

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**February 27, 1995**

**EVENING SITTING**

**SECOND READINGS**

**Bill No. 22 — An Act to establish the Transportation Partnerships Corporation and to enact a Consequential Amendment**

**Hon. Mr. Renaud:** — Thank you, Mr. Speaker. I would now like to introduce a second reading of The Transportation Partnerships Corporation Act.

In speaking to this Bill I would like to touch on several important points. The Transportation Partnerships Corporation Act is being created to enable the Department of Highways and Transportation to pursue opportunities with federal and local governments and the private sector in funding transportation improvements to infrastructure and services. This Act will provide \$20 million to the corporation from the General Revenue Fund.

Mr. Speaker, I announced the creation of the Transportation Partnerships Corporation and 20 million initial funding on November 15, 1994. We pledged at that time 50 million over the next five years to a federal-provincial highways improvement program. At that time the corporation was intended to allow the province to participate in the national highways program, but on December 15, 1994 the federal government decided not to participate in such a program. Our focus now is for the corporation to partner with private industry and other governments on transportation infrastructure projects.

Industry has been telling us they will participate in transportation upgrading and they have shown strong support for a mechanism to allow more private sector involvement in projects where there is a benefit to both parties.

Highlights of this Act are, subject to the approval of Treasury Board, the corporation may enter into agreements to construct, maintain or operate public improvements. The Act specifically prohibits the corporation from hiring employees and requires all administrative functions and expenses to be borne by Saskatchewan Highways and Transportation. The consequential amendment to The Highways and Transportation Act is also included in this Act to provide the department with the ability to issue permits in consideration of a party meeting terms and conditions necessary for the corporation projects.

Mr. Speaker, the Transportation Partnerships Corporation will mean direct economic benefits to Saskatchewan with new jobs. Road improvements which result in transportation cost savings for truckers and shippers will lead to reduced consumer prices and increased competitiveness of Saskatchewan products. This program is consistent with the department's strategic goal of preserving the province's road network and improving safety.

We create this new Crown corporation with a commitment to economic renewal. We hope this corporation may have benefits

for twinning our major highways, in particular Highway No. 1 and Highway No. 16. There may also be new partnerships realized with the private sector for road servicing, tourism, mining, forestry, and agricultural processing. We believe the Transportation Partnerships Corporation will pave the way to a new spirit of cooperation between governments and the private sector and to the benefit of all Saskatchewan people.

Mr. Speaker, I'm very pleased to move the second reading of this Bill.

**Some Hon. Members:** Hear, hear!

**Mr. D'Autremont:** — Mr. Speaker, we in the opposition have a great number of questions dealing with this newest and latest Crown corporation. We think that it deserves some very close scrutiny because we wonder why the government thinks that this particular Crown is even necessary.

The minister has stated that the reason this Crown was originally thought up and going to be put in place was to work in partnership with the federal government, and he himself has admitted that this partnership no longer exists, Mr. Speaker, that the federal government has dropped out of this program, that they aren't going to fund any of the construction that would take place in this province under this particular Crown. The government has dedicated \$50 million over the next five years for this particular venture. How is that money now going to be spent? If it's simply going to be building highways in Saskatchewan by the provincial government, why can't that be done through the Department of Highways as has been done in the past and is currently being done?

The government, the minister, has talked about cost competitiveness. Well, Mr. Minister, if you want to make transportation cost competitive in this province, you drop the road tax. That's how you make transportation cost competitive. You don't do it by forming another Crown corporation to siphon even more money out of the taxpayers' pockets.

The minister has talked about perhaps, since the federal government is no longer part of this venture, that now the private sector would participate. That would be fine, but, Mr. Speaker, when the private sector participates, they're going to want something back for it. They're simply not going to give the minister their money and say, go ahead and do what you want with it. They're all ready doing that with their taxes, and they're not real happy about that. So they're not apt to give him a whole lot of money, Mr. Speaker, to carry on with his new Crown corporation.

One of the reasons perhaps, Mr. Speaker, though, that the minister would like to see this new Crown corporation take place is because it's going to have a six-person board. I don't know what this board is going to do, Mr. Speaker, because they no longer have any partners to work with, but there's going to be a six-member board in place. So the minister is going to have the opportunity to appoint some partisan politicians to it.

It's another patronage ring, Mr. Speaker, that's all it is — another little niche to put his buddies into high paying positions.

Or perhaps, Mr. Speaker, the reason that this Crown corporation is being put into place is that it's going to operate in a similar manner to the one that's in our sister province to the west, in British Columbia under the NDP (New Democratic Party) government there. Perhaps it's being put in place, Mr. Speaker, so that the government can circumvent the Department of Highways' own rules, its own rules about tendering out contracts, Mr. Speaker.

Under the Crown corporation, they don't have to follow the same rules as the Department of Highways does. They can give the contract to whomever they want and, Mr. Speaker, they could follow the same procedures as being carried out by the Minister of Health and the Department of Health in awarding it to union preference only. Mr. Speaker, that's another way that the members opposite and their friends can benefit.

Now if the minister wants to tie the new Crown corporation into the same tendering rules as the Department of Highways, we would support that tendering policy, that the tenders go to the lowest qualified bidder, Mr. Speaker, and no one else. No preferential treatment — lowest qualified tender gets the job. And that's how it should be done, Mr. Speaker, but I would suspect very strongly, Mr. Speaker, that isn't going to be part of the legislation.

What happened in British Columbia, Mr. Speaker, when they brought in a Crown corporation that was quite similar to this one . . . I'm not sure if I have the name of it here. But they have one that deals with their construction of highways also. And according to The Vancouver Board of Trade, Mr. Speaker, this led to an increase in labour cost of \$73 million or 37.6 per cent on one project alone — over a one-third increase simply because they went with the union-only contracting.

And if that happens in this province, Mr. Speaker, it's going to devastate the whole workforce in this province. You're either going to have to belong to a union, or you can leave the province if you want to look for work.

We continue to maintain, Mr. Speaker, that the contracts awarded through the Highways department, and indeed throughout all of the government structure, must be done to the lowest qualified bidder. We've seen quite a growth in the Crown corporations in this province, Mr. Speaker, and this is just the latest one. We've seen a growth of the tourism Crown. We've seen a multiple growth of health Crowns throughout this province, a brand-spanking-new Gaming Commission, and energy conservation and development Crown, the new Saskatchewan Opportunities Crown, and this one.

And here we have just witnessed the proud new papa displaying his new family member, Mr. Speaker, his new family member, the newest child of the NDP government's family of Crown corporations. This newest Crown, the transportation Crown,

which was allocated \$50 million to spend over the next five years, and they haven't got any projects; their partners have all dropped out. Originally this money was to go for the four-laning of the Trans-Canada and the Yellowhead highways.

Well we would certainly encourage the minister to continue on with those projects, take his \$50 million and build those highways. I'm sure my colleague from Maple Creek would certainly endorse that. But we're not sure what's going to happen now, Mr. Speaker, because the federal government has dropped out of this.

Mr. Speaker, we intend to say a lot more about this and to ask a lot more questions. So at this time I would adjourn.

Debate adjourned.

## COMMITTEE OF FINANCE

### General Revenue Fund Highways and Transportation Vote 16

**The Chair:** — I will ask the Minister of Highways and Transportation to introduce his officials to the members of the committee.

**Hon. Mr. Renaud:** — Mr. Chairman, next to me on my left is Clare Kirkland, deputy minister of Highways; to his left is Wanda Laliberte, manager of accounting; to my right is Bernie Churko, ADM (assistant deputy minister) of programs; and behind me is Don Metz, ADM of operations.

#### Item 1

(1915)

**Mr. Goohsen:** — Thank you, Mr. Chairman. It's a good thing somebody recognized me, so that I could ask the minister some questions about his portfolio which is going to become ever increasingly more important in our province, especially with the federal budget announcements today, which all of you are aware of, has changed the Crow's Nest freight rate agreement and will very seriously challenge the Minister of Highways to be able to continue to provide a road network for our province.

The implications of course are well known to the minister. And I'm sure, Minister, that you are now preparing in your department to offset the impact of this budgetary move, which of course will mean that we will see a big movement towards inland terminals being built, which is already of course under way in some sectors, but it will absolutely mean that that will happen.

We are now going to see a shift in the production patterns of Saskatchewan's agriculture. The types of crops that will be grown will be greatly affected. And our transportation needs, as a result of the abandonment of rail lines and the freeing up of the costs of shipping from different sectors of our province, all

will play a very important and intricate part in the need for a development of a highway system in order to get our goods to market.

Having said that, Minister, we are I think agreed that in Saskatchewan we will see more trucking. We will see a heavier use of our roads. And as a result your department will become more and more important. Not to say that it wasn't important already and not to say that there wasn't enough concern before today with the way your department has operated and the way that you have and your government has allowed the highway system in Saskatchewan to deteriorate to the point where it's almost impossible to drive any place in Saskatchewan without taking your life in your hands because of the hazards on our roads which simply is the fact that there aren't any roads available to safely be driven on.

We used to call Regina the pothole capital of Saskatchewan because they had heavy clay and had a hard time maintaining their streets. But of course now the highways of Saskatchewan have become the pothole capital of the world and we are here to challenge you to see if there's something that you might not consider doing to improve your image and the image of our province.

Wherein we find people from Ontario considering that we are the backwoods of the world, where you wouldn't go on a vacation with a car because you couldn't use the roads to navigate your trip. That's the kind of impression that people outside of our province have. And there's a reason for that, because where there is smoke there certainly is fire, Minister.

So we are interested in the Bill that you have just addressed to the Assembly and which my colleague from Souris-Cannington replied to. The reality is that we don't see a need for another Crown corporation. However the thing isn't all bad in my opinion, and I want to give some credit where credit is due. The attitude of trying to get people together to improve our roads is a good one.

The idea that business might join with you and contribute is certainly not a new idea. We have used that idea and that concept in our municipality and in many municipalities in Saskatchewan for a number of years, especially as it relates to the petroleum industry. We have in fact entered into road-user agreements with the petroleum industry, different companies in the industry over the years, to improve roads out in our municipalities — roads that the petroleum industry would need in order to get to a specific area where the roads were not particularly well-used or particularly in good shape.

And as a result of not being a high-use road or anything like that, they would not particularly be in good shape, so we would enter into an agreement to, for example, pay half and half, and to construct a new transportation roadway for the industry to be able to negotiate into that area so that they could carry out their exploration needs and to get their product out, of course, when they had struck oil or gas or whatever.

So while the idea is not completely new, it is innovative for you to tackle it at the provincial level, and we congratulate you for that initiative and wish you success at it. And in fact would offer some suggestions of people who are already willing and have expressed a willingness to cooperate in such a plan.

For example, out home, from Maple Creek, McCu Enterprises, out of Maple Creek who . . . The company is represented by one Doug Lloyd, who contacted me a short while ago. He indicated to me that he thought this was a reasonably good approach. And as a businessman, he said, because he's a small-business man, he wouldn't be able to contribute a lot, but he'd certainly like to offer to contribute something. And so I bring that message to you, Minister, that already people are willing to assist you with your new initiative. And so that will help you to get your costs down a little bit in your department and it will also help to get the roads built and to get this program off the ground.

Now of course as I've mentioned, he's just a small-business man, but he's willing to start and he's willing to show the way, and I'm sure that you will find a lot of other willing people, especially in the south-west where the need for better highways and better road systems has become evermore apparent, especially with all of the deaths that we have on No. 1 Highway and all of the tragic accidents on those stretches of road.

And of course now that we have had a boom in the land lease sales in that area over the past year, we are now seeing the results of those booming sales where all that extra money came into the government for your budget. And I have to throw in here, Minister, that I'm very disappointed that a big chunk of that money didn't land up in your department because that's where it should have been. You shouldn't have been cut back in the amount of money that you have to spend. You should have actually been increased in the money you have because the road system is the very key to how those land sales will end up being generated into money for the government because obviously those people have to be able to get to the job site which is the lease out in the country wherever they happened to have been bought.

And that happens to be a fact that a large percentage of that happened in south-west Saskatchewan, and the people there are feeling used and abused because there is no sign anywhere that you, as a Minister of Highways, or your government will in fact use some of those monies to build those road structures into that area in order to develop those needed locations for the industry to expand and to provide the job base that this province so desperately needs.

So, Minister, we are encouraging you to take a very real look at going back to your cabinet and telling them the facts of life here. The money that was spent by the petroleum industry that got your budget over target last year and will help you to balance your budget this coming year . . . is absolutely essential that you spend some of that money to provide that those people in those industries can in fact get to their sites where they have bought these leases, so that in fact the business cycle can

continue and be provided for the people of Saskatchewan. If you don't do that, there simply won't be any development. The people will pack up their bags and go away. Now they won't leave their initial investment very easily but it does happen. And I can show you precedents in the area and you of course can go down to Energy and Mines office and check that out.

Oftentimes petroleum companies simply let their leases lapse when they can't get cooperation out of the rest of the community, and the rest of the community that is so very important at this point and in this adventure is your department, Minister, because we are going to have to have some decent roads for those people to be able to continue with their businesses.

Minister, we are going to ask you to answer quite a lot of questions tonight. Many of these questions, as you know, are coming from our constituents. And I think you are well aware of the fact that we have initiated a program which we call the "Mr. Premier, I want to know" questions. We have had replies, several hundreds and hundreds of replies. And the reality of life is that many of these questions returned to us are questions about the Department of Highways and Transportation.

And so while the premiss was that it's addressed to Mr. Premier, we obviously realize that you as the Minister of Highways would be the one that would get up to answer these type of questions. And realizing of course, that question period, we'll never have enough time to be able to answer all of the questions that we're getting in, we're going to approach the estimate portion of this sitting of the Assembly in such a way as to ask many of these questions in this format in order so that these people can get a direct answer from the government, albeit not directly from the Premier but at least from you the minister in charge of the department that they are interested in.

So having said that, Minister, you will know then that these questions are coming directly from the people of the province. These are not questions that I've made up as a member elected. These are not . . . (inaudible) . . . research staff have made up. These are questions that have come directly from the general public — individual people who have concerns.

And some of them may not be the classiest piece of literature ever written or anything like that, but the intent will certainly be clear to you and we would hope that you will answer these questions with a marked degree of seriousness, because no one has asked these questions in a frivolous manner. And we hope that you will give them very serious consideration and very, very honest answers so that there can be some comfort out in the province as to what is going on in your department and what people can expect from your department.

The first question that I will ask of you tonight, Minister, and I know that you will want to preamble a bit about the things that I've mentioned with regards to the federal budget — the loss of the Crow, and all of those good things — but the first direct question that I would like to ask you tonight, Minister, is on behalf of the thousands of people who have now sent in

petitions regarding the Highway No. 1, the thousands of people. And those petitions continue to come in on a daily basis, Minister. I want to assure you that they're by no means over with.

But the question then will be, when will you finish twinning Highway No. 1 from Gull Lake to Alberta? The question is asked by the thousands of people who continue to send in petitions and ask you to finish this project. And of course we have several "Mr. Premier, I want to know" direct questions from individuals that have asked this question. And we will send copies, sir, of the transcript to each and every one of those people with regards to your answer.

**Hon. Mr. Renaud:** — Thank you to the member from Maple Creek. There's quite a few questions, I believe, in his statements. I will try to begin with the first one which was the federal budget, and of course I caught most of it on television and I, like you, are very, very concerned for the farmers in our province, and for the municipalities, and indeed for the province's roads. There didn't seem to be much of a vision there for transportation.

There didn't seem to be a lot of fairness to western Canadians and I think we got the brunt of the reductions, that's for sure.

We were always asking that the Crow benefit, if in fact it had to be reduced, should be tied to a lower cost to producers, but this is not what happened. In fact, it was the Crow . . . the WGTA (Western Grain Transportation Act) was cut off completely for a one-time pay-out which equates to approximately two and a half to three years of the coverage of the existing freight bills for the farmers in our province.

There's no talk about road costs and how that's going to be handled. There is something mentioned about a \$300 million transition fund, but we're not sure of what that means, and so over the next few days we'll want to look at that to see what in fact it means.

So we are very, very concerned. It's going to, we believe, be very, very devastating not only to the farmers of the province of Saskatchewan but to municipal governments. And it's going to be costly, we believe, to the Department of Highways as well.

You did mention also Transportation Partnerships Corporation and I want to thank you very much for the vote of confidence. It is certainly a unique, innovative idea. It was of course set up to partnership with the federal government on a national highways program which would twin No. 1 and 16. We thought that for our \$50 million committed over five years that with the federal government's \$50 million over five years, we in fact could complete a lot of the twinning — in fact all of No. 1 and the remaining portion of 16 from North Battleford to Marshall.

But of course as you know on December 15 that was turned down by the federal minister. On a subsequent visit to him on February 8, the weather in Ottawa was cold, and the answer was again cold. And the answer of course was no. We thought

perhaps we could talk to him on a bilateral deal where in fact we were quite realistic with what we put forward, and we thought perhaps he would take one more look at that. But of course the answer was no. So we're not going to get any federal help in the twinning of No. 1 and 16.

(1930)

Industry — and I'm glad that you brought some names forward to — some people in industry that are willing to participate with us . . . if you could give us their names and address and phone numbers, we'd certainly be happy to contact them. If we're going to complete the twinning of No. 1 we're going to have to do it the Saskatchewan way, and certainly Transportation Partnerships Corporation will be a part of that. We will be seeking partnerships with the private sector, and in fact we've had a lot of interest shown by trucking companies. And so hopefully as we move forward . . . It's certainly going to slow the process down. But we believe that there's some possibilities there, and we will continue to work on those.

You mentioned also the oil activity in the Maple Creek area, and in fact the whole province, the west side and south side, is booming and certainly adding to our economic recovery. I believe it's partly because of the good relationship this government has with the oil industry. We estimated or budgeted for \$20 million worth of land sales this year, and in fact I believe the final count is about \$202 million. So it certainly shows that the oil companies are comfortable working in a province with this kind of government, and that's very good to see.

In fact the oil industry may very well want to be part of the partnerships, and that's why this idea of Transportation Partnerships Corporation is so important. Industries like the oil industry might be very interested in partnershiping with government in improving some of the road infrastructure.

I guess that answers your number one concern, the Highway No. 1, in that we will work at it. We'll continue to work at it; it's a priority with this government. And we will use the partnerships corporation and hopefully some action will come from that soon.

**Mr. Goohsen:** — Well thank you, Minister, and thank you, Mr. Chairman. As always we are happy that you have a commitment to these roads being fixed and put into better shape and double-laned. However the comment that you made that the process is slowed down is one that we need to challenge here and now, right away.

The process should in fact be escalated, speeding up. Simply by taking your own figures which you have just delivered to us you expected to get \$20 million from the petroleum industry for the sale of leases in our province, and you got 202 million sales which is \$182 million dollars more than you what expected to get. A large part of that money should be spent on the infrastructure of our roads in this province because it is roads that are the most important for this industry in order to be able

to conduct and carry out the process of their exploration and development.

So you've got \$182 million extra and you say that the federal program reduced you by 50 million that you had expected that you won't get. Well you're not getting 50 million from the feds but you are already in possession of 182 million in your pockets, cash in the bank, that you got from the petroleum industry that you didn't expect to get.

So there's an offsetting factor, Minister, that is obvious to anybody without a calculator, that you have availability to you of choices to be made of where money is to be spent. And certainly that money is available to you to do the right thing and to save a lot of people's lives in this province.

We're not just talking about industry and business alone here, it's not segregated like that. The mere fact of the matter is that on Highway No. 1 coming out of Alberta we have got just tons of trucks out there that are bringing in heavy equipment and people to do the work in the oil patch as a result of all these land lease sales. That means we've got extra traffic on the roads; it means that it's not as safe out there.

The law of averages will catch up to you if you're out on that road enough times. Sooner or later you're going to get hit by somebody, somehow, sometime, because the traffic loads have simply increased and escalated and a lot of that is industrial types of equipment which has to be there.

So those people are saying to you clearly, right now, we've already paid the bill. You don't need to come back to us and talk about a joint project. They are claiming, and rightfully, they've already coughed up their share. They bought the leases and put the money in your pocket. They've made you a successful government in spite of yourselves and you won't even share the wealth with them by building them the decent roads that they need in order to carry out their businesses.

Well, Minister, I think you have to reconsider your priorities here and get them straight, because these people will, after a while, get tired of being here if we don't treat them right. Now I'm not saying that they won't go along with a further extension of helping out to build the roads because I'm convinced that they will. That's the kind of people these folks are. They're always prepared to go the extra mile with you to get things done. They always did that when I was back in the municipality and was the reeve of the RM (rural municipality) and a councillor. We went to those folks and we said, we need a little help to keep these roads in shape because your outfits are wrecking them faster than what they ordinarily would have been. And they said, let's sit down and talk — every time, never an exception to that. They always said, sure, let's sit down and talk it over. You need a couple of thousand for this road or a few hundred for a culvert there, we'll help you out. Never ever did they volunteer to pay the 100 per cent of the bill, obviously, but they were always willing to pay a percentage of it and a share of it.

So I'm absolutely convinced that the petroleum industry, along with all of the other businessmen and business people in Saskatchewan, will willingly and gladly help you. But they don't want to pay more than what is a fair share, and somebody will have to sit down and figure out what's fair. But realistically, you can't expect them to bail you out 100 per cent. And while there will be a percentage of cooperation there, they have to bring to your attention the fact that you've already taken \$182 million out of them that you have a choice to use, a lot of which could go to highway development and building. And realistically, even a small part of that would double-lane all of No. 1 Highway.

Minister, having said that, I know that you will want to reconsider your answer and speed up and escalate the process and direct some of these choice dollars that you have. Now of course we're not too sure if they're going to be called dollars or loonies because today we heard that we're going to have the \$2 bill destroyed and we're going to have a \$2 coin. So maybe they won't be loonies any more; it might be they will be call the \$2 coin a tune and then we'll have looney tune money or maybe we will even have doubloons again. I'm not sure just how they're going to do that. But it doesn't really matter what kind of looney tunes or the doubloons you use; what we want is to get these roads built.

So, Minister, I'm going to carry on with my next question out of the "Mr. Premier" selection and list that we have, so that you can answer the questions that I've related back to you here along with one of the ones from one of our constituents out in the country.

And this question, Mr. Minister, comes from Bill MacPherson from Wapella, because we want to switch over to the other side of the province for a minute. Now it goes, and I quote: I want to know when the Government of Saskatchewan is going to double-lane the No. 1 Highway from Indian Head to the Manitoba border. If you cannot afford to do this, then you should put in 5-kilometre passing lanes between every town or village.

We have travelled to other provinces and the United States and drive on their highways. In comparison, our No. 1 is an embarrassment. End of quote.

And that, Minister, is the question from Mr. Bill MacPherson.

**Hon. Mr. Renaud:** — Well thank you very much, to the member from Maple Creek. I guess in a perfect world we could certainly use some of that oil revenue to help us with our highways. But of course we have to pay something called interest on our debt. And I think you're quite well aware that when you left government, or your party left government, there was about a \$15 billion debt, and the interest on that debt is about \$850 million. That of course would twin Gull Lake to the Alberta border 25 times every year, from now till when the debt was paid off.

Now I hope that when these people write to you that you

explain that to them because it's very unfair that, you know, you tell them well yes, they should be twinning that highway. But do you tell them some of the reasons why we can't? I don't think you're doing that, and I think perhaps you should be. What you might want to do is give me those names of those people that write to you, and we could maybe send them an answer and tell them the whole story. And I wish you would do that.

Speaking of passing lanes, I'm sure . . . a passing lane is about the same cost as to put in a new section of highway. So if there is no hope for twinning the highway, then certainly we could look at passing lanes. But we still have hope, and we still want to do it the Saskatchewan way, and we're hoping through the Transportation Partnerships Corporation that there will be some opportunity to do that.

**Mr. Goochsen:** — Thank you, Mr. Chairman. Well, Minister, I'm not just too sure what a Saskatchewan way is anymore. I don't really honestly think we have what the old-timers in this province have come to mind as a Saskatchewan way, where choices were made and cooperation was the bottom line on getting the job done. I'm not too sure that many of the old-timers in our province would be very happy with the comments that you make about the cost of doing business in the real world. I don't know very many people that don't have some kind of a mortgage or a debt in their lifetime that they have to pay off.

And the fact that you allude to having to pay some interest on some debt as a part of doing business and say that that is the reason that you have to make bad choices and not build roads is pure bunk. People won't swallow that anymore. They're just not going to accept it because everybody's got a loan some place sometime; they learn to work that out.

It's just a plain, bad business manager that can't manage his debt and also get the job done. The only alternative to that is bankruptcy. Are you saying that you're going to declare bankruptcy because you're such bad business managers, you don't know how to manage the fundamental finances of our province? My friend, people are not going to allow you to get off with that kind of an excuse because that's all it is, is an excuse. You've got a piece of money that you're having to spend as a cost of doing business, and it's only a fraction of the money that you have, choices to spend.

You took in \$202 million last year out of oil leases, over and above \$182 million of what you had budgeted — \$182 million over what you had budgeted. That was already with the debt payments already in. And then you tell us that you're such hot businessmen here that you've got \$850 million worth of interest to pay out.

And you came up with those figures three years ago at twelve and a half to 14 per cent interest and you run off to New York and make a hot deal to pay people 11 per cent interest. And you offered the Saskatchewan people 8 per cent if they will borrow their money to you. And that's the kind of double standards,

and that's the kind of shoddy business practices that this government shows to the people of Saskatchewan. And then they sit here and whine about the fact that they have to pay interest and don't have money left to do the things that have to be done in the province. And it just doesn't add up, Minister, and it just doesn't wash.

Now I think we'd better get back to the basic, fundamental truths that you do have 500-and-some millions of dollars in order to spend and keep this province running. And I think you'd better use some of it to build some of these highways. And I don't think that the constituent from Wapella who asked the question is going to be very happy with your answer, but you did answer it and he did ask it, and we are going to carry on.

I want to do more of these because I also want to get back to talking to you about the Crow loss to our farmers and to our rural communities, and the kinds of monies and things that are going to have to be spent on short lines — and whether or not you're going to expropriate some land, and that sort of thing, from the railroad companies in order to keep these short lines going. But I want to get these other questions finished before we get into all of that, Minister.

So I have another question, and this question, Mr. Chairman, comes from Tanya Doerksen, I will pronounce it. But I will spell it so that people in *Hansard* will know how it's spelled. And it's D-o-e-r-k-s-e-n, from Caronport. Doerksen. Okay. I want to know, it says, and I quote, Mr. Chairman: I want to know if there is any way for the roads in Saskatchewan and Manitoba could be improved. I know Saskatchewan has much better roads than Manitoba but maybe some extra pavement on the shoulders might help. I have many friends and even I myself have been in accidents involving gravel. This concern also includes country gravel roads.

**Hon. Mr. Renaud:** — Well thank you to the member for Maple Creek again. I guess I want to let you know that, even though we're paying that \$850 million of interest each and every year on the debt that you created, we did balance the budget. In fact, we balanced the budget in three years, not in the planned four years. I think that's good management, and so I want you to consider that when you really believe that we aren't good managers. I think you're maybe misleading the people.

We've done that and yet tonight we had a Liberal government lowering the boom on Saskatchewan farmers without a plan and without a vision and without even a balanced budget somewhere in the future.

Perhaps you could tell Tanya that one of the reasons our roads . . . and I think she's right, I think our roads are reasonable here. Certainly there has to be improvements in certain areas, but she does note that they are better than Manitoba, and I think you should note that and I appreciate that comment.

But one of the reasons we, you know, just haven't got that much money to spend on roads or health care or education or

whatever is . . . here is maybe an example. The Saskatchewan Liquor Board reported that it paid expenses totalling 16,162 for ministers to attend Big Valley Jamboree. The expenses included passes to the grounds, food, trailer rental, alcohol, and miscellaneous expenses. Now that's one of the reasons we have that debt; one of the reasons we have the big interest bill. And so I hope when these people ask you these questions, that you tell them the truth.

(1945)

**Mr. Goohsen:** — Thank you, Mr. Chairman. I have absolutely, absolutely no comprehension whatsoever what the whole truth would mean to you. Obviously a couple of things come to mind.

You want to allude to the interest that you'd have to pay on the debt some more. Well the reality, Minister, is that anybody could have balanced a budget in a windfall financial era that we have come into, with \$202 million coming in from the petroleum industry alone that you didn't expect, and knocking \$188 million out of the farmers' pockets that you owed to them and you took it away from them. You broke their contracts. You had a choice to spend that money where it should have been spent so that it could have circulated through our economy; you chose not to do that. I'll tell you quite honestly, my friend, I believe any kid in grade 10 could have balanced the budget of this province this year given the conditions that you have to work under.

As for what you're talking about in the past — and how the Craven valley got mixed up into this debate I have absolutely no idea. I've never been to Craven in my life to any kind of a function, and I certainly don't know who you take there or what kind of fun and parties you dwell with or get involved in. But I hope you had a fun time. I'm sure it's a great thing to be involved with.

But the reality is that we're talking about estimates and choices that you have to make, choices that you're making that are bad, and choices that you are making that are wrong. You make the choice to borrow money in this province at high interest rates outside of the province without offering competitive and even maybe more attractive rates to our own people. We are well-known to be the best savers in the world. We have billions of dollars in the banks in this province that people have put away for their old age, and many of those dollars should have been invested in Saskatchewan savings bonds. But no, rather than to offer eight and a half or 9 per cent to keep some more of that money coming in, and offering another issue in, say, January instead of only doing it in July — rather than do that, you run off to Germany or to New York or to some place else, and you borrow money with the exchange rates on the dollars and all the other things, and the banking fees and everything adding up and piling up. And all you end up with is higher interest rates paid to some bunch of foreigners, rather than to offer that opportunity to your own people at home.

That I don't call good business, Minister, and the fact that you

have got to pay that kind of money in interest is only because you're not good business managers and you don't know how to manage your debt properly. And you probably will break the province and we likely will end up declaring bankruptcy.

However, now having said that, I want to get you focused on the reality of what we're doing here, which is to ask the individual questions that individual constituents out in the province, taxpayers, are asking. They want direct answers to their question, and I think that they would appreciate some straight answers with all of the political rhetoric sort of cut out of it, and maybe get down to the real brass tacks of what's going on with their highways.

Minister, I have another question, and this question comes from Ron Schmidt. He's also from Wapella. Now his question, and I will quote him, Minister, is: from the Manitoba border west there have been numerous head-on collisions and other fatal accidents. How much longer do we wait before this portion of the Trans-Canada is twinned or double-laned?

**Hon. Mr. Renaud:** — Thank you to the member from Maple Creek. I appreciate the question. I guess you could tell Mr. Schmidt that one fatality in Saskatchewan is too many, as far as we're concerned. And we urge that until the highways can be fixed, that people drive with extreme caution. And that highway certainly is a priority for us, No. 1 and No. 16. We believe that they should be twinned as soon as the province can afford them. And perhaps with the partnerships corporation in place we will move ahead.

It would have been nice to be able to be partners with the federal government in that twinning project, but we were not able to do that. The federal budget apparently is going to be giving some money to eastern Canada for their highways there, but I don't think we were that fortunate in the West, so we'll have to do it the Saskatchewan way. We will have to be very concerned with safety features of Highways No. 1 and 16. We will have to work through the Transportation Partnerships Council . . . Partnerships Corporation, to seek partnerships with the private sector and continue our way forward on those twinning projects.

You did mention that we were lucky to balance our budget, and I notice that's come from your side many times, that we were lucky. I know the Liberal leader said that we were lucky and I guess if that's what you believe, that's what you believe.

**Mr. Goohsen:** — Thank you for your answer, Minister. Mr. Chairman, I want the minister to understand that we are very sympathetic to the fact that you have a bigger problem as a result of the federal government backing out on the deal. And we don't condone what they did and we don't say that it's good or that we're happy about it at all. In fact we are very sympathetic to the fact that it will be more difficult for you and for the people of Saskatchewan. However it is a reality and we have to deal with it.

I wish it weren't so. I wish we could change it. I wish we could

reverse time and history and have the federal government rethink their position. And maybe in some magical way that might still happen and we could encourage it. But I quite honestly don't think it's going to happen; I think the partnership is dead. I think it's had the funeral, and it's over with, so we have to get on with life and figure out a way to get these roads fixed, as you say, by ourselves. So let's do it and let's get together on some ideas.

Now the reality also is of course that you're going to face some more problems as a result of this federal government and the things that they're doing. The kind of downloading that they are doing in the future is somehow very reminiscent of some other things we've heard of lately. But you will have noted, as I did, that in the federal budget, that next year and the year after, they're already predicting what they're going to do to us in terms of downloading and in terms of cancelling out our balances of payments and . . . transfer payments is the word I'm looking for.

The transfer payments are going to be reduced by millions and millions and millions of dollars and not going to be just chicken-feed, and it's going to be some serious problems. And we don't condone that and we don't applaud that. In fact we sympathize with you again, and we certainly would encourage the federal government to change their mind in those ideas.

Unfortunately though, they got that idea from you people and the way that you downloaded on the local municipalities and the urban municipalities in our province. For the last three years all you've done is increase taxes, increase utility rates, and download the costs of doing business onto every sector in our local communities so that we've ended up with higher taxation for all of the local business people.

Minister, that is one of the reasons why we can't get cooperation to rebuild our highways and our roads from the local communities, because you've taxed them to death in order to keep on with just the day-to-day business of living. So there's not much money left out there. Because you talk about a partnership; we could have maybe included our urban municipalities and rural municipalities in that partnership if you had left them one thin dime left to work with.

But you have downloaded on them so heavily that they are stretched to the limit and have to increase taxes at the local level to the point where now they are being looked at as being the bad guys, and we are seeing the repercussions of that in local elections where people are regularly losing their seats on local councils because they have to make these very difficult decisions that you have forced upon them.

Minister, I want to ask you a question. It comes from Howard — and I'm going to spell this one as well — Eyjen from Swift Current. Now he says, and I quote: I want to know why the government are not twinning the No. 1 Highway. We pay plenty of taxes on our gas to update our roads if the gas tax is used for that purpose. Also I want to know why the speed limit has not been raised to 110 kilometres per hour on twinned



highways.

**Hon. Mr. Renaud:** — Thank you to the member from Maple Creek for his question. I guess he explains us at fault in regards to downloading. I want to tell him a little story about the WGTA. I know we're criticizing the Liberal government today for disbanding it, but I want you to tell me who started the cuts to the WGTA. If I'm not mistaken, it was the Progressive Conservative government in Ottawa. So maybe that's where the Liberal government got this idea from; I'm not sure. They haven't got many ideas of their own, so perhaps they picked that up from you.

Again I want to say that No. 1 is a priority; we believe that it needs to be twinned, and we will continue to work at that. To increase the speed limit now, I don't think would be fair. I think you have pointed out to me concerns, and by raising the speed limit we believe that there would be possibly more concerns. So I don't believe that raising the speed limit at this time would be the answer.

**Mr. Goohsen:** — Thank you, Mr. Chairman. Well, Minister, where the roads are still in half-decent shape, I think Mr. Eyjen's idea that speed limits would be a good idea to be increased could still be done. Obviously you do have to repair the roads and keep them into good shape if you're going to allow people to travel a little faster.

But the reality is that when you come out of Alberta, you have 110 on all of the double-laned roads there. And people are travelling those kinds of speeds, and they get kind of used to it, especially when they're coming back to Saskatchewan to go to Manitoba or wherever, and it's awfully hard for them to realize that they have to slow down. And often many of them are finding themselves getting into trouble with our police force.

So I think he makes a good point that we ought to upgrade our roads, fix them up, and make them good enough so that people can have the same expectation from one province to the other. And if they have that same expectation and the roads are in good shape, there's no reason why we can't have a speed limit that compares to what is happening and being used in Alberta.

I want to ask you another question, Mr. Minister. This questions comes from Troy Duncan, from Spy Hill, and I quote. I want to know if there will be any more money put into the infrastructure program. My father and two brothers have a small family road construction business and we are wondering if we will be able to keep small-town firms alive in Saskatchewan. The coming year does not sound bad, but what about the future? It doesn't look good.

**Hon. Mr. Renaud:** — Thank you to the member from Maple Creek. As you are aware, the infrastructure program was a federal-provincial program which involved a sharing between three levels of government — municipal, provincial, and federal.

The infrastructure money was used on other projects rather than

roads, of course anticipating a national highways program. The national highways program was cancelled and it's not going to move ahead, so we will continue to work with our new Transportation Partnerships Corporation to attempt to create partnerships with the private sector, other levels of government, and in fact improve our infrastructure in that manner.

**Mr. Goohsen:** — Thank you, Mr. Chairman. Minister, you had an infrastructure program with the federal government, you've just said. How much money was in that program? And what gave you the idea that you could spend all of that on other projects and not spend any of it on highways?

**Hon. Mr. Renaud:** — Thank you to the member for his question. As I stated earlier, the program was set in a system that would have been one-third, one-third, one-third — federal, provincial, municipal. And of course when you have highways, you do not have the municipal portion or that partnership to contribute, so you have just a 50/50 sharing. And more work could be done under a one-third, one-third, one-third type of arrangement, and so that's what was selected.

**Mr. Goohsen:** — Okay. Thank you, Minister. I'm sure that Troy will be more happy to have had that more complete answer in order to understand why the original program wasn't applied to the construction of highways which would have greatly improved his family's business outlook.

I have the next question here, Minister, which is a question that comes from Frank E. Brown, from Dalmeny. I quote. I would like to see the twinning of Highway No. 16 to The Battlefords finished. Of course you can't work in the winter, but this project has already taken two years. When can we expect this project completed? End of quote.

**Hon. Mr. Renaud:** — Thank you to the member from Maple Creek. We were very pleased to be able to start the twinning project in Saskatchewan. A few years ago we signed a deal with the federal government, the strategic highway improvement program. It involved \$70 million; \$35 million went to the twinning of No. 16 between Saskatoon and North Battleford, and that's scheduled for completion in 1998.

Because of our budget restraints, because of interest on our debt, we can only go so much, little by little. And that's our plan on No 16. Saskatoon to North Battleford will be twinned over a five-year period and in fact this year I believe, with our contributions and the federal contribution, we will be spending approximately \$12 million.

**Mr. Goohsen:** — Well, Minister, I'm sure that the question that Frank asks would have liked to have heard an answer that things would be speeded up a little quicker than that. In fact the thought crossed my mind, I hope that you get some of these projects done in my lifetime so that I can at least drive on the roads and see that they happen.

But at the same time I also think that well, at least you've given a commitment. You've got money there and you're starting to

build the roads and you're getting something set up in stages and increments where you actually have set some dates of starting and some dates of hopeful completion. Whereas in southern Saskatchewan we've heard no commitment whatsoever from you to start anything at any time ever.

So how about if you tell us tonight that you're going to plan a date to start twinning the No. 1 Highway in Saskatchewan. And I don't care which piece you pick. Try the Manitoba border or the Alberta border or anything in between. Just give us something to hope for.

(2000)

**Hon. Mr. Renaud:** — Well certainly to the member from Maple Creek I would like to say we're going to start tomorrow. But of course he knows I cannot do that. We're paying interest on our debt yet, and we will continue to do that for a while till we get the debt down.

We did commit \$20 million under the Transportation Partnerships Corporation in hope that we could get some funding from the federal government. But as you are aware, that was refused and there is no money coming from the federal government.

So we will work with the Transportation Partnerships Corporation, private sector companies, to attempt to get some partnership in order to begin the twinning of No. 1. When that's accomplished, certainly we will be starting on that.

**Mr. Goohsen:** — Now, Minister, it's a good thing that we've got so many other roads in this province to talk about because if that was the only one we were going to talk about, we might just as well adjourn and go home because we're not gaining anything anyway.

But obviously we do have a lot of other things that need to be talked about. So we'll leave that for a few minutes while you think it over and get through your head the reality that this road is more important than just quickly sloughing it off with some glib comment about how you're going to pay off some interest first, and not make choices of the \$5.2 billion that you have to spend along with the extra revenue that you took out of the oil industry in the past year — not to mention the money that you kept away from the farmers that you owed to them and still do owe.

And of course the government may still be found guilty in court of having to pay that. And we actually hope that that happens; \$188 million is owed to the Saskatchewan farmers from this government, and I sincerely hope that the courts find in favour of those farmers and that you are found wanting next year of not being able to balance your budget because you have to pay what you owe to those people.

I have a question, Mr. Chairman, that comes from Tracey Fekete from Martensville. I want to know why — and I'm quoting now — I want to know why we seem to have the worst

roads in all of Canada. Both the highways and the city roads need to be either rebuilt or repaved. In the interest of safety I would first like to see the twinning projects finished, especially the death trap No. 16 Yellowhead Highway. I believe it would increase tourism in Saskatchewan as well because I for one love to drive to Alberta, and maybe we could make a two-way street for Alberta residents.

**Hon. Mr. Renaud:** — Thank you to the member from Maple Creek for this question, and I would ask that you pass on to Tracey that in fact the road between Martensville and Saskatoon is on the five-year plan under the strategic highway improvement program where it's a 50/50 cost sharing between the province and the federal government. That piece of highway is scheduled for twinning in 1996-97.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Renaud:** — And we certainly understand the concern of Tracey, and that's a very busy piece of highway, especially with the economy of the province picking up as it has in the last few years. A lot of people living just outside of Saskatoon, working in Saskatoon, have to drive that piece of highway, and certainly it needs to be twinned, and we are working on that. Thank you.

**Mr. Goohsen:** — Thank you, Mr. Chairman. Well, Minister, it was good to see that you perked up when we started talking about the roads up North. It seems like this government has a lot more interest in what goes on up North than any place else in this province, especially in terms of spending this new-found prosperity that we hear now in the last couple of sentences.

Now just a few minutes ago we were flat bust and had debts and deficits to pay and interest so high that we couldn't afford anything. But now all of a sudden we find that there is some new-found prosperity starting to show up and we're happy that the minister, even this quickly tonight, is starting to recognize that we have some money to spend and that it's a matter of choices, not a matter of not having money to spend.

And these choices of course are the important thing for you to understand, Minister. And as the Minister of Highways very important that you take it to your cabinet that your department is as important as any other department and that you can't suffer any more cuts in your department at the expense of Saskatchewan people losing their lives on roads that aren't properly repaired or rebuilt.

So, Minister, you take that message fully and squarely back from the people of Saskatchewan and you can be assured that 99 per cent of them are going to support you when you go to your cabinet and demand to have your share of the money to spend in order to keep the infrastructure of our roads in a safe condition.

I have another question for you, Minister. This question comes from Michael R. Zich from Churchbridge. I quote: what do you intend to do about the secondary road between No. 15, between

No. 16 to No. 10, and No. 80 north of Cambridge to Kamsack in particular.

**Hon. Mr. Renaud:** — Well thank you to the member from Maple Creek for acknowledging good management. A little while ago he was on poor management but he's now back on to good management.

I want to tell him too that, you know, now that we have a balanced budget we'll be able to reassess some of the projects we haven't been able to go ahead with in the past and maybe we'll be able to move forward in the future. If you could get me that information on Michael's note, certainly I would be pleased to either give you that information and/or send it direct to Michael.

**Mr. Goohsen:** — Thank you, Mr. Chairman. Minister, perhaps you didn't understand the question, so I'll just repeat it so you get the right highway numbers and your officials will then be able to assist you with the answer.

The question goes: what do you intend to do about the secondary roadways between No. 15, between No. 16 to No. 10, and No. 80 north of Churchbridge to Kamsack, in particular.

Now if you'll just get your map out there and take a look, I'm sure that you will find No. 15; No. 16 to No. 10; and No. 80 north of Churchbridge. And on the way to Kamsack there you will probably find the stretch of road that this individual would like you to talk about.

**Hon. Mr. Renaud:** — I would like some clarification, Mr. Chairman. Would that be Highway No. 80? Is that the one you're talking about? Pardon? Okay, thank you.

**The Chair:** — If the minister wishes to respond to that, then we'll go to the minister, and then back to the member from Maple Creek.

**Hon. Mr. Renaud:** — Thank you, Mr. Chairman. This is not clear. We will have to get some clarification from Michael. Would you like to do that or would you like us to do that? All right, thank you.

**Mr. Goohsen:** — Thank you, Mr. Chairman. I guess the light does work. Certainly, Minister, you go right ahead and contact these folks and find out exactly what their problem is. I think that's exactly what you should do in your department, is check out specifically what folks want, and make sure you know and understand what their problem is so that you can take care of it.

We of course in the official opposition will do a follow-up and contact the folks to make sure that you have done your job, and that you understand exactly what it is that they want. And as we go into these estimates in the days to come, we will revisit this question to make sure that it has been properly addressed and that the answer has been come up with; and that you have made it known to these people exactly that you do understand their

problem and what you intend on doing about it.

So we'll go on, Mr. Chairman, to the next question in this batch here. This question now comes from Gordon Magowan from Central Butte, and I quote. When we expect . . . I'll correct that, Mr. Chairman. When can we expect to see the Highway 42 highway rebuilt? It is one of the worst roads in Saskatchewan, and, I might add, one of the busiest. Our elevators have been shut down and this road is used by many semi's. Unfortunately there will be some severe accidents due to this road needing updating.

**Hon. Mr. Renaud:** — Thank you to the member for his question. Highway No. 42, as you know, we had a very wet year last year and a very, very cold winter the year before this winter. And the highway I guess had the fortune or misfortune, I don't know how you want to say that, but because of grain movements . . . the slowness of grain movements that year, there was a trucking program put in by the Canadian Wheat Board on movements to grain to AgPro, and this resulted in a great deal of damage to Highway No. 42.

We did spend some \$80,000 on maintenance in the last year, and we will continue to maintain that highway as best we can until in fact we can afford to redo it. There is some . . . There perhaps is some opportunity through the Transportation Partnerships Corporation in regards to some improvement to this roadway.

But I think the example here of Highway 42 may illustrate what might happen with the federal announcement today, the Liberal government announcement of the elimination of the WGTA. Certainly it probably will also mean rail line abandonment, certainly longer truck hauls, and this is one example of what the province I guess has to look forward to as far as road damage and longer hauls.

**Mr. Goohsen:** — Minister, we're glad to hear that you're aware of the problems. And, Mr. Chairman, we want the minister to know that this individual seems to think that those problems are not totally cured. And so we would hope that you will revisit this highway and do some extended examination of the road and plan to do whatever work is necessary in order to make it safe for the people that have to use it. And certainly your comments about the fact that this can be used as an example of what we're looking forward to in the future are dead-on accurate. We are, without doubt, heading into an era of more trucking and more highway use with the announcements made in the federal budget today. Saskatchewan people can get prepared to have to have more roads built and repaired.

Most certainly there is some option there though, Minister, and that would be in the area of your provincial government looking at expropriating the roadbeds that are abandoned — and I'm talking about railroad beds. The railroad branch lines that are abandoned, if you expropriate them and sell them to private operators to run these new, short-line railroad vehicles on, can certainly be an option that might help our roads. And I'm challenging you to take a real, strong, hard look at that today

and to get right to work at convincing your cabinet to expropriate those railroad lines so that in fact that alternative can be made available to Saskatchewan people.

It is estimated by one person earlier today that I talked to that the cost of moving grain on rail on the short lines, even though they are with an innovated approach, would be one-tenth of what it would cost you to maintain the roads to keep semi-trailers and trucks moving that same amount and volume of grains and goods on our highways. So take that into consideration and do what needs to be done there, Minister.

My question now is a question that comes from Mr. I. Szedbauski from Porcupine Plain. The question is: when will we ever get improvements on Highway No. 23? This road has not been worked on for 30 years.

(2015)

**Hon. Mr. Renaud:** — Thank you to the member from Maple Creek. I hope he realizes No. 23 is in the North and it's actually in my constituency. And certainly it needs improvements as well, but it has held up very well. Our Highways crews have done an exceptional job on this piece of road; 23 was built in the mid-1960s, and it carries a lot of truck traffic especially grain and wood products. There's a lot of lumbering and logging that goes on in that particular area. So I would certainly advise the — and I didn't get the name clear — the fellow from Porcupine Plain, that indeed 23 is also a priority. And as monies become available we'll certainly consider that highway as well.

**Mr. Goohsen:** — Thank you, Mr. Chairman. Mr. Minister, Mr. Szedbauski probably would advise you that — seeing as how this road does in fact go through your constituency — it might be a wise thing to take a little extra look at that one if you plan on coming back here after the next election. I'm not sure that I drove on that particular stretch of road or not when I was up North last, but I believe we probably did, because I was up through quite a few of those roads over the past year.

And realistically, although you have spent a lot of money in the area of building highways north of Saskatoon, that particular area that we're talking about with Highway 23, isn't one of those lucky recipients. And the people up North do need to have decent and safe roads to drive on as well. So I would encourage you take a look at this, Minister. And in spite of the fact that it may seem that you are using your preferential treatment as the minister to get your home town road built, realistically you'd better take a look at that as well as any other one, because people in your area do want and need a safe road to drive on.

The next question we have, Minister, is a question that comes from Jackie Rosenau, from Saskatoon. And I'll quote the question: I want to know why every time an issue needs some action, the first thing the government does is have a meeting to discuss how much tax they should surcharge the people to handle it. Where are the tax monies to maintain and build new

roads in this province going? Because it isn't going towards improving the roads and highways. This is in spite of the fact that we pay maybe 10 cents a litre more than Alberta for gas.

**Hon. Mr. Renaud:** — Thank you very much to the member from Maple Creek. I guess maybe you don't understand, but what we do in Saskatchewan is the tax monies come in and it goes into general revenue, and then it gets paid out of general revenue. And I guess it's a good thing to do it that way

We spend about \$1.5 million in health care, and we spend about another billion dollars in education, so that's about \$2.5 billion. And certainly our E&H (education and health) tax collects only about \$800 million. So you can see that if you had dedicated taxes like them, and would have to get all E&H tax to pay for health and education, it would be almost impossible.

But I want to say that Saskatchewan spends 50 per cent of what it takes in in fuel tax on its roads. If you compare that to the federal government, who spends approximately 10 per cent of what it takes in in fuel tax on roads. And now with another 1.5 cents a litre based on today's budget, you can see where the fairness is.

We certainly spend as much as we can, as much as our finances will allow us, on roads in the province. And we certainly have to do more with less. But I believe that we're doing a very capable job.

**Mr. Goohsen:** — Thank you, Mr. Chairman. Well, Minister, I guess we could argue all night about your last statement because many people don't believe that you are doing a good enough job of making a choice of where you spend the dollars that you have available.

The fact of the matter is that the concept of a general revenue is very deceiving to the people of Saskatchewan. For example, you've used the E&H tax, which stands for education and health. Why do you call it the education and health tax if you don't use it for education and health?

Why do you put a tax on gasoline and call it a road tax if you don't use it on roads? The whole concept of putting all of the money into a general fund and not putting those dollars that are targeted for projects into those projects is a deceit that is unacceptable to the people of Saskatchewan. It means that you can make choices to deliver political necessity ahead of the realities of what money was collected for. And that is unfair, and it's dishonest to the people that pay the taxes of Saskatchewan.

I'm happy that you spend 50 per cent of your gas tax on roads. I don't know why you wouldn't spend it all on the roads because without roads you don't need to sell very much gasoline to cars.

But the reality is that the federal government, as you have pointed out, have been very negligent in their responsibility to western Canada. Those of us who have been around for a while know very well that we've always taken the short end in

western Canada as compared to eastern Canada when it comes to our Confederation. And there are many people that talk to me on the phone and wonder aloud when you make this kind of comparison, Minister, they wonder aloud why it is that Quebec talks about separating when it's the West that takes the short end of the stick all the time. But that's another issue totally, and of course we're not going to get into that tonight.

But we could talk about that for the rest of the day for sure. And of course we could talk about what contingency plans we have if Quebec in fact does separate. And we haven't done that in this House yet, and certainly we'd better approach that because that reality may face us very soon as well. And I think we'll get on to that as the days ahead come around. And I hope that you and your government are prepared to tackle that problem in a very real way because it could be a very big reality facing us in a short time.

But we do have to talk, Minister, about these highways and what you plan on doing about spending the money that you have available and where you're planning to make your priorities.

So I have a question here that comes from Mrs. Magdalena Leaker — I guess it is — from Moose Jaw: I want to know why the roads, streets, and highways are kept in such poor condition, as compared to those of neighbouring provinces. Also why was the snow not cleared from roads immediately? The Prairies should be prepared. In Vancouver, B.C. (British Columbia), where it rarely snows, crews are cleaning within three to four hours — not a month.

**Hon. Mr. Renaud:** — Thank you for the question to the member from Maple Creek. I want to go back I guess to one question earlier where you mentioned Highway 23 and that certainly I should give it priority because of my re-election. Well we don't do it that way on this side of the House. We have a . . . you know we do it by priority; we don't do it by politics. And I want to stress that. So certainly 23 will get, you know, attention when we can afford it, but it will not move up in front of another highway that has more priority, and I want to tell you that.

In regards to putting the fuel tax into general revenue, the Gass Commission suggested that all monies go into the General Revenue Fund. Don Gass is a very well-respected accountant. And I'm not sure where you would put the income tax under your scenario. But I think it's not a great wonder to me why your government had so much trouble in managing the finances of the province with that statement.

But I want to tell you to tell Mrs. Leaker that we have a great snow removal program in the province of Saskatchewan. We spend \$15 million a year. Some of our workers get up at 5 o'clock in the morning. When there's a storm, they work all weekend. In fact this week there was a snow storm in the north-east. The highway crews were out taking the snow off the highways, and I think they do a real good job.

And so I would . . . you know, if she has a specific area of concern, certainly she should write to us and we can take a look at it. But generally I think our snow removal program is top notch.

**Mr. Martens:** — Thank you, Mr. Chairman. I want to talk a little bit, Mr. Minister, about the method of payment and the Crow. First of all, it doesn't surprise me at all that the federal Department of Transport have initiated this kind of action. I guess one of the things that we have to talk about is how the Department of Highways and Transportation is going to respond to that. And I don't mean verbally, but how are you going to respond in a couple of ways. And I'd like to have you respond to this Assembly and to the people of Saskatchewan in some respect on rail line abandonment. And we'll start with that.

How are you going to respond to the impact of transportation subsidies from Canada being cut off for payment of freight on the grain that moves to port? I would like to have you give us, the people of the province, some idea of what you're expecting.

**Hon. Mr. Renaud:** — Well thank you to the member from Morse. Certainly, as you mentioned, the federal budget has given us some concern. As I mentioned earlier, our feeling was that any cuts to the Crow benefit should follow some efficiencies that would actually lower the cost to producers.

In regards to rail line abandonment, we are not clear as to what the federal government is going to do at this point in time. The method of payment was one piece of the puzzle, and it is sort of there now, but the rest of the puzzle is still open. And it would have been nice, I think, if they would have had the courtesy of giving us everything at once so we could have taken a look at all the implications.

Some of the concerns now, I guess, is that rail line abandonment and the effect on the roadways, it could be very severe. We would hope that the federal government would face the responsibility, if in fact they're going on this deregulated route, that there is in fact competition; should there be short lines. If there are short lines, in that case, what protection do short lines need to enable them to survive?

So all of these things we're very concerned about. We're hoping that the federal government will take a responsible look at, in regards to not just the transfer of costs as an efficiency, the transfer of costs from the railway to the producer to the municipality or to the Department of Highways, but real efficiencies, which is actually lower cost to the producer.

**Mr. Martens:** — Well, Mr. Minister, you mentioned short lines; that's one of the areas that probably has to be addressed. And because we have quite a bit of information about them already, is this a feasible alternative in your mind to the abandonment of rail lines that would be south of the main line CP (Canadian Pacific) in the southern part of the province, and then between the main line of CP and the main line of CN (Canadian National) as it traditionally would go out to Prince

Rupert and to Churchill.

Have you got any ideas about what the impact would be if some of those railroads would be turned into short lines? Have you got any idea of what that would do or whether it's even feasible?

**Hon. Mr. Renaud:** — Thank you to the member from Maple . . . from Morse, pardon me. Certainly in some instances we believe that there is some possibilities for short lines; that short lines could very well be feasible. But we need the proper structure there to make them feasible. And we are hoping that the federal government will recognize the need.

It's not only a need, I think, for lower cost to the producer, but there is also a need for municipalities; I mean the cost of roads. There's perhaps some cost savings to the Department of Highways if in fact the branch line can stay open with a short line. But there has to be proper regulations and proper protection for short lines. If in fact that were there, there could be some millions of dollars in savings to the producer.

(2030)

**Mr. Martens:** — The method of payment was miles times tonnage . . . (inaudible interjection) . . . well the member from Humboldt wants to get into a major discussion here. We can do that at some other point in time, but the minister and I would like to have a discussion about this and you can tell him your opinion later on.

The transportation costs of grain through the method of payment have traditionally been the volume times the distance. And what has caused a major concern and a conflict between the livestock industry and the grain industry is that that was higher. And normal transportation costs, the higher the volume of grain, or the higher the volume of whatever you're transporting, generally the lower the rate. But in the method of payment, it was all the same rate, so then they got this high cost that certain lines had versus another.

This whole process has taken a long time to develop. But I recall being reeve of a municipality in the middle '70s; that one of the first rail lines that was abandoned was in my municipality, or in our municipality; and there were people who could testify — and they did this to the Hall Commission — they testified to the fact that the cost of moving 40 or 50 rail cars on a 20-mile stretch would cost less than 90 gallons of fuel. And to deliver that volume of grain the same distance with a truck would be a horrendous amount of fuel in comparison.

And so what we have today is we have a cost that comes . . . And we're going to start costing this out from the farm gate to the delivery point on a main line somewhere in Saskatchewan. And that cost is going to be different than the cost that there was before as it relates to the method of payment.

And so what we have to deal with today, Mr. Minister, is how you're going to explain this to the federal government. We've

just had a lot of discussion as it related to infrastructure and the cost it is to the people of Saskatchewan when infrastructure in this area is not included as a part of the total infrastructure, when we build sewer and things like that, rather than building highways.

So my question to you is: how many of these rail lines are going to be abandoned, and will you have an opportunity . . . surely you've discussed this with the Minister of Transport; surely you will have an opportunity to define or design this new Saskatchewan. It's going to be done the Saskatchewan way, as you've talked about earlier. But what in your mind is that Saskatchewan way of getting it done? Because we are going to be doing things different. In this fall already, we're going to be doing things different.

And that is also involving a whole lot of other dynamics. One is, are variable rates going to be in across Saskatchewan? Are variable rates in transportation costs going to be in? And if they aren't in, are you going to be one of the people that tells the Minister of Transport in how to set up a regulatory body that is going to give us some maximum benefit for the cost offset with losing the method of payment.

Are you going to do that or have you already done it? And if you haven't done it, why haven't you done it, and if you have done it, will you give us that information here in this House today?

**Hon. Mr. Renaud:** — Thank you to the member from Morse. How many rail lines are going to be abandoned? That's a good question. I guess it depends what the federal government does. Some of the indication we get, not from the minister but just through papers, discussion papers, is that, you know, there's some talk of allowing, for instance, all the light steel lines to be abandoned immediately, of taking away the protection to the year 2000 on all the rest of the branch lines. So it could be massive. It may not be that massive but there is about 600 miles, if my memory is correct, of light steel lines, and probably 3,000 miles of branch lines in total.

I guess we have to work with the communities. We have to work with the producers to look at alternatives in their particular areas to find out if in fact there are some options and some alternatives. But what the federal government has to do is allow the producers, allow the communities, allow the municipalities, the tools to look at efficiencies. If they do not give us those tools, the devastation of today's announcement will be that much worse.

**Mr. Martens:** — Well give me a definition of what you think those tools need to be.

**Hon. Mr. Renaud:** — I want to thank the member from Morse for his question. There are several things that of course would have to be discussed. But I would hope that the federal government would put out a proposal, and that's exactly what I said earlier about a puzzle. You know we continually ask that efficiencies be provided to the producer prior to any cuts to the

WGTA. But of course that didn't happen. Now we have the cut to the WGTA; in fact it's gone altogether.

And now a \$300 million transition fund toward efficiency. We do not know what that means. Certainly I believe the producers, the communities, whether it be looking at a short-line alternative or whether it be looking at some kind of a trucking program, those things will be decided I think through consultation. We as a department can help facilitate that discussion and take that discussion from the producer to the federal level. But I wouldn't want to tell you what a producer might tell me tonight.

**Mr. Martens:** — Well, Mr. Minister, this isn't the first time this has been discussed. As a matter of fact, I've had your officials in my communities visiting about these same kinds of issues for the last 13 or 14 years. So it isn't a new subject that we need to have a new invention here about what the dynamics were.

I didn't want to have a detail for one specific community. Overall, you should have some of the things put together that are your proposals or that you think should be things that are dealt with on a very forthright manner in order to benefit these communities.

Give us a strategy that you're going to use in implementing this program. Because if you don't — which is typical of what this whole thing is — we have had for the last 25 to 30 years a discussion on the method of payment and how it should be paid. And how it should be paid, it was absolutely not supposed to go to the producer; it was always supposed to go to the railways.

And I had a producer tell me on Saturday — he said — probably the Sask Wheat Pool is the biggest culprit in this; we always talked about how it should be paid, and we should have been talking about what should be paid. And now we have nothing left.

And that's the biggest reason why we're here today, is we need to start to talk about how it's going to be done, so that what is being paid is going to be equitable across the province.

Do you have any idea of what you're going to be suggesting to the Minister of Transport in relation to how this is going to be done in a community like Riverhurst, or in a community like Kelvington, or communities like Vanguard, or any of these communities in the South, or whether it's in the North?

Do you have any idea how these are going to be done? And if not, what proposals are you giving to the federal government that gives them some options that will lead in a way that is going to be benefit for you and for the people of Saskatchewan?

**Hon. Mr. Renaud:** — Thank you to the member from Morse. As you know, decisions with the airport policy, this policy, everything has been unilateral. I think we have to know the rules. In fact short lines might not be an alternative. It depends on what the rules are that the federal government sets out for us.

And certainly, you know, it would be very disturbing if that wasn't an option, but that could in fact be what happens.

We will continue to consult with producers, with communities, with municipalities, in fact with SARM (Saskatchewan Association of Rural Municipalities) and SUMA (Saskatchewan Urban Municipalities Association), and attempt to have the federal government come out with their suggestions, come out with their rules. They've got to come out with some kind of a proposal before we know where we sit, and that's the strategy that we're taking.

**Mr. Martens:** — Well that's what happened when the two spinsters were talking to each other too. We'll wait and see what happens, and they never went out and initiated any kind of discussion in order to increase the benefit of their options. And now we're standing here as a spinster, 75 years of age and older, in the Crow business and we have a problem, Mr. Minister, because you haven't defined to the federal minister what it is you expect out of him.

And I want to know, so the people of Saskatchewan can know, what do you expect that the Minister of Transport is going to deliver for you and for the people of this province? That's what I want to know, and I think we have a right to know.

**Hon. Mr. Renaud:** — Thank you to the member from Morse. And I think we've made it very clear to the federal government time after time after time that we want a system that is the lowest possible cost to the producer. I mean not a transfer of cost from railways to producers. We want what's best for the producer. How can he get his grain from farm gate to ship efficiently and at the least cost to him. We've said that time and time and time again and we will continue to do that.

You asked me a while ago on who should receive the \$1.6 billion. Well I can't answer that. Maybe the Minister of Agriculture would be better to answer. I have no comment on that. But I want to say that it's important for us in transportation that we try and protect and facilitate our producers to survive in what has happened today.

**Mr. Martens:** — Well when we go to the Minister of Agriculture and ask these same questions, then he says that's the responsibility of the Department of Transport. Why don't you ask him the question. We've been through this once or twice already and we don't get any answers. And that's what the problem is.

What are you going to do to those people in those communities? Give me about half of dozen different kinds of options that you're going to give to the federal government in this discussion. We're past the stage of wait and see. Because by August 1, we're into some serious changes in this whole business — very, very serious changes. And if the federal government are going to take the control of abandonment off, then what are we going to do? Are all of those railways immediately abandoned, and then what are you going to do with the short lines?

We have to have some idea in this province what our options are. You're not giving us any. And the people of the province, I think you owe that to them to give them an opportunity to even talk to the Minister of Transport for Canada.

You need to have something out there so that the people can get a benefit for. What good does it do just saying, you have no idea what the Minister of Transport's eventually going to do, when it's your responsibility to regulate the highways and the grid roads and even the short lines. That's your responsibility. And you're coming here to this House and saying, well we'll just wait and see.

You have less than six months to get this done, Mr. Minister. And communities are going to be asking you the question exactly the same way I'm asking, and they're going to be there by the hundreds asking you those questions. What are you going to give to them as options on making available the way that they can cost out the least cost in transportation that is available to them. How are you going to do that through the department of transport of Saskatchewan. How are you going to do that?

(2045)

**Hon. Mr. Renaud:** — Thank you to the member from Morse. You know one of the problems, I guess, with transportation in Canada is that in the 1800s there was a vision for a transportation policy or a transportation direction in Canada. Now what we've seen, especially in western Canada today, is the cutting of a program that was there to support our producers because of our distance to port.

But we don't see the vision. We don't see what is there next. And that's our problem. The federal government should be giving us their vision of how they see the future in transportation. That's what we're waiting for. Then we can see whether our producers can fit into this, or what adjustments we need to that.

To come up with my suggestion, Alberta to come up with theirs, Manitoba to come up with theirs, B.C. to come with theirs, no. The federal government has to come up with what they see as a vision and let us at that point in time decide if that's a fair vision for the province of Saskatchewan and whether we can live with that and/or does it need some adjustments.

**Mr. Martens:** — Well I think that the payment, as I understood what the federal Minister of Transport said, the payment is going not to be made to the transportation of grain; the payment is going to be made to the land and the landowner. A lump sum payment is going to be made to him. Now from then on he decides what he's going to sell, where he's going to sell it, and all the things involved with that.

There are lots of elevators . . . I'll go back one step again. If variable rates come in, the transportation to the main lines is going to be very, very significant, because people are going to

. . . if they've got it on the truck already, they're going to haul it to a main line station, and then it's going to be delivered along the main line at the least cost.

Are you telling me that you don't even have an opinion about how this should be done or how this could be done, so you could tell the Minister of Transport for Canada how you think it should be done?

Saskatchewan transports the majority of grain in western Canada, and you don't have the insight and the vision to tell the federal Minister of Transport, who doesn't come from western Canada, you don't have the ability to tell him what to do, or what he should do, in your opinion. And we in the province need to have an understanding of what you would do. I don't believe that you have no opinion, so give us one.

**Hon. Mr. Renaud:** — Thank you to the member from Maple Creek. Certainly the department has opinions and works with the producer — or Maple Creek . . . Morse again, pardon me.

One of our opinions is that short lines should get the same treatment as a cement elevator should get. We're very concerned with communities. I mean communities now with an elevator service, with a rail service, if that elevator disappears, what is going to happen to that community? If in fact the rail line disappears, what access to economic development does that community have? So all of these things are very important to us.

We see that short lines may play a role, but it depends on the rules that the federal government sets down for us. And we hope that the rules are appropriate so that short lines will actually have some opportunity in the province of Saskatchewan.

**Mr. Martens:** — Well, Mr. Minister, the payment isn't going to be made by the government, as I understand it; the payment is going to be made by the farmer from now on. He's going to pay the \$30-plus that it's going to cost. He's going to decide where that position is going to be for his grain to go to port. And if that's Saskatoon, if that's Humboldt, if it's Melfort, if it's along the main line in the South, then the decision is going to be made by the individual producer who has that grain for sale. He's going to move it to that main line.

Now the elevator companies will go from a million bushels of business to zero in one year. Can you see that happening, Mr. Minister? Out in your part of the country where you have main lines and branch lines, those branch lines could go down to zero in 1995-96. And then what are you going to do with that community? It's already decided that the farmer is going to pay for the freight.

Now the decision has to be made. Are regulations going to be put into place that the rates are going to be varying from position to position, because then the farmer is going to say, I'm going to haul it to the place that gives me the greatest benefit. And that, Mr. Minister . . . you should have some idea about



where those places are in the province and how many you expect are going to be negatively impacted.

**Hon. Mr. Renaud:** — Well I guess, to the member for Morse, we will continue to work with producers. We'll continue to work with the rural municipalities and the urban municipalities so that the federal government — because they are responsible for rail legislation; certainly perhaps some days I wish it was us, but we're not there — that the federal government in fact gives the producers some options.

The producers — you're right — are very progressive; they will look for alternatives because they have to, and they do a very good job of that. But the farmer needs to know or the producer needs to know what the rules are, what the options are. And we would hope that soon the federal government will give us some indication of what those rules might be. I mean if you look at rail line abandonment, for instance, I have a list of several communities on lines that may be abandoned. You know you look at Arborfield and Zenon Park and Bjorkdale and Gray and Esterhazy and Fulda. These are some of the places that may have no line at all.

These communities should have some say. The producers should have some say as to what's going to happen. And we keep pushing the federal government that it should not be a unilateral decision, that decisions like that should be made with producers, with communities, with rural municipalities, so that they can have input, so that whatever decision is made is understood by all. And in fact there can be some input by communities, by rural municipalities, and by producers.

**Mr. Martens:** — Well, Mr. Minister, the decision's been made. The farmer is going to pay for the transportation, and he's going to pay it out of his pocket. Those communities you mentioned may not have time in the next six months to even tell anybody about what's going on, not even ask anybody what's going on because in 1995 and '96, in that crop year, there is going to be chaos out there. And we want to know from you if there's any contingency plans that you have available or that you can implement in these communities that would give some dynamic of a sense of well-being to these communities. Is there anything like that that you are prepared to do?

I'll just use as an example. Anything south of the CPR (Canadian Pacific Railway) line that runs along the No. 1 Highway, anything south of that except probably one line, is just about to the place where they'll be abandoned in one year. And then moving north of that, there is an area from the Alberta border at least till Regina that is going to be abandoned in the first year after this happens. Why, Mr. Minister? It isn't going to be anything that happens because you say no, we're not abandoning this. But there is going to be zero, zero tonnage on those lines because they will move that to the main line. And that has happened in spades last year. They moved grain from the AgPro terminal in Moose Jaw all the way down south over the border into Montana; lots of grain moved from AgPro. Lots of grain moved from UGG (United Grain Growers Limited) elevators and lots of grain moved from Pioneer elevators as

well, into United States. That, Mr. Minister, is what's going to happen exactly the opposite way because it'll go to terminals along the main lines and then we'll have abandonment in one year, of those railroads. That's what's going to happen.

And I'm not talking about whether the communities will survive, because that's a discussion all on itself. But will you have some way that you regulate and ask the federal minister to regulate that transition period so that the businesses in those communities don't get wiped out just like the railroad is going to be wiped out. What kind of information are you providing to the Minister of Transport about the economic impact that that will be?

**Hon. Mr. Renaud:** — Thank you to the member from Morse. I want to say again that they told us the Crow was likely to change, the method of payment was likely to change. When did we find out about it? Today. We did not know how. We did not know how much. We didn't know anything about it. They say that . . .

**An Hon. Member:** — I'm not even in the meetings and I knew about it.

**Hon. Mr. Renaud:** — You knew the \$1.6 billion? You should have told us that. We certainly would have appreciated that information. But I would say, they say that the NTA (National Transportation Agency) is going to change as well, that the rail policy is going to change. But they don't say how, they don't say when. We think it's going to be by August '95, but we don't know that.

And I guess, how do you fight your shadow? Like there's no vision here. They say things are going to change. They will not talk to the producers. They will not talk to the municipalities. They will not talk to the communities. They will not talk to the province. So certainly we have to know the rules before we know where we're going, and that's what we're waiting for. And hopefully the federal government will have the courage and tell us how they plan to change the NTA, and then maybe we can have our input at that time.

**Mr. Martens:** — I've got one question: is your government initiating any discussion about who will own the CN after it's sold?

**Hon. Mr. Renaud:** — Thank you to the member from Morse for that question. As far as I know, the federal minister is very involved with the privatization, or the commercialization as he calls it, of the CN. I think we can have an efficient CN without privatization, but I think he is on that, sort of on that game track or on that direction. And I think he is perhaps preoccupied with that, so that in fact we are not dealing with the efficiencies, and not dealing with the changes to the NTA that we're so interested in. Certainly I don't know who will own it. I have no idea. And in fact I likely, if I was the minister, would consider other things rather than the privatization of the CN.

**Mr. McPherson:** — Thank you, Mr. Minister. I have a few

questions. I think that we'll start off easy on you, Mr. Minister. But I want to bring you back a few years to when one of the former ministers of the Department of Highways wanted to gravel the highways in Saskatchewan. Because this has actually come up at some RM council meetings in the last few months.

In fact I have a letter here from one of the RMs in the south-west part of the province asking if there's any plans or ongoing plans to continue the program that was announced back, I think it was 1992, to gravel the highways of the province. And just give me some sort of an answer as to where this is at today.

**Hon. Mr. Renaud:** — Well I want to thank the member from Shaunavon for that question. I suppose if the federal Liberal government decides to abandon all the rail lines in the province of Saskatchewan and puts the burden on municipal governments and on the province, who knows. But it's certainly not our intention at this time to turn any roads into gravel.

(2100)

**Mr. McPherson:** — Back when that program was first announced, though, Mr. Minister, the minister of the day made statements that there actually is an ongoing program to revert certain sections of highway back to gravel and it's an ongoing program. Is that not the case today?

**Hon. Mr. Renaud:** — No.

**Mr. McPherson:** — Well then it leads to some questions, Mr. Minister, that are coming up at these meetings. One of the questions has to do with the Highway 18 from the community of Robsart to Frontier. Now this stretch of highway has deteriorated to the point where the people in that area that live in and use that stretch of highway actually believe that your plans really never have changed, because there seems to be no maintenance on the highway. It's in such poor condition I've had three or four invites from people that live along the highway to come down and view it, and perhaps ask yourself to come down and have a look at it.

What other reason then, other than perhaps letting these highways deteriorate to the point where you can justify gravelling them, what other reason can you give us why you're letting the highways go?

**Hon. Mr. Renaud:** — Well I had hoped that you were listening when I gave the response to the people next to you. And I'm not sure if you're aware, but I think when you sat on this side of the House you were quite aware of the interest that we have to pay on our debt, which is \$850 million every year. Certainly it would be nice. We could in fact twin the Gull Lake to the Alberta border, we could twin that highway 25 times every year, every single year until the debt is paid off. And I'm not sure you're aware of that.

But we do more with less, and we try and maintain our highways as best we can. Certainly we've moved in the direction of preservation. We have an \$8 billion highway

infrastructure in the province of Saskatchewan.

In fact we have 25 per cent of all the roads in Canada; 3 per cent of the population to pay for them. So it's certainly . . . We're tested. But certainly, you know, some of it is fix and patch, and fix and patch, and fix and patch. But the people of the province of Saskatchewan understand that. They know the amount of roads we have. They know that we have a financial problem, and certainly now they understand that we're pulling out of that, and we're finally turning the corner, and we're in fact balancing the budget this year.

But we'll continue to do that and maintain the roads as best we can, and move forward on reconstruction and that sort of thing as we go along. But it's slow and it's going to take time. But the people of Saskatchewan do understand.

**Mr. McPherson:** — Well then to be more pointed, Mr. Minister, are there any sections of highways in the province that you're letting revert back?

**Hon. Mr. Renaud:** — As I mentioned earlier to the member from Shaunavon, that, you know, we only have so much money and we have a lot of highways and a lot of roads in Saskatchewan. And like in spring sometimes we'll have problems with a certain highway. It may be that that highway will, as we patch it and fix it, will become gravel for a time until we can get at it to pave it. But certainly there is no plan to turn highways back to gravel.

**Mr. McPherson:** — So then what you're telling me is that there are some highways in the province that you're letting deteriorate to the point where you're having to gravel them.

I don't want to play a game of words here with you, Mr. Minister. Either you are letting the highways go back, or you aren't. Because if you aren't, then I would have to ask you why it is from the community of Cabri — I think it's Highway 37 south to Gull Lake — you've got large sections of that highway that you've actually gravelled. So maybe you would want to be a little more clear in your answers, or you're going to spend a long time in the House.

**Hon. Mr. Renaud:** — That's interesting. Thank you to the member from Shaunavon. Maybe you misunderstood, and maybe I didn't clarify myself enough. That's likely what it was. But like, if the highway in the spring deteriorates, the pavement will be worked up, and it will be gravel for a while, but by that fall normally we have it back to pavement unless there's some unusual circumstance of that particular piece of highway being too wet or some other problem like that.

**Mr. McPherson:** — All right. So then to be pointed, on that one section of highway on Highway 37 south of Cabri, you will be paving that section of highway when? In this upcoming spring or summer?

**Hon. Mr. Renaud:** — Thank you for the question to the member from Shaunavon. That particular section, I believe, is a

heavy oil haul. The department informs me that there needs to be a longer period of time for drying out until it stabilizes, and then certainly it will be capped again.

**Mr. McPherson:** — Mr. Minister, what time frame can we expect that section of highway to be improved? Given the fact that there's so much more oil activity out in that area and if that in fact is harming the highway, how far do you let this thing deteriorate until you go in and fix it properly?

**Hon. Mr. Renaud:** — Thank you to the member from Shaunavon. The department informs me that they will be looking at it in spring and hopefully will be able to do it this summer.

**Mr. McPherson:** — All right. So what about the highway that I asked earlier on from Robsart to Frontier? Now that you've let this section of highway deteriorate to the point where the people out there feel that you're actually doing your gravel program on their highway, can you tell me some specifics about that section?

**Hon. Mr. Renaud:** — I would ask the member from Shaunavon, is there any gravel sections on that road?

**Mr. McPherson:** — I don't know.

**Hon. Mr. Renaud:** — Oh, okay. So what is your . . . I would ask the member from Shaunavon what his question is?

**Mr. McPherson:** — Well the question is quite clear because I think I asked it twice now. The people out in that area, the people that are part of that RM council, have asked if in fact that section of highway from Robsart to Frontier is part of the reversion to gravel . . . in the reversion to gravel program because you have let that section of highway deteriorate to the point where they feel it is.

And I just want that answered by you. Clear it up for them. What do you intend to do about the highway? Are you going to let it deteriorate further? Are you going to fix it up? Is it getting beyond with just small amounts of repair — even though it hasn't had repair — is it getting beyond what can be handled by a small repair?

**Hon. Mr. Renaud:** — Thank you to the member from Shaunavon for the question. Because of our budgets we certainly have in the last while concerned ourselves I guess more with the high traffic areas, the areas that have had more accidents and more fatalities.

And I note on that particular highway that the average daily traffic count is 50 vehicles. And if I compare that to No. 16 — and maybe that's a poor comparison — but the average daily traffic count on Highway 16, where we're doing some work in twinning, is 3,500 vehicles a day.

So I guess I just want to let you know that we can't do all the highways at once. So we have a priority. And we look at traffic

counts as one of the criteria that we look at. So when we compare 50 vehicles per day with other highways in the province — in fact I would say that would be one of the lowest travelled highways — maybe you'll come back to me and say well that's because of the condition and maybe you're right; but nevertheless it is 50 vehicles per day at this point in time, 50 to 60 vehicles per day.

And so, you know, we have a priority list and we only can do so many each year. So of course it would be, you know, it would be certainly lower on the list. Also condition is taken into account, but certainly so is traffic accidents and fatalities.

**Mr. McPherson:** — But, Mr. Minister, essentially what your argument is is the same that the Minister of Health has given to rural Saskatchewan, that in fact they can't have health care because we don't have as many people in rural Saskatchewan as they have in Regina or Saskatoon. People aren't buying those arguments any more, Mr. Minister.

In fact with the changes that are coming about in grain transportation, you're going to have to at some point do something with these rural highways. You cannot let them continuously deteriorate. Now do you have a plan or don't you, for some of these highways? We'll ask some specific ones.

From Highway No. 13, from Shaunavon to Hazenmore. Now that's been in dire need of repair for many years. What are your plans for that specific section of highway?

**Hon. Mr. Renaud:** — Thank you to the member from Shaunavon. I guess, you know, it all comes down to maybe economics in a sense. I mean do you spend \$350,000 a kilometre — that's a million dollars for every 3 kilometres — where you have very little traffic, or do you try and maintain what you have?

And our feeling is that in an area like this, is that we continue to maintain and preserve that section of highway. And I think that's only reasonable. I think if you sat on this side of the House you would agree with me. And I know because you sit on that side of the House, you have to disagree with me. But I mean, if you use common sense, you have to know that you have to spend where the higher traffic is, the more accidents, and the higher fatality rates.

I would love to be able to pave every highway in the province of Saskatchewan. I would love to go down there and pave that section of highway and redo it. But I can't do it right now. So I guess you have to understand and explain to the people that we will work and preserve it and keep it to the best of our ability.

**Mr. McPherson:** — Well thank you, Mr. Minister. But when I sit down, hopefully you'll answer the question that I had asked previously. What are you going to do with the section of highway from Shaunavon to Hazenmore, Highway 13? I'll give you a few others so these people can know what to expect from you and your department.

I believe it's Highway 19 from Mankota to Kincaid, is another one that's . . . In fact, you know, you're letting these highways get to the point where it's not just that people want to abide by the law and wear seatbelts, they must. They would get thrown right out of the vehicle on some of these highways.

Highway No. 37, south of Shaunavon to Climax — in fact that's another section of highway where they've put in a new border station at Climax. I don't think . . . it's not a 24-hour station at this point, but I think perhaps the governments have some idea of making that the case in some point in the future.

Another one would be Highway No. 4 from Cadillac to Monchy. Mr. Minister, you were at a meeting in Val Marie not all that long ago, some months ago I guess, in regards to when you and your department tried to close down highway depots. And in fact this section of highway, you were lobbied extensively that night and I didn't hear you say no, we won't be building that highway. And I think the people, you sort of left it up in the air. Maybe you weren't as brave that evening as you will be tonight. Maybe you'd like to tell the people of these sections of highways exactly what you intend to do.

(2115)

**Hon. Mr. Renaud:** — Well thank you to the member from Shaunavon. I want to say that I really enjoyed being out in Val Marie. I didn't get political with the people there; I was just very honest with them and I think they appreciated that very much.

But I want to say that some of the highways I drove on in your constituency were quite good in comparison to some other highways in some other areas. And I know that they would like a better highway and I can understand that. So would I. And a lot of members here would like better roads in their particular area.

But you have to understand that we've got 25 per cent of all the roads in Canada, 3 per cent of the population to pay for them. It's a little more difficult.

But I want to say to No. 37 and No. 4, now you're talking of border crossings and I can understand that. And we have to also consider what the United States government is looking at border crossings, because we wouldn't want to do a section of road to the border and all of a sudden find out that our American counterparts are doing the highway just next to it and they don't quite meet.

So I think those kinds of things have to be coordinated. And I believe the federal government is working with the U.S. government on some of those issues and we will continue to try and stay in tune with the governments of Montana and the governments of North Dakota in regards to those crossings.

But I want to say to the member from Shaunavon, you know it would be good to build all your highways in your constituency, but you have to understand that there are other roads in the

province of Saskatchewan. You know like, I know where Shaunavon is and it's a fairly large constituency, but there are 65 other constituencies in the province. So when you ask these questions, try and think of other people in the province. You know everybody has needs and so you have to share the amount of money that you have province wide. And you take a look at the traffic counts, you look at the fatalities, you look at the accident rates, you look at economic development, at tourism. You take all those kinds of things into account. We have moved into not adding to that \$8 billion infrastructure, but more to preserving that infrastructure, and we will continue to do that.

**Mr. McPherson:** — Well thank you, Mr. Minister, for that lengthy answer. I noted that you made mention of keeping in constant contact with some of the bordering states, and in fact what they're doing with their highways approaching the borders. So could you give me an update as to what you have found out recently, as far as what the state of Montana is doing?

**Hon. Mr. Renaud:** — Thank you to the member from Shaunavon. We're awaiting the state of Montana's planning. They have a situation in the United States that's a little different than Canada. Their federal government contributes 33 per cent to their national highways; our federal government here contributes 6 per cent. So their situation is a little different; they can afford a little more interstate type of highways.

And so we will await the state of Montana and in fact the state of North Dakota too, to see what are their plans so that we don't, like I mentioned before, build a new highway to the border and then all of a sudden find out that they're intending to build one over here. So I think these things have to be coordinated. I mean I know the government . . . or the previous administration were used to wasting some money. Maybe you would like to do that, I don't know. But we're not, we don't like to do that.

**Mr. McPherson:** — But, Mr. Minister, you said in the House that you were in constant contact with the Highway departments in the States. And I'm asking you in one in particular, from the Port of Monchy south into Montana. Now if you were correct in the House in saying you're fully aware of what they're doing, then just tell me right now, what are they doing?

**Hon. Mr. Renaud:** — Thank you to the member opposite. I can't tell you right offhand, but it's my understanding that they have not decided. They would like to, but they have not decided.

And certainly I remember being at Val Marie and asking you to help me lobby the federal government for the national highways program, and I would like to know what you did in that regard. Because if we would have had more money for the national highways program, we could have spent more on the other roads. So I would like to know what you did in fact to talk to Mr. Young, as a Liberal, in regards to participating in the national highways program.

**Mr. McPherson:** — Mr. Minister, it's no wonder the people of the province are so upset with your government, because you're not even in touch with your own department.

I have a letter here — and I'll sent this over to you in a moment, Mr. Minister — from the rural municipality of Val Marie, No. 17, January 25, 1995. And I'll just read you the first paragraph:

As reeve of the RM of Val Marie No. 17, I would like to draw to your attention several items which should be dealt with in the upcoming legislative sitting.

As you are aware, No. 4 Highway is a major highway link on the north-south route from Billings, Montana to Prince Albert, Saskatchewan. Phillips County has already committed itself to improvements to the final section of the Montana highway which connects with No. 4 at the Port of Monchy border crossing. This leaves the portion of highway from Monchy to Cadillac, Saskatchewan in dire need of upgrading.

How is it that the rural municipality of Val Marie No. 17, knows all about what Phillips County is going to do — they've already committed themselves — and you and your department have no idea what they're going to do?

Well no wonder you wouldn't go and build a road up to the Port of Monchy when you have no idea, because I don't think you've ever consulted with anyone outside the province as to what they intend to do with their highway systems.

I'll send this letter over to you, Mr. Minister. But don't you agree that . . . or don't you now see the concern the people of the province have with you and your department and your government? You're completely out of touch. How would the RM of Val Marie know all about this, this highway program in the States, and in fact the section that they're waiting to get built is from Cadillac to Monchy. And then they've got good highway all the way from way down into the States up to Prince Albert. Why aren't you in touch? It makes everyone wonder why you're so out of touch, Mr. Minister.

So what do you intend to do as Highway minister with that small chunk of Highway No. 4, if in fact on both ends of this trading route it's being upgraded?

**Hon. Mr. Renaud:** — Well thank you to the member from Shaunavon. Now certainly what we will do is check it out with the state government. But as you are aware, I'm sure, a county is like a rural municipality. And I guess you can commit itself to a certain road, but it's my understanding that they need federal funding for this road. But we will certainly check it out.

So I know they would like it, like you would like roads in your constituency, but I think there's another catch here. And I think the catch is that they are awaiting federal money or to see if it would indeed be considered by the federal government into their national highways network.

**Mr. McPherson:** — Mr. Minister, are all of the highway plans for grading and paving and what not, are they in place for this upcoming year?

**Hon. Mr. Renaud:** — Generally they are. There is a few that under the Transportation Partnerships Corporation that are not finalized at this point in time.

**Mr. McPherson:** — Can you provide us with the list of all those that are finalized since, as you've just said, they're almost all finalized.

**Hon. Mr. Renaud:** — Yes we will do that. It will take us about 10 days, and you will receive that information.

**Mr. McPherson:** — I appreciate that, Mr. Minister. And with that same list of projects, will it also show what's going to be done and for how many kilometres and at what cost?

**Hon. Mr. Renaud:** — Yes it will. In fact it will be broken down into cost per kilometre and the whole bit. And, you know, that of course depends on the weather. I mean last year we got more roads done than we did the year before because we had better weather. But you will receive our plan. It will list the highways. It lists the length. Yes, you will get that information.

**Mr. McPherson:** — Well I appreciate that.

Mr. Minister, not so long ago of course you and your department had a policy and a plan to close a lot of the highway depots throughout the province. I knew of some five or six in the south-west, and of course that's what drew you down to Val Marie; it was your plans to close some highway depots.

Could you tell us exactly where that's at today, Mr. Speaker, because I had so many letters from communities and rural municipalities all throughout the south-west part of the province that had concerns with your thoughts that perhaps rural Saskatchewan didn't need these services. And please enlighten us now.

**Hon. Mr. Renaud:** — I'm not sure if you were at that meeting in Val Marie; I think you were. In fact I think I sat right beside you. And I think I wrote you letters several times before that with the same answer — no. And I don't know how many times I have to tell you, or if you don't understand the word no, I'll get a dictionary and I'll send a copy of it over. There is no plans to shut down any maintenance depots.

**Mr. McPherson:** — Well, Mr. Minister, I thought you learned your lesson that night at Val Marie with the good people there when they called you on that and in fact proved that there were plans in place; that there were letters sent out to some of the staff, Highways staff. And you backed down from the people that night, Mr. Minister. I'm surprised that you now have the nerve to stand up and say there was no plan in place, when I could provide documentation to the House which is right from your department, saying there was.

Now I'm asking you, what plans do you have from this day on, not so much whether there was a plan in place or not, because we all know there was, Mr. Minister.

And it wasn't just from the town of Val Marie or the RM of Val Marie; there were communities going a few hundred kilometres away from Val Marie that have no contact with that community, but in fact they were also writing letters. Their staff and field men were also getting the same letters saying they would be transferred and such. So I'm asking you, don't try and give us those kind of answers and buffalo the people here; tell us what you're going to do from this day on.

**Hon. Mr. Renaud:** — Well thank you for that question to the member for Shaunavon. You know we're going to get better and better as the Department of Highways and we will continue to do that.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Renaud:** — And our roads are going to get better and better. And I hope you support us. And I think as we move along and get better and better, we look at efficiencies; we look how we can service the customers better. And we will continue to do that. And I told you before that we were not intending to close any maintenance depots, and that is still true today as it was then, and will likely be tomorrow.

**Mr. McPherson:** — Well, Mr. Minister, if the people in that community were wrong, one has to question why they petitioned you to leave their depot open. You at least paid them the respect to sit for a few hours, take your beating, and agree to change it that night. So I mean it's confusing that you would now come in here and try and deny it when you're on record in the community of Val Marie for changing your plans.

Mr. Minister, you had mentioned some figures a little while ago about the infrastructure program. And I notice in the budget document there's no line in here for any matching monies with the infrastructure program so I take it then that the new Crown corporation that you're forming is handling all the infrastructure works. Is that right?

**Hon. Mr. Renaud:** — Mr. Chairman, could I ask to have the question repeated.

**Mr. McPherson:** — You're forming a new Crown corporation, transportation corporation, and I'm asking you if that corporation is handling all of the work that the infrastructure program that the federal government came out with . . . Is that what the Crown corporation is for?

**Hon. Mr. Renaud:** — Well thank you to the member from Shaunavon. No, it will not be. The infrastructure program is separate from any national highways program or anything like that. The infrastructure program . . . the only monies used by Highways in the infrastructure program, to this point, was the Cumberland bridge. There were \$2 million from the province, \$2 million from the local community, and \$2 million from the

federal government.

**Mr. McPherson:** — All right. So you're saying the Department of Highways has no contact in the infrastructure program, basically. So why then . . . explain why then you need this Crown corporation. What's the purpose of it?

**Hon. Mr. Renaud:** — Well I'm glad you asked that because I think if you went to the road builders, or if you went to industry like the mining companies — in fact Cameco and COGEMA are two examples that have used a partnership with the department already — what they have been telling us is they would like to see a vehicle so that they can see that the monies being spent on a particular road would match their contributions to that road. So this will give a clear vehicle for doing that. And so they are more likely to participate with us in a partnership so we're trying to make it easier for industry and more acceptable for industry to partnership with government.

**Mr. McPherson:** — And will there be any staff for that Crown corporation, for just that Crown corporation? Is this going to require more administration?

(2130)

**Hon. Mr. Renaud:** — I don't know if you listened to the second reading speech, but there is going to be no employees. There is going to be a board of four people which includes the minister, the deputy minister, the assistant deputy minister of operations, and the assistant deputy minister of programs.

So like it's not going to cost the government any money. It's just a vehicle so that industry is more comfortable with partnershiping with government.

**Mr. McPherson:** — Thank you, Mr. Minister. I notice that on page 77 on the budget document you're going to have full-time equivalent staff. You're operating with 70 less staff; is this correct?

**Hon. Mr. Renaud:** — That's right, to the member from Shaunavon. And that was handled through a process of voluntary early retirements.

**Mr. McPherson:** — Well is it all handled through voluntary early retirements or is it perhaps handled . . . Because if I look at subvote 3, we have in preservation and maintenance, salaries are decreasing almost two and a half million dollars and capital operating is \$4.2 million decrease. So that tells me for the highway crews or the people that are actually out there doing the work, riding in the trucks and the tractors, doing the work of the highways, that we're cutting their salaries back, we're reducing that staff, and in fact we're spending a great deal less money — four-million-and-some dollars.

And yet I look over in subvote 6 in policy and programs, salaries are going up just about \$300,000. And in fact while they're going up, while those salaries are going up, your operating even in policy is taking quite a drop.

So obviously, looking at the budget document, it's showing that you're prepared to spend more on administration and the setting of policy, but the ones that are taking the hit are the people that are actually providing the service to the people in Saskatchewan and in fact rural Saskatchewan.

**Hon. Mr. Renaud:** — To the member from Shaunavon. This is to do with reorganization, and I would like to send you over that information because it's fairly complicated, if that would be okay with you. Okay.

**Mr. McPherson:** — Well in this reorganization, will this document you're going to send . . . does it show all the staffing changes that have occurred in the last year? And in fact I'm not sure if you sent to our caucus office a list of the responses from written questions that the other opposition party provided. Have you done that, or could I ask you to do that?

**Hon. Mr. Renaud:** — . . . ask the member of Shaunavon, can you clarify that request, the last part of it.

**Mr. McPherson:** — The official opposition had sent a series of questions out to all the departments. Did you get a set of those? Oh, you did? It was your responses that I'm interested in, Mr. Minister, to see if . . . I'm unsure if you sent those responses to our caucus or not or to myself. And could I ask you to do that.

**Hon. Mr. Renaud:** — Okay. Those responses are being prepared right now, so you will receive them, but you will also receive this separately. Okay?

**Mr. McPherson:** — Mr. Minister, does the . . . obviously with some of the changes that are coming about from today's federal budget, you and your department were aware that they were coming. I think everyone in the province, everyone in Canada, knew that some of these changes were coming about and getting themselves prepared and getting themselves ready to handle the changes coming about. So I can only assume that with a province with over half the farmers in Canada within our provincial boundaries that you and your department have done a great deal of work in this area as far as what's coming down and how best the province would react to whatever is coming down in the WGTA cuts.

And in fact I can only assume that you've got some long-term plans that you've prepared, and I'm wondering if you can give us some explanation of where your long-term plans are going and if you've done any costing to these plans.

**Hon. Mr. Renaud:** — Well that's a very interesting question coming from the member from Shaunavon. You know I sat in this House last year, and I remember being quizzed about the changes to GRIP (gross revenue insurance program). And he was certainly a supporter of the old GRIP program, and the very costly program. And now he says we should be ready for the changes in the WGTA that the federal government just did. I have a real hard time to understand the change of mind that the member from Shaunavon has all of a sudden found himself taking. I guess I mean when you become a Liberal, I guess you

become a Liberal, and it's quite interesting though.

But I guess I would like you, sir, if you could request from Mr. Young some idea where he's going with the NTA, the National Transport Agency, so that we would know, I guess then, how to help facilitate producers and communities and municipalities to deal with this change to the WGTA, with this loss of this money. And what are the efficiencies that they are talking about? How are they going to change the NTA? If you could do that, I think it would certainly help us.

Meanwhile we will continue to talk to the producers, to talk to the communities, to talk to the rural municipalities to get their feelings. But to say we should have known about the change, when the federal government doesn't tell us anything, is not right. Now if you knew prior to today, you certainly should have let us know so that we could have perhaps been more ready for what happened today.

**Mr. McPherson:** — Well, Mr. Minister, nobody's going to buy that answer from you. You know very well that international trade rules set out that WGTA was going to go through some dramatic changes. Now you and your large staff . . . and I say it is large. I look at the budget here; you've got a lot of staff, people in the policy and planning department. You've got a \$300,000 increase in pay. Now you can't tell me that you and your staff haven't sat down and thought, well obviously here are the changes that are going to come about because of international trade rules. You knew that, Mr. Minister. You knew that was coming.

So I'm asking you, because you are in charge of the Highways department and Transportation, what have you sat down and thought of as a long-term plan? Where do you see the province going?

You didn't even have to talk to the federal government to know that these changes were coming about. They were obvious unless of course you or no one in your department reads the newspaper or follows the news because everyone else in Canada knew this was coming about.

So I'm asking you: do you or do you not — I guess is the first question — have any plans, or do you just sit back and accept your pay, and do a little bit of maintenance? Most highways don't even get that. Just give us some idea what you do.

**Hon. Mr. Renaud:** — I wonder if the member from Shaunavon has asked a producer in his area what he's going to do. I think he would say the same as what I'm going to say, is that you know it's pretty hard to respond when you don't know what's happening. I think you have to understand that any changes to railway reform has nothing to do with GATT (General Agreement on Tariffs and Trade). I don't know if you understand that, but certainly that's a fact. And transportation, that's our area of concern, is railway reform. We have no indication at all as to where the federal government's going to go with it. They will not give us the rules that we have to look at or the options that they're going to allow producers to look at,

or even some word from the minister that, we're going to go in this direction; what do you think?

I would think it would be the federal minister's responsibility to ask the producers, to ask the provincial governments, to ask the rural municipalities, and to ask the communities: what do you think of this? This is the changes we're going to make; what do you think of them? Are they good? Are they bad? Should we adjust them?

But oh, no. You want us to come out and sort of have, I guess, some kind of a policy, when we don't run the railways. Do you want Manitoba to do the same? Do you want Alberta to do the same? And B.C. to do the same and Ontario to do the same? Come on, get behind us. Ask the federal government to give us an indication of where he expects or what changes he expects to the National Transportation Act so that we know where we're going.

**Mr. McPherson:** — All right, Mr. Minister. As you were saying, you had hoped that the federal government would have asked you your opinion of where this is going. And that's what I'm asking you. What are your plans? You must have some type of a plan in the bag in the event that you are asked for your opinion.

**An Hon. Member:** — Well do you not have a plan? This isn't health care; you have to have a plan.

**Hon. Mr. Renaud:** — We had a plan of health care and I'm glad you brought that up. And certainly we had a plan, and we consulted with the people and we moved the plan forward. And that's what should be done. I mean we're responsible for health care; that's our job. The federal government is responsible for transportation. Tell us their plan and then we can react to it.

I told the members to your right that you can't fight . . . do you fight with a shadow? You have to know what you're fighting or what you're agreeing with or what . . . (inaudible interjection) . . . No, the federal government has a responsibility to tell us how they're going to change the rail transportation system in this province. They have to tell us what their vision is, then we can discuss it with them. Each province telling the federal minister what a rail policy for Canada should be? Get off it. It's the federal government's responsibility and we're awaiting that.

**Mr. McPherson:** — So then, Mr. Minister, what have you asked of the federal government or what have you put forward to the federal government in any meetings that you've had to date?

**Hon. Mr. Renaud:** — I guess what . . . in my last meeting on February 8 with Minister Young, the discussion was when and what, and I continued to ask him that question. Our concern is that efficiencies be related to producers' cost. What is the cost to the producer to get his commodity from farm gate to the ship? I mean there has to be a benefit and efficiencies to the producer, that it's just not good enough to transfer costs from the railways to the producer or to the province or to the

municipal government. That's what I'm telling him. Now we're awaiting his reply.

**Mr. McPherson:** — But, Mr. Minister, now you're making statements that you're raising with the federal minister of your concerns of a least-cost system from the farm gate to port. So what I'm trying to find out from you, Mr. Minister, exactly what does this least-cost system that you're referring to, what does it look like in your eyes. What are you prepared to do say for the branch lines and for the short lines?

**Hon. Mr. Renaud:** — Well thank you for the question to the member for Shaunavon. I'm sure the producers are smart enough to figure out what they can do but they've got to know the rules. They've got to know what the federal government is going to make as regulations and legislation. They have to know where their limits are, what the rules are, so that they can in fact seek and we can maybe help facilitate them. Or maybe we can act as a mediary between the producer and the federal government to get their ideas to the federal government. But we have to know the rules and this is what we're asking Mr. Young for.

(2145)

**Mr. McPherson:** — Mr. Minister, just a few minutes ago you had made mention that you've been out consulting the people. Can you tell us in what form and fashion and who you consulted with?

**Hon. Mr. Renaud:** — Thank you to the member from Shaunavon. Certainly the department continues to consult with producers. I wish the federal government would do that. We've had several meetings with producer groups. We have continuous meetings and continuing meetings with SARM and SUMA. But until today nobody knew exactly what was going to happen to the WGTA. We knew it was going to change. We knew something was in the wind. We didn't know how much, we didn't know how, and we're still not exactly clear but we have a better idea today.

But I mean, you can consult and you can talk and you can talk of efficiencies and all those kinds of things, but you still have to know the rules. And the producer wants to know that. I mean they're asking the federal government, as we are asking the federal government, to tell us what are the rules, what is the direction, what is the vision for the transportation policy for the country of Canada. We're waiting, and in great anticipation.

**Mr. McPherson:** — But, Mr. Minister, a while ago you spoke of how Saskatchewan has, I don't know, how many times more highways than any of the other provinces, and obviously we have half the farmers here. We move a great deal of the product, raw product, from Saskatchewan. So it's of such great importance to the province, surely you've sat down and thought of how this is going to impact the province and what you're prepared to do. So now can you state clearly what it is you're prepared to do because it is of such great importance to the province?



**Hon. Mr. Renaud:** — Thank you very much. Again I want to tell the member from Shaunavon, you know, do we build a road when we don't know if a particular line is going to be abandoned? Or do we ask producers to support a short-line railway when we don't know if the line is going to be abandoned? I mean this is what I'm trying to tell you. We've got to get the rules, we've got to get the direction, so we know what's happening. And until the federal government, who are responsible for the railways — maybe it would be good if we were, but we're not; the federal government's responsible — they've got to tell us what their plans are so that we can react to those plans, so that we can help facilitate producers look at the most efficient way of getting their product from the farm gate to the ship. And we will do that, but we have to know the rules that we're playing by. And we will continue to do that.

**Mr. Goohsen:** — Thank you, Mr. Chairman. Well, Minister, I think maybe it would be good just to continue this line of questioning a little bit further. So, Minister, don't you think it would be a good idea if you had a contingency plan, just in case some of these branch lines for sure are abandoned? Because there is a map, I'm told, that has been around for many, many years, showing which branch lines are targeted to be abandoned at certain dates. In all probability, the conventional wisdom seems to be that that plan will be followed.

So certainly we could get a hold of this map, take a look at it, and have a contingency plan perhaps of what you're going to do in those areas where those branch lines are targeted to be abandoned at certain years. So have you done anything along that line, Minister, of providing a contingency plan in the province of Saskatchewan?

**Hon. Mr. Renaud:** — Well first of all — I don't know how many times I have to say it — but the federal government is responsible for railways. They're responsible for the legislation. They're responsible for the decisions in regards to abandoning rail lines and that sort of thing.

And I guess what we are trying to do is work with producers and try and help them, I guess, to tell the federal government what they would like to see or how they can get their grain from farm gate to ship at the least cost to them and in the most efficient way. But they have to know those rules. And we continue to ask the federal government for their position, their vision, their rules. The producers continue to do the same. I know Mr. Sinc Harrison has done that several times on behalf of SARM. And we have to know those kinds of things before we can proceed.

Like I mentioned earlier, do we build a new road in a particular area because we think that that particular line is going to be abandoned? Or do we ask a community to study the possibilities of a short-line railway in that particular situation, when we don't know if that particular rail line's going to be abandoned? I mean you know, I know, maybe your government spent money without thinking of the consequences, but we would certainly like to know first before we spend the money, and we'll continue to do that.

And I notice that the member of Shaunavon asked a few questions just a little earlier. But I wonder where he was. Was he asking the federal government for the \$1.6 billion pay-out in the WGTA, or was he behind the producer groups in asking for the \$7.2 billion from the federal government like the farmers were and like this government was and what the Alberta government was asking for? I wonder where he was?

**Mr. Goohsen:** — Thank you, Minister. Well, I don't know where he was and much less I care where he was. And I can't answer for the member from Shaunavon, and I don't want to answer for him either.

But I'll tell you right now where we stand. We're fully supportive of \$7 billion for the producers from the Crow, and if you can get it, you can count on our support to try and help you any way possible. And if it means crawling to Ottawa on our hands and knees, we'll go with you. That's how committed we would be to giving you a hand.

Now, but I take a little exception to the fact that you say that we in the past administration, which I wasn't a part of, but you keep alluding to the fact that I'm somehow responsible, so I'd like you to tell me which one of the projects that was built in Saskatchewan would you say that we should get rid of: the pulp mill at Meadow Lake; the lumbering operation over in Prince Albert; maybe we should get rid of Saskferco; and we could sell those and build highways. Or maybe there wasn't enough jobs created by some of the other projects done.

Now realistically, let's be fair about this, Minister. It cost a lot of money to put a job base into Saskatchewan but you wouldn't have the intestinal fortitude to pull out any one of those projects today because you'd get railroaded out of Saskatchewan and out of Canada.

The reality is it was expensive to do but it was the right thing to do and it's proving to be a benefit to you as a government. The same as the oil patches there and running on the same royalty programs that were basically in effect in the 1980s and if you'd have tinkered with them and moved them around like you suggested at one time, they'd have taken off like a bunch of geese heading south for the winter.

So let's be a little bit fair about the realities of life. Some of the things that were done seemed to be a very rash at the time. But they have proven to be good, backbone, solid, job-creating projects for the province of Saskatchewan. And they've done a lot of good. Maybe more good than people have realized or given credit for, but as time goes by they will realize that it is the kind of thing that is necessary in a society if we are to survive.

Now let's get back to some highways, Mr. Minister. What about criteria. What about criteria, what about criteria when you decide which highway should be fixed or which highway shouldn't be. What criteria do you use?

I just came off of the bus tour around this entire province with

the safe driving committee. And we bounced our way over this whole province. I think we missed maybe one or two highways in the whole province but we did hit a bunch of them. And we bounced over a lot of them. And the guys kid me that the ride was so rough that's why the only number I could write was a one because everything else was too scribbly. While Highway No. 1 is important, but there are a lot of other roads, and I would seriously like to know what criteria you use to decide which roads should be built.

**Hon. Mr. Renaud:** — Thank you to the member from Maple Creek. We actually use the quality of the road or of the asset; we use the benefit to the people of Saskatchewan. Certainly safety is a concern; I mentioned that earlier, fatalities and accidents; and of course the cost and what we have in our budget in comparison to the need. We created a transportation council, policies council, involving SARM and SUMA and the Department of Highways; this will be enlarged and it will be a permanent structure in the next little while, and certainly they will advise us on policy issues. And this is one of the areas that we will be asking their input.

**Mr. Goohsen:** — Well thank you, Minister, but I need to pursue this a little more because I didn't get an answer that I really understood and I doubt if the people of Saskatchewan would understand this either.

Now you have a weighted formula; I'm presuming that this is a formula. Okay, suppose you got potholes in the pavement from the weight of the vehicles pushing the road down, and when it rains those fill up with water and a car hits it and they start to plane off the road and they have accidents. How much weight would you give to those factors of dipping in the road that would actually hold water like a reservoir?

**Hon. Mr. Renaud:** — Thank you very much for the question. Those highways would certainly be looked at, you know, in regard to, do they need to be reconstructed, or in fact can maintenance look after that particular situation. But what I offer to you is that the department is more than willing to give you a demonstration of our asset management plan, and we're just moving into that direction as of last year. And certainly they would be willing to give your caucus or yourself personally a demonstration as to how it works. And that might be very, very interesting.

**Mr. Goohsen:** — Thank you, Mr. Chairman. Minister, it certainly would be very, very interesting and we'll take you up on your offer right now, no questions asked any further about that part.

But now just to understand what we need to get ourselves ready for, how long will it take you to explain this plan to us and what do we have to prepare to contribute.

**Hon. Mr. Renaud:** — Well you could actually call Ralph Klein in Alberta, because they're looking at our asset management plan now and in fact adopting it. So you know, I don't think it takes that long. It's very interesting. It's a very

good concept. And in fact if you want more information you could maybe give Mr. Klein a call and he can sort of give you some more information on it.

**Mr. Goohsen:** — Thanks, Minister.

The committee reported progress.

The Assembly adjourned at 10:01 p.m.