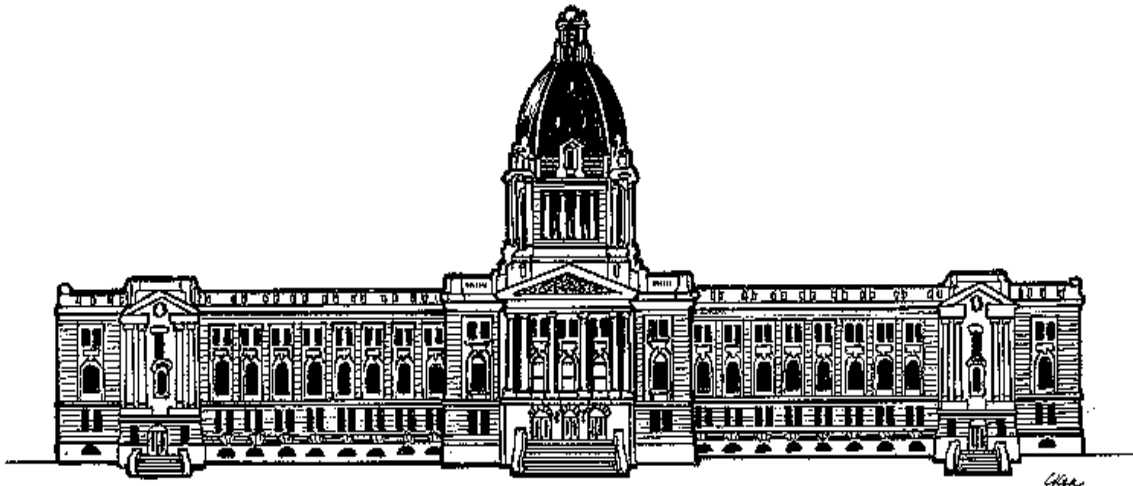




STANDING COMMITTEE ON INTERGOVERNMENTAL AFFAIRS AND INFRASTRUCTURE

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**STANDING COMMITTEE ON INTERGOVERNMENTAL
AFFAIRS AND INFRASTRUCTURE
2005**

Mr. Ron Harper, Chair
Regina Northeast

Ms. June Draude, Deputy Chair
Kelvington-Wadena

Mr. Denis Allchurch
Rosthern-Shellbrook

Mr. D.F. (Yogi) Huyghebaert
Wood River

Ms. Sandra Morin
Regina Walsh Acres

Hon. Maynard Sonntag
Meadow Lake

Mr. Kim Trew
Regina Coronation Park

[The committee met at 15:00.]

The Chair: — We'll call to order the Standing Committee on Intergovernmental Affairs and Infrastructure. The item of business before the committee is the consideration of estimates and supplementary estimates for the Department of Highways and Transportation. Before I recognize the minister though, I would like to draw the committee's attention to the fact that Mr. Yates is sitting in for Mr. Sonntag. I will now recognize the minister and ask the minister to introduce his officials.

**General Revenue Fund
Highways and Transportation
Vote 16**

Subvote (HI01)

Hon. Mr. Sonntag: — Thanks again, Mr. Chair, and good afternoon, committee members. With me today is the deputy minister, John Law, immediately to my left; immediately to my right is Terry Schmidt, assistant deputy minister of operations; behind me and to my left is George Stamatinos, assistant deputy minister of policy and planning; and behind me and to my right is Cathy Lynn Borbely, assistant director of corporate support. And I have no opening statement so we're ready to take questions.

The Chair: — Thank you, Mr. Minister. Mr. Allchurch.

Mr. Allchurch: — Thank you, Mr. Minister. Welcome to your officials today. Mr. Chair, I'm going to start off with some questions that I wrote to the Minister of Highways last year and got responses back, and I just want to follow up on one of them. And that's in regarding to the guardrail on the area around the Petrofka bridge.

Now in a letter that was sent back to me, it was reported that the department had reviewed the need for a guardrail on Highway 12 at the curve leading to the Petrofka bridge. The review included factors like the horizontal and vertical alignment, traffic volumes, side slope ratio, road width, the presence of permanent water, and fill characteristics. The review identified that the guardrail is warranted at this location. The project has been added to our safety improvement program, where it will be prioritized provincially and completed as funds become available.

I'm wondering, Mr. Minister, in regards to this, this year there seems to be some revenue available. Will this take place this year in regards to the guardrail?

Mr. Schmidt: — We don't have the details on the specific safety improvement program projects that are being delivered this year with us right now, but we would be pleased to undertake that and get back to you, if that would be acceptable.

Mr. Allchurch: — Okay. In regards to that, when will you know if it may be done this year? Or is that going to be in the response to me at a later date?

Mr. Schmidt: — That will be in the response. We've developed . . . We know the program already this year for 2005

for the safety improvement program. As I mentioned, I just don't have all the specifics with me. But we will provide that information to you if it is on the program, and we can provide that to you if you would like.

Mr. Allchurch: — Okay. Thank you, Mr. Minister, official. I'm just noting that according to this, it . . . I felt that in regards to the response that you give me that it was of somewhat of a high prioritized in regards to safety. And that's why I raise this question because I really believe that this issue is something that the Highways department needs to look at in the very, very near future. And if funding is the problem, I thought this year with the funding available that this would be undertaken. So I await your response in regards to that.

And I want to move to questions regarding Highway 3, and that is from Spiritwood to Glaslyn . And I've raised these concerns probably every year since I've been here, and that's regarding the primary weights on Highway No. 3. As you know, a few years ago there was bridges removed and culverts put in, and the reason for doing that was to bring it up to primary specs. Last year there was no work done to the highway, so therefore I'm thinking that there was very little left to be done to the highway to bring it up to highway specs. And if this is the case, when can we see primary weights on that highway, that portion of the highway?

Mr. Stamatinos: — The Department of Highways is presently in a process of reviewing our primary weight framework, and the review will include looking at Highway 3. And we're looking at a number of, we're looking at following up on some significant consultations that have occurred over the last, gosh, almost 18 months now. We're currently in the process of completing of our analysis and developing the broader framework. We hope to have some more information out hopefully sometime this early summer. But what I can tell you is Highway 3 will be part of that consideration.

Mr. Allchurch: — Thanks. Is there anything that has to be done to Highway 3 to bring it up to primary specs, or is that all done and we're just waiting for some other information?

Mr. Stamatinos: — Right now what we're doing on Highway No. 3 is — along with all the other routes that we may consider for consideration for primary weights — is to look at the structural adequacy of the road. And that analysis will have to occur, obviously.

We're also looking at opportunities for alternatives to what we call a fully designated system. There's an opportunity for those communities along and rural municipalities along that route to approach the department for a partnership opportunity as well in the interim, as we look at moving forward with a broader strategy.

Mr. Allchurch: — Well I think this is one of the main reasons why the citizens that have great concern regarding that portion of the highway not being primary weights because I believe it's under some transportation agreement that you have with certain companies. And I'll give you the instance of Pool hauling grain out. They have the trucks that you can add air to the system. They're hauling extra weight loads already.

There's other groups. Transportation groups are utilizing that road that if it was brought up to primary weights could make more money in regards to it. There is virtually no work left to do to the road, and this is why the concern is waiting to see why it's not primary weights now.

I had a concern from a gentleman from there who owns the local stockyards. And I raised this concern last year in regards to that where a certain trucker was asking that the stockyards pay extra weights or overload weights regarding that, and yet nobody else was charging. And he had great concern with that. And when I asked this question last year, it was because you were doing a study on the highway.

To the citizens of that area, I think the need is to bring it up to . . . Or now that it's brought up to primary weights, to have the go-ahead so that these businesses can utilize that highway in the proper fashion in which they can make money.

Mr. Stamatinos: — . . . comment on both those . . . this couple of points, Mr. Allchurch, if I might. First of all the agreement with the Saskatchewan Wheat Pool. It doesn't exist any more. We terminated that two years ago upon mutual agreement. Going back to the issue of the primary weight review, again we are, like I say, we are gathering data. And I think just once we complete the analysis in the context of how it impacts the whole province, we can certainly, we'll be sharing that information back with all the people we have consulted with.

Mr. Allchurch: — Well thank you for that. I'll take this to the people from the RM [rural municipality] and the councillors and they can make out of it what they want.

Another line in questioning, Mr. Minister, I want to go to. And that's in regards to the highway maintenance shops. As we know there was a fire at Glaslyn, and there's a . . . Glaslyn has a maintenance shop. The fire there, it didn't virtually destroy the shop but it did a great amount of damage. Can you provide information as to what's happening now with the maintenance shop at Glaslyn as we speak?

Mr. Schmidt: — You are correct in that there was fire damage done to the shop over the winter, and we've been in discussions over what's the best way to proceed there. And we're looking at options as to how to house the equipment and how to look for a section office there for the staff. So right now we're just looking at various options, what's the best way to proceed with that, and to date we haven't come up with a final plan yet. We're still looking at options. I think we may be leasing a little space at this point in time for storing some of the equipment indoors.

Mr. Allchurch: — Thank you. In regards to the maintenance shop at Glaslyn, Glaslyn's shop is very unique because it deals with a major highway — the highway actually that the minister utilizes when he's not flying. I've also heard that in and around the area that I'm talking about, the highway maintenance shop at Shellbrook and also the one up at Green Lake brings into question that they may be discontinuing these shops. If this is true, could the minister comment on it.

Mr. Schmidt: — We are always in a position where we are reviewing our program delivery, the way we deliver the

programs to make sure it's as efficient and as effective as we can deliver them. So in response to that, as highway conditions change and as opportunities arise, we are always looking at ensuring that we're providing the services in the best way we deliver them.

Do we have plans in place at this point in time to close down certain sections or things like that? No we don't have formal plans to do that at this time. We review each one as opportunities arise, whether it's having to replace a new building or whether it's with equipment issues. So we continually look at doing that as a means of ensuring that we continuously improve in the way we provide services.

Mr. Allchurch: — Well I can understand that. I know the last . . . Other than this past winter, the winters previous to that — and there's probably two, maybe three of them — there wasn't a lot of snow in the area. There was not a lot of maintenance that had to be done to the highways. There was no freezing rain so therefore I can understand the government's position as maybe consolidating some of the services and put them to bigger centres.

As you know, last winter it was a different winter. It was more of a normal winter that we're accustomed to. The ice on the road stayed on the road virtually the whole winter, especially around the Green Lake area down through to Glaslyn, over to Shellbrook. So I have great concern when I hear rumours that the Highways department is looking at consolidating these maintenance shops into bigger maintenance shops because one thing we have to look at is the safety of the people using these highways. And if we have winters similar to what we had last year, cutting the maintenance shops down to maintenance shops at bigger centres, it's not going to provide the service to the residents that they greatly need.

If your department is looking at this, is there anything going to be followed through in regards to the maintenance shops as we speak for this year?

Hon. Mr. Sonntag: — I'll just answer just generally first of all. I think it might be appropriate for the minister to interject a little bit here and then if there's . . . The answer to the specific question Terry can answer that again.

Generally let me say that as it pertains to any of these shops . . . I shouldn't say generally. Specifically there are no plans whatsoever for any closure of any of these facilities. The point you make is one that's made often by the public as well. They're concerned about if any of these shops were to close, the issues around safety and reduced service. I think it's fair to say that the department, while there are no plans in place at all, their primary concern is around service and around safety. So if there are any changes, these are the two main factors that they take into consideration. So if changes take place, it will have to ensure that there is safety on the roads and that the level of service is maintained at minimum, if not improved. But having said that, there are no plans for any of those facilities. So I guess I've kind of answered the specific question as well.

Mr. Allchurch: — Okay. Thank you, Mr. Minister. And I'm glad to hear that.

Now getting back to the maintenance shop at Glaslyn, in regards to the fire, is it the objective of the department to rebuild this shop because of where the shop is and the proximity of the highways coming through Glaslyn? Or is it the idea of the government to close the shop down for good and move the services to other centres?

Mr. Law: — As Terry had suggested earlier, we have made no final decisions with respect to closing or rebuilding at this juncture. Part of our considerations around the options that we are looking at have to do with the nature of the building and the nature of the insurance coverage and so on that was provided at that time. I stand to be corrected, but I believe that this is a government building that we contract through SPMC [Saskatchewan Property Management Corporation]. And so we are working jointly with that agency to try and ensure that we've got the right and most appropriate option in place for the long-term viability of those services.

Mr. Allchurch: — Okay. Thank you for that. I'm sure the mayor of Glaslyn and the citizens around there will be happy with what you've given me as answers.

I just want to ask a couple of questions in regards to questions my colleague, Mr. Weekes, asked in regards to 57 kilometres of road improvements that will be done under the forestry commitments. And the answer I got regarding that is: locations of these projects are Highway 913 — this is in the Dore Lake area — Highway 913, the junction of Highway 120 to 11 kilometres north; Highway 917 — junction of Highway 916, 5 kilometres north of East Bay; Highway 924 — junction of Highway 55, 8 kilometres north; and Highway 969 — junction of Highway 2 and 4, north of Timber Bay.

And I was doing the math on it, and it states that there will be 57 kilometres of work done. And yet when I do the math, it comes up to 26 or 28 kilometres. Where is the other 30 kilometres of work that's going to be done?

Mr. Schmidt: — Without having the response in front of me, if I recall correctly, what was done there is in some of the instances and some of the projects we listed . . . for example 5 kilometres from south of a point to 5 kilometres north of a point which would be 10 kilometres. But on some other ones, we talked about the junction of, say, 120 to the junction of a different highway. I'm not sure we actually gave the amount of kilometres in there that was being constructed.

So it could be the way in which the response was given. And if you wish, we could probably undertake to maybe clarify that and provide the full 57 kilometres for you.

Mr. Allchurch: — I would appreciate that very much because the way I read it there's Junction Highway 120 to 11 kilometres north which will mean that there's 11 kilometres being done. Same with Highway 917, junction of Highway 916, 5 kilometres north of East Bay.

So in regards to that I appreciate the answers back to clarify just where the 57 kilometres would be.

Getting to Highway 924, junction of Highway 55 to 8 kilometres north . . . so in regards to that, I would take it as

being 8 kilometres of road being built. Am I correct on that assumption?

Mr. Schmidt: — That's correct. That's a project that is planned for this year.

Mr. Allchurch: — Okay. As you know, Mr. Minister, there's been a great deal of controversy around Highway 924 which is cause for great concern. But I believe the biggest concern regarding Highway 924 is from a safety issue.

I've had the privilege of driving up there many times both in the wintertime and summertime. And the highway is very, very narrow — very narrow. This year while logging trucks were utilizing that road, the biggest concern was the fact that there was a safety issue. In fact the logging trucks could not meet each other on the highway because of it being so narrow.

To date the Highway department is still allowing these log trucks to travel on this road. Is there something that the department should be looking at to bring the safety concerns to the people of the Dore Lake area which would allow them to travel on this road and not be in danger of losing their life because of the narrow road and the log trucks?

Mr. Schmidt: — We have had several meetings with the local residents as well as industry in the area. And we have worked out a mutually agreed upon plan to address the safety concerns that were brought forward, working together with industry in the area. We have put in, I believe we put in two-way radio communications in the school bus to allow the school bus operators to communicate with the truck drivers, and develop protocol for that, to ensure that they're aware of when the school bus is on the road and what location it is on.

I believe we've also worked out haul routes where any trucks . . . all the loaded trucks have been diverted onto what is locally known as Revo Road. And so that has removed the loaded haul trucks from Highway 924. There still is a few trucks that do haul on 924 — that is understood by the locals — that have no alternate route to get down to the mills, that must access 924 from the forest. Any trucks though that do have an alternate route are using those alternate routes, mostly Revo Road. So we've addressed that.

As well, through the winter we also undertook some enhanced maintenance practices as was suggested by the locals to more clearly define where the edge of the road is and provide a little bit of enhanced maintenance.

So we have undertaken those safety measures to address the concerns brought forward by the locals. And then part of the longer term strategy is to upgrade Highway 924 starting, as was mentioned earlier, from the junction of 55 to 8 kilometres north, this year.

Mr. Allchurch: — Okay thanks for the answer. I'm glad to see that the government has taken a lead role in having the log trucks — I believe you said loaded log trucks — use the Revo Road. If that is what's happening, then it'd just be empty trucks coming back on 924.

In your comments regarding putting radios in the buses, that is

great for the children, but what about the people that utilize that road because that is the only road that the citizens of Sled Lake and Dore Lake can utilize. So if that is the case, that to satisfy the safety concerns of children, what about the other citizens? But if you're using the loaded trucks going down the Revo Road, it's just the empty trucks coming back, and I'm sure that will relieve a lot of concern in regards to Highway 924 because one truck travelling one way on that road, there's still room to pass and that's what the people feel that they needed. If you have any comments on that I'd appreciate it.

Mr. Schmidt: — Yes there was a couple of other countermeasures that we did agree to put in, and industry has agreed to as well. That is a reduced speed limit when passing the trucks. I believe the speed limit is 40 kilometres per hour when passing loaded or empty trucks. And as well the other measure that it would put in place is industry has agreed to some hours of operation when they will haul and hours of operation when haul will not occur. I don't know those offhand, but there is certain hours that have been set aside for haul and other hours that haul will not be occurring on.

Mr. Allchurch: — Thank you. In regards to 924, the construction of the road, will that take place this year? And if so, when?

Mr. Schmidt: — Yes the 8 kilometres has already been tendered, and Kay's Construction was the successful bidder. We're still working out the details with them. We have asked the contractor for a work schedule for the year, as they have other projects as well that they need to complete. So we are working with them and determining what timelines will be out there, and we'll be communicating those to the local people out there, so they're aware of when we anticipate construction will start and when it will be completed.

Mr. Allchurch: — Okay. When construction does take place and they'll be working on the road, what is object of the government to reroute the logging industry? Will they be using the Revo Road all the time then, while the construction's going on?

Mr. Schmidt: — I would expect that a similar traffic accommodation plan will be in place as is now where the loaded trucks will be using alternate routes. If they still have activity in the forest where there is no alternate route other than 924, we will have to look at putting in places to accommodate that haul as well as to accommodate the local traffic at the same time. So those are details that we will work out with the contractor at pre-construction meetings to ensure that traffic accommodation is put in that will accommodate the needs of the traffic in a safe manner.

Mr. Allchurch: — Thank you, Mr. Minister, and your officials today for those answers. I'll move along, for my other colleagues have questions. Thank you.

The Chair: — Mr. Kirsch.

Mr. Kirsch: — Thank you very much, Mr. Chairman. Mr. Minister, I've got questions on just one little piece of highway, and that would be in my constituent and that's Highway 368. And it runs from . . . the stretch I'm concerned with is 4 miles

south of Lake Lenore to 4 miles north of St. Brieux . And I'm wondering if we're going to get some work done there.

Mr. Schmidt: — The plans we have for that section of highway this year is . . . in the past we've undertaken some work on that. We've done some restoring of the TMS [thin membrane surface] surface there. We've restored the cross-section, did some sealing on it. And it is undergoing some distress this spring with the wet moisture conditions that are out there as well as some of the traffic that uses that road.

So what we will be doing this year is, as with many of our TMSs, we will be doing emergency repairs as needed to keep it safe. We'll be signing some of the more hazardous areas in the interim. And then when the roadbed begins to dry out — probably around mid-June, weather dependent, early June — we will then go in. And we will do more temporary . . . or more permanent repairs as opposed to the temporary repairs and restore the road as best as we can to a safe, smooth driving surface through our routine maintenance.

So that will be our plans for this year . . . is to work through routine maintenance practices to ensure the road is in the best possible condition we can get it.

Mr. Kirsch: — Okay. At present the situation is that the other day a semi-trailer, playing dodge the holes, got whipping and rolled. So that's how big and bad the holes are.

One of the big industries in Saskatchewan, Bourgault Industries, trucks like a kazillion tonnes of iron from IPSCO down that highway to St. Brieux . It's key to the province of Saskatchewan, to jobs and industry. We need 368 done to the standards for taking these loads of iron. And then to when the product is finished, they have to be able to move it out. So it's one of our thriving young industries. And there's several other industries, like you look at dry air and tillage tool and SA [swing away] hoppers, all that's going on there. We need 368 big time for dollars.

It's not just the dollars for St. Brieux. I mean the spinoff . . . The communities all the way around are so linked to what's happening in St. Brieux. So I'm urging and asking, please fix 368 and fix it to the standard for these trucks.

The Chair: — Ms. Harpauer.

Ms. Harpauer: — Thank you, Mr. Chair. And welcome to the minister and his officials. The questions that I have today are dealing with the highway traffic officers. And just the initial question is, how many highway traffic officers does the province presently have?

Mr. Stamatinos: — I believe we have 46.

Ms. Harpauer: — Thank you . Now there's some confusion in the notes that I've taken. Sometime in either 2002 or 2003, the authority or the jurisdiction that was given to the highway traffic officers was changed or narrowed somewhat. Now my understanding, it wasn't a change of authority within the Act. It was a change of policy within the department as to the jurisdiction allowed to the highway traffic officers. And again if I'm understanding it correctly, the jurisdiction was narrowed to

that of only heavy-haul traffic. Could you tell me why that decision was made?

Mr. Stamatinos: — First if I might just correct the number. It's 49 not 46. My apologies. And yes by policy, we have changed the mandate of our traffic compliance officers. We wanted them to focus on really dealing with truck movement in the province as opposed to Criminal Code type violations like alcohol, .08, and speeding of private vehicles. As you know, we only have like 49 officers out in rural Saskatchewan between a very large network — 26,000 kilometres roughly — and have demands to also provide patrol services on the municipal system which is another 180,000 kilometres. So a lot of it was driven for . . . One is just an issue of capacity to provide the service, and the second was a concern over the safety of our officers.

Ms. Harpauer: — Are the officers — and I'm assuming they are because they used to handle traffic safety issues even for small vehicles — are they trained to deal with the first process in dealing with a small traffic offence?

Mr. Stamatinos: — Referring to dealing with private vehicles?

Ms. Harpauer: — Yes.

Mr. Stamatinos: — The emphasis has been certainly on commercial vehicles. Most of them have gone through police colleges, that sort of training. This is not what we emphasize. We emphasize the security of the commercial vehicle, the security of the load, the fitness of the vehicle, the qualifications of commercial drivers. They have got certainly some background, but that's not where our emphasis has been.

Ms. Harpauer: — Like I understand there's been a change of policy; it's not your emphasis. The question though is basically though, if the policy was not trained, are the highway traffic officers trained to deal with minor traffic offences in small vehicles?

Mr. Stamatinos: — Like speeding and things of that nature?

Ms. Harpauer: — Yes.

Mr. Stamatinos: — Certainly they could do that.

Ms. Harpauer: — Okay. The other question is, are they equipped? Are their vehicles equipped to handle these small offences?

Mr. Stamatinos: — They are equipped with radar, and they're equipped with cameras and things of that nature, yes.

Ms. Harpauer: — Okay. The question that's been posed, and I'm sure the minister and yourself are probably aware of it, is they're questioning why their mandate has been changed and if that is indeed efficient and what's best for the traffic safety on our highways.

And it's interesting because the highway traffic officers pooled diaries and have made that available to me. I'm not sure if he's also made that available or the group have also made that available to your department. I'm going to read into record some of what they have because there's many pages here. But

we're going back to August 26, and the diary reads:

4:30 p.m., two-door grey car observed passing on a solid line going uphill, noted vehicle was passing a red SUV.

At 4:55 p.m., a four-door blue car, male occupant age 16 to 18, speeding at 135 kilometres per hour in a 100 kilometre-per-hour zone.

6:45 p.m., pickup truck observed speeding at 135 kilometres per hour in a 100 kilometre-per-hour zone.

7:45 p.m., black half-ton passing tan Chev Venture van at high rate of speed. Suspect vehicle observed officer park on side of road. Driver stop and flagged down. Driver stated noted vehicle nearly caused him and his wife to have an accident. Suspect cut the driver off. Suspect vehicle was still in view of the traffic officer, but the officer had to explain to the driver that he no longer could assist with private vehicles. Driver stated that he felt the suspect was possibly impaired, and driver was very upset that he could not help.

At 7:45 p.m., a black Volkswagen observed not stopping at a marked stop sign.

7:50 p.m., half-ton pickup towing a trailer had no operational tail lights.

8:30 p.m., half-ton pickup observed speeding at 145 kilometres per hour in a 100 kilometre-per-hour zone.

8:55 p.m., officer witnessed two vehicles travelling extremely fast. The lead vehicle, a private vehicle car, entered a radar beam at 168 kilometres per hour and a second vehicle, a half-ton, entered the beam at 150 kilometres per hour. Both of these drivers may have been charged with dangerous driving or may have been impaired.

The list is four pages long of how they pooled their diaries of what they're observing. Because they're out there. They're on the highway. They're equipped to handle this. And I believe they have a very legitimate complaint that they're coming forward with. They're seeing this. They're seeing potentials for an accident to happen, and they have no jurisdiction to do anything about it whatsoever.

So in all, these men that I've met with — I'm not sure if we have any female highway traffic officers but the group that I met with were all male — were saying that it even played on their conscience quite frankly that they had to see potential accidents that they couldn't do anything about.

So is this an issue that your department would revisit? Because they are trained, they are equipped, and they're out there. And yes, perhaps if there was a private vehicle and a heavy-haul truck, the heavy-haul truck could be their priority. But if they're sitting there and there is no truck in front of them and a car speeds by at 135 kilometres an hour, I think we're not utilizing our resources to the highest efficiency. So would the department revisit this policy?

Hon. Mr. Sonntag: — Let me just start by answering this way. First of all on the issue, the representation that's been made to me has been only supportive of the change. I've not had any representation brought to my attention where there . . . And I'm not saying I don't believe what you're saying because I'm sure what you're saying is absolutely correct. So I mean I wouldn't be surprised if there would be some who would have different views. But the only representation that's been brought to my attention is very, very supportive of the changes that were made.

I can let George give you details, but there are arrangements made with the new policy for the traffic officers with the RCMP [Royal Canadian Mounted Police] . Any time they observe something like this they are to notify the RCMP immediately and it will be dealt with through the RCMP.

If you have some specifics . . . Or have I answered it completely? Okay. Okay.

Ms. Harpauer: — Okay then I have another question. I was also told that since the duties of the highway traffic officers have been narrowed, the fatality stats for Saskatchewan on highway traffic accidents has increased. Now I quite honestly have not reviewed those stats. I know there was a report out probably about six months ago that said our highway traffic fatalities was fairly high in a national average, but I didn't correlate when that started to increase or anything. So do you have the stats available to make that type of correlation?

Hon. Mr. Sonntag: — That would be out of, ironically out of SGI [Saskatchewan Government Insurance] actually and I don't have that off the top, but we can get that for you.

I hesitate here a bit here, but generally the trend has been downwards. It's not down the way we want it to be because I think you're right that the overall fatalities have been problematic here, many of those related to drinking and driving, many of the fatalities. And that's been an issue that SGI has focused on. As it relates to last year, I do believe the last year we think was a bit of an aberration, and we're watching closely but think the trend will continue downwards.

Ms. Harpauer: — Thank you. The other issue that they brought to me as a concern was whether or not there's been any consideration to move the highway traffic officers into the Justice department since it is a corrections type of area or jurisdiction. And is that something that's ever been discussed, thought about, reviewed, or considered?

Mr. Stamatinos: — I'm not aware of any discussions, formal discussions. Certainly there's coffee talk about, you know, where one unit might be relative to the department. Typically for similar types of organizations . . . I'm talking . . . We compare ourselves to other provinces with the same kinds of responsibilities as our officers have. They are housed within the Department of Highways and Transportation.

Ms. Harpauer: — Okay. So that's sort of the two concerns that they brought forward. And from what I'm hearing from the minister and yourself is probably they need to communicate these concerns directly to the department a little more coordinated — perhaps is the word we're looking for —

because you obviously are indicating you're not getting the same message that I am. So that's going to be the advice that I'm going to pass on to these individuals, and hopefully that will work out to the satisfaction of both the department and the highway traffic officers. And if not, then we will meet again in this forum. So thank you very much, gentlemen.

The Chair: — Ms. Draude.

Ms. Draude: — Thank you, Mr. Chair. I have a question on the strategic partnership program. I noticed it's just about half of what it was last year. The estimate for 2004-2005 was 5,205 and this year was 2,500. Can you tell me why this decrease by about half?

Mr. Schmidt: — I can speak to that question. The main reason for the reduction in the partnership program from about 5.2 million to roughly 2.5 million is that last year we undertook a fairly major project in partnership with the city of Regina and the federal government to update Victoria Avenue East. That project has now been completed so we are now going back down to more of our historical levels in the partnership program, where that was kind of a one-time unique partnership opportunity that we took advantage of last year.

Ms. Draude: — Do you have an ongoing partnership with the Federated Co-op?

Mr. Stamatinos: — Yes we do have a partnership with the Federated Co-op through our transportation partnership program.

Ms. Draude: — Can you give me some details on it?

Mr. Stamatinos: — The way the program works, the way the agreement works is Federated Co-op can operate commercial vehicles over and above regulated weights and dimensions. There's a number of criteria that are in place to ensure that these larger vehicles operate safely which are over and beyond what is required of a normal commercial vehicle. Federated Co-op also is required to pay for any extra damage they may do to the road system when they travel on our, we call it thin membrane road surface — you know, the thin . . . we call it the TMS system. They are required to operate with certain technologies like central tire inflation.

The other piece of the agreement is that they are required to contribute incremental haul savings. Any amount of money they make because of the benefit they derive from being able to haul at higher weights than regulation allows, they share that amount with the Department of Highways. And that money is deposited to the Transportation Partnerships Fund and it gets allocated to roadwork.

Ms. Draude: — Can you tell us how much that fund was from the Co-op last year?

Mr. Stamatinos: — I'm going off memory, but I'm guessing it was around \$300,000.

Ms. Draude: — Okay. And is there any other organization, company partnership like the one you have with Federated Co-op?

Mr. Stamatinos: — Yes, there are a number of them. Not as big as the Federated Co-op. I think that they're our biggest partner, but I just can't give you a . . . We can provide you certainly with a list.

Ms. Draude: — I would appreciate that.

Mr. Stamatinos: — Okay.

Ms. Draude: — Okay.

The Chair: — Mr. Bjornerud.

Mr. Bjornerud: — Thank you, Mr. Chair. And, Mr. Minister, last fall in our sitting last fall I brought some of these highways to your attention. But the main one I'm getting the most calls on — and again this morning I had a call — is the one we talked about last fall was No. 8, McNutt north to No. 10 Highway. And as you recall, last fall we talked about when that was resurfaced or hard surfaced — it was gravel before — was right before the last election. And I think we agreed to disagree. I said it was an election ploy; you said no, you didn't think it was.

Doesn't matter, because you need to do one of two things. You can either call an election and do more work on that road or you can just go out and fix it. And I don't think the constituents out there really mind because they're mostly mine anyway, whether you do either as long as you fix it.

The call I had this morning, and the guy was fairly irate and said somebody's going to get killed on this road. Because if you remember last year, I said if you drive right down the centre, put the centre of your car right on the right line, you're not bad because the holes miss you on this side, the holes miss you on that side. The big problem is every once in a while we meet a car on that road and you're in trouble. And I guess what I'm saying is it's becoming a safety factor now.

Is there work planned to be done on that road or not?

Mr. Schmidt: — As I mentioned previously, on some of our thin membrane surface highways, this would be one of those thin membrane surface highways. It's weight restricted; it's only meant for the light traffic, and as such it has the thin membrane surface on it.

In spring it is not uncommon to have some surface defects and some surface failures appearing on these thin membrane surface roads. So our strategy, as I mentioned, is to continue with some temporary repairs and emergency repairs, sign the hazards as best we can. And then as the roadbed dries out, come in and do the more permanent repair. So that will be our plan for this year again, is to come in again mid-June, end of June when the roads dry out, do more of the permanent repairs on it and to restore the surface again.

Mr. Bjornerud: — Okay. I thank you for that answer. And I agree. Spring brings on a lot of these problems. Although with this piece of highway, it seemed later in the summer last year. For some reason that problem continued to happen, you know, even after the bans were off and the spring runoff was all finished for months. It kept getting worse.

And I guess the problem was when they first resurfaced or hard surfaced it, it was great. It was really good. It was a great improvement over the gravel that we had before and the dust and everything else, and the farmers along there especially appreciated it.

But for it to break up so quickly after being redone, I think we can both feel for the concern out there and the people along that highway. Some of them are saying maybe, you know — and very few — but maybe we'd be better to leave it alone because of the condition it's in. Because both sides, as I said, about a car width down the centre is fine, but for some reason both shoulders are breaking up. I don't think I've ever seen it to that extent on any highway that's been hard surfaced. Anyway you have the point that I was trying to make on that highway.

Another concern I have is No. 16 Highway from the Manitoba border right to Saskatoon. I always felt it was probably one of the best highways we had in the province, far superior to No. 1 even. And I know we're twinning No. 1 and doing other work on it. And actually No. 16, up until probably three or four years ago I would have bet anybody was the best highway we had in the province. I don't think I would say that any more. We're getting many of the spots where the truck traffic is beating it out in both spots.

And I don't know if there's numbers to back this up, but it seems to me that there's been far less resurfacing from Saskatoon east to the Manitoba border at Russell, or through Langenburg and to Russell than there used to be. Is there any numbers to tell us, is the same amount of resurfacing going on on all parts of that highway? Or is it because we're working on the twinning on the other end, on the other side of Saskatoon? Is that taking up dollars that would normally go into repairing and maintenance and resurfacing on that highway?

Mr. Schmidt: — To manage our pavement system in the province — our granular pavements and our asphalt concrete pavements — we use the asset management process whereby every year we go out and we drive all the roads with our condition-rating equipment, and we undertake to collect the rutting, the ride, as well as the surface cracking on the pavement system. And then we gather that information and it goes into our computer modelling software. And it's quite a complex, rigorous process. But at the end of the day what it is, it's an optimization process with the available funds.

So based on the condition of the road, based on the treatments that are available to us, whether it's a seal coat or a micro-surface or whether it's an overlay, and the cost of those and the available dollars, that computer simulation and modelling helps us develop our asset management or preservation program. So that's done on a provincial basis.

So based on the condition of the road . . . As you mentioned, some years ago we were maybe undertaking and having shown more of a presence on Highway 16 in that location than we have in the last few years because the conditions dictated that. Maybe now in the province there's some other roads that the conditions . . . And through the optimization process, dollars are being generated on other sections of highway at this point in time. So that's the process we use, and that's why sometimes there may be more of a presence on some locations of highways

than others.

Mr. Bjornerud: — Thank you. And I guess the problem I have is that when we had a highway in such good condition for a number of years when some of the others were really deteriorating, and it now it just goes . . . From driving on that road many times a year, it seems that we're losing a little of that quality of that highway. And I think that's disappointing because as I said it was one of our best highways.

You had a . . . I think it was two years ago somewhere between Yorkton, Saltcoats area, you had where they would come out, a contractor come out and he resurfaced the one lane at a time to fill in the, you know, the gullies where the truck traffic had beat it out. Well it seemed to take forever. They had a truck out there that would come out, hook up to the paver, and away they would go with the load. And rather than have trucks coming out and filling this truck, they would go back in by one of the elevators at the town of Saltcoats, refill with material, come back out. And it held traffic up, held traffic up, and it seemed they were out there forever.

Is this process still going on? Do you know? Or do you know what I'm talking about, which contractor that would be?

Mr. Schmidt: — I'm not sure of that specific contract, but that sounds like our microsurfacing process whereby that's a special process where these are special equipped units that take on the aggregate and the oil and do all the mixing and everything within the truck. So they are special units.

And each contractor operates differently. Some will have two or three units on the site. Some will operate with one. And we don't specify how many units they have to have on the project. We specify things like the specifications the product has to be, how they have to accommodate traffic. And in some cases we do put on completion dates that we would like the project done. So each contractor will undertake the work and the order of work in a different manner, and we look at ensuring that we are getting quality product on the road and that traffic is being accommodated in a safe manner in accordance with the contract.

Mr. Bjornerud: — Yes and I agree with that except . . . There was flagmen, everything else. That was fine. It was just a nuisance that it went on and on and on. And when the truck went back to get refilled, if they were a fair distance back from where the material was, it seemed to take forever.

In fact the one day I was going to Yorkton, and there was five guys lying sleeping on the highway. They had nothing to do; they were waiting on the truck to come back. And I'm not knocking the contractor, but it did look a little ridiculous when you've got 30 cars lined up waiting to go and another 20 at the other end building up. And I'm not criticizing the contractor, but I guess the inconvenience was the thing that I got the most complaints about . . . is that, gee this seems to be taking forever. They appreciated having the road resurfaced, but at the same time this was taking a long time.

A couple other highways that I'm getting a lot of calls on is Langenburg south to the junction of 22 toward Spy Hill, that way. Fifteen Highway from No. 9 over to 16, that's actually

east of Melville but out from . . . the complaints I mostly get are from No. 9, junction of 9 over to 16. Is there any plan of any major maintenance being done on them?

Now that we have the truck traffic diverted to the heavy-haul road in the RMs, I was wondering now if it wouldn't be a good time now to do some work to them in the lighter traffic. It should stand up longer than it did before.

Mr. Schmidt: — The one highway I caught there was Highway 15 East of Melville from the junction of 9 till 16. Is that correct? Yes. As you mentioned, that road is under a heavy-haul route agreement, so the trucks are on a municipal heavy-haul route which has definitely helped keep that surface in a better condition. And what we look at doing on an annual basis is we sit down with the municipality and review that agreement. And we look at the savings that are generated by that, and from some of the savings we pay incremental haul to the RMs to accommodate them for their incremental costs. And then we look at what's left over, and then we look at putting that back into the road system.

So when we've had an opportunity to assess the condition of the road and some of the savings that have been generated, we then look at developing what kind of work we can put into that road.

Now the other section was from Highway 8 from . . . [inaudible interjection] . . . Okay. Okay. Yes that is a section of highway that, over the years with our maintenance crews, we've actually done some structural improvements, some strategic strengthening on some of the weak spots to give the original TMS a little bit more of a structure. It's not a full granular highway, but it has added more strength to the road to accommodate some of the truck traffic.

We've had some willingness from some of the municipalities there to look at some partnership opportunities on strengthening the road even more. And so we're continuing in discussions with the local municipalities and some of the industry there to see if we can capture on some of those opportunities.

Mr. Bjornerud: — Good. I guess the feeling is that now that the heavy-haul traffic is moved over onto the . . . where you have the agreement with the RMs, that maintenance that is done on that thin membrane highway should last a lot longer with the lighter traffic on it. And I think we all hope that happens because it's to the benefit of us all.

The other highway that I get a lot of complaints about is from Churchbridge. And you can go either way. You can go to, I think it's No. 80 Highway. You can go north to No. 10, or you can go south out to the IMC K1 mine and K2 mines out in that area. I get a lot of complaints on that highway for the surface being rough. I mean it's maintained and the holes are filled. I don't think it's maybe not the worst I've got for holes in the spring, but it's just rough constantly. And I was just wondering if there's any work planning in the budget for this year on that piece of highway, either way from Churchbridge.

Mr. Schmidt: — I believe Highway 80 North from Churchbridge to 10, I believe it's part of the partnership arrangement that we have there. So it is weight restricted as well. So again as similar to 15, is we sit down with our partners

on an annual basis, and we look at some of the costs, some of the savings that have been generated and ensuring that the incremental costs are paid to our partners and then looking at reinvesting that back into the thin membrane surface route.

Highway 80 South again will be . . . as springtime occurs, we always struggle with some of the surface failures and things like that. So we will be looking at, again as the road beds dry out, looking into doing more permanent repairs on that and seeing if we can through our routine maintenance provide again the best surface possible that we can with our crews there.

Mr. Bjornerud: — Thank you.

The Chair: — Ms. Draude.

Ms. Draude: — Thank you. Mr. Minister, I have two highways that I have concerns about in my constituency. One is from Archerwill east to Greenwater. The road was paved. About half of it's paved over to Greenwater. The rest of it was rebuilt two years ago, and it still hasn't been paved. I'm wondering if that is on the list for this year.

Mr. Schmidt: — You are correct in that that road, the eastern portion of it that was a fairly narrow gravel, over the last two or three years has been rebuilt to a higher standard. We cut down some of the big hills and built it up through some of the sloughs to provide a better level of service. At this point in time though, we don't have any plans to put a dust-free or a paved surface on that stretch.

Ms. Draude: — Okay. I know that that highway is well used. It's the lake road not only for Greenwater Provincial Park but also for Marean Lake and for Barrier. And in the summertime it has considerable amount of traffic and causes great concern for a number of our tourists. So the RMs and towns on both end are quite concerned that this road isn't maintained or doesn't have the dust-free surface on it. So I'm hoping that that . . . I don't know how it gets moved up the priority list, but it's something that should be looked at.

And the other one is what I believe you called on one of the estimates, upgrade to gravel, east from Weekes over to Hudson Bay. I think it was taken to gravel about two years ago. I had a call from a constituent who said, Saskatchewan is 100 years old and not only am I stuck in the middle of the highway, but I've got buffalo running around me because somebody had let their buffalo out at that time, and it seemed a little strange to be stuck in the middle of the highway. So I'm wondering if you can tell me when that road is going to be looked at again for an upgrade.

Mr. Schmidt: — At this point in time, this section of highway, we don't have plans to upgrading it. We are going to continue to maintain it and operate it as best as we can through our routine maintenance efforts, and our crews will be . . . Again as the road bed dries out, we'll be going out with our crews and doing some more permanent repairs on that and operating it as a gravel surface which allows us to go out and maintain it in a more efficient manner than having to maintain a thin membrane surface that is very difficult for us to maintain sometimes as it gets weaker.

Ms. Draude: — Okay.

The Chair: — Mr. Hart.

Mr. Hart: — Thank you, Mr. Chair. Minister, I too — as I'm sure it's no surprise — have some highways in my constituency that require some attention. One highway in particular, Highway 310 between Balcarres and Ituna, where is that highway in as far as planning for improvements in your department? I understand that there have been some discussions with local officials, and so I guess the question is, is anything going to be done with that highway in this coming year? And if not, where is it in the priority list?

Mr. Schmidt: — Highway 310 in that location between Balcarres and Ituna, several years ago we did do some work from Balcarres north. That's some time ago. And we did a little work from Ituna south. For the remaining section of thin membrane surface highway as you mentioned, we have been in discussions with local municipalities, with the First Nations in the area, with the area transportation planning committee assisting us in some facilitation and bringing us to the table.

The point that we're at now in the discussions is we are actually testing some aggregate sources in the area that may be available as part of the partnership. And once things have dried out enough that we can get in there and do that testing and determine the feasibility of using that aggregate, that'll be the next step in moving forward in where we go with discussions. And we are hopeful that we will be able to come to some type of resolution there about the best way or a best strategy to manage that corridor together with our partners out there.

The Chair: — Thank you. I'll draw the committee's attention to the fact that the hour originally set aside for the Department of Highways and Transportation has now expired, so we'll be moving on to the consideration of estimates for Rural Development as soon as the official and the minister can make their way in here. Meanwhile while the officials are changing, we'll have a brief recess.

[The committee recessed for a period of time.]

**General Revenue Fund
Rural Development
Vote 43**

Subvote (RD01)

The Chair: — The minister and officials have taken their place. We will call the committee to order. The item of business before the committee is the consideration of estimates for the Department of Rural Development. I recognize the minister and ask the minister to introduce his officials.

Hon. Mr. Serby: — Mr. Chair, I have with me today . . . on my left is Dr. Louise Greenberg who is the deputy minister. And to my right is Ms. Debbie Harrison who is the director of program development and support. Behind me is Mr. Al Syhlonyk . . . directly behind me is Alan Syhlonyk; he's the director of policy and planning. And Mr. John Keeler is the director of investment programs. Those are my officials that are with me today, Mr. Chair.

The Chair: — Thank you, Mr. Minister. Mr. Minister, do you have any opening statement you wish to make?

Hon. Mr. Serby: — I could make another opening statement, but I was advised previously by the members of the committee that I should keep my comments relatively short. So I will, just by saying that this is my first occasion with my officials to be in this room and it looks like a very, very wonderful place to do work. So we're happy to be here and respond to all of the questions that you might have of us.

The Chair: — Thank you, Mr. Minister. And it's also the first occasion that this committee has had the opportunity to sit in this room, and it is a very wonderful room to work in and it certainly has that atmosphere.

I'd just like to draw to the committee's attention before I turn it over to questions that Mr. Brkich is chitting in for Mr. Huyghebaert. Mr. Brkich.

Mr. Brkich: — Thank you, Mr. Chairman, and welcome yourself today and your officials today for . . . I hope will be a kind of an enlightening hour.

I think we were discussing, last time we had met, I think we almost spent the whole hour on ACRE [Action Committee on the Rural Economy], if I remember right. So I just have one more question on ACRE. Do you, since that was about two weeks ago, do you know of the date when they're going to release their report? Have you got any more information on that?

Hon. Mr. Serby: — Mr. Chair, to the member, it looks like the week of the . . . What week are we in now?

A Member: — Sixteenth, May 16.

Hon. Mr. Serby: — The week of the 16th is when we're planning on releasing the report or when the ACRE committee intends to release the report. It may actually be on the day of the 16th. We're just tying that down right now, but I expect it will be that week.

Mr. Brkich: — Okay. Thank you, Mr. Minister. Yes. Moving on to your Department of Rural Development, I ran across a brochure that Alberta has out on their rural development strategy. They have quite a colourful portfolio on their brochure, and I was just wondering if your department . . . Seems like government departments up here like to put out brochures. I'm wondering if you are working on one this year and if you have any costs associated with it?

Hon. Mr. Serby: — Well you will recall that in 2002 . . . And I have a copy of the report that's with me here today; it's *A Strategy for Rural Saskatchewan*. It's the document that we provided to the Assembly. It follows nicely on the heels of the presentation that was made to the Assembly by the committee. And we're also familiar with the report that was put out by the Alberta government.

I would say that there will be another glossy report of our own rural Saskatchewan or about rural Saskatchewan. And it will include in it a whole host of recommendations of which ACRE

believes that the government should be acting on, and it will be part of that report that we'll be rolling out . . . that they'll be rolling out in the next few days.

And to say that we're very pleased to see that the Alberta administration, the Alberta government is following Saskatchewan's lead. I think their report is just fresh, and in fact I think it's still warm, because it's just off the press or else it's been sitting in the sun for a long time. But the Saskatchewan report has been well developed. And we're really pleased to be a model for the Alberta Rural Development department.

Mr. Brkich: — Thank you, Mr. Minister. I think you were talking about putting out a report when ACRE comes, of them. But I was just wondering if your department itself was going to be putting out a separate brochure other than the ACRE report, which they're developing right now.

Hon. Mr. Serby: — The report that I was alluding to is the strategy that we had put out. What we'll be doing is providing, later in this given year, a report that will address the issues of rural Saskatchewan. And it will be in two parts. One will be of course a response to much of what ACRE's saying because much of what ACRE's saying is about rural development and about rural services.

So we'll be responding to those recommendations, not only the 36 that they're providing to us, but the 185 which they provided to us a year ago. But in coordination with that of course there'll be the actions that, and the objectives of which the department, our own department is working on today in a coordinated approach that will also highlight the objectives and directions that we'll be moving on. That will come later this year.

Mr. Brkich: — You don't have a cost associated with that?

Hon. Mr. Serby: — I don't have a cost at this point because it's hard to know, you know, what the depth of the report will look like or the document will look like. But the details of the report of course will be, and the context of the report will be put together by our own staff. And of course there'll be the associated costs that are always there when you go to print a document.

But we have a policy division today, as we've had for some months in the area of rural development, and so they'll help us put together the document. And we'll use many of our own resources of course, but the publishing and the printing of the, you know, of the coloured tabloid will have some costs attached to it. And we don't know what that will be today, but we'll certainly make it transparent when we have it.

Mr. Brkich: — Thank you. Well you can always just use Alberta's model because I think you're both trying to achieve the same thing. You could save a lot of money or reuse their model, at that end of it.

Getting into the initiatives, and basically what most people want out there, they want to see some action. I guess the most calls I've probably had since BSE [bovine spongiform encephalopathy] is, what's the government doing to promote the slaughter industry in this province? Can you go through some of the steps as Rural Development that you did or that

you're going to do or that you're looking to do in the next year to enhance slaughtering facilities in Saskatchewan?

Hon. Mr. Serby: — Well I think it would be fair to say that we have been on a very aggressive agenda to first of all grow more of the primary production. And I think we've done a relatively good job in Saskatchewan today to see significant growth in primary production, both on the hog side and on the beef side.

When you look at the hog industry and roll the tape back over a period of the last four or five years, you'll see that we've been successful in doubling the number of hogs that we grow in the province today. Now there's some big players, as you could appreciate, that are in the business today. And there's always criticism about you know how big should big be and what happens to the smaller producers when you have a big industry that's developing in the province.

And on the beef side, you have seen the same kind of growth in the province where you have now a larger cow herd in Saskatchewan. Much of that's to do with BSE of course, where you can't move your cows. By the same token, we've had some — we think, as does the industry — some fairly aggressive programs as it relates to feeder programs that are housed in Agriculture and Food. So we've seen that primary production side grow.

We can say, I think quite comfortably, that there is extensive work going on today in growing the packing industry in the province, both on the beef and on the pork side. We have had a number of interests in the province from various different people who have come here who are interested in expanding and/or growing or developing the industry.

Now one the challenges we have, if I can use that word, it's that we see today a number of communities who've come forward who believe that they should be the site of where you have a packing plant. The reality is, is that we won't have . . . And I think we have somewhere in the neighbourhood of 25 to 30 groups or communities that are looking at building some kind of a facility. I just don't believe that the province can handle that or the industry itself can handle that many facilities. I think that strategically if we have a few plants across the province, that would be very helpful. Strategically located in the province would be good.

And so there's good work that's happening on that front, and we're encouraging it and helping it. Now how many that would be, I don't know. What we did is we provided a broad-based template of what you would need to do if you're going to develop a packing industry, particularly in beef. The pork side is a bit more mature here, so the partners who are looking at . . . or the players who are looking at developing it are already existing. And there are some new interests. But they're mature and they know how to go about this.

In the beef side, we've provided the template. We engaged Mr. Bruce Cowper from the Ontario company of Mallot Creek. They provided a broad-based template for us on our initiation. We included the industry in those kinds of discussions. And they then went away and put together a structural plan.

That structural plan has come back to us and to the stakeholder

groups. They have reviewed it. And then they went out to half a dozen meetings I think across the province. They've completed their work. And now we're working with those individual groups, Mr. Member, on trying to assist them in sort of the final stages of some of their development work. That's where we are today and that's the work that we're doing.

I can tell you that one of the biggest obstacles today is capital. For people to find capital dollars to be able to move these projects ahead, are hugely problematic. And so they've been working closely with existing financial institutions. They've been working with venture capital groups. But at the end of the day, finding money today for some of these local projects is one of the biggest obstacles.

Mr. Brkich: — You talk about the template, does that mean you're talking about the feasibility study that was done for about \$50,000?

Hon. Mr. Serby: — Yes, that's the one.

Mr. Brkich: — Okay. I think the people out there are looking for, you know, that, which is a step, is a feasibility study, but it's kind of a broad-based one. For each individual one, they're going to need one. I think they were looking for a little funding in that way.

Another things that have been suggested is you know instituting a provincial capital tax exemption and providing PST [provincial sales tax] rebates on all capital costs associated with new or extended beef processing plants. Is that something you would look at or that you would recommend to the government?

Hon. Mr. Serby: — It's something that we're clearly looking at. It's one of the recommendations that was in the ACRE report. It was there two years ago. They recommended that we should be looking at it. And I think it was in . . . it was part of the 186 recommendations. It was buried in that group.

We have asked that this be part of the examination as it relates to the bigger tax review. And so it's now made its way into the bigger tax review. This was one of the recommendations that I think you'll see again, that's come forward out of the business side of the ACRE subcommittee report. And my sense is that it will be examined thoroughly as part of the bigger business tax review piece and likely will get the kind of attention that it should get. Because it has, I think, good merit and it will, I think, provide some benefits that will be probably more . . . what's the word I'm looking for — advantageous — to make some changes to that in projects that are going forward into the future.

Mr. Brkich: — One of the things is you talked about capital, raising capital. And have you looked at tax incentives for people that invest in local Saskatchewan? I know that also probably came out of ACRE, and it's something we've been pushing. And you keep talking about that, even what you talked about on the PST rebate. I mean that was, you know, that was brought forth quite a few years ago. You know they recommend something similar to that. When are you going to like actually start acting on some of this stuff?

Hon. Mr. Serby: — Well it's in the business tax review process today. ACRE will be making their recommendation I think to the business tax review committee on June 22, where they're going to be highlighting the importance of taking the PST and readjusting it. So they're going to be making those recommendations. I think the time frame for the business tax review committee to do its work is till the end of November.

And so we're going to get a report for the business tax review, and then I think all of the messaging that the government has provided is that we're going to have for the Assembly in the spring, a recommendation as it relates to the recommendations of the business tax review. So I think it's prudent that when you ask or commission somebody to do work for you, you should allow them to do their work and then provide those kinds of . . . or try to meet those kinds of recommendations based on what the capacity of the government will be for it to do its work. So I think you'll see in the spring the government acting on as many or all of the recommendations as we can.

Mr. Brkich: — You've had to, on the recommendation that came out of ACRE . . . So what the people out there, the feeling out there is that you can get a room full of recommendations and business reviews and different things, but I think the message out there is, you've been in power long enough. When are you going to start acting on some of these, putting them in?

The first ACRE report came out a lot of years ago, you know quite a few years ago. You could have acted on it then. Now you push it back into business tax review. And that can push it another few years. If you want to help some of these businesses and help grow Saskatchewan, I think the message is let's start looking, doing some of the ideas. We've got a room full of recommendations. There's been recommendations from us, there's been from ACRE, from different organizations, from APAS [Agricultural Producers Association of Saskatchewan], recommendations from the government themselves, from different bodies.

And I think the people would like to see that motion start to move forward. And let's start actually implementing some of them that can get this going. I mean it's nice to talk about, you know, what I mentioned. And yes it's nice that we're talking about the recommendations, but it's not helping a person that's looking at building a business out there or that's looking at it right now. These communities saying, well maybe next year. We'll wait till the business review is done, and then we may wait until the legislature sits and we may enact that.

So I think what I want . . . I think that the people want assurances of that some of this stuff is going to move forward. When this department was named Rural Development, that it was going to strongly start pushing the government on this or making even some of the . . . not recommendations, just basically starting to work with departments at that end.

Have you been working with the Finance department to come up with some number crunching at that end of it to see what some of this feasibility is, the cost of it, presenting rather than just waiting till the business review gets done?

Hon. Mr. Serby: — I think it would be fair to say that we've had now on our website for the better part of a last year and a

half the recommendations that were put forward by ACRE. And it would be a very unfair criticism for you to make that there hasn't been any action on the part of the government on the recommendations that have been made by ACRE.

Because you just need to review the package of information, the recommendations that have been made by ACRE, and you will read — by ACRE's own admission — that the department and the government has acted in a very extensive way on many, many recommendations. In fact of the 186 recommendations, you'll find implementation on the majority of them. Some are to completion. There are very few that are outstanding today. So I think it is highly unfair for you to make the comment that there hasn't been movement on many of those recommendations because there has been.

Now you can focus all of your attention on the provincial sales tax piece if you choose to do that, and the commitment I make to you . . . And we've had that as an incentive in Saskatchewan today, and it has been used by many, many projects in the province today in order to spur development on the value-added side. And so we shouldn't discard the tool completely because it's been very efficient in growing the rural economy on many fronts. And there will be several people who will tell you how effective it's been.

Now do you have to change it to make the tool more productive to the Saskatchewan community? We think it does need to get changed. But this administration has a different belief and that is, is that when you establish a process to do work, you let it do its work. And you might not share the same view, but this is how we like to do things. And we'll, I think, should be judged, again on the 36 recommendations that are going to come forward in the next few days. And then we should be judged on the basis of how those recommendations are implemented in the province and how we make readjustments to them in order to grow and spur the rural economy.

And I guess I can say to you that I'm actually quite proud of the fact that we have seen significant development in rural Saskatchewan on many fronts, using and committing to many of the recommendations that were made in the past. And I can give you lots of examples of it if you like because I can read from the report as you can and see the kinds of things that have been done.

Mr. Brkich: — Well some of the major ones haven't done at that end. That's moved it out. You talk to people in my area, and they don't see a lot of big rural development going on in rural Saskatchewan. It's been very, very little use, especially compared to our neighbours, Alberta and Manitoba. Getting back to the slaughter facility end of it, would you recommend for the government to invest in slaughter facilities?

Hon. Mr. Serby: — Well we have. I mean this is not new for us. And you see this is an interesting spot for us to be because you're on the other side of that. See your public policy says that you shouldn't have any public investment in growing the rural economy, that you shouldn't have any of that. And you're on record for that, and you're in print on it. And we already are doing it.

See we're investing in hog barns. We're investing in hog barns

in Saskatchewan. And some of the biggest producers in the province today are successful because of the fact that we're doing it. We're investing today in . . . have invested in the past in issues like value-added and the grain industry. And that's produced some significant report for us . . . or support for us.

And you see I think if you were to examine some of the ventures that have been successful, of which you don't do much of . . . [inaudible interjection] . . . Yes well you don't do much of that. But I mean when you take a look at what's happened in the hog industry in Saskatchewan where you've seen the doubling of the hog industry in Saskatchewan — the primary production and the value-added — lots of that's been accomplished because we have people today who are thankful for the investments that we make.

And I can tell you that today I have projects as long as my arm that are asking for the province to invest in, are looking for seed money and capital — and I think we should go there, by the way. Personally I think we should go there. We should use some of the public money to go there and help it happen because they can't achieve it on their own. And I can provide for you in ridings across the province that you hold today, that your party holds today, who are asking us to invest in . . . And it would be helpful from time to time if you were to endorse some of those. But the truth is, is that you can't and won't because you're offside on the policy. Your policy is offside.

Mr. Brkich: — It's back to picking winners and losers. I think you got the wrong message when I was asking if you're planning on it because that's what you've did in the past, picking winners and losers out there and the industry. And you can also argue maybe that's why the industry hasn't grown in some places when other businesses won't come here and invest when they have to work against the deep pockets of government that invest only in certain businesses that might be political, where they might pick and choose at that end. For as many as you might say it helped, I can tell you as many that it's hurt at that end of it.

So I think the right philosophy . . . You look at some of the other provinces that have grown . . . is they'll give the businesses the tools and try to work with them, or regulations, maybe tax incentives, different things like that rather than just saying we'll just give you a whack of money. We're going to maybe pick here in this constituency and maybe that one. We're going to give you a couple of million dollars, and you do what you want with it. If you make it, you make it. If you don't, you don't. And you can undercut the other businesses that are trying to go at the same end of it.

So that's when I . . . When you just said you're willing to invest in seed money, how much of a company are you looking to take over? Fifty-one per cent is when you go into it. Or what kind of equity are you looking, would you recommend to the government? Because from what I get from your questioning is that you're going to be recommending to the government to invest in as about as many businesses as you can lay your hands on or as the Finance minister will give you money for.

Hon. Mr. Serby: — I'm not saying that at all. The question that you're asking me is whether or not there is a need here to examine whether or not there should be public investment. And

I say there is. I say there is absolutely a need for public investment.

I don't have a formula today about what that should look like or to what degree or to what amount you should be putting in. But I can tell you that I have requests every day — today from constituencies of which your members hold — for public investment. And I can give you a list of them if you like, but they would ask that we don't do that. But your members know who they are. They know who they are. And they're looking for public money and public investment today.

Why? Because the traditional, commercial institutions want two things that can't be achieved off the top. Number one is that they want money today at a very high rate of interest. And secondly they want money that's going to provide a rate of return somewhere of a commercial basis of 17 to 25 per cent.

Now tell me where in rural Saskatchewan today you have an investment that returns you somewhere between 17 and 21 or 23 per cent. Show me one. In fact some of you may have been and are now out of business for the same reasons because you can't find that kind of return.

And if we think for a minute that we're going to grow the Saskatchewan economy on the model of which you . . . [inaudible] . . . we will. And that isn't only on private sector investment. Go and have a chat with your rural communities. Go have a chat with them. And have a chat with some of the investment houses that do business in Saskatchewan, and have a discussion with them and see what they tell you. You can't grow the rural community today based on commercial evidence and standard. It can't be done.

And that's why we say you should have the tools of using the co-ops. And you should have private-public investment in some instances where you can. In some cases maybe you just use the private sector investment. But for you to argue that you should have one tool to do it . . . doesn't work. And we should have learned something about that from the administration of the '80s . . . doesn't work.

And so I say to you, you know, my good friend and colleague, we have the same interest. Our interest is to grow the rural economy, and we can't fix ourself on one strategy in the way of doing it. It needs to be a mixed economy. It needs to be a mixed tool of economies in order for us to achieve that. And we can.

And for those who argue today that there is no investment in Saskatchewan — not true. Private sector investment in Saskatchewan today is nearing 8 billion — record, record numbers of private sector investment in the province this given year. And the Conference Board of Canada says that next year we'll have private sector investment in this province that will exceed 8.5.

So for you to be saying that we're not going to have investment in Saskatchewan . . . private sector or that private sector isn't going to come and invest here because for some reason you have a different kind of a structure here — not true. Just absolutely not true. And you should stop . . . [inaudible] . . . it because it's damaging when we go to do work in rural communities. It just is. And if you're the bastions of growing

the rural economy, you should demonstrate that. And you should demonstrate that in support, not in objection.

Mr. Brkich: — If you're the bastions of growing it, why isn't it grown? You can look towards Alberta. But we'll get back to the private end of it if it's growing. But if you're going to plan on investing like you have been over the past, getting more involved into the private businesses, I got a funny feeling you're going to see some of this investment money disappear. If you're going to go out there . . .

Taking from you, I would say that from your department . . . It makes me very nervous listening to you that the only way you can grow rural Saskatchewan is through government investment. And you've tried that over the last 13 years, and how successful has that been? In a lot of areas it hasn't been at that end of it.

If you look at the . . . I can list them if you want, but it doesn't matter. Everybody knows about them out there. And so I guess what I'm getting from you is what your department is pushing. That was the question here. And what I'm getting from you is that they're going to be pushing for more government investment, and let's not work with the private sector. Let's just . . . government money as much as the Finance minister is willing to give me and we'll buy as much as I can either through the Crowns and expand through that way. Am I correct?

Hon. Mr. Serby: — No not at all. You see, we don't even have a mechanism any more in government to privately invest . . . or to take public money and invest it. We don't have a mechanism today. The only mechanism we have today for investment is through Investment Saskatchewan. Three million plus. That's one of the mechanisms that we have today. Then we have the venture capital pools in the province of which we have some seed in, which we have some commitment financially in, but we make no decisions on that front.

We don't have a tool today. We have no tool today, as a provincial administration, to take provincial dollars and invest it into community development. And I'm not suggesting for a minute that we're going to, and I'm not suggesting for a minute that we're going to set one up — not suggesting that for a minute.

I have within my own department today in the small-business loans, we have a mechanism today to provide today through the small-business loan sector opportunities for businesses who want to start in the province. But they're small chunks of money. They're small chunks of money, and I think in the history of the small-business loans today . . . and we'll add additional resources too as they're required in the future. But we've got nearly 10,000 businesses in the provinces today who've drawn from the small-business loans. And we'll continue to provide opportunities for them to go forward. And some think it's a joke, but it's the truth. We have 10,000 businesses in the province today who have received funding through the small-business loans.

Now tell where somebody today . . . somebody today in rural Saskatchewan is looking for some additional seed money, and they need 2 or 3 or \$4,000 to finish their project. Where do they

find it? Where do they find it? And I have them at my doorstep on a regular basis saying they can't find the cash. They can't find it. And you know who they are. You just need to have a conversation with your own members on your side of the House, and they'll tell you who these projects are and where they are. They can't find that additional piece of money.

And do we need a tool for it? Absolutely you need a tool. And ACRE suggests that there should be a tool. Meet with farm groups or organizations. They'll tell you there should be a tool. Sit down with Agrivision and ask them about it, and they'll tell you that there needs to be a tool. I met with them yesterday. They said, give us a tool that we can provide some additional funding today up to three million bucks — don't have one. And so we need to find one because capital is a huge problem in rural Saskatchewan today, huge problem. And you know it as a farmer yourself. I mean how much extra money do you have today to be able to invest it in a venture in your community? I bet you not a hell of a lot.

Mr. Bjornerud: — Thank you, Mr. Chair. Well I want to follow up from my colleague from Arm River. You made some very interesting points and I'm really waiting with a bated breath to see all these businesses popping up, and we'll get into that later.

But you talked about, in fact you just made the comment that there's a shortage of private investment. Well from our point of view, I think there's a reason why there's a shortage of investment dollars in Saskatchewan . . . is because money from outside is scared to come into Saskatchewan because they've got to compete with the government. And this is totally what you're saying you're willing to do and jump into right away.

And yet you don't seem to see the whole problem that we have in this province, where Alberta doesn't seem to have that problem of that investment dollars coming in there. And amazingly Manitoba isn't — even with an NDP government there — isn't even having the same problem because they don't seem to be jumping into the business sector with tax dollars quite as quickly as your government has.

You talk here about . . . My colleague talked about picking winners and losers. And I think that again goes back to why people are scared to come in this province because they'll set up some kind of a venture, spend a lot of money here. And all of a sudden there's a government funded venture right alongside them competing with them. We see that in a number of areas in the province.

So for you to say that our ideology is totally different than yours, you're dead-on with that one because how we get from point A to point B and start really revitalizing rural Saskatchewan, we're coming from two different points of view.

As my colleague talked about relinquishing the PST on new slaughtering plants and things like that, things that actually don't cost your government money, actual cash dollars up front, are things I think we would agree with 100 per cent on that. You bring that in, and I know you'll have our support instantly because it's one of the things we feel that it should be done.

We feel there's a number of areas where you could forego taxes

on a new business of any kind, whether it's for 5 years, 10 years . . . Work with the RMs out there. I'm sure they're right there to help you do this to get the investment and the ventures going in rural Saskatchewan.

You talked about small-business loans, and there's 10,000 I think you said out there that are wanting your money, and some have already got their money. Do you have a list of the ones that actually have took advantage of small-business loans out there right now?

Hon. Mr. Serby: — Yes we do. We have a list of all . . .

Mr. Bjornerud: — Could we get a list, that list? Would that be available?

Hon. Mr. Serby: — That's not a problem, is it?

Ms. Greenberg: — No.

Hon. Mr. Serby: — No. We could provide that list for you, and it will be over a period of several years of which there's . . .

Mr. Bjornerud: — Excuse me, Mr. Chair. Is there some already in the works that we could get a list of what, who has taken advantage of these small-business loans?

Hon. Mr. Serby: — In total? I think I . . .

Ms. Greenberg: — We have a list of all the 240 associations. We could provide you with a list of the 240 associations.

Mr. Bjornerud: — Well that would be excellent. We would like that list. My colleague touched on it I believe just as I come in the room, Mr. Minister, about the feasibility study that you had made the promise to, for the Beef Initiative Group. And I'd like to just . . .

The Chair: — Order. Order. Order. Excuse me. I believe the minister was going to add to that.

Hon. Mr. Serby: — I just want to make sure that I set the record straight while I had the floor. It would be hugely unfair for us to accept your point that investment is not coming to Saskatchewan. It's just absolutely not true — not true.

The most recent report by the Conference Board of Canada has just said — and you know it's them whom I would put my confidence in and trust, that's of whom I would listen to — we had this year nearly \$8 billion dollars worth of investment, private sector investment in Saskatchewan. Next year that private sector investment in the province is going to go to 8.5 billion. They're projecting the highest number of private sector investment dollars in the history of our province.

And so for those who say private investment isn't prepared to come here, just absolutely not true. And you see some of the biggest projects, I mean take a look at the Meadow Lake project that just arrived here recently — a big Tolko project, a huge, huge project in this province of which people are doing business today. You have people like Centennial Foods who moved here over the last couple of years. You have many, many projects today that are here and I think, I mean it's an

interesting comment that you make about picking winners and losers.

When communities come to us and say, are you prepared to invest in our community or help us invest in our community, by and large we've done that significantly. And in some projects they haven't worked out. I don't hear, you know, the member from Canora-Pelly very often talk about the fibre plant, the flax fibre plant at Canora. Never hear him raise it. And they were there for a better part of six years, seven years.

And we invested in that plant, you might know, six and a half million dollars with our friends in Cargill. And we never heard a word from you guys on that piece, never heard a word. Why? Because it provided a tremendous initiative and incentive to people in that part of the province and it might even have helped some of us who were there. But have we heard anything about that? Not a peep.

Have we heard anything about the many projects in the pork industry in that area, where you've seen huge investment and growth on the part of Mr. Possberg, not only in our area but he's also grown in the area of the Humboldt area . . . region. We have investment in that. And you've seen tons of jobs associated . . . come with that.

Those sort of things just wouldn't have happened on their own, just wouldn't have happened on their own. And I say to you we should be extremely careful, you and us need to be extremely careful about how it is that we're working on projects in rural Saskatchewan and suggesting that you shouldn't use a model that might, from time to time, request or require public money. Because that's what your communities are asking us do. They're asking us to do that. And I say to you you're offside if you think that they're not.

The Chair: — I'd like to draw to the minister's attention and to the minister's officials' attention that any additional information being provided to the committee is to be provided through the Chair. Thank you. Mr. Bjornerud.

Mr. Bjornerud: — Thank you, Mr. Chair. Well I'd like to respond to one thing the minister just talked about, creating tons of jobs did he say. It was an enormous amount. Unless our numbers are wrong — you can correct me if I'm wrong — I thought it was 168 jobs we gained this year, where Manitoba was 17,000. And I think that's a very fair comparison. In fact I believe that the government itself created more government jobs than we actually created in the private sector out there. So I don't know if I'd jump up and down and be running around telling everyone that we're growing at a fast pace, when our population is stagnant, and job creation is not anywhere near what we were promised in '99 and then 2003.

I want to go back, Mr. Minister, to the Beef Initiative Group and a meeting that I know you're fully aware that I was at, and listened to all the presenters that night, and then listened to you make your comments. When one of the ladies in the audience made the . . . or put the question to the Chair, for you, that would you be willing to pay for a feasibility study and a business plan, and that was her question exactly — feasibility study and a business plan.

Would the minister care to comment on that, and I know in question period you have responded that well you've done a feasibility study. Well these groups are saying, actually you didn't. You did a pre-feasibility study, one that's supposed to fit all. And that's an impossibility. We know the Beef Initiative Group is talking about a check-off plan and the federal government getting involved with investing and have a totally different venture in mind than a lot of the other guys that are talking about it. But they're all needed in the province. Somehow we have to get slaughtering capacity going.

And you talked about private investment coming into this province at a great speed and billions of dollars. I haven't seen too many slaughter plants jumping up and we've had BSE for what, two years now, very close to two years. And we saw almost nothing happen in that respect, especially when it comes to cull cows and bulls and things like that, we're not seeing that slaughtering plant facilities jumping up anywhere. And if there was a private investment you're talking about and we're willing to come in the province, we would be the first ones to applaud that. But we don't see it happening.

Going back to the money or the dollars you said you would put in for the Beef Initiative Group, where are you on that at this point?

Hon. Mr. Serby: — Well you're right. When I attended the meeting in Saltcoats I made a commitment that we would have a feasibility study and I said we would also look at providing a financing to assist with business planning. I said we would be involved in those processes.

I had a conversation with all of the groups that were interested in building some facility packing in the province, invited them here to Regina. We had a meeting here in this building with about 15 or 17 different groups, of which representation from Mr. Ostercamp's group was at. We agreed at that meeting that what we would do is develop a feasibility study, one major feasibility study. And that was the understanding at that meeting.

We put together a working group, had the working group commission somebody to do the work, which was Mr. Cowper, who then proceeded to develop one feasibility study that would capture the needs of large plants like BIG, would capture the kinds of initiatives that might want to be undertaken by smaller-, medium-sized plants and smaller plants. And within that feasibility study we would provide a template of all that needed to be done in order to achieve that kind of a goal.

When that feasibility study was completed, I called Mr. Ostercamp directly; had a conversation with him and said that this is the process of which we're going to use, of which the undertaking for he and I . . . where that it would work. This would be the process of which we would roll out our larger strategy around the beef packing industry. We are of the mind that we need to have first of all an understanding of what it requires to build a beef industry, packing industry in Saskatchewan. And that feasibility study has provided that for all of those groups that are interested in doing it.

And we have had growth in the beef industry or in the packing industry in Saskatchewan in the last year and a half. You have

Natural Valley beef, today. Natural Valley who's doing their work today in Saskatchewan. They've developed in the last year and a half. You have expansion to XL in Saskatchewan today, who are doing additional work in the province. And we have Canada Direct. So we've had in the province today over that period of time, additional development.

Now has there been one particular group who's stepped forward, come to the plate, and said we're going to build a great big packing plant in Saskatchewan or two or three packing plants in Saskatchewan individually. They have not. And part of the reason why they have not is because it's their inability to be able to find the kind of capital that's required to do this kind of work.

And I just met a couple of days ago with the people from southwest, from the Swift Current region. And one of the big issues that the people from the Swift Current area are finding today is their capacity to find money. And they were talking to us about finding additional money, putting more money into the pool to try and get a large packing plant going in the Swift Current area, and you just need to have a conversation with them about the difficulties that they're having today in doing it. Because the meat industry is very competitive and you need to have a market. And in order for you to get there, it's going to cost some dollars to be able to accomplish it.

And so it is those hurdles that we're trying to jump through today with those communities of which there is extensive work that's been done today but not yet to completion.

Mr. Bjornerud: — Well, Mr. Minister, I believe you're kind of somewhat contradicting yourself. A few minutes ago you said that there's billions of dollars being invested into private business in Saskatchewan. And yet when we get to, the minute we get to start talking about beef initiatives and beef packing plants and beef slaughter plants, yes some of the smaller ones have expanded. There's a bit more capacity than there was when the BSE hit, but there certainly is not — and I think we both agree on this — one big packing plant that we need for cull cows and that.

And you know if you talk about the billions of dollars to be invested in Saskatchewan, I guess there's an old adage out in rural Saskatchewan: there's not many oil wells on Albert Street in Regina. And I think what that, the intent of that is that is in rural Saskatchewan right now, rural Saskatchewan is hurting badly. And then all these dollars that you're talking about being invested, very few of us that represent rural ridings out there have seen very many of these dollars being invested.

And I know every cattleman in this province feels that if we don't take the initiative right now, especially when the border didn't open on March 7, which I think most of the . . . everybody hoped it would. But now that it hasn't opened on March 7 is the nudge we need to get moving on some of these things and help make them happen.

And you talked about Natural Valley. Well I believe they're one of the ones that would sure like you to waive the PST on their structures and ventures out there that would save them a lot, a lot of dollars that they have to put up front. So on one hand, if you say you want . . . the right thing to do is get involved in

these adventures, well there's an example where you can get involved. And as my colleague from Arm River said, that now is the time, not next year or the year after. We need this now.

Because I think, Mr. Minister, and you may agree with me on this, if we wait until the border actually does open, and let's hope it opens quickly for the sake of all our producers out there and the finances of the province and everybody concerned. We hope that happens. But let's use the . . . maybe the advantage we can gain out of this by doing something before then.

And as we said before, we feel there's a number of things you can do rather than just straight jump in with cash, taxpayers' dollars. Now however it happens, I think we have to get at least one good-size slaughtering plant in place. And there's all different scenarios out there — you know, how the Beef Initiative Group is hoping to finance theirs and work. And it sounds like a good program; again, they need the dollars to get it going.

And the feds have put, what, 16 million or something on the table towards something like this. Probably now is the best time we'll ever have, when there's a federal election looming, of getting them to actually put some of that money where they said it should go. In fact I think they even increased that by 17 million in the last budget, transferred it from one department of Agriculture to another. But put it for the slaughtering plant.

And yet we don't see any of that money being actually accessed, so maybe that's another avenue, as the provincial Rural Revitalization minister and the Ag minister and the Premier could really push the feds to get some of that money up and back up the talk that they had, that Mr. Goodale had when the federal budget came out.

In fact probably now is the best time we will ever get because whether it's the Conservatives or the Liberals or whoever it is federally, I think it would be a good time to tap them and say, are you going to get in here and help this happen quickly? Because I believe once the border does open, that a lot of these initiatives will probably drop off the table because we all know how it works in agriculture. I farmed, you know how farming works. We're quite quick to take the best price. I mean, it's human nature out there. And God knows we need the best price we can get for any of our commodities.

So I guess what we're saying is, we disagree on maybe how we get there but I think we both agree on the need of this to happen. And it's our constituents out there. It's the people you represent as government out there, certainly need these things to happen. And I think it's a benefit if this happens. Even one big slaughtering plant, I think, would be such a bonus for the province of Saskatchewan.

Hon. Mr. Serby: — I agree. I agree wholeheartedly with you. There is no question about that.

My hope would be that those groups that are currently in developed stages already about what we should have in the province are ones that we're working very closely with to see exactly what it is that they need. And we have two or three, in my view, that I think are at the point where they'll be able to say soon that they'll have a fairly significant investment in

Saskatchewan. And we'll be able to deal with some of that livestock industry that needs to be dealt with. I think we're that close on some of them. Others, I say, are a long ways away from getting to where they need to be. And so with those, we're working very closely with.

I'd like to see a major packer in Saskatchewan. The producer organizations today who we work with would like to have an investment in them. They'd like to, they'd like to be the ones who would be engaged in helping add value to their farms by investing in producer-owned facilities. That would be ideal.

You know, you and I had some experience in working with a group from Fort Qu'Appelle. We thought at one point that we would have a very significant plant there. That's come undone for us because the investor is not available today to be able to do the kind of work that we need to do.

And I think our window — I agree with you — I think our window is closing a little bit here as we move forward. And it's unfortunate that we haven't been able, you know, to get the kind of development in the province that was necessary on the beef industry, on the packing industry.

I mean, it's true. I mean, we can boast lots about what the private sector investment is today in lots of areas — in the forestry and in the mining, you know, and in the oil and gas sector, and in the tourism side. But in this industry, on the agricultural side of value added, we haven't attracted that kind of investment. It's just hasn't, we just haven't been able to do it. And I think that would be fair to say that you don't see a lot of it in a similar fashion in any of the other provinces that are new.

And so I think we need some new tools. I agree with you. We need some new tools. We need some additional strategies. We need to attract some of that private sector investment. I think we need to change. We need to encourage people to think that they can't get a rate of return on an agricultural investment that's a commercial rate — 18 to 25 per cent. And collectively I think we can find our way to this. But it's a challenge for sure. There's no question about this.

Mr. Bjornerud: — Thank you, Mr. Minister, and I think we agree. The one thing I've liked about some of the projects out there is they have plans if their project should go ahead, and they get their business plans and that done where the farmers themselves have an investment to some degree but are committed to supporting that project. And I guess why I like that — and you may agree; I would think you would agree — that by doing it that way . . .

As we know, the Cargills and the other big packing plants have very deep pockets. When the border opens and they decide to, they're going to squeeze out — it may not be smaller — but a competitor such as we're talking about, it wouldn't be that hard for them to do I think if they really did.

By having farmers out there investing in these projects and somewhat locked in with a number of cattle each year where the slaughter plant is a guaranteed receiver of these cattle, I think is a win-win for all of us. And any of the farmers I've talked to I think agree with that too. Because I think they all agree that the two large packing plants can put a lot of hurt on them in a hurry

when the border opens, and they want to get it back to the way it was so that competition is less. And you can't blame them. I mean, business is business.

But the problem that I think many of our farmers have is that right now with the frost last year, and then the BSE problem ongoing, is they don't have the cash right now to put into it, as you know as well as I do. I think we're both very well aware — and all the members on our side are very well aware — just getting this crop in is the biggest challenge they've had for a number of years. For them to find dollars, whether it's 5, 10, \$15,000 to put into a project is very, very hard to find right now. And if they had that money sitting there they probably are going to have to use it just for inputs and getting through this year and finishing off their debts from last year.

So I think, Mr. Minister, as we see the clock is coming to an end here, that we agree on some of these things. How we get there, I think we come from very different ends. But I think we would agree on the need of what we're talking about today.

Ms. Draude: — I move that we adjourn.

The Chair: — Ms. Draude has moved adjournment of the committee. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Adjournment. The committee stands adjourned.

[The committee adjourned at 16:56.]