, out there working in the community doing tremendous things. For export achievement, Saskcan Pulse Trading Inc. Mr. Speaker, Murad Al Katib and Saskcan Pulse Trading also won this year's award for New Business Venture. And these folks are on the move for this province and for this nation.

For Marketing and Promotional Achievement, Access Communications, and they were a double award winner. They also won the Community Alliance Award. Mr. Speaker, these folks are communicating. They're out there competing and doing a tremendous job. For marketing and promotional achievement they showed their abilities.

Winner of the Athena Award, Brenda Klarer of Wascana Remedial Massage, nominated in other categories.

Tremendous work by these people to build our city, build our province. We have a lot to celebrate, a lot to be thankful for.

Some Hon. Members: Hear, hear!

New Business at Craik

Mr. Brkich: — Thank you, Mr. Speaker. I rise in the House, in the Assembly today to give you an update about a remarkable young man from Craik who opened up a new business this past February. Curtis Heinen has opened a full-service machine shop called C & D Developments, located about 7 miles north . . . 7 miles south of town. This is a remarkable achievement when you take into account that this young man is blind.

The members will recall on June 26, 2001, I had the honour to rise in this legislature to give a member's statement on behalf of Curtis's achievements as a professional machinist who had invented a new grease saver which he was marketing at the 2001 Farm Progress Show. At that time the members of this House were very impressed with the high level of achievement of this visually challenged individual. So I was not surprised when I heard that this same young man was now opening a machine shop of his own.

I was pleased to be invited to the grand opening on February 14, 2003. While it is always a good day when a new business opens in Arm River, it was an especially good day for Mr. Heinen, who has taken on the challenge of having no sight and succeeded. Now he is taking on the challenge of running his own business in the heart of the agricultural community.

On behalf of the constituency of Arm River and the members of this Assembly, I want to thank Curtis for all his hard work and dedication that he's put into his professional career on behalf of Saskatchewan farmers. Thank you, Curtis.

Some Hon. Members: Hear, hear!

Artistic Talents in Regina Public Community Schools Celebrated

Mr. McCall: — Thank you, Mr. Speaker. This Wednesday I had the opportunity to join in a celebration. Regina public community schools, in partnership with Weyerhaeuser, put on a day-long showcase of the many artistic talents of community school students. The packed hall at the Regina Performing Arts Centre was treated to powwow dancing, guitar playing, choir singing, square dancing, rhythmic gymnastics, stomp dance, hip hop dance, interpretative dance, multimedia, and cheerleading.

It was quite the show, Mr. Speaker, and there were participants from Connaught, Arcola, Imperial, Albert, Kitchener, Coronation, Thomson, Ken Jenkins, McDermid, Herchmer, Cochrane, Scott, Thom, Rosemont, Wascana, and Martin community schools, Mr. Speaker.

Such a day takes a big effort to put together and I would like to acknowledge the hard work and creativity of the four main organizers for the event: Lori Aitcheson, Marilyn Fazakas, Marla Dufour, and Marg Friesen. They in turn were assisted by the Regina Public School Board, by Weyerhaeuser, by volunteers, by the principals, the parent councils, the coordinators, and staff colleagues at all these community schools.

They were particularly helped out by those who worked with the kids to get the performances ready. In fact one fearless teacher even joined his students on stage to dance some hip hop. This was Ed Friesen from Kitchener and it was just one more example of the dedication that Friesen brings to his classrooms, one that will not be soon forgotten upon his impending retirement after many years of teaching in North Central.

Friesen, his fellow teachers, and the organizers and the folks that get involved with community schools are people who exemplify the spirit of a quote from Sitting Bull that was included in the celebration program. He said, "Let us come together to see what we can do for our children."

It was a great celebration and I am proud to be part of a government that comes together with communities and educators to see what we can do for our children in our community schools. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Qu'Appelle Valley Hockey League

Mr. McMorris: — Thank you, Mr. Speaker. Mr. Speaker, it's a privilege today to rise to congratulate and recognize a couple of senior hockey teams. Now that the snow is gone and the hockey season is pretty much over, I'd like to recognize a couple of hockey teams in the constituency of Indian Head-Milestone.

The first one is the Indian Head Chiefs. The Indian Head Chiefs ended a long drought by capturing the Qu'Appelle Valley Hockey League championship on Thursday. Some 700 fans packed the Mac Davies arena where the Chiefs bounced the Milestone Flyers 7-3 to capture the best of three series, three games to one. Qu'Appelle Valley Hockey League president,

Don McEwen, presented the trophy to league champs Chiefs captain, Lloyd Webster.

The other team I'd like to congratulate are the Milestone Flyers, however. The Milestone Flyers captured the Saskatchewan Hockey Association's provincial C title two weeks ago in Milestone. The Flyers defeated the Delisle — I'm not sure what their name is, but from Delisle — in the best of three final, two games straight. This is the second provincial championship that the Flyers have won in the past three years.

I'd like to congratulate all the coaches and managers on a job well done. Mr. Speaker, I guess it doesn't matter how you slice it, Indian Head-Milestone are the best.

Some Hon. Members: Hear, hear!

Three Inducted into 4-H Hall of Fame

Hon. Ms. Higgins: — Thank you, Mr. Speaker. Mr. Speaker, last weekend I had the honour of attending Saskatchewan's 4-H Council's annual meeting and banquet. Mr. Speaker, 4-H is a youth organization devoted to the growth and development of responsible citizens. It has the same optimistic view of the future of Saskatchewan and our youth that this government does.

Mr. Speaker, this government is proud to be a major financial sponsor of this program. We view our support of 4-H as a strategic investment in our province's future.

(10:15)

Mr. Speaker, a special part of the evening was when three individuals who have made outstanding volunteer contributions to 4-H were honoured for their years of dedication and commitment by being inducted into the Saskatchewan 4-H Hall of Fame.

Mr. Speaker, the inductees were Henry Putland of Churchbridge, Jacob Krupka of Luseland, and William Selody of Flintoft who was inducted posthumously. Mr. Speaker, family was out in huge numbers and many friends of the inductees enjoyed a wonderful evening. Mr. Speaker, these new members of the Saskatchewan 4-H Hall of Fame invested their time, effort, and skill over many years to the young people of this province. Saskatchewan is a better place today and will be a better place in the future because of their contributions to 4-H.

Thank you very much, Mr. Speaker.

Some Hon. Members: Hear, hear!

Speed Limit Increase

Mr. Heppner: — Thank you, Mr. Speaker. The Sask Party, Mr. Speaker, has clearly and for a long time stood for raising the speed limits on divided highways to 110 kilometres. The NDP Highways minister has in the past, has in the past repeatedly said that he was dead against the increase. It would kill people. It would ruin the environment. We'd have to pump Tommy Douglas's oil out of the ground, Mr. Speaker. The last NDP-CCF (New Democratic Party—Co-operative

Commonwealth Federation) annual love-in of socialists soundly defeated the increase in the speed limit. So much for democracy in the NDP (New Democratic Party) ranks.

The minister opposed the speed increase. The NDP membership opposed the increase. But if the Sask Party supports it, darn the torpedoes in democracy; it must be the right thing to do, Mr. Speaker.

However, Mr. Speaker, the public travelling at 110 kilometres will still never forget or forgive the NDP's stack of fiascos: SPUDCO (Saskatchewan Potato Utility Development Company), Dutch Lerat, women harassed in the workplace, Murdoch, Channel Lake, bingo. Mr. Speaker, is there no end to how badly these people can run a government?

Some Hon. Members: Hear, hear!

ORAL QUESTIONS

Speed Limit on Four—Lane Highways

Mr. Hermanson: — Thank you, Mr. Speaker. I know the NDP are in a hurry to get out of town after a bad week. Now they can go a little faster.

Mr. Speaker, we are pleased that the Minister of Highways has taken the advice of the Saskatchewan Party because the Saskatchewan Party was the first to call for a 110-kilometre speed limit on four-lane highways.

But last fall the Minister of Highways rejected that idea. He said a higher speed limit would make Saskatchewan highways more dangerous and increase accident rates. The minister said, and I quote: "It just doesn't make sense." In fact at the NDP convention last fall, NDP delegates soundly defeated this proposal.

So my question is: what caused the minister to flip-flop on this issue and ignore the democratic wishes of his own party? Was ignoring the wishes of NDPers the right thing to do?

Some Hon. Members: Hear, hear!

Hon. Mr. Wartman: — Well thank you very much, Mr. Speaker. I appreciate getting this very first question . . .

Some Hon. Members: Hear, hear!

Hon. Mr. Wartman: — . . . and it is an honour . . . Thank you. It is an honour be able to talk about a government that doesn't have knee-jerk reaction to proposals; the government that thinks very, very clearly about what it's going to do.

This is a government that looked at all the factors, put those factors together, and made a responsible decision — not a knee-jerk decision. That decision is based on these wide range of factors. This province is on the move. They're on the move a little faster come June 1. It's a good decision. It's going to be good for all the people of this province. Thank you for that question.

Some Hon. Members: Hear, hear!

Ethanol Industry

Mr. Stewart: — Thank you, Mr. Speaker. My question is for the minister responsible for the Crown Investments Corporation. Yesterday the minister would not answer specific questions about the status of the ethanol plant to be constructed at Belle Plaine and the financial arrangements for the deal between this NDP government and Broe Companies.

Mr. Speaker, the NDP government has publicly committed \$20 million of taxpayers' money to this particular project. Yet the minister told the media yesterday that he can't reveal details of the deal with Broe or the due diligence on this project.

Mr. Speaker, the minister and his government are representatives of the people of Saskatchewan. The public have every right to know if this is the best use of taxpayers' dollars.

Mr. Speaker, why won't the minister release the agreement with Broe and the due diligence report into this ethanol project?

Some Hon. Members: Hear, hear!

Hon. Mr. Serby: — I'd be happy to answer the question on behalf of the minister today, Mr. Speaker. And I want to say just a couple of things first.

Yesterday the minister said, Mr. Speaker, unequivocally, that the equity is in place, Mr. Speaker. The minister said yesterday that the debt financing for the project is yet not concluded, that those arrangements are being completed, Mr. Speaker, is what he said. And he said that the lenders have been identified, Mr. Speaker, and in fact the terms have been worked out today, Mr. Speaker.

But I want to say to the member opposite today, where does he stand, Mr. Speaker, on ethanol development in Saskatchewan? Because I know where the member from Saltcoats stands, Mr. Speaker, and I know where the leader stands — of the opposition — on development of ethanol in Saskatchewan, where they say there should be no public investment in ethanol, Mr. Speaker.

And I say, Mr. Speaker, I'd like the member from Thunder Creek to stand up and tell us where he sits on the ethanol development, Mr. Speaker. Because as long as we're investing in opportunities in Humboldt, and we were investing in opportunities in Canora, the members stand up and say, it's good for us in our own constituency; we support it. When we do it for Saskatchewan people, Mr. Speaker, they're opposed to it, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Stewart: — Mr. Speaker, we on this side of the House are 100 per cent behind the development of an ethanol industry . . .

Some Hon. Members: Hear, hear!

Mr. Stewart: — But, Mr. Speaker, the minister must have been dizzy after the media scrum yesterday, after the circles he danced around the questions about the status of the three

ethanol plants originally proposed within this deal with Broe industries. Now it is obvious the construction of even one plant is questionable.

In February the minister said if Broe's financing was not secure by the end of March he would be worried. Well it's mid-April, Mr. Speaker, and Broe's financing is anything but secure. And now the people of Tisdale and Yorkton-Melville, who have been led to believe there are ethanol plants coming to their communities, have been put on the back burner by this government because the deal is on shaky ground.

Mr. Speaker, if the NDP is so confident that . . .

The Speaker: — Order, please. Order, please, members. Order. I would like the members to allow the question to be heard in its entirety.

Mr. Stewart: — Mr. Speaker, if the NDP is so confident that their deal to build ethanol plants with Broe industries is such a good deal for the province of Saskatchewan and the taxpayers of this province, why won't they release the details? What are they hiding?

Some Hon. Members: Hear, hear!

Hon. Mr. Serby: — The minister yesterday made it very clear, and I will again today, that the equity, Mr. Speaker, for the project is in place. The debt financing for the project is not yet concluded but we're completing the arrangements, Mr. Speaker; that the lenders have in fact been identified.

And I say, Mr. Speaker, this is a private sector company that's involved in assisting in the development of the project in Saskatchewan. And I say to the members opposite, show me where Cargill grain has disclosed to the Saskatchewan Wheat Pool or to ConAgra what their competitive advantages are, Mr. Speaker. Show me where that occurs, Mr. Speaker, today.

Show me where the private sector industry today, Mr. Speaker, divulges their competitive advantage to any other employer of which they're going to be competing with, Mr. Speaker.

And why would, Mr. Speaker, this particular company . . . Why would Broe? And I say, Mr. Speaker, to the members opposite that the Scotia Capital has done the review of this, they've endorsed it, the process, Mr. Speaker, and we're moving ahead to build an ethanol industry in spite of the Saskatchewan Party, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Stewart: — Mr. Speaker, we're not asking Broe industries to open their books to the taxpayers of this province. We're asking the Government of Saskatchewan to do that.

Some Hon. Members: Hear, hear!

Mr. Stewart: — The people of Saskatchewan have every right to be skeptical about this minister and the NDP government's involvement in this deal.

This is the same minister who brought us SPUDCO and lost

\$28 million and called that a success. This is the same government that managed to lose \$6 million on bingo and claimed that that was to help charities.

Given the recent history and the NDP's track record, the public has every right to ask if due diligence was done for this project and if it is a good deal for the Saskatchewan people.

Mr. Speaker, if the minister is not willing to release the details of the financing arrangement to us or to the media, and if he's not willing to release the due diligence behind this deal, will he commit to letting the Provincial Auditor, on behalf of the people of Saskatchewan, review the financial arrangement and the due diligence report?

Some Hon. Members: Hear, hear!

Hon. Mr. Serby: — I've indicated on — as has the Minister of Crown Investments Corporation — the process that's taken place to date. We've indicated that the working on this project remains on schedule, Mr. Speaker. We've outlined for the media and for the members opposite that the Scotia Capital have in fact done the review on the basis of the economic benefits and analysis of this project, of which the members opposite and the media has access to on any occasion they want, Mr. Speaker.

But I want to say, Mr. Speaker, and the member opposite raises again the investment in the SPUDCO piece, as does the member from Swift Current. And what we're up to here again, Mr. Speaker, is clear. As long as you're doing things for your friends, Mr. Speaker, and the SPUDCO issue identifies it perfectly . . . We just need to talk about Mr. Harry Meyers, Mr. Speaker. And for six months in this Assembly, Mr. Speaker, we had member after member stand up to protect the sale of the SPUDCO facilities in Outlook. Why, Mr. Speaker? Because they're protecting an individual, Mr. Speaker, that's why. And today, and today, Mr. Speaker, what we're happening here is that we want to kill a Saskatchewan advantage, Mr. Speaker, in building an ethanol plant in this province, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mega Bingo

Ms. Bakken: — Mr. Speaker, Mr. Speaker, for one week the minister of Liquor and Gaming has told us how . . .

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

Ms. Bakken: — Thank you, Mr. Speaker. Mr. Speaker, for one week now the minister of Liquor and Gaming has told us how the NDP's \$6.2 million spent on mega bingo disaster has helped community groups and how there was no cost to charities and local organizations to runingos.

Mr. Speaker, I have a letter here from one of those community groups the NDP helped — the Kindersley Lions Club. Mr. Speaker, in November 2000, the Kindersley Lions Club signed up for the mega bingo program. They spent \$2,400 buying and installing new equipment — at their cost, Mr. Speaker, not the government's.

Mr. Speaker, how can this minister have the gall to say there was no cost to local charities when the Kindersley Lions Club had to spend \$2,400 of their own money to get set up for mega bingo?

Some Hon. Members: Hear, hear!

Hon. Mr. Osika: — Thank you, Mr. Speaker. And I would very much . . . As I did earlier table some documents that were quoted from, I would appreciate it if the member would table that letter for me as well. Because I have some other . . . Matter of fact, Charles Bodnar, with the Livelong and District Recreation Association, said the association is trying to make the best of a bad situation and hasn't decided yet what to do with the televisions the group purchased.

Now nevertheless, he said, some organizations show it for . . . use it for showing films; it's not entirely bad. Some would like to see it sold; some want to keep it — we still have it as yet.

So communities are in fact benefiting from some of the equipment that they have, Mr. Speaker.

Some Hon. Members: Hear, hear!

(10:30)

Ms. Bakken: — Mr. Speaker, Mr. Speaker, this NDP government's arrogant attitude and total disregard for taxpayers' dollars is appalling.

Mr. Speaker, the Kindersley Lions Club also goes on to say that the NDP government are in breach of contract over the mega bingo program. In November 2000, the Kindersley Lions Club signed a contract to join the mega bingo program. The contract called for a minimum term of 53 weeks, but was cancelled in June 2001 when the NDP cancelled mega bingo. They say, and I quote:

The early termination of the agreement is a breach . . . which the Lions Club can not afford either in the amount of the initial outlay or the loss of man hours that could have been directed to something more profitable.

Mr. Speaker, the Kindersley Lions Club is seeking to be reimbursed for its costs, \$2,372 to buy, install, and secure a TV for mega bingo. Is the government going to reimburse this cost?

Some Hon. Members: Hear, hear!

Hon. Mr. Osika: — Mr. Speaker, I would really appreciate it if those letters were tabled. I'm not aware of any letters having reached my desk that have requested that.

And I just want to tell you, Mr. Speaker, that SLGA (Saskatchewan Liquor and Gaming Authority) continues to work with the bingo industry and particularly the strategic planning committee, Mr. Speaker, to identify effective strategies that might enhance and continue to enhance the viability and accountability of the bingo industry.

It does, in fact, support charities, Mr. Speaker, and I want to point out once again that SLGA and all its efforts on behalf of

the people of this province do contribute over \$300 million that go into communities, highways, education, and health care, Mr. Speaker.

Some Hon. Members: Hear, hear!

Ms. Bakken: — Mr. Speaker, I think that the last thing that the communities in this province want is more help from this government and especially from that minister, Mr. Speaker. Mr. Speaker, how many other small community organizations were hurt in this way and how many other small bingo halls had to spend thousands of dollars buying and installing equipment only to have the NDP suddenly cancel the program.

Mr. Speaker, this happened because they did not have a business plan, they did not have cabinet approval, and they did not have any control over how Liquor and Gaming spent taxpayers' money. Mr. Speaker, the taxpayers got burned for \$6.2 million and local organizations like the Kindersley Lions Club lost thousands more.

Mr. Speaker, what are the NDP going to do to fix the mess that they created for the Kindersley Lions Club and dozens of other clubs just like it across Saskatchewan? Will you reimburse the Kindersley Lions Club?

Some Hon. Members: Hear, hear!

Hon. Mr. Osika: — Mr. Speaker, I know that the member should have gone through you to ask if I would reimburse the club. I would ask her, Mr. Speaker, through you, if she would table those documents.

And I just want to point out that it never, never fails, Mr. Speaker. Members opposite always talk on the negative and the doom and gloom side. The operators in the . . .

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

Hon. Mr. Osika: — Mr. Speaker, the community where I reside thought it was an excellent idea. They had increased the participation of players by no less than 10 per cent. They were able to have their jackpots . . . matter of fact, paid out jackpots — 50,000, 20, and 10,000. That's in the community of Fort Qu'Appelle.

So there are those that truly benefited, Mr. Speaker. I want to see the letters that that member's referring to.

Some Hon. Members: Hear, hear!

Community Initiatives Fund

Mr. Huyghebaert: — Thank you, Mr. Speaker. Well we definitely see . . . at least, we definitely see how that government helps the communities. And now it continues, Mr. Speaker.

Mr. Speaker, my question is for the Minister of Culture, Youth and Recreation. Mr. Speaker, on April 1, just days after the provincial budget was tabled in this legislature, the NDP cabinet passed an order in council moving over 7.6 million from the Community Initiatives Fund to the General Revenue Fund.

Mr. Speaker, monies in the Community Initiatives Fund are lottery and casino profits that are supposed to go back to the Saskatchewan communities. They traditionally fund exhibition associations, non-profit community groups, hospital foundations, and problem gambling prevention and treatment programs. That's just to name a few, Mr. Speaker.

Mr. Speaker, why is the NDP moving over \$7 million from the CIF (Community Initiatives Fund) to the General Revenue Fund?

Some Hon. Members: Hear, hear!

Hon. Ms. Crofford: — Thank you very much, Mr. Speaker. You know, I find this interesting because the member opposite from Wood River and I had this same discussion in *Hansard* during last year's budget debate.

And I guess it's good that we finally caught up to discussing last year's budget, but it would be nice if the members would get around to this year's budget at some point.

Some Hon. Members: Hear, hear!

Hon. Ms. Crofford: — At any rate, Mr. Speaker, I'm happy to answer the question. The answer is, there was no money — zero money — lost to the community. This was a surplus and in fact there was a \$12 million surplus. And at year-end, surpluses are as a matter of course transferred back into the General Revenue Fund.

In this case only 7.4 million was transferred. Sorry. My lip . . . I had a root canal this morning; I'm a little . . . Anyway only 7.4 was transferred and the balance of the 12 million was retained and will be part of a three-year \$20 million announcement that we'll be making in the next few days, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Huyghebaert: — Well, Mr. Speaker, this is the second year in a row, as the minister has mentioned, that money has been taken from the CIF and put into the General Revenue Fund. During estimates last year, the minister said 7.4 million was moved and that these were one-time payments for science gallery and one other initiative.

The question, Mr. Speaker, is: that money belongs to the people of Saskatchewan. Why, why is the NDP taking this money out of the CIF and putting it into the General Revenue Fund as a slush fund?

Some Hon. Members: Hear, hear!

Hon. Ms. Crofford: — . . . it's a good thing that the member opposite was a pilot because as an archer he would have drawn a pretty long bow.

I just want to say that zero money was taken from the community. They had an unexpected surplus, and the fact of the matter was there was no backlog of projects that were unfunded. Out of these \$12 million surplus, in the year that the member and I already discussed in last year's estimates, there was \$12 million left over — 7.4 went to the General Revenue

Fund, the rest was retained for a number of very good and important initiatives in the community that will be announced shortly.

But I will mention that the money that was transferred created very important support in that budget year for a number of important things like the Wascana Centre Authority, Meewasin, the Science Centre, Wanuskewin, problem gambling — a whole range of things throughout government, Mr. Speaker.

In keeping with the intent of these expenditures . . . Thank you very much, Mr. Speaker.

Some Hon. Members: Hear, hear!

Government Reaction to Harassment Allegations

Ms. Julé: — Thank you, Mr. Speaker. Mr. Speaker, my question is for the Premier. According to a report in today's *StarPhoenix*, Murdoch Carriere continued to use his government car and his cellphone for six months after he was suspended from his job.

Mr. Speaker, Mr. Carriere was suspended with pay from his \$85,000 per year job last October. In December, an independent investigation concluded that Mr. Carriere was guilty of sexually harassing female employees and, Mr. Speaker, the NDP responded by making Mr. Carriere a senior adviser to the government at a salary of \$85,000 per year. And Mr. Carriere never did have to give up the perks of his position — a government car and a cellphone.

Mr. Speaker, why did the NDP allow Murdoch Carriere to keep his government car and cellphone even after he was suspended for sexually harassing six female employees? Is this the NDP's idea of good zero tolerance policy?

Some Hon. Members: Hear, hear!

Hon. Ms. Crofford: — Mr. Speaker, I will just assure the House today that the vehicle and phone are restored to government and that all personal use — as per government policy as per any employee who is terminated with government — any personal use costs will be recovered.

Some Hon. Members: Hear, hear!

Ms. Julé: — Thank you, Mr. Speaker. Mr. Speaker, in today's paper there's also an article questioning the minister on the use of the cellphone and the government car. The minister's response to the questioning was, there may be an amount deducted from Mr. Carriere's final paycheque.

Well I ask the minister today . . . And I state to her that Mr. Carriere was suspended last February without pay, with no severance, according to the minister. So I ask the minister, what final paycheque is she referring to?

Some Hon. Members: Hear, hear!

Hon. Ms. Crofford: — Mr. Speaker, as you know, employees have outstanding vacation entitlements and other things that are paid out when they're severed from government, and last year

was a very busy fire season.

So I will just say that we will retrieve the money from Mr. Carriere first of all through payroll deduction and then through other legal means if that isn't sufficient.

Ms. Julé: — Thank you, Mr. Speaker. Mr. Speaker, Mr. Carriere should have never had the car in the first place after suspension.

Mr. Speaker, after the NDP got caught in the media for rewarding Murdoch Carriere for years of sexually harassing female employees by making him a senior adviser to the NDP government, they were finally embarrassed into doing the right thing and firing Mr. Carriere. And the Premier also committed to investigating why Terry Scott, the deputy minister of Environment, decided to appoint Murdoch Carriere as a special adviser to the government instead of firing him.

Was Terry Scott ordered not to fire Murdoch Carriere by someone in the NDP government or did Mr. Scott make the decision to appoint Murdoch Carriere as senior adviser to the government on his own?

Mr. Speaker, the Saskatchewan Party has been informed that Terry Scott has not been at work since the Murdoch Carriere scandal broke. What is the current employment status of Terry Scott? Is he currently at work in his position as deputy minister? Or has he been sent home with pay?

Some Hon. Members: Hear, hear!

Hon. Ms. Crofford: — Well, Mr. Speaker, we seem to be reviewing matters related to this case so I will just reinforce the fact that when the report came to my attention I committed to reviewing it. I did review it. Based on that report I decided that we hadn't had a sufficient response to zero tolerance. I further directed that the policy be reviewed and that report be given back to me by April 29.

I believe that I have fulfilled all my commitments regarding this matter, and we will be back to you as soon as we have the results of that determination to improve the policy.

Some Hon. Members: Hear, hear!

Ms. Julé: — Mr. Speaker, it was the Premier who committed to investigating why Terry Scott, the deputy minister of the Environment, decided to appoint Murdoch Carriere as a special adviser to the government instead of firing him.

And it was the Premier who ordered . . . or who wanted to find out or was going to find out why Terry Scott . . . was he ordered not to fire Murdoch Carriere by someone in the NDP government? It was the Premier who committed to that. And so it is the Premier that I ask today to answer. Where is Terry Scott? Is he currently at work in his position as deputy minister, or has he been sent home with pay?

Some Hon. Members: Hear, hear!

Hon. Mr. Calvert: — Mr. Speaker, I continue to review the circumstances that led to decisions made around Mr. Murdoch

Carriere.

But I tell you what I also commit to is to respect people, to respect senior public servants, to respect process, and to respect long years of service. Not to make the kind of judgments that will be made by members of the opposition, the critic, and the leader in the House, based simply on newspaper reports.

No, Mr. Speaker. I will respect the senior public service, I will respect the process, and I will continue to do the necessary review of the circumstances.

Some Hon. Members: Hear, hear!

The Speaker: — Order, please. Order.

(10:45)

MINISTERIAL STATEMENTS

Speed Limit on Four-Lane Highways

Hon. Mr. Wartman: — Mr. Speaker, I rise to inform you and other members of this Assembly of an important change to our transportation system.

As many of you will recall, the issue of speed limits on our major highways received some attention last fall. At that time I indicated that I was concerned that raising the speed limit might compromise safety on our highways. I believed then, as I believe now, that safety is a number one priority for our government.

At the time I said I would have officials review the issue, provide me with additional information this spring, and that government would make a decision based on the available information.

Based on the results of this review, I am pleased to announce that effective June 1 the speed limit will be increased to 110 kilometres per hour on the four-lane sections of Highways 1, 11, and 16.

Some Hon. Members: Hear, hear!

Hon. Mr. Wartman: — Government has made this decision based on two key factors. First, the design standards of our major highways can safely accommodate a 110 kilometre per hour speed limit. Second, a review of the available evidence from other jurisdictions indicates that increased speed limits do not in themselves contribute to an increase in the number of accidents.

Having said that, the evidence does indicate that increased speeds may contribute to an increase in the severity of accidents. In addition to the information provided by officials, Saskatchewan people have told us that they want to see an increased speed limit on the four-lane highways. And clearly the primary function of transportation systems is to provide for the quick and efficient movement of people and goods.

Furthermore, the massive investments we have made in our major highways, massive investments, and our accelerated

twinning program has increased the safety factors and will continue to increase those safety factors. And safety must be — must be, I repeat — a primary concern.

As a result of the increased speed limit, it will be accompanied by measures to ensure that running speed, the speed at which most people actually operate their vehicles, remains within acceptable limits. These measures include an increased emphasis on public education to encourage safe driving behaviour.

Saskatchewan drivers are not alone in accepting the risks associated with higher speeds. Other jurisdictions have a 110 kilometre limit and drivers have responded in a safe and responsible manner. In fact the experience in other jurisdictions is that having less of a differential between posted speed limits and actual running speeds has reduced the number of collisions on the major highways.

Mr. Speaker, this government's record investments in highways and our accelerated twinning program are allowing us to move forward with this decision to increase the speed limit on four-lane highways. And with this year's highways budget being the second-largest highways and transportation budget in history, you will continue to see improvements on the roads and the highways.

Some Hon. Members: Hear, hear!

Hon. Mr. Wartman: — In closing, Mr. Speaker, in closing I'd like to remind everyone that we'll be doing a lot of work out there on the roads this year, and I want our department crews to be safe.

I'd like to repeat this, Mr. Speaker, there's a lot of noise, Mr. Speaker, and this is a very important piece. I would like to remind . . . if members . . . if you'd just quiet down for . . .

The Speaker: — Order. Order. Order, please. Order, please. Order. Order. Order, please. I would ask the minister to keep all of his remarks through the Chair, please. And I would ask members to allow the person who has the floor to be heard.

Hon. Mr. Wartman: — Thank you, Mr. Speaker. In closing, Mr. Speaker, I'd like to remind everyone that we'll be doing a lot of work out there on the road this year, and I want our department crews and the contractors' crews to be working in a very safe environment. So please, even with the increases, drive safely.

Thank you very much.

Some Hon. Members: Hear, hear!

Mr. Huyghebaert: — Thank you, Mr. Speaker. I would like to respond to the ministerial statement. I'd like to thank the minister for receiving this about three minutes before the House sat so I had a chance to look at it.

Mr. Speaker, I applaud the decision to increase the speed limit to 110 kilometres on the four-lane highways. I do agree with the minister that safety is the number one priority on the highways.

And, Mr. Speaker, we have been saying for some time that highways can accommodate, the four-lane highways, can accommodate the speed of 110 kilometres per hour. And also we have been saying for ages that increased speed limits do not in themselves contribute to an increase in the number of accidents. In fact I believe, if my stats are correct, that most accidents are caused in the 25 to 35 mile-an-hour range within something like five miles of an individual's dwelling.

Mr. Speaker, the minister also talked about the highway budget. And I think it's worthwhile to note that the federal government has put some money into the highways and why this can be sped up, the twinning process can be sped up; although the minister and the NDP government would like to take credit for it, but there is federal dollars in there.

Mr. Speaker, what I would like to comment on now is why all of a sudden the flip-flop from the minister. The minister himself was totally against the highway speed limit raising to 110. The minister suggests that he wouldn't respond in a knee-jerk fashion, while in fact he is responding in a knee-jerk . . .

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

Mr. Huyghebaert: — So in fact, Mr. Speaker, it appears that it was a knee-jerk reaction. The minister had said, it doesn't make sense. But now the minister stands in this House and says, it's the right thing to do.

Some Hon. Members: Hear, hear!

Mr. Huyghebaert: — Well, Mr. Speaker, I'd like to thank the members opposite for their applause. I didn't really think it was quite that necessary.

But what they're applauding for maybe was the long-term care fees because that's what the minister had said was the right thing to do, was increase long-term care fees. Is that what members opposite are clapping so loudly for? Because that's when he referred to the increase in long-term care fees was the right thing to do.

Mr. Speaker, also I would like to just comment on the NDP stance on being the party of democracy, Mr. Speaker. It appears, Mr. Speaker, that the convention, the party, voted against having the speed limit raised to 110. So the party voted against the speed limit going to 110. Is this government going against the wishes of the party?

Is this a democratic move, Mr. Speaker? Or, or is this, is this the government's . . . this current government's response to the party for misspelling the Leader of the NDP Party's name at the convention? Maybe this is how they're trying to get even with the party by using this undemocratic move.

In closing, Mr. Speaker, I applaud the decision to go to 110 speed limit. Here is another example though, Mr. Speaker, of . . . Members opposite are always saying, what is the Saskatchewan Party's position and plan? Well this was our plan, Mr. Speaker, and now they've come ahead and done it. So I applaud them on it because this is . . . a Saskatchewan Party platform plan is to raise the speed limit on Saskatchewan highways to 110 kilometres per hour on four-lane highways.

Thank you.

Some Hon. Members: Hear, hear!

ORDERS OF THE DAY

WRITTEN QUESTIONS

Mr. Yates: — Thank you, Mr. Speaker. In the interest of time I will, on behalf of the government, table responses to written questions nos. 60 through 80 inclusive.

The Speaker: — Responses to . . . of questions 60 to 80 inclusive have been submitted.

GOVERNMENT ORDERS

SECOND READINGS

Bill No. 10 — The Saskatchewan 4-H Foundation Amendment Act, 2003

Hon. Mr. Serby: — Thank you very much, Mr. Speaker. Mr. Speaker, at the end of my remarks I will move second reading of the amendment of the 4-H Foundation Act.

The 4-H Foundation Act was last amended, Mr. Speaker, in 1990. The Act outlines the operational requirements for the Saskatchewan 4-H Foundation, which is a registered charity. The 4-H Foundation is responsible for the investment, disbursement, and overall management of money donated to the foundation and to the Saskatchewan 4-H Council.

The changes in the foundation Act are these, Mr. Speaker. Firstly, the removal of potential conflicts of interest between the goals of the foundation and the financial needs of the 4-H Council, thus ensuring funds are disbursed appropriately.

Secondly, ensure that the composition of the trustees of the foundation can operate within the boundaries of its Act.

And thirdly, Mr. Speaker, reflect on the current mission of the goals of the 4-H organization and ensuring further that the gender neutral talk terminology is reflected in the Act.

Mr. Speaker, these amendments are the direct result of a series of consultations with the stakeholders who work with the government to improve the strength of The 4-H Foundation Act. These stakeholders provide their expertise and thoughtful advice. They spoke, Mr. Speaker, and we listened, and today we act with the introduction of the amendments.

Mr. Speaker, consultations were conducted with the Saskatchewan 4-H Foundation and the Saskatchewan 4-H Council. Members of this Assembly will have an opportunity to debate and review the specific line-by-line amendments during committee. And my purpose today is to provide an overview of the amendments and reasons for these changes.

The Saskatchewan 4-H program provides an opportunity for rural youth to foster practical skill development and leadership through the project-based activities.

The 4-H Council is comprised of a leader and member representatives from local clubs and staff. The Saskatchewan 4-H Council oversees the administration and operation of the 4-H programs.

The 4-H Foundation supports the financial needs of Saskatchewan 4-H program through the annual grant to the council, originated from donated funds. And the Saskatchewan 4-H Foundation requested a review of the Act because the Saskatchewan Wheat Pool is no longer participating as a trustee.

After initial review of the foundation reorganization, the need for the additional amendments, maintaining the status quo it was determined could potentially result in a conflict between the goals of the foundation and the needs of the council. And therefore, Mr. Speaker, these changes are . . . could be recognized somewhat as being housekeeping in nature, but are important to ensure that the 4-H Foundation and the Saskatchewan 4-H Council continue to provide the important services to the youth of this province for the years to come.

And therefore, Mr. Speaker, I would move the amendment of The 4-H Foundation Act now be read a second time. Thank you, Mr. Speaker.

Mr. D'Autremont: — Thank you, Mr. Speaker. Well as a past 4-H member, Mr. Speaker, I would like to say that the 4-H program in Saskatchewan and indeed across North America is an extremely valuable one for every participant in the 4-H program.

And, Mr. Speaker, over the years . . . 4-H started out, Mr. Speaker, as mainly agriculturally oriented, with farm families being a part of it and the children mainly learning, Mr. Speaker — in our area at least — dealing with the raising of cattle, livestock industry, and then it expanded to take into part the equine industry, Mr. Speaker, and grew, Mr. Speaker, over time until now it involves many, many practical skills.

(11:00)

In fact in a large number of communities, Mr. Speaker, the 4-H program actually takes place in the school buildings — not during school time, Mr. Speaker, but in the classrooms that the children are familiar with. And it involved children from the rural background, from the urban background, and that's across the piece, Mr. Speaker. And we believe this is a very, very valuable program.

The Bill makes a number of changes, Mr. Speaker, to the 4-H program, one of which is the Saskatchewan Wheat Pool no longer being a trustee on the board. Mr. Speaker, the Pool has had a long history with the 4-H movement in Saskatchewan and has been a very valuable contributor to the 4-H movement, and I think we need to thank them for the efforts that they have made on behalf of the children of Saskatchewan in being a part of the 4-H program.

Mr. Speaker, a number of these changes that are taking place will have an impact, an impact on the direction that 4-H will take in the future of this province. So I think it's incumbent on us as the opposition to talk with the 4-H to gain an

understanding of just what these changes will have as an impact on them, and what they see happening in the future for the 4-H movement as a result of the amendments being brought forward by the government today.

Therefore, Mr. Speaker, to give the people of Saskatchewan as well as the opposition to ask some questions and to determine what impact this piece of legislation will have on the 4-H movement, Mr. Speaker, I move that we adjourn debate.

Debate adjourned.

Bill No. 13 — The Parks Amendment Act, 2003

Hon. Mr. Belanger: — Thank you very much, Mr. Speaker. After my comments I'll be moving second reading of The Parks Amendment Act, 2003. Saskatchewan people take a great deal of pride in our provincial parks. And our parks are seen as models of environmental quality and are an important legacy for future generations, Mr. Speaker. These amendments before us will help continue to improve the parks systems.

Firstly the amendment will facilitate a land exchange between the Lac La Ronge Indian Band. Land will be removed from the Lac La Ronge Provincial Park and will be added to the community of Sucker River. The parkland will be exchanged for reserve land at Bittern Lake.

The community of Sucker River of the Lac La Ronge Indian Band has requested that land be withdrawn from the Lac La Ronge Provincial Park to be added to their reserve. The reserve is completely surrounded by a park, a lake, and a highway. This will allow the reserve to expand its land base and accommodate future housing needs for its growing population, Mr. Speaker.

Secondly, amendments will increase the term of park permits from one year to a five-year period.

Concern had been raised with regard to grazing permits. Currently permits are issued for grazing in provincial parks for a one-year period. This is not sufficient time to allow the permit holder to make the kind of improvements required, such as fencing and water access, that promote an environmentally responsible grazing regime.

Mr. Speaker, a permit period of up to five years, depending upon conditions contained in the park grazing management plans, is beneficial to both the department and to its permit holders. Park grazers will have more time to better plan and manage their grazing operations while at the same time providing environmental benefits to provincial parks.

Thirdly, small areas of land from Meadow Lake, Greenwater Lake, and Last Mountain House provincial parks will be removed and a 65 hectare, 160 acre area of land will be added to the Meadow Lake Provincial Park.

A point three eight hectare, which is one acre, area of land in Greenwater Lake Provincial Park located on a road allowance adjacent to the park boundary will be removed. The land is not needed for park purposes and will be incorporated into adjacent . . . (inaudible) . . . private campground development.

A 15 hectare, 37 acre area of agricultural land at the Meadow Lake Provincial Park will also be removed. It is not suitable for park purposes and the Waterhen River cuts off this piece of parkland from the rest of the park.

Mr. Speaker, a small area of land will be removed from Last Mountain House provincial park that has been used to accommodate an expansion of the railway right of way. This expansion was required for safety reasons.

And the amendments also include updating park legal descriptions. Park legal descriptions and boundary changes are necessary to provide for a more effective and efficient park management and to divest the department of small areas of land that are not suitable for park purposes.

These amendments will make an already effective piece of legislation work even better for the people of Saskatchewan. Mr. Speaker, I now move second reading of The Parks Amendment Act, 2003.

Some Hon. Members: Hear, hear!

Mr. McMorris: — Thank you, Mr. Speaker. Mr. Speaker, it's a pleasure to speak to the amendment, Act to amend The Parks Act, Bill No. 13, here in the House today.

The Bill talks of a number of changes. And one of the changes that it talks about the most is . . . And as I was listening to the minister talking about taking land from park status and moving it into different classification, taking it out of the park classification and moving it into different classifications, and there are a number of questions that surround that, as to where the land is going; is there any tendering process; and were all the people notified in the area as far as if they had ideas of what they wanted the land to do.

I know in the constituency that I represent there is some land that — it's not talked about in this, in this Bill — but it's government land that is looked at as possibly going to the private sector, and there are lot of people that are interested in that type of land. And the minister talks of a number of parcels in this piece of legislation that will be moved. So there are questions as to the process of where that land goes and who has say in that whole process.

The minister also talks about grazing permit holders and extending that from one to five years — up to five years, I believe he said. And there are again a number of questions that come into play when we're extending leases for grazing land and how open a process that is — what are some of the costs; what are the environmental impacts of extending leases from the one year to the five year; why were they at one year and now being expanded to five years.

We've talked a number of times on different pieces of legislation, how the TLE, the treaty land entitlement Act, will that be in effect; will there be any situations where that may come into play, Mr. Speaker.

So there are a number of questions that we have with this piece of legislation that I think until we find answers, whether it's the interest groups, third party interest groups, that will be

interested in this, or even just straight answers from government as to some of our questioning on this, Mr. Speaker.

But until we get more information on the Bill and have the parties that this will be affecting getting back to us once they've had a chance to look at this piece of legislation, Mr. Speaker, I move that we would adjourn debate.

Debate adjourned.

COMMITTEE OF FINANCE

General Revenue Fund Agriculture, Food and Rural Revitalization Vote 1

Subvote (AG01)

The Chair: — I would invite the minister to introduce his officials.

Hon. Mr. Serby: — Thank you very much, Mr. Chair. My officials that are with me here today, seated directly beside me is Mr. Hal Cushon; he's the assistant deputy minister. Next to him is Mr. Stan Benjamin who is the executive manager of the research and development branch of the Crop Insurance Corporation. And directly behind me is Karen Aulie who is the director of corporate services branch. And seated beside Karen is Ross Johnson who is the manager of operation service and from operation services branch. And in the back row in the House, Mr. Speaker, is Mr. Greg Haase who is the director of lands branch; David Boehm who is director of financial services branch; Rick Burton, director of policy branch; Donn Farrer, director of inspection and regulatory management branch; and Laurier Donais who is the senior manager of the financial services, corporate services branch. Those are my officials, Mr. Chair.

Ms. Harpauer: — Thank you, Mr. Chair. And I would like to thank the minister for bringing his officials and welcome those officials here today.

First and foremost, I have the globals, Mr. Chair, and these are questions that we ask every year so I'm sure there won't be a big surprise for the minister. And I will just hand them in if someone could pick them up. And I'm looking forward to his expedient response to those questions, so thank you.

Mr. Chair, it was a devastating year last year for the producers of the province, and indeed a very busy and trying year for the Crop Insurance Corporation. The claims were extremely high and largely due to the widespread drought. But there were other reasons that made the claims a little high in the last crop year.

Could the minister tell us today what the total of the claims were for last year because it seems like with every report that's out there, it varies. So could he give us an exact figure today of what the crop insurance claims were for the last crop year?

Hon. Mr. Serby: — Mr. Speaker, as we're getting the exact number for the member, the member accurately identifies not just in the last year but in the last two years the crop insurance program has had a significant demand on it.

What we've seen of course is a significant change in the overall financial status of the crop insurance program, where we had — and I'll be able to provide those numbers in greater detail in a couple of moments — where we had a surplus fund in the crop insurance in excess of \$300 million. And within a two-year period we've seen that now exceed itself to where we've paid out somewhere in the neighbourhood of \$1.4 billion over the last couple of years and now have a Crop Insurance Fund that's sitting with a deficit in the neighbourhood of \$500 million.

And the reasons for this of course is that we've had the kinds of pressures across the province which have not just been in regionally . . . regionally focused, Mr. Speaker — or Mr. Chair — but they have been all across the province. And so this is the reason for why we see the kind of shift in the crop insurance program that the member identifies and accurately stated.

I want to provide the numbers in greater detail in a moment; my officials are still getting the detail for them. But if we could work around the premise that we had a surplus in the crop insurance account three years ago that was in the excess of 300 million, today we have a deficit in the crop insurance account that's somewhere in the neighbourhood of around 500 million. We paid out over a period of two years 1.4 billion. And I'll get the exact numbers for the member in a moment.

I want to provide the numbers in greater detail in a moment; my officials are still getting the detail for them. But if we could work around the premise that we had a surplus in the crop insurance account three years ago that was in the excess of 300 million; today we have a deficit in the crop insurance account that's somewhere in the neighbourhood of around 500 million. We paid out over a period of two years 1.4 billion. And I'll get the exact numbers for the member in a moment.

Mr. Chair, the claims last year were 1.088 billion, and the fund balance today is at 550 million, in the . . . 550.13 million is the deficit number in the Crop Insurance Fund.

(11:15)

Ms. Harpauer: — I thank the minister for that answer. And could he tell us . . . You know, there's no doubt that there's a lot of acres, particularly in my area, but I think in a lot of areas of the province, there's a lot of acres that are still out in the field. They have not been harvested. Do we have any estimate as to how much larger that those claims may be? Because there's no doubt that a lot of times when the crop is left out for the winter, there's a significant loss in either the quality or the quantity that can be picked up in the spring.

So do we have an estimate as to how much higher those claims may be for last year's crop year?

Hon. Mr. Serby: — Mr. Chair, my officials tell me that there is about 800,000 acres that are still out to be harvested, but they don't . . . they aren't able to project exactly what that additional cost will be to the fund.

But I could accurately state that there will be a further increased debt to the fund and would be charged against last year's payout of the 1.088 billion that I'd given you earlier. I don't have that exact number yet. It would be speculation but we can safely say

that both the overall payout will be greater, as will be the debt.

Ms. Harpauer: — I thank the minister. When he was giving the numbers previously, he said that we entered two years ago with approximately a \$300 million surplus, and over the past two years we've had \$1.4 billion worth of claims. So that's a \$1.1 billion difference. And how is that paid? Who is responsible for the crop insurance when it goes into a deficit position? How much is paid by the federal government, how much is paid by the provincial government? How is that sharing handled?

Hon. Mr. Serby: — I'll start, Mr. Chair, by first saying that in the year 2000-2001, the Crop Insurance Fund had in it 385 million which was a positive figure, Mr. Chair

The second question I believe that the member is asking attaches itself to . . . Could you just ask me that . . . I missed that last part of your question, Madam Member.

Ms. Harpauer: — Sure, Mr. Minister. The question that I was asking is, when the crop insurance program goes into a significant deficit position, which it has due to two years of drought, who's responsible for paying those claims between the provincial government and the federal government because it's a cost-share program? What percentage is the responsibility of the provincial government? What percentage is the responsibility of the federal government for crop insurance claims?

Hon. Mr. Serby: — Mr. Chair, once the fund is exhausted, what happens is that the percentage then is 25 per cent provincial and 75 per cent federal. And this would be, I expect, the reinsurers . . . The reinsuring fund then would be the one that would pick up the cost of covering the payouts to the producers.

Ms. Harpauer: — I thank the minister. So if the fund started with a surplus of . . . two years ago started with a surplus of \$385 million and over the past two years, if I heard the minister correctly, he said that the crop insurance program paid out \$1.4 billion, that would make approximately a \$1 billion shortfall. So therefore, if 25 per cent of that is provincial and 75 per cent is federal, that would mean the province would only be responsible for \$250 million. Do I have that calculated correctly, Mr. Minister?

Hon. Mr. Serby: — Mr. Chair, what needs to be included in the numbers of course is the amount of premiums that are paid in, which are the producer premiums. And then of course they would be part of the calculation then in determining what percentages of the remaining debt that's outstanding on reinsurance.

And I expect that the member will then ask what portion of the reinsurance debt of the \$550 million belongs to whom. And 82 million of that reinsurance fund would be about . . . eighty-two million, seven hundred would be Saskatchewan's share. The federal share to that reinsurance fund would be 467 million.

Ms. Harpauer: — I thank the minister for that answer, but I have to say it made the whole question a little bit cloudier instead of clearer. When we were going through the numbers

earlier, it was my understanding we were talking about Saskatchewan, so, you know, we should be staying within the parameters of the Saskatchewan Crop Insurance funds.

And I'm still going back to supposedly we were told that in the last two years, there was \$1.4 billion worth of claims that needed to be paid; there was \$385 million surplus going into that two years ago, which makes approximately a \$1 billion shortfall.

So who is responsible to cover that \$1 billion shortfall over the past two years between the provincial government and the federal government; and what amounts are they responsible for?

Hon. Mr. Serby: — Well what I . . . what might be easier for me to do, Mr. Chair, is to provide a copy of this document that I'm reading from, which is the Crop Insurance Corporation's payout over the period that I was talking about, which is when you take the 2000-2001 end balance, which I said was 385 million, then you add to that the premiums that were collected through the course, the net premiums that were collected through the course of the 2001-2002 crop year, which was 225 million, then subtract from that the actual premiums . . . or the claims, sorry, that were paid out in that year 2000-2001, which would have given you an end balance in 2000-2001 of 285 million.

Then carry the 285 . . . 87 million across to 2002-03, add to it to the premiums that were collected in that year, subtract from it the overall payout that was made this year, which was 1.088 billion, which is . . . or 1.088 billion, that gets you then to the 550. That's how that number is arrived at.

So when we began back in 2000-2001 with the surplus of 385, include in there the premiums that were collected and paid by the levels of government and the producers. Subtract from that what the claims that were paid out in the last year . . . in the last two years, that's when you get to the overall final number of the debt.

Included in that of course are various different interest costs that need to be included as well in each of those three years. And certainly I can make this sheet available for you, Madam Member, so that it would be easy for you to follow it through.

Ms. Harpauer: — I thank the minister for that. And I will appreciate getting those calculations because definitely it's very, very difficult to understand all the calculations that must go on in order to account for the debt that the province says that they have incurred over the crop insurance claims.

So I'll appreciate receiving that document, and I'm sure going through there probably will lead to more questions that we can address at a different time.

But the bottom line, according to the minister, is approximately 5 . . . or \$550 million deficit that the province has incurred from crop insurance claims to date. And I would like to know where that shows up on the budget statement on the schedule of debt, which is on page 17 if he wants to refer to that page. The entry for the Saskatchewan Crop Insurance Corporation is forecast for 2003 to be 110 million, which is quite a shortfall from the 550 million that the minister is saying that he has incurred.

And in fact that has been one of the excuses that the Finance minister gave for difficulties within the budget's, or the province's, fiscal situation. It's always been touted it's the agriculture's fault because of the claims, and yet I can't find this \$550 million anywhere in the budget document.

So where is it accounted for? And if it is accounted for somewhere in this document, or is not, what is the meaning of the 110 million that is forecasted for 2003 and again 102 million which is forecasted for 2004? What is the significance of those numbers?

Hon. Mr. Serby: — Mr. Chair, what we're getting for the member now is that . . . where the number as to the payout that's required for the Crop Insurance Fund would be in the consolidated financial statement of the government, because where it really appears is as a loan of which the government now needs to go and obtain a loan in order to cover off the debt to the reinsurance and to the Crop Insurance Fund. And my officials will have for me, in a minute, that portion of the consolidated . . . that within the consolidated statement where that number appears so that you would have a better appreciation of it.

Ms. Harpauer: — I thank the minister. If I heard him correctly, he's saying the entry on page no. 17, forecasts for 2003, of \$110 million is actually a loan that they have to obtain in order to cover the crop insurance program claims. So the other, approximately \$440 million that they made claims was not a loan, it was something that was taken out of the General Revenue Fund — or how did that work?

Hon. Mr. Serby: — In the, Mr. Chair, in the schedule of lending and investment activities which is on page 15, on that page when the member looks at it, under Crown corporation loans, what you will find under the Saskatchewan Crop Insurance forecast for 2002-03 is the 110 millions. And it's that 110 million, which also has included in it the projections for what the additional costs for payout that were earlier described by me, given that there's still 800,000 acres that are out, to cover off some of what's required here. This is where that number appears.

Ms. Harpauer: — I thank the minister. So there was no documentation in this particular budget document of the \$550 million that supposedly was short in meeting our claims for crop insurance?

Hon. Mr. Serby: — That, Mr. Chair, to the member, that will show up in the Crop Insurance annual report. As you know, the Crop Insurance is a corporation and it's within that corporation. When we table our report at the end of this year, you'll be able to see the debt that's still required . . . will show the debt that's outstanding on the reinsurance for crop insurance.

(11:30)

Ms. Harpauer: — I thank the minister and that definitely will be another area that I will enjoy discussing with our member from Canora-Pelly who, you know, understands how a lot of the expenditures over the course of a year in the government seems to disappear, and it isn't always openly . . . we aren't openly able to find it in the budget documents.

Mr. Chair, the minister has had a lot of fun playing around with words and talking about how I obviously don't have an understanding of the amortization formula for how this is dealt with when the crop insurance year goes into a deficit claim. So I am, you know, really excited today to have this minister totally explain to me how the amortization formula works so that I won't be so foolish in the future, and if you could do that today. It's the reason why he has said that the premiums have to rise by 52 per cent, so I'm looking forward to his in-depth explanation.

Hon. Mr. Serby: — Well I'd be happy to provide for the member the rationale around this given that I know that she has some sensitivity about her own language when she indicates, when she indicates you can retire this over a shorter period of time.

The reality is that, the reality is that when you have a couple of wrecks like we had in the province over the last 10 years, from the period, period of 1998 to today, what happens of course is that when you have surpluses in the account, Mr. Chair, the surpluses are then used to look after the kinds of claims that you have in a given year. And provincial governments and federal governments and producers continue to place a premium into the fund to make sure that it remains stable over the period of years.

Where you have back-to-back droughts like you had in this given year, what happens of course is that you have then a larger payout than premiums that you've taken in over a period of time. And when that happens, what . . . the reinsurance companies then backfill the dollars on behalf of the provinces and the federal government so that farmers can continue to get the kinds of payouts that they've insured themselves for.

Now within the crop insurance contract or agreement that we have nationally in Canada, there is an arrangement under that process that when there is repayment that needs to be in place, when you have debt, that it can be amortized out over an extended period of 15 years to recover it. And clearly in the case of Saskatchewan's situation we're always going to have, from one year to another, parts of the province that are going to draw on crop insurance.

Now hopefully we will not have situations into the future where we have the kind of major disasters that we've had and exposure of the Crop Insurance Fund to pay the same kind of . . . to pay to the same degree as we've had in the last couple of years.

So when we have this kind of payout, the reinsurance companies of course are going to say to us that we'll want that recovered over a period of time. And accordingly, the rates to recover that are established collectively with the federal and the provincial governments to do that over a period of time.

And so when we say this year that the required premium recovery is about \$31 million, that will help us . . . or sorry, it's about 28 per cent of that 53 per cent increase this year. It is to begin the recovery process of that debt. And in order to keep the funds secure, it's important that you start. And to keep the crop insurance program solid into the future, you have to recover the debt. And that's why you see, this year, the 28 per cent increase

of the 53 to recover that debt over a period of time.

Now hopefully we'll experience a good crop in Saskatchewan this year and next, that we won't have to pay out larger claims on claims to our producers, that that fund will be able to recover itself far quicker than a period of over an extended period of time, and that we'll be able to build that fund back up again where we might be able to do other initiatives within the program.

And I mean, you just need to look to our neighbours to the east who, in Manitoba, have not had the same kind of draw on their crop insurance fund last couple of years and so have a very healthy crop insurance fund. Why? Because they didn't have to pay out large claims. And when you don't have to pay out large claims, then you can do things to improve the crop insurance program significantly. And the new agricultural policy framework with the larger adjustment this year, where the feds are putting more money into the crop insurance program, will help us in terms of making those changes once we've got some of that debt repayment looked after.

But we'll always need to be prepared for a situation like we had this year into the future because when you look at the Saskatchewan landscape, you'll find that every six or seven or eight years, we're going to have a disaster. And when we have a major disaster of this kind, this is when you get those major payouts. And that's the reason for why we have the kinds of premiums that we have today and that's why we're retiring the debt over time.

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

Hon. Mr. Cline: — Mr. Chair, I'd like to ask leave to introduce guests.

Leave granted.

INTRODUCTION OF GUESTS

Hon. Mr. Cline: — Thank you, Mr. Chair. And I thank the Minister of Agriculture and the opposition for allowing me to interject myself into these proceedings.

I would like to introduce to you and to other members of the Assembly, a group of students and teachers and chaperones from St. Peter's School, which is in my constituency in Saskatoon. And they are 34 grade 7 students, accompanied by their teachers, Anita Romanoff and Erin Johnson. And also with them are chaperones, Mrs. Ray, Mrs. Kanutson, Mrs. Lafontaine, Mrs. Schroh, and I think Mrs. Gilowitz.

And I understand the students, the teachers, and chaperones had a breakdown with their bus this morning but now they've arrived. And I hope they had some kind of fun while the bus was broken down. And I know they're going to have fun in Regina here.

They're going to be touring the Legislative Building and doing some other things in Regina. And we are going to meet after the students have an opportunity to observe the Chamber and see the building and we're going to get our picture taken on the stairs. And then we're going to the members' dining room and

we're going to have drinks and we're going to have Dixie cups.

And when we get our picture developed, we're going to get a photograph of the entire good-looking class for each student. This is a very good-looking group of young people, Mr. Chair, which the Speaker and I met with, and it's no surprise that it's such a good-looking group of young people when they have the best looking MLA (Member of the Legislative Assembly) in the legislature.

So I want all members to join with me in welcoming the students, teachers, and chaperones from St. Peter's School.

Hon. Members: Hear, hear!

COMMITTEE OF FINANCE

General Revenue Fund Agriculture, Food and Rural Revitalization Vote 1

Subvote (AG01)

Ms. Harpauer: — Thank you, Mr. Chair. That's a hard act to follow there.

But the question that I have for the minister is what kind of flexibility does the province have when calculating how they will address the deficit over the 15 years? Do they divide it by 15 or . . . and it increases by so much per year or how . . . like what kind of flexibility do they have in calculating how the debt's going to be addressed?

Hon. Mr. Serby: — My officials . . . I don't have the actual details with me but we could try and provide that.

But there are three things I think that are important here for the member to understand. That the formula is specified in the national agreement so it isn't something that the province on its own decides. This formula has been historic. It's practised by each of the provinces across the country and so . . . And it's in each of our agreements.

Secondly, that the debt repayment process that's determined is verified by the actuary. So the actuary needs to determine whether or not the process in which provinces are retiring the debt in fact meet the principles of the crop insurance program. So if there's some sense here that individual provinces can determine on their own what those guidelines will be or what those specified repayment periods might be, they need to pass the test of the actuaries which are, as I've stated, part of the national agreement.

Can there be some flexibility in terms of shorter periods of time? There may very well be but they would have to be negotiated with the actuaries. We think that a 15-year period would not be an unreasonable one, it's within the time frame.

We're cautious this year that coming off two years of drought in Saskatchewan, even though the landscape of the province looks good, the projections for an average crop year are now predicted across the province. And when that . . . if that were to happen then we could retire this portion of the debt, in my view,

in a far quicker way, get to the positive side of the crop insurance program again, and begin to do some of the things that we want to do to a larger degree to enhance the program to the way in which we've been talking about wanting it enhanced and producers wanting it enhanced across the country.

So can there be some flexibility to shorten the period of time? There may be. But if you do that and you run into another year of difficulty, then all you're doing is loading additional debt on to the fund and extending the period of time of which before you can make any other adjustments that will enhance the program further.

Ms. Harpauer: — It's with a great deal of humour that I hear the minister stand in the House today and say that he can't really tell me what that formula is, that he could maybe get it for me at a later time, when he has been touting that I have a lack of knowledge. Well obviously he's got a little bit of a lack of knowledge on that formula as well. So it's kind of interesting, even with his officials here, that he can't give a detail on the formula that's used.

Mr. Chair, can the minister tell us, so that if this . . . This year this increase is absolutely unavoidable. There is no other way of perhaps having a little less of an increase this year and trying to address that again the following year. I'm not suggesting that's my policy. I'm just asking the question just so the minister understands. So could this have been lessened this year, some, and in hopes that it is indeed a normal crop year?

And I know our Finance minister based his whole budget on the fact that it will be and needs to be a normal crop year and then hopefully it wouldn't have to be increased next year. But if it needs to be, that could be the year. What kind of flexibility is there in order to work with?

Hon. Mr. Serby: — Well, Mr. Chair, I just want to say to the member opposite that the crop insurance formula, of which my officials have access to and that I have access to, the member opposite and the Saskatchewan Party have access to. So if the member opposite wants to have information on the absolute intricate details of the agreement of which Saskatchewan signs, or any other province has signed in Canada, she has full access to that information. And if this is the . . . And I don't know the technical detail of this particular agreement, Mr. Speaker, and nor do I plan on learning it in that . . . from that perspective. Now I can provide that for the member and then she could address it from the kind of detail which she wishes to.

But the premium rate components are tied into three specific areas. They look at prior year losses, where they take the claims for the yield loss, established and unseeded acreage, and this will vary by crop for risk area, and the 2003 premiums used 2001 claims of all previous years. That's one of the first areas of review.

The second is that it loads to meet actuarial guidelines adjusted for participation to meet reinsurance requirements. That's part of the formula of which the rates must then be at certain levels to be sure that they have access with the federal reinsurance. There will be detailed formulas in that of which would be used, of which I don't have and don't intend to have that kind of specific detail because we have people who have that on our

behalf.

And the member opposite from Watrous can get that from my department or from my officials or from the federal government or anybody whenever she wants to get that. There's nothing keeping her from knowing that specific detail, Mr. Deputy Chair, if she wishes to have that.

And then you attach to it, Mr. Speaker, the program debt load. And attached to that of course is the increases or the decreases depending on the balance of the Crop Insurance Fund, and then how large the fund debt requires to increase the load each year.

And so I say to the member opposite, if you want that kind of detail, which are signed by the individual provinces, I can provide that for her fully and she will then have a full understanding of how it is that the national crop insurance program works. And I say generically to this House from time to time because I think that's the questions that people are asking. They don't want the intricate details of how the formula works.

(11:45)

If the member wants that, certainly could provide it. If she doesn't have it, she has the same sort of access to that kind of information as anybody else in the province has. She can contact the federal government. She can certainly contact my department, ask me to provide it. She can make arrangements to meet with my own officials to get that kind of information. That's available for her, Mr. Speaker.

And if the request today is to find out the detail of the crop insurance program in detail, I'd be happy to provide it to her in detail and my hope is that she'll understand it in the kind of degree that it requires.

Ms. Harpauer: — I thank the minister for that answer, but it's rather misleading here when he says he's just so open and ready to give information, etc., etc. He knows full well, and it's documented dates through my office, of days that he said that he would return phone calls that I put to his office. His office set up a time and a place that those phone calls would take place, and he's never returned them.

So he's a little bit not accessible, and he is less than forward in giving me information. So I am looking more than forward to getting all the information from him that he is saying that he will provide here today.

So with that, Mr. Chair, I would like to turn it over for a while to the member from Battleford-Cut Knife.

Mr. Lorenz: — Thank you, Mr. Chair. Crop insurance requires to have some stability and some longevity within the program itself. And you need to have participation with all the producers in the province as much as possible to sustain that program.

And there is a formula within the crop insurance program that is a good experience discount. And if the minister could explain to us how that good experience discount works within the program, and how that experience discount right now is going to affect especially the people from the west side of the

province that have had some problems over the last two years, and how that's going to be recognized for the difficulties they may be having as well.

Hon. Mr. Serby: — Mr. Chair — or Mr. Deputy Chair — the member is absolutely right that someone who has been in the program over a period of time could have as high a discount, purchase discount, of as much as 50 per cent. Through the course of a given year if you don't have any wrecks on your farm, then you would get that kind of a discount year over year.

When you have a wreck on your farm or you need a claim on . . . in a particular bad year, then the most that you would ever lose is 10 per cent.

Now if you have a number of years of which you have a problem or a disaster on your farm you could easily . . . If you have five consecutive years, you would lose that discount that you had awarded to you.

So when you don't have a claim you're rewarded to a maximum of 50 per cent. When you have claims, consecutive, you could lose it to a maximum of 50 per cent but never in a given year to more than 10.

Mr. Lorenz: — Thank you, Mr. Minister. I guess again it's the sense of keeping producers in the program. And to keep the good producers in the program we need to recognize that the good experience discount needs to worked with and it needs to have some value within the program itself.

But I think we need to understand and the people need to understand that with, you know, the last two years of difficulty, again especially with the west side of the province, to try and retain those good producers in the program, is there any kind of initiatives, are you looking at the enhanced program of seeing what changes you're going to make to retain those kind of coverages for those . . . or those kind of programs for that type of producer?

Hon. Mr. Serby: — Well that's . . . I mean you ask a very good question and a very important one, Mr. Member, because the whole idea and the notion of the crop insurance program is to make it stronger within the province. And it's far easier to make the crop insurance program stronger when in fact you have a surplus account that you're working from.

When you have back-to-back disasters in the province and you have the kind of debt that the program has accrued, you then have to repay the debt. And when you're repaying the debt, then you aren't building on improvements to the crop insurance program.

And partly why I'm pleased about the agreement that we've been able to sign with the federal government, in terms of the new agricultural policy framework. Because all along we've said what we need to do is we need to load more money into our crop insurance program federally because that will allow us in the future to make the kinds of adjustments that will be necessary to improve the program.

And it's not only do we want the good . . . want to see not specific producers that are in the crop insurance program, I'd

like to see all producers in Saskatchewan in the crop insurance program. And that's partly why we did the rebalancing this year to see some improvements in the yield averages, which will in our view hopefully enhance or entice people to be part of the program. And this is why we're offering some additional options this year within the program to ensure that producers can take advantage of it.

But our notion is not unlike yours. Our notion is to try and find the stronger crop insurance program because it has been a very important instrument to Saskatchewan producers over the years. And it would be hard to imagine, in the last couple of years, what the farm economy in Saskatchewan would look like had we not had the \$1.4 billion payout in the last couple of years.

I've had a number of producers who've come to me and said, thank God for crop insurance; otherwise I wouldn't be in the farming operation today. And so when you make the point that there's a strong interest and a need here to enhance the value of the crop insurance program to make it stronger so that we see greater participation and . . . And we'd like it.

We have today, I think, somewhere in the neighbourhood of 70 per cent or 72 per cent last year of enrolment of producers in the program. We'd like to see this at 100 per cent. And the way you get there is by enhancing the level of the program, providing better yield coverages, providing better benefits to producers, and keeping the premiums where they're reasonably, where they're reasonably sound so that you can make an investment in an insurance program and yet you know that you have the coverage.

So we don't disagree on the principle. The issue is that what happens when you have the kind of back-to-back disasters that we've had in the province that have affected the fund to the degree in which it has.

Mr. Lorenz: — Once again, thank you, Mr. Minister. Mr. Chair, I guess just a suggestion in the sense of how you can enhance the participation in crop insurance program is that back in the early '90s we had the marketing agent system that was in place. And I know the whole side of the province that I worked in and was involved with at that time it was . . . (inaudible) . . . that whole participation went anywhere from the mid-'60s to about 90, 95 per cent participation of crops that were being covered. And I think that was an excellent program that was in place.

And I think it helped the producers understand the programs that they were taking a look at and some of the options that they had working within the program. And when you're making changes within the crop insurance program, it is always very beneficial when you have those people available that can support and direct the producer in the sense of the options they may have.

And that's just a suggestion that that might be a direction that might be taken a look at in part of the enhancement of the program, that you have that type of a system back out there that those programs can be facilitated in that way.

Just wanting to go over to the area of producer coverage in the sense of the bushel coverage that they receive. There's an

actuary number that is used when you do the calculation with the actual bushel coverage. And that actuary number sometimes really distorts a little bit the actual value of production that has come in by the producer and it's not an actual producer number any longer.

Can the minister explain to us how that actuary calculation is done and to what extent it really affects the coverages? Because it seems to have somewhat of a difference between one risk area to the other.

Hon. Mr. Serby: — So the components of the individual producer's yield coverage. We have as you know, Mr. Deputy Chair, excellent records now on individual averages across the province. So individual producer records — the amount of bushels produced on how many acres, and summerfallow and stubble yield acres — the average yields are used when producers does not grow the particular crop.

These yields are adjusted by the index and on how the producer traditionally compares in the area, and the formula that's used here is the nine-tenths of previous long-term history and one-tenth of the year that is brought into the formula. And for 2003, the 2001 yields are being added, which I think the member would understand, or does understand.

And the changes that were made in 2003, we updated all of the yields and the history in most areas of the province. We made the stubble areas yields equal to the summerfallow area yields this year, and we did not change the producer individual yield coverage.

I think that's the, sort of the answer to the latter part of the question.

For the first part of the question about how you might enhance the crop insurance program into the future, I accept the notion that the member has some past interest in the way in which crop insurance was sold in the province and that the member knows and understands the crop insurance program well because I expect that he was closely tied to the marketing agencies that were established in the mid-'80s to market crop insurance in the province.

This administration in my view would not move back to a marketing agent concept. And it would be in my view some indication here from the member about whether or not there's an interest here in privatizing the Crop Insurance Corporation, and I can tell you and those who are watching that we have little interest in moving down that path.

I would say to the member opposite that the strength of a crop insurance program is not because farmers don't know what it provides — and more information to producers is always healthy, it's always welcome — but I would stand behind our Crop Insurance Corporation today and the men and women who work in it, that we have an exceptional crop insurance program in terms of its delivery, in terms of its marketing, in terms of its understanding and its future stability.

And we've taken a crop insurance program that I would suggest to you, sir, in the late '80s and mid-'80s was in a great deal of difficulty, and saw it through some very difficult times in the

'90s. And this program has now recovered. It's been able to sustain itself to a level of which we're extremely proud of in Saskatchewan.

Even when we have had the two worst droughts in the history — or last year the worst in the history of this province — you still have in Saskatchewan some of the lowest premiums to producers across the country.

So this is not, in my view, about taking a corporation and restructuring it, providing a different model in the way in which you deliver it. That is not the position of this particular administration. It would not be a recommendation that I would be making. And I would say to you, sir, with all due respect, it would not enhance the level of enrolment by producers in Saskatchewan.

It's not about marketing. It's about providing a better quality product is what I'm interested in doing. And when we provide a better quality product for producers, you will have far more people that will be engaged in enrolling in the program.

Mr. Lorenz: — Thank you, Mr. Minister. Mr. Chair, I guess I can appreciate where the minister's coming from in the sense of the direction that crop insurance has taken. But I still get questions on the fact of how the program's changes are coming, and getting the understanding of the program, and getting an understanding of the changes.

And there is some movement afoot of even closing down some of the temporary offices that are out there in rural Saskatchewan as well. It becomes a little bit more difficult for the producers to have access to the information, and the distance they need to travel sometimes to get to a situation where they can sit down with an individual from the Crop Insurance office to talk about the changes that are coming in.

And an enhanced and better developed program is always beneficial, but I think the producers need to be comfortable in understanding the type of program they're getting into and have that access to that information, the individual, so they can sit down and talk with as well.

Just wanting to go back to the actuaries again with the sense of the coverage. There was an actuary number calculation that was used with the specialty crops. Has that actuary been removed, and you're using and working just with the actual production numbers that the producers bring in at this time?

(12:00)

Hon. Mr. Serby: — On the specialty programs, or when we have new crops that come on, what we do is we use actuarial numbers for a period of time. With some of the specialty crops now we have now enough individual information on each of the producers where we've now removed the actuarial.

What I also want to indicate is that we shouldn't suggest for a moment that there's been a shutdown of offices across the province because there is no attempt to do that, nor has there been. And we have a large number of consumer service offices across the province and I have a list of them here that went out with the instruction guide this year. And I see here somewhere

in the neighbourhood of maybe 18 to 20 different communities across the province which in my view is an extremely, extremely large level of service that customers can attach themselves to. We have this information on-line now. It surprises me to a large degree about the number of producers today in Saskatchewan that have on-line and can access information on-line.

So I continue to make the case that this is not about, in my view, enrolment in the crop insurance program. It's not about people not knowing what the program is about. It has more to do with the level of service . . . or the level of support that the program can provide to producers. And it's that piece that I think we need to work harder at achieving.

Mr. Lorenz: — Thank you, Mr. Minister. At this time I will turn the questions over to the member from Arm River.

Mr. Brkich: — Thank you, Mr. Chair. I welcome the minister here, and his officials. I have a question dealing with . . . I talked to a constituent and I just basically just talked to him, so I don't have the information in front of me. He's going to be sending it to my office. But since Crop Insurance was up today, it turned out to be a very timely phone call. So I may see this individual over the weekend so I would . . . maybe I'll ask the questions now and try and get some information on it.

And I may be a little wrong on some of the names but I think what it was called . . . he said that with his crop insurance package he was asked to do a farm assessment coming up, Mr. Chairman. Now he's never had to do this before. He's been in crop insurance for a number of years, hardly collected except for the last two years of being in the area of a very severe drought. Naturally he was having to collect the last two years and also with grasshopper . . . some grasshopper damage. He hasn't been changing his farming practices or what he's been seeding or what he's been going for the amount of coverage. He hasn't changed that at all.

So his question was, why did he get this one? Is the office doing more farm assessment plans this year than normal, or is it just a random pick, or in the drought areas are you asking for more of that? Or in areas that have to deal with grasshopper damage, were you doing more of that?

Hon. Mr. Serby: — Thank you, Mr. Deputy Chair. The member asks a good question in terms of how is that process conducted. Well from time to time, on an annual basis, we do random . . . the kind of reviews that the member asks about just to make sure that the stability of the program remains intact. So we do randoms on an annual basis across the province.

Secondly, on occasion we actually . . . where we may receive a complaint, where somebody might issue a complaint about a particular producer, then the Crop Insurance Corporation and their staff would then do the kind of work that you are suggesting is done. And it would be done in some fairly detail. I don't know the circumstances around this particular individual but it could be a random or in fact it could be something more specific tied to a concern that somebody might have issued or levelled against the individual producer.

Mr. Brkich: — Can you tell me how many were asked . . . sent

out last year?

Hon. Mr. Serby: — Mr. Chair, Mr. Deputy Chair, my staff tell me that on an annual basis we might do a couple of hundred. That would be at random, random checks across the province, somewhere in the neighbourhood of a couple of hundred.

The Deputy Chair: — Why is the member from Moosomin on his feet?

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

Leave granted.

INTRODUCTION OF GUESTS

Mr. Toth: — Thank you, Mr. Chairman. Mr. Chairman, in the east gallery we have 28 students from Dr. Isman Elementary School. These students are grade 3 and 4 students. They're accompanied by their teacher, Tim Fisher, and a number of chaperones. And, Mr. Chairman, I'd like to invite the students to the Assembly this afternoon.

First of all I'd like to indicate that what you see on the floor of the Assembly right now is not question period but it's a time of debate between opposition members and departments — and specifically involved today is the Department of Agriculture — where we talk specifically about the actual expenditures in the Department of Agriculture.

So I'm pleased to invite you to the Assembly and pleased that you've taken the time to come. And I invite the members to join me in welcoming the students and the chaperones and their teacher from Dr. Isman School to the Legislative Assembly today.

Hon. Members: Hear, hear!

COMMITTEE OF FINANCE

General Revenue Fund Agriculture, Food and Rural Revitalization Vote 1

Subvote (AG01)

Mr. Brkich: — Thank you, Mr. Chairman. You said roughly a couple of hundred last year. How about this year? Would you have that already, how many you're doing?

Hon. Mr. Serby: — Well, Mr. Deputy Chair, we have been doing it historically so we wouldn't do any more or less this year so the number that we would do this year would not be increased, I don't imagine, unless we have more complaints.

If we have more complaints from individuals out in Saskatchewan land who believe that somebody got crop insurance inappropriately . . . and being a producer as you are, from time to time at the coffee shop we hear a whole bunch of things about what might be happening, and the next thing you know you might find, you know, a letter from somebody from the coffee shop sitting on the desk of the minister. And as a result of it, then you need to send it on to the Crop Insurance

Corporation and accordingly they would do that kind of investigation.

So we're not anticipating to do any more than we have historically. It's about a couple of hundred every year. And I can't say to you whether or not we've had more complaints this year than other years. But certainly we'll pay attention to that to see whether or not that number rises.

Mr. Brkich: — Thank you, Mr. Chairman. I guess my constituent's concern was that you were going to be doing this more in what they call the grasshopper . . . where they were more infested heavy areas, that you were going to be asking for more of a detailed farm management plan in advance.

He had heard that same thing this is just talking about. You brought up the coffee shop thing, and he had heard this as a rumour, that through the grasshopper heavily infested areas that you would be asking for more detailed farm plans in advance, of what the producers were going to be doing — if they were doing more . . . planning on doing more spraying. Or you would be asking for a financial plan for them in advance before you would issue them crop insurance.

Is this going to be more prevalent this year in the grasshopper infested areas?

Hon. Mr. Serby: — Well, Mr. Deputy Chair, when you're out on your grasshopper patrol again this coming year, and you're having coffee at the coffee shops, you should say to producers that we're not enhancing our level of examination. We are not, nor will we be, attaching it to any particular issue that individuals might be experiencing, whether it's grasshoppers or, you know, whether it's consecutive frost or whether it's the aphid that's eating the canola crop. It is not targeted to one particular sector of loss in the province. When we're doing the examinations we're doing it across the piece, across the province, and it's not specific to any particular issue that we might be having in a given year.

Mr. Brkich: — Thank you, Mr. Chairman. If you take the full top coverage, which I think this year is 80 per cent, do you automatically have to do a farm . . . I think it's called a farm practice application — in advance? Is that automatic?

Hon. Mr. Serby: — No, Mr. Deputy Chair, it's not automatic at all. It's as I've said. The only time we do it is when we get a complaint or we do the random checks through the course of a given year like we've been doing historically.

Ms. Harpauer: — Thank you, Mr. Deputy Chair. Last year what became of great concern throughout the province with the producers was the expediency with which their crops could be assessed. And so therefore the number of fieldworkers became quite critical. And the reason being of course, as the minister is well aware, is because a lot of the producers were hoping to have their crops written off early enough to cut for feed or to use in some other fashion because it wasn't going to mature in time to be harvest or, quite frankly, there wasn't enough there to make it worthwhile to go through the expenditures of harvesting.

What is the ratio in our Crop Insurance of the management to

the fieldworkers who actually go out and do the assessments of the fields and make those critical decisions?

Hon. Mr. Serby: — Mr. Deputy Chair, my officials tell me that there are about 300 people who are employed in the crop insurance program. About 40 of those are management people who would be working in regional offices across the province. And we have 250 field staff then that would be doing the appraising.

Ms. Harpauer: — I thank the minister for that answer. In the budget for this year, it is stated that the Agriculture department will be hiring 20 more staff. Will any of those be working in the crop insurance department?

Hon. Mr. Serby: — Mr. Deputy Chair, the increase in staffing to the Department of Agriculture is really the transfer of employees that are coming from the irrigation file, which used to be housed in the past over at Sask Water. And that department is now under the purview of Agriculture and Food, and it's just those employees that are coming across. So this isn't new people that we're adding to the department. This is simply a transfer of employees from one department to another.

Mr. Lorenz: — Thank you, Mr. Deputy Chair. Again talking about having a good program and having a program that's very acceptable to the producer and it's a program that's going to have some sustainability value to it, when the hail coverage was removed from crop insurance, that was a benefit and that was a real attraction to the program in itself.

Could the minister explain why that part of that coverage was removed and the basis of, I guess, the thinking around that decision. And also there was about 17 and a half million dollars of savings that came back to the government; how that offset the premium costs for that year and how that adjustment went into the calculation of the premiums. We realize the premiums went up in the neighbourhood of 48 or 50 per cent last year as well, but I guess there was a coverage component of the program that was lost with it. How did that take effect in there in that calculation?

Hon. Mr. Serby: — Yes, the movement of the 17 million, the member is quite correct about. What we did with that 17 million of course is that we enhanced some additional programs within crop insurance, like the forage program.

We used some of that money to also invest in buying down the all-peril. Last year we had a long debate in this House, and the weekly or daily petitioning of the Crop Insurance Fund, whereby it was said on a number of occasions that in fact we didn't put enough money into the program when in fact we actually exceeded the federal level of contribution last year.

So a portion of that 17 million, because we built all-peril contribution to crop insurance last year by adding an additional \$10 million, which kept the producer premiums last year under the old formula more sustainable for producers, we thought.

At the same time we did remove the hail coverage from the crop insurance program partly because we believed and received from the crop insurance agents across . . . or the hail insurance agents across the province from the private sector who said to

us, why is it that you're in the business of selling hail insurance when in fact this is . . . you're competing directly with us? You should provide an opportunity for us to do that for producers across the country or across the province. We're doing it anyway. Producers are buying the crop insurance program and then they're going out and buying additional hail insurance at the same time.

And so we made the decision last year to have the private sector, as you talked earlier about the importance of having the free market enterprise involved in the sale of the product which producers were already exposed to, so we made that change last year.

(12:15)

I know that it wasn't popular with some producers across the country or across the province. But in reality, we do have agents today who provide very good rates on the hail insurance, people who make a living in this province selling hail insurance to farmers who are accustomed to buying top-up hail insurance all the time. And it was a decision that we made to provide an opportunity for private sector business in Saskatchewan to continue to make a . . . to continue to provide a product to producers — and at the same time taking that chunk of money in a year that was very tight and putting it into areas where we thought we could get far more protection for producers.

Last year, I have to say to you that the lowest priority on my list was hail insurance. The bigger priority on my list was, what are we going to do about the drought and how do we protect livestock producers in Saskatchewan? How can we get a forage program and a grass program in place? Where will we find the revenue to be able to do that, given that we're working in fixed dollars with the federal government, and ourselves, and what producers are prepared to pay?

And so where we found some of that additional money to be able to do that and provide, in my view, a very substantive grass protection program and cover program for farmers last year, which was very beneficial when you take a look at the number of acres that were insured last year . . . I think we went from about 300 or 200,000 acres to well in excess of 3 million. And in my view, that was a good investment for Saskatchewan producers.

Ms. Harpauer: — I thank the minister. And it's astounding that he's saying that his priority was the livestock last year when he was called upon time and time again by the producers themselves and by the opposition party to allow crops that were not going to make it, quite frankly and were not worth harvesting, to allow them to be written off so they could still be used for feed for that year when producers were desperate for feed, Mr. Chair.

And yet the minister sat and he made fun of our proposal and he didn't acknowledge that this could be done and said it was impossible. And it simply wasn't true. There was crops out there that could have been cut for feed or turned into grazing, and it's just that simple.

Mr. Chair, I have no further questions today considering that the minister has promised quite a considerable amount of

information. I will be looking forward to that information. I hope that it comes in a more expedient fashion than his answer to the question of how the Nokomis bull feeding station is doing because I've been waiting for well over a week for the answer to that one and I've yet to hear. So hopefully the information that he's promised this time will come a little more timely.

So with that, Mr. Chair, I have no further questions.

The committee reported progress.

Hon. Mr. Hagel: — Mr. Speaker, I move this House do now adjourn.

The Speaker: — I wish everyone a safe journey home.

The Assembly adjourned at 12:21.

TABLE OF CONTENTS

ROUTINE PROCEEDINGS	
PRESENTING PETITIONS	
Eagles	529
McMorris	529
READING AND RECEIVING PETITIONS	
Deputy Clerk	529
NOTICES OF MOTIONS AND QUESTIONS	
Huyghebaert	529
Lorenz	529
Bakken	529
Elhard	529
Gantefoer	529
INTRODUCTION OF GUESTS	
Bakken	529
Cline	543
Toth	547
STATEMENTS BY MEMBERS	
Regina Chamber of Commerce Paragon Awards	
Wakefield	530
Wartman	530
New Business at Craik	
Brkich	530
Artistic Talents in Regina Public Community Schools Celebrated	
McCall	531
Qu'Appelle Valley Hockey League	
McMorris	531
Three Inducted into 4-H Hall of Fame	
Higgins	531
Speed Limit Increase	
Heppner	531
ORAL QUESTIONS	
Speed Limit on Four—Lane Highways	
Hermanson	532
Wartman	532
Ethanol Industry	
Stewart	532
Serby	532
Mega Bingo	
Bakken	533
Osika	534
Community Initiatives Fund	
Huyghebaert	534
Crofford	535
Government Reaction to Harassment Allegations	
Julé	535
Crofford	535
Calvert	536
MINISTERIAL STATEMENTS	
Speed Limit on Four-Lane Highways	
Wartman	536
Huyghebaert	537
ORDERS OF THE DAY	
WRITTEN QUESTIONS	
Yates	538
The Speaker	538
GOVERNMENT ORDERS	
SECOND READINGS	
Bill No. 10 — The Saskatchewan 4-H Foundation Amendment Act, 2003	
Serby	538
D'Autremont	538
Bill No. 13 — The Parks Amendment Act, 2003	
Belanger	539
McMorris	539

COMMITTEE OF FINANCE

General Revenue Fund—Agriculture, Food and Rural Revitalization—Vote 1

Serby	540
Harpauer	540, 548
Lorenz	544, 548
Brkich	547