

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**March 22, 1995**

The Assembly met at 1:30 p.m.

Prayers

**ROUTINE PROCEEDINGS**

**PRESENTING PETITIONS**

**Mr. Goohsen:** — Thank you, Mr. Speaker. It gives me great pleasure today to present petitions on behalf of the people from Tompkins, Gull Lake, Kyle, Medicine Hat, Swift Current, and the Webb area, mostly from the south-west part of the province. I'll read the prayer:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to allocate adequate funding dedicated towards the double-laning of Highway No. 1; and further, that the Government of Saskatchewan direct any monies available from the federal infrastructure program toward double-laning Highway No. 1, rather than allocating these funds towards capital construction projections in the province.

As in duty bound, your petitioners will ever pray.

I'm happy to table these today.

**Mr. D'Autremont:** — Thank you, Mr. Speaker. I have a petition to present today. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to unequivocally oppose changes to present legislation regarding firearm ownership, and instead urge the federal government to deal with the criminal use of firearms by imposing stiffer penalties on abusers, and urge the federal government to recognize that gun control and crime control are not synonymous.

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

These petitions come from the Hepburn, Debden, Martensville, Osler, and Saskatoon areas of the province, Mr. Speaker. I so present them.

**Mr. McPherson:** — Thank you, Mr. Speaker. I also have a petition. The petition is from people of my home town of Shaunavon. The prayer is as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to unequivocally oppose changes to present legislation regarding firearm ownership, and instead urge the federal government to deal with the criminal use of firearms by imposing stiffer penalties on abusers, and urge the federal government to recognize that gun control and crime control are not synonymous.

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

**READING AND RECEIVING PETITIONS**

**Clerk:** — According to order the following petitions have been reviewed, and pursuant to rule 11(7) they are hereby read and received.

Of citizens of the province petitioning the Assembly to oppose changes to federal legislation regarding firearm ownership.

And to require the directors of the Pool to seek approval of Pool membership by a vote before the proposed changes to the Saskatchewan Wheat Pool are enacted by the Legislative Assembly.

And petitions to allocate adequate funding dedicated toward the double-laning of Highway No. 1.

And according to order, the following petitions presented on March 20 and 21 urging the government to provide funds for acute care bed at the Prairie Health Care Centre at Cabri were found to be irregular and under rule 11(7) they therefore cannot be read and received.

**INTRODUCTION OF GUESTS**

**Hon. Ms. MacKinnon:** — Thank you, Mr. Speaker. Mr. Speaker, it's my pleasure to introduce to you, and through you to all members of the Legislative Assembly, a group of grade 4 students from St. Gerard School in Saskatoon. These students, along with their teacher, Mr. Léon Bezaire, are part of the French language pilot for the new social studies curriculum.

One unit of this new curriculum includes a study of government and how it works. Their trip to the legislature today is part of that study. Following their visit to the gallery today the students will be given a tour of the Legislative Building. I look forward to meeting with them later to share their impressions.

Mr. Speaker, I ask all members to join with me in giving these young students a warm welcome.

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

**Hon. Mr. Pringle:** — Thank you very much, Mr. Speaker. Mr. Speaker, it is my honour today to introduce some special guests in your gallery. Of course all people in the gallery are special, Mr. Speaker, but these people, today I would like to introduce, and I would ask them to stand as I introduce them, please.

First of all, Dr. Deborah Parker-Loewen, our child advocate, who will be confirmed later today; her husband Rob Loewen; Trent and Sarah; and Paul is at home writing an exam, so he has his priorities, I guess, Mr. Speaker.

Also the staff of the child advocate office: Cathie Flood; Gina Alexander — I guess they're busy working — Leslie Erhardt. Anyway, those are the staff members and we thought they

would be here. Also, Mr. Speaker, and members of the Assembly, Lin Gallagher, Deborah's sister . . . boy, this is working well. Okay.

Mr. Speaker, it's also a pleasure to introduce, in your gallery, Barbara Tompkins, the Ombudsman — thank you, Barbara; and Gord Mayer, the legal counsel for the Ombudsman and child advocate offices. These people work closely together.

**An Hon. Member:** — Should have quit while you were ahead.

**Hon. Mr. Pringle:** — Okay. Well should have quit while I was ahead.

Mr. Speaker, I would invite all members, as I know they will want to, to welcome the special guests in your gallery.

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

**Mr. Britton:** — Thank you, Mr. Speaker. Mr. Speaker, on behalf of the official opposition, I would like to join with the minister in welcoming Dr. Deborah into the Assembly. And I think I would also ask the Assembly here to give her a very warm welcome. She has a tough job and she's doing it very well.

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

**Hon. Mr. Cunningham:** — Thank you, Mr. Speaker. I would like to introduce to you and through you to the members of the House today, Emmanuel Kaunda. He's a lecturer at the Bunda College of Agriculture, University of Malawi.

Mr. Kaunda is in Saskatchewan for a short time to study aquaculture as part of an ongoing program where SIAST (Saskatchewan Institute of Applied Science and Technology) and Bunda College of Agriculture are partners.

I invite all members to join us in welcoming Mr. Kaunda to the Assembly today.

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

**Mr. Flavel:** — Thank you, Mr. Speaker. Mr. Speaker, I want to introduce to you and through you to the members of the Legislative Assembly today, 21 grade 12 students that are situated in the Speaker's gallery with their teacher, Diana Ritter, with them today. I had the pleasure of joining them while they had dinner, I guess — I had it prior to that — and we had a fair discussion.

And I certainly want to welcome them here today and hope they enjoyed their tour and hopefully enjoy the rest of their stay in Regina and have a safe trip home. And I ask the members to please welcome them here today.

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

**Mr. Koenker:** — Thank you, Mr. Speaker. It's a pleasure for

me today to introduce to you and through you to members of the Assembly, another guest with Mr. Emmanuel Kaunda from Malawi, at the very top of the west gallery, and that is Mr. Don Hovdebo, formerly of Saskatoon and now of Prince Albert.

Don was a constituent of mine and ran a small business in Saskatoon, doing environmental testing working with aquaculture, so I know that Mr. Kaunda is in very good hands if he is looking at aquaculture with Don Hovdebo. Thank you, Mr. Speaker.

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

**Mr. Trew:** — Thank you, Mr. Speaker. It is my pleasure today to rise and introduce to the Assembly and our guests, a mentor of mine, a 25-year veteran of the House of Commons, Les Benjamin, who is seated to my left and at the back here.

Les, as many of you will know, represented Regina-Lumsden, by that and some other names as I mentioned, for 25 years; advocated tirelessly on behalf of farmers — and certainly with respect to the Crow rate debate — and was always known as a character in the House of Commons in his advocacy.

For example, at one stage he described the drought and the wind in south-western Saskatchewan, and he described the gophers as eight feet high and digging. And that's sort of the tone of some of the work that Les Benjamin was able to do.

I ask all members to join me in welcoming Les Benjamin.

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

**Hon. Mr. Shillington:** — Thank you, Mr. Speaker. Although I have risen many times, my enthusiasm for introducing this next group has not dimmed at all.

In passing, I didn't actually rise to . . . in passing I also want to extend greetings to Les Benjamin.. I was involved in his first campaign and I was involved in every campaign throughout that to the last. This is a person who brought considerable warmth, humour, and dignity to the political process and a person whom we can well be proud of.

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

**Hon. Mr. Shillington:** — I rise though to more formally, Mr. Speaker, introduce another group of people who are important to the government process. From time to time we have public servants who join us; they are in your gallery. They joined us in order to observe the political process but it also gives us an opportunity to thank these public servants who come to our assistance and I think who also are increasingly professional and bring credit to the whole process of government.

These public servants, I will not . . . They are too numerous to introduce one by one. I will simply add that they come from the departments of Justice, from Environment, from Highways, from Social Services. I invite all members present to welcome

them and to show our appreciation for all that these people do for the public of Saskatchewan.

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

**Mr. Cline:** — Thank you, Mr. Speaker. I'd like to introduce to you and through you to all members of the Assembly, Mrs. Sarah Hopkins who is seated in the first row of your gallery, Mr. Speaker. And she's here today with her daughter, Barb Olsen, who lives in Regina. And Mrs. Hopkins lives in Saskatoon, but was born in Northern Ireland and came to settle in rural Saskatchewan in 1927, but she's lived in Saskatoon since 1942.

And she raised six children; she has many grandchildren and great-grandchildren and I'm sure that Mrs. Hopkins is interested in what's going on here in the Assembly today, Mr. Speaker, because of the work that we do, but she's also here to observe the work of her granddaughter, Rhonda Adams from Saskatoon, who is one of our pages.

And I know we all want to wish Mrs. Hopkins a warm welcome to the legislature and a very pleasant stay here in the city of Regina.

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

**Mr. Serby:** — Thank you very much, Mr. Speaker. I too want to join with the Minister of Social Services this afternoon in welcoming the Parker-Loewen family to the Assembly. The Parker-Loewen family, at least half of them, live in my constituency at this point in time.

Over the years, Dr. Parker-Loewen and I have had the privileges of working with her on many, many constituency issues. And I know that Dr. Parker-Loewen has really been a pillar in the development of health and social policy in our community, and her name comes up and is noted very often.

So on behalf of the constituents of Yorkton, Mr. Speaker, and the people of Saskatchewan, I want to wish her well and continued success in her work as our child advocate. Thank you very much.

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

#### STATEMENTS BY MEMBERS

##### McClean Lake Uranium Project

**Mr. Roy:** — Thank you very much, Mr. Speaker. Last week an important announcement was made that is good news for the Saskatchewan economy and especially for workers in north-eastern Saskatchewan.

Cogema Resources announced that construction will begin immediately on the McClean Lake uranium mine and mill north of La Ronge. The project will involve construction worth \$250 million and employ more than 250 people in the construction

phase. When the project begins operations in 1997, it will provide 260 full-time jobs, a full 60 per cent going to Northerners.

Of course, Mr. Speaker, a project such as this not only provides the direct jobs I mentioned; it also will provide many opportunities for northern entrepreneurs and communities through spin-off benefits. This project will add to the ongoing economic development of the North, an area of our province that deserves and at last is seeing some economic development. The mining industry already employs 5,000 people directly and is responsible for at least another 10,000 indirectly.

Mr. Speaker, the McClean Lake project is a perfect example of how the *Partnership for Renewal* is working. The government, as partner, has worked with the local community and with the industry to provide jobs and economic development for northern Saskatchewan. Thank you.

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

##### Saskatoon Police Pan Gun Law

**Mr. D'Autremont:** — Thank you, Mr. Speaker. I have here an issue affecting my constituency and indeed the whole province. And I'd like to read from an article in the Saskatoon *Star-Phoenix* of today, titled which: "Police pan gun law."

City Police have come out . . . both barrels blazing in their attack on Bill C-68, the proposed gun-control legislation.

Saskatoon police officers have voted 99 per cent against the controversial bill which would require registration of all firearms . . .

"The law-abiding citizens of Saskatoon and Saskatchewan have enough restrictions placed on them by existing gun laws," Const. Murray Grismer said Tuesday. The membership of the Saskatoon Police Association was surveyed Monday.

"Further gun laws will do nothing to deter crime or prevent violence within our community."

"Firearms represent a very small portion of the weapons used."

The nine-year city police veteran said criminals rarely use firearms in violent acts in Saskatoon.

"Generally, I find that there is something else used in a violent crime long before a firearm is.

"In all the ones I've investigated, only one involved a legally owned firearm which happened to be stolen from a person who undertook exceptional steps to prevent it from being stolen."

In that case, thieves cut through a steel cabinet to gain access to the weapon, which was later used in an armed robbery.

"The (Canadian Police Association) position was made, as are most political things, always on the upper level, assuming that some well-intentioned people think it is the opinion of the people they represent."

"We've done this so that the people of Saskatchewan and the government of Saskatchewan clearly know where the police stand on this issue."

I agree with Constable Grismer, Mr. Speaker. It's time the NDP (New Democratic Party) understood the will of the people and acted. Thank you.

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

**The Speaker:** — Order, order. Unless you changed your constituency, I called the member from Nipawin.

#### Natural Reforestation

**Mr. Keeping:** — Thank you, Mr. Speaker. Mr. Speaker, as you know, I'm a farmer and a forester and a cattleman, and for eight years I was a provincial pasture manager. And I'm also a person that is interested in promoting the preservation of our province's natural resources.

Mr. Speaker, I'm also one who appreciates a good idea. And I was struck by an article I saw recently in the *Saskatoon Star-Phoenix*. The article announced, Mr. Speaker, that Saskatchewan Agriculture will once again be using sheep instead of pesticides as part of the reforestation program for white spruce seedlings.

Instead of using tonnes of herbicides into the environment to protect these seedlings, the department will be using 500 sheep from Saskatchewan farmers. The ranchers get paid, the sheep get fed, the seedlings get protected and grow, and our environment gets a break.

Using . . . I think the plan is an intelligent one and I like it — using a natural way to do some of the work that chemical companies would do and keeping our environment healthy. I applaud all those involved who devised the plan.

Thank you, Mr. Speaker.

#### Lakeland Videoconferencing

**Ms. Stanger:** — Thank you, Mr. Speaker. Sorry about that; the applause was so thunderous I didn't hear you say Nipawin.

Mr. Speaker, Saskatchewan is moving at full speed down the information highway. Today I want to report about one of the new stops along the way. Lakeland College is an Alberta-Saskatchewan interprovincial college with a campus in

Lloydminster. I was pleased, Mr. Speaker, to attend the electronic ribbon-cutting ceremonies for the launch of Lakeland's new videoconferencing units.

Distance education is nothing new but the technology employed by Lakeland is the latest and best. Instructor-teacher reaction will take place without the half-second delay and freezing effect that was characteristic of the former technology.

Recent advances has also made the technology very reasonable and affordable. As well, roll-about and computer desktop systems make videoconferencing very affordable. Videoconferencing, Mr. Speaker, will not only benefit rural education; local groups and businesses will find communications easier through this new technology.

Lloydminster is one of 71 Canadian cities using 13,000 videoconferencing units. Lakeland College is the first public college in Alberta to employ such a system. For their part in improving rural life, I want to congratulate the board and staff of Lakeland College. Thank you, Mr. Speaker.

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

#### Table Mountain 25th Anniversary

**Hon. Mr. Anguish:** — Thank you, Mr. Speaker. On Saturday, March 18 I had the pleasure of attending the 25th anniversary of Table Mountain.

Table Mountain, located 30 kilometres north-west of The Battlefords, has developed into Saskatchewan's finest downhill ski facility. This has not happened by accident. A dedicated staff under the management of Lawrence Blouin and an altruistic board has given exemplary effort in making Table Mountain what it is today.

Saskatchewan residents should all congratulate the hundreds of local people who have made the facility a recreational and a financial success story. In 1970 the original board consisted of the late Irwin McIntosh, Dr. Irwin Zacharias, Joe Ulmer, Dennis Maher, Ted Noble, Don Asmussen, Maurice Shaw, Bill Thom, Bob Glanville, and Barry Conkin.

At the 25th anniversary function, the board consisted of John Luckey, Bill Thom, Pat Janko, Bob Craig, Peter Tarnowsky, Bob Demkiw, and John Douville and Charlie Blais. Today I call on all members of this Assembly to convey their congratulations to the hundreds of people who have assisted in the development and ongoing operation of Table Mountain.

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

#### Provincial 4A Basketball Champions

**Hon. Ms. Crofford:** — Thank you, Mr. Speaker. Sheldon-Williams Collegiate is in my constituency, and it's actually very close to my home. And I'm happy to report that I now live in a neighbourhood of champions. Last weekend in

Saskatoon, both the men's and women's basketball teams from Sheldon won their respective class 4A provincial championships.

The women won over Thom Collegiate, also of Regina, after defeating Aden Bowman from Saskatoon — sorry about that, Mr. Speaker. I should mention that the only games that Thom and Sheldon lost all year were to each other. Winning for the women's team is nothing new; it's the third time in four years that Sheldon has won the provincial.

The men's team defeated Campbell Collegiate in another all-Regina final. This team lost only three games all season. Mr. Speaker, this is the first time since 1982 that teams from Regina won both championships, and the first time since 1983 that a Regina men's team has won. And I think I'm correct in saying this the first championship ever for the Sheldon men's team.

I want to congratulate all members of both teams, their coaches, Dave Taylor and Kevin Koster, and the entire school for their victories. Without taking anything away from the actual players on the court, it is fair to say, I believe, that accomplishments like this reflect well on the complete and balanced educational program offered by schools like Sheldon-Williams. Thank you, Mr. Speaker.

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

## ORAL QUESTIONS

### Rail Strike Legislation

**Mr. Boyd:** — Thank you, Mr. Speaker. Mr. Speaker, my question this afternoon is for the Minister of Finance.

Grain exports are grinding to a halt, Companies coast to coast are losing millions and big city commuters are locked in traffic . . .

As result of the rail strike, reads the front page of today's paper, Mr. Speaker. Big city commuting problems are inconvenient. Grain shipments are indispensable to Saskatchewan's economy, Mr. Speaker, yet the federal colleagues of the NDP government opposite saw fit to side with the unions and against Saskatchewan farm families.

And now, Mr. Speaker, at least five members of the provincial NDP opposite are now publicly backing the NDP Member of Parliament who led the opposition to back-to-work legislation. The kingpin of the federal NDP attack on Saskatchewan grain shipments, Chris Axworthy, is being backed by the Minister of Finance, the former minister of Justice, the members from Qu'Appelle-Lumsden, Saskatoon Idylwyld, and Saskatoon River Heights.

Madam Minister, instead of writing a letter of support to the MP (Member of Parliament), Chris Axworthy, why didn't you write a letter of contempt for leading the NDP fight against Saskatchewan grain shipments? It would have been a lot more

useful to the Saskatchewan farmers, Madam Minister.

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

**Hon. Mr. Lingenfelter:** — Mr. Speaker, I appreciate the opportunity to rise and respond to the Leader of the Opposition. I don't think he mentioned my name on that letter, and I'm not sure whether he has it or not. But to treat the matter of the rail strike and grain shipments in such a jocular manner, I think, tells you what those members are all about and probably why they will stay in the single digit numbers as it would relate to support in the public because they don't take this seriously.

But, Mr. Speaker, what's more important is the attempt today by the federal Minister of Agriculture in what I would call a cowardly manner, after dithering for two weeks on the issue of rail transportation and the stalling of the action in dealing with this issue and after dismantling the Crow and the implications for agriculture and after he has announced major abandonment of rail lines in the provinces, to today somehow attack the NDP in Saskatchewan tells you something about the character of that federal minister and why the public in Saskatchewan is calling him weak and spineless when it comes to defending Saskatchewan farmers.

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

**Mr. Boyd:** — Thank you, Mr. Speaker. Again, my question to the Minister of Finance. Madam Minister, Madam Minister, the farmers of this province aren't laughing. They are outraged at the NDP opposite and the NDP federally for their fight against the back-to-work legislation.

Madam Minister, you are quoted in the paper saying that Axworthy has the right mixture of idealism and pragmatism to be the effective NDP national leader. This is just after that MP led the NDP blockage of the Bill that would have allowed Saskatchewan grain to move to port.

You and your NDP colleagues need to show a lot more pragmatism than idealism on this issue, Madam Minister. Your inconsistencies, your inconsistencies are rivalling the Liberal leader's inconsistencies, which is darn near impossible. Madam Minister, which comes first in your heart, Saskatchewan farm families or your support for a federal NDP MP who sides with union leaders over Saskatchewan farm families? Which comes first?

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

**Hon. Mr. Lingenfelter:** — Mr. Speaker, the Leader of the Opposition continues in a frivolous manner to make light of a very serious issue, that is the grain movement in Canada. I say again, that last week — a week ago yesterday, on Tuesday — we had an all-party agreement; a resolution passed in this House to support negotiation and, at last resort, back-to-work legislation.

We have made it very clear that we have supported the action of

this Assembly in supporting negotiation and, as a last resort, back-to-work legislation. It was at that time the Liberals who skipped out on the vote — and it's today that Mr. Goodale inaccurately says that the NDP in the House of Commons are stopping the Bill from being passed. That's absolutely wrong. It's dishonest, and it's old-style politics.

And I say to the Leader of the Liberal Party that she should, if she believes in honesty and integrity, get hold of the Minister of Agriculture today because she knows darn well what has gone in in the House on the debate. She didn't vote on it, but she knows the debate, that we support the federal government's passage of this Bill as quickly as possible, as does the federal NDP in the House of Commons.

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

### **Crown Corporations Construction Agreement**

**Mr. Goohsen:** — Thank you, Mr. Speaker. Mr. Speaker, my question is for the minister responsible for the Crown Investments Corporation. Mr. Minister, some time ago I asked what studies you have done to estimate the additional costs to the taxpayers of your union-preference tendering policy.

Mr. Minister, have you estimated that additional cost? How much do you expect the Crown construction cost to increase as a result of your union preference policy?

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

**Hon. Mr. Tchorzewski:** — Mr. Speaker, I'm pleased to answer the question of the member opposite and tell him that we took a careful look at all over Canada where these kinds of agreements exist — the federal government level; in the private sector, a couple of them which have existed in Saskatchewan in the private sector and under the former administration. And the evidence shows that there is no significant increase in cost.

And because in the agreement, Mr. Speaker, all sides had to give up something, there is a provision for a no strike, no lockout provision, which in many cases saves a considerable amount of money because member opposite knows that when sometimes you get a work disruption — and that happens from time to time — it increases the cost considerably.

That was a major concession on the part of the workers, as there have been in this agreement concessions on the part of the employees . . . or the part of management, in order to make sure that there is a fair policy in place on which decisions as to who gets the contract are based by free and open tender, based on the ability to do the job.

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

**Mr. Goohsen:** — Thank you, Mr. Speaker. Mr. Speaker, we have a Health minister who won't admit hospitals have closed even though everyone knows that they have. And we have a Gaming minister who won't admit that VLTs (video lottery

terminals) cause gambling addiction, even though everybody else knows it. And now we have a minister who won't admit that he is driving up construction costs even though that everyone else knows it.

Mr. Minister, I have here a summary of a study conducted by three professors from the UBC (University of British Columbia) and Simon Fraser University. This is a real study, not one of those fictitious studies that the Minister of Social Services would like to quote. This independent analysis of B.C.'s (British Columbia) union preference policy says, and I quote: Taxpayers are unambiguous losers from this policy. They will pay higher taxes, about \$100 million annually, to pay the price of provincial construction projects. End of quote.

Mr. Minister, clearly your union preference policy is going to drive up construction costs here as well. How much extra will Saskatchewan taxpayers wind up paying as a result of this policy?

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

**Hon. Mr. Tchorzewski:** — Mr. Speaker, I'm quite always interested in reading what the Fraser Institute has to say; I have done that regularly on a regular basis. But we all know where they come from. The Fraser Institute is an extremely right-wing organization, often spokesman for the Reform Party and the Conservative Party, which has a philosophical bent to it, as opposed to research based on what the real situation is out there.

But that's the way it is and I accept that, Mr. Speaker, and they can publish all the reports they want. But if you look at the evidence in Saskatchewan, as the member from Estevan will testify to, when this kind of project agreement existed in NewGrade, it didn't increase the costs during the 1980s. It supposedly did not increase the costs on the Shand project; it hasn't increased the cost in the uranium mine industry where this kind of principle applies. And I suspect it may in fact decrease the cost because of the provision for a no strike/no lockout arrangement which will make sure that there are no work stoppages, which on many occasions cost a great deal of money in any project.

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

**Mr. Goohsen:** — Thank you, Mr. Speaker. Well, Minister, perhaps I should borrow you my hearing aid. What I said was the Simon Fraser University, not the Simon Fraser institute. And there's I think a fairly significant difference there.

Mr. Minister, this report goes on to point out the inherent unfairness in this so-called fair wage policy. It says, and I quote: there is irony in the fact that a fair wage policy provides employers with an opportunity to discriminate against individual workers on non-efficiency dimensions. End of quote. Why is this fair? This just eludes me, the author says about this report.

Now the same arguments apply to your union preference policy, Mr. Minister. Mr. Minister, the authors of this report conclude that union-preference tendering policies are unfair — unfair to taxpayers and unfair to non-union workers.

Will you admit this policy has nothing to do with fairness and everything to do with trying to buy support from the unions for your next provincial election, which is just around the corner?

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

**Hon. Mr. Tchorzewski:** — Let me assure the member opposite, Mr. Speaker, that this government doesn't have to buy support from the public. The record of this government is such that the public appreciates the fact that we have taken on the challenge, quite honestly, of repairing the grievous damage that was created by the former Conservative government in Saskatchewan and which would be re-created if there ever should be a Liberal government in Saskatchewan because they take the same kind of track.

We don't need to do that, Mr. Speaker. Our approach is to be open, honest, and fair, and that's what this project agreement is all about. In the agreement, among other provisions is a provision that it will be reviewed at the end of the construction season. If there are some things in it that need changing, they will be changed. Both the unions and the employers have agreed to it. We will continue to study it, if that's what the member wants. But that's what we want to do, as well. And if there's some changes that need to be made, they will be made because it is the right way to go as far as Crown corporation major construction projects are concerned.

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

#### **Investigation of Phoenix Advertising**

**Ms. Haverstock:** — Thank you very much, Mr. Speaker. Inquiring minds want to know, Mr. Speaker, they want to know whether dealings between the Phoenix Advertising Group and the NDP MLAs (Members of the Legislative Assembly) have been above board and ethical or whether more charges should be laid. And people need to hear from someone totally removed from the politics of this issue. And a precedent has already been set — set by this very government when they sent the Milgaard case to Alberta for review. My question is for the Minister of Justice.

Mr. Minister, how do you explain why it made sense to move the Milgaard case out of province for review because two elected members were involved, but not this case which could involve many, many from your caucus?

**Hon. Mr. Shillington:** — Thank you. I assume the member from Saskatoon Greystone has been in the House during previous question periods when I have set out the fact that to table a report would, in the end, politicize the prosecutions.

Let me describe for the member opposite where the matter rests.

Saskatchewan has, throughout several governments, had an independent police force and an independent prosecutions branch. This matter has been investigated and it has been decided by the prosecutions branch that there is no evidence to go to trial. I say to members opposite who continue to repeat the allegation, the trial was public; the evidence is as freely available to you as it is to anyone else.

If you believe that the prosecutions branch have covered up or that I have interfered, it's incumbent upon you to come forth with the evidence that's available to you. If you don't have any evidence of it, and you continue to make baseless allegations, I'm not sure, Madam, the reputation of the public prosecutions branch is going to suffer, but I'm quite certain that your reputation is going to suffer if you continue to make baseless allegations when evidence, if it's available, is freely available to you as well as anyone else.

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

**Ms. Haverstock:** — Thank you very much, Mr. Speaker. Mr. Speaker, one member of this NDP government has already failed to prove innocence in his dealings with the Phoenix Advertising Group and was convicted of fraud. In testimony by Phoenix Advertising Group the public was told, they were told that the exchanging of political contributions for advertising business was a common practice, and that is what they said in court, Mr. Speaker. Phoenix Advertising Group may be guilty of doing the same thing with other members of this Legislative Assembly.

Other governments have shown leadership on issues such as this. The Premier of Alberta referred a case involving elected members to Saskatchewan because, and I quote: we want to have a completely unbiased and independent review of the situation.

Mr. Minister, my question to you is this: will you today refer the prosecutor's report to an out-of-province ethics commissioner, with instructions to review the report and release a public summary of it's recommendations within the next 10 days?

**Hon. Mr. Shillington:** — The answer, Mr. Speaker, is no. If you ask outside counsel to review the decision of the prosecutors, you wind up in the same place. You wind up with the special counsel commenting on the prosecutor's decision and then it is the prosecutor's decision which becomes the subject of the debate and you politicize public prosecutions.

Outside counsel gets you to exactly the same position. The answer is no. This province has been well served by an independent public prosecutions branch, and there the matter rests.

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

**Ms. Haverstock:** — Mr. Speaker, if this government has nothing to hide, then they have to agree to prove that there is

nothing to hide. They're evasive and of course as we've heard already this week, their arrogant remarks simply fuel public suspicion.

It is unacceptable that this government investigate itself on an issue involving members of this Assembly, and a firm that is currently under contract with this government, a firm that has received over \$6.8 million of Saskatchewan taxpayers' money in 1993 and 1994 alone. An impartial review, Mr. Speaker, is an absolute must.

And my question is to the Premier this afternoon. If the Justice minister sees this as politicizing the process, as he says, will you take it out of the hands of Justice and put it into the realm of political ethics, political ethics, Mr. Premier, by having the prosecutor's report reviewed by an out-of-province ethics commissioner to determine whether a full investigation should be launched.

**Hon. Mr. Tchorzewski:** — Thank you, Mr. Speaker. I want to respond to that question because I want to deal with the matter of the ethics of the member from Greystone, the Leader of the Liberal Party. And I want to address the matter of integrity, Mr. Speaker.

It is clear what the policy of this government is with regard to the allocation of advertising for the government. It is a free and open tendering competition of all projects over \$50,000 and that the selection is made not by the government alone. The selections are made by a panel of representatives of the client department, the coordination unit of communications, and a representative from the general public who sits there as a stakeholder to make sure that those allocations are made appropriately.

Now that's quite different than the kind of policy which the Liberal leader espouses, Mr. Speaker, wherein it is reported in *The Globe and Mail* as follows:

The federal Liberals have hired David Herle, former president of the Young Liberals and a campaign worker for the federal finance minister, as point man on a \$15,000-a-month contract — billed to the taxpayer — to supervise third-party polling for that same federal finance minister.

Now I have heard in this House and I have read in the press where the Liberal leader has talked about, she would make patronage appointments, but they would be competent because they would be Liberal, Mr. Speaker. I'm saying to the House and to her, use a policy which is an open tendering policy as opposed to the kind of lack of integrity policy that you espouse, that you would put into place if you were the premier.

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

#### **Possible SaskPower Job Loss**

**Mr. Swenson:** — Thank you, Mr. Speaker. Mr. Speaker, it

appears that the organ grinder over at SaskPower has found himself a new chimp. Mr. Speaker, there seems to be a question of who's in charge at SaskPower, the minister or Jack Messer. The minister tells the folks yesterday there's not going to be any job loss, Mr. Speaker, at SaskPower.

Mr. Messer says that there's going to be a couple hundred jobs missing. He sent every employee a letter, Mr. Speaker, without the approval of the minister, the approval of SaskPower's board, CIC (Crown Investments Corporation of Saskatchewan), or cabinet. So, Mr. Minister, I guess Jack doesn't really need your approval does he?

Now you said you'd be asking Mr. Messer to clarify his statements. Now, Mr. Minister, has that happened? Has he clarified his statements? Who's telling the truth, you or your boss?

**Hon. Mr. Lautermilch:** — Mr. Speaker, I'm actually quite pleased to be able to respond to the member's question. In fact the chief executive officer of Saskatchewan Power Corporation has communicated with the employees this morning with respect to this issue. But I want to say to the member from Thunder Cweek . . . Creek, from the member from Thunder Creek, that with respect to the operations and the initiatives that we are embarking on at SaskPower Corporation, I think we've been able to take a very responsive approach in that we are reorganizing that utility to make it comparable and competitive with other utilities across western Canada.

That process has involved the employees, both in scope and out of scope, who have divided into 12 business units to do an analysis of the corporation and how it operates. And I want to say to the member from Thunder Creek that in actual fact, I think it's a process that has been very positive. I think that it's been well received by the employees, who are pleased to have the opportunity to be part of the analysis of the corporation; I think will result in a very healthy company. And I think it will serve well the people of Saskatchewan in the future decades, which is what this initiative is intended to do . . .

**The Speaker:** — Order.

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

**Mr. Swenson:** — Thank you, Mr. Speaker. Mr. Speaker, it appears that this minister, like most that have dealt with Mr. Messer, is up the cweek without a paddle.

Mr. Minister, the very fact that this has come once again to the public's attention; the fact that your president of SaskPower, the Premier's friend and campaign manager, has been able to dictate policy inside the Crown corporations means that the statements of the Provincial Auditor and others who say that those Crown corporations should come before this Assembly before they dictate public policy in this province, is a very true fact. And you've just confirmed it, Mr. Minister, today.

Jack Messer virtually does what he wants inside SaskPower. He



does it without CIC's approval, without cabinet's approval. Mr. Minister, would you not agree? Would you not agree with the public and the Provincial Auditor that SaskPower should come before this House for its budgets and for its allocations and the decisions to fire people, rather than leave it up to Mr. Messer to do that? Wouldn't you agree, sir?

**Hon. Mr. Lautermilch:** — Mr. Speaker, let me say to the member from Thunder Creek that quite clearly he can't accuse me of political influence in this instance. But what I want to do is describe for the member from Thunder Creek the process.

SaskPower Corporation is directed by a group of people from this province who sit on the board of directors and who develop policy which is then initiated by the management of the Power Corporation. That process has been long-standing within that corporation. The chief executive officer understands the process, he understands the role of the minister, he understands the role of cabinet.

And I only say to the member from Thunder Creek, if you can't understand the process or don't want to understand the process, that is no fault of the board, nor is it a fault of the board of directors or anyone else associated with this issue.

With respect to an analysis of the operations of the Saskatchewan Power Corporation, you had 10 years in which you brought it on an annual basis to the Crown Corporations Committee where it was scrutinized by a committee of this legislature and members of this legislature. It was good enough then and it's good enough now.

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

### **Gaming Addiction**

**Mr. Neudorf:** — Thank you, Mr. Speaker. Mr. Speaker, I want to address another form of monkey business this government has been involved in lately, and that is the gambling issue. And I direct my question to the minister of gambling.

Madam Minister, it's no surprise that we learn your government knew of the addictive nature of VLTs back in 1993, as is evidenced in the report in the *Star-Phoenix* recently. Yet in spite of that, in your untamed grab for more money out of Saskatchewan citizens, you've gone ahead with that anyway. And now we have people like the man from Kindersley who stole from his church, and others who stole from SARCAN and from their places of employment.

And what do you do? You blame churches, you blame charitable organizations, you blame the FSIN (Federation of Saskatchewan Indian Nations), you blame the former administration.

Madam Minister, in a response to an earlier question that I asked you, you added another group to your blame, and that is the hotel industry, which you said at that time came up with the original proposal.

I'm wondering, is there anyone left that you would not be able to blame for this chaos before you get about solving the problem? I'm wondering about the Premier from Riversdale. Wouldn't you say that he would be the individual where the blame should be put at? Would you not agree with that, Madam Minister?

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

**Hon. Ms. Crofford:** — I thank the member opposite for his question. And I like getting it every time I get it.

But I'll say that this government never initiated the VLT program. It was at the request of the hotels association and rural hoteliers that we established a program in recognition of the fact that Saskatchewan is not an island. Our people have to compete with businesses on three borders. And they need to be able to offer, both in the liquor industry and in the gaming industry, the same range of products that other people offer.

Now you know that we're concerned about problem gaming, because you've asked this question before and I've explained to you that we spend the most that any government in Canada spends. In fact half of all expenditures in Canada on education and prevention of gaming problems are spent by this government. We're the only people who have education programs at the high school level.

We are concerned but we also have to recognize that our province cannot separate itself from the activities that are taking place in the rest of the world. I know that you've heard the Premier express his concern over this issue, and I can only say that we are dealing with this from the perspective of control and regulation and being as responsible as we can be towards the addictive nature of gaming, as we are towards cigarette smoking, alcohol, and other substances.

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

### **ORDERS OF THE DAY**

#### **GOVERNMENT MOTIONS**

**Hon. Mr. Pringle:** — Thank you very much, Mr. Speaker. Mr. Speaker, before I begin, may I have leave to introduce guests?

Leave granted.

#### **INTRODUCTION OF GUESTS**

**Hon. Mr. Pringle:** — There are those individuals that I read into the record earlier that are connected with the child advocate office and family members are now here, so I won't read them in again, but I would ask all members to please welcome them very warmly.

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

#### **GOVERNMENT MOTIONS**

**Appointment of Children's Advocate**

**Hon. Mr. Pringle:** — Mr. Speaker, at the conclusion of my remarks, I will be moving a motion that Dr. Deborah Parker-Loewen be appointed on a permanent basis as the Children's Advocate for Saskatchewan by this Assembly.

As you will recall, Mr. Speaker, during the last session of the legislature, we introduced a Bill to amend The Ombudsman's Act which provided for the appointment of Saskatchewan's first Children's Advocate. Implementation of The Ombudsman's Act, amendment Act 1994, has been a major step in our commitment to improve the well-being of Saskatchewan children, youth, and families.

The office of the child advocate was created on November 7, 1994, at which time Deborah Parker-Loewen assumed her duties on an active basis. Mr. Speaker, in accordance with the wishes of Saskatchewan people, as shared with an independent task force appointed to examine options for child and youth advocacy, the Children's Advocate is appointed by and reports to this Assembly rather than to any one minister.

This, Mr. Speaker, protects the advocacy's freedom to conduct investigations and review situations without any political or other outside interference. Issues raised with the advocate's office are dealt with confidentially and the Children's Advocate can initiate an independent investigation, if the situation warrants it.

This office, Mr. Speaker, has equal status with the Ombudsman and Provincial Auditor, for example, who also report, as you know, to this Assembly.

The legislative mandate of the Office of the Children's Advocate provides that the advocate has the power to receive, review, and investigate any matter that comes to her attention from any source.

Secondly, wherever appropriate, the advocate office will attempt to resolve matters through the use of negotiations, conciliation, mediation, or other non-confrontational methods.

Thirdly, the advocate may conduct research to improve the interests and well-being of children and provide advice to any minister responsible for services to children or families.

Fourthly, the advocate can prepare special reports for the legislature at any time, either at the request of the legislature, any minister or department, or upon her own initiative.

Mr. Speaker, the advocate's office may provide education to the public respecting the well-being of children.

Since she assumed her duties on November 7, 1994, Mr. Speaker, Dr. Parker-Loewen has received numerous calls from children, parents, teachers, and others interested in the well-being of children and their families. Issues have ranged from concerns about apprehension of children to school-related

matters. While not all of the calls fell within the mandate of the Office of the Children's Advocate, she has attempted to provide callers with information and assistance to access the appropriate person or agency.

Dr. Parker-Loewen strongly believes in the role of families and community in advocating for children, Mr. Speaker, and is engaged in consultations with individuals and groups with an interest in enhancing the status of youth and children and their families in Saskatchewan.

Mr. Speaker, I feel there is no need to emphasize the impressive qualifications and experience which Deborah Parker-Loewen brings to the position of Children's Advocate. Her appointment on November 7 was the result of a public competition and the recommendation of this Assembly.

We in Saskatchewan are indeed fortunate, Mr. Speaker, to have an individual of Dr. Parker-Loewen's calibre as our first Children's Advocate. As she undertakes groundwork required to establish the office of the advocate, clarify its mandate, and set initial direction, her knowledge, experience, and commitment to children and youth will be invaluable.

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

That an humble Address be presented to His Honour the Lieutenant Governor recommending to the Lieutenant Governor in Council that Dr. Deborah Parker-Loewen be appointed the Children's Advocate pursuant to section 12.1 of The Ombudsman and Children's Advocate Act.

Thank you, Mr. Speaker.

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

**The Speaker:** — It has been moved by the . . . we need some correction here. The Minister needs a seconder to this motion.

**Hon. Mr. Pringle:** — This is seconded by the hon. member from Wilkie.

**Mr. Britton:** — Thank you, Mr. Speaker. It is a sincere pleasure to participate in the motion confirming Dr. Deborah Parker-Loewen as the Children's Advocate of Saskatchewan. Dr. Parker-Loewen has held this position, Mr. Speaker, since November. And I am sure she will agree with me when I say she and the members of her staff have a difficult job ahead of them.

Our office has already made use of the Children's Advocate by referring a couple of very serious concerns brought to our attention by parents and guardians. And we were pleased to be able to refer these people to Dr. Parker-Loewen's office. And I also would like to mention how helpful and courteous her staff was.

Mr. Speaker, the position of Children's Advocate is a very important one. And while I do not know Dr. Parker-Loewen personally, I am familiar with her credentials, her previous work, her history, and experience.

Mr. Speaker, she is eminently qualified for this job, and I am pleased she accepted the position.

My colleagues and I are fully confident in Deborah's ability to fulfil this role and to conduct herself in the impartial and dedicated manner it commands and deserves. Our province's children are in very good hands, Mr. Speaker.

Deborah, on behalf of the official opposition I am pleased to extend our sincere congratulations and best wishes to you in your position as Saskatchewan's Children's Advocate.

Thank you, Mr. Speaker.

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

(1430)

**Ms. Haverstock:** — Thank you very much, Mr. Speaker. I am very pleased today to rise on behalf of the third party and congratulate our new Children's Advocate, Dr. Deb Parker-Loewen — someone I've known for many, many years. Actually it's kind of frightening to remember how many years I've known of her. We haven't spent much time together as of late, but it came as no surprise to me at all when her name was amongst those who had applied for this particular position, that ultimately she was the one who was appointed.

I know that there were many excellent candidates, and there were indeed, for those who applied for this position. And the task of selecting only one was not an easy one. All who applied should be acknowledged and should be thanked for their interest in public service in our province.

Dr. Parker-Loewen brings to this position a particularly rich background, working with children and youth for many years. Her past experience working with the Yorkton mental health region as the acting regional executive director and with the Yorkton community health services branch as an early childhood psychologist as well as director, will have prepared her most well for these new duties.

And additionally, her work with groups such as the Inter-Agency Committee on Youth in Yorkton, and the Yorkton Race Relations Committee, further add to her most impressive professional qualifications.

As a mother of three — and in case you don't know, Deb, I'm now a grandmother of two — Dr. Parker-Loewen brings to this position one of the most important and perhaps often under-appreciated qualifications, that of being a parent. The role that Dr. Parker-Loewen will perform on behalf of our province's children is vital to many of their futures, and to our future as well.

I extend to her not only my congratulations on her appointment, but my gratitude for taking on such an onerous responsibility. And I wish her well in her most important work.

Today I want to extend some thanks to our Minister of Social Services for keeping the third party caucus informed throughout this process of advertising, screening, and selection of the new Children's Advocate.

And again I want to extend my congratulations to Dr. Parker-Loewen's family, to her friends, to her, and to her staff. I wish them all very well. And I'm confident that she will serve this Assembly and the people of our province very well over the next five years. Thank you.

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

**Mrs. Bergman:** — Thank you, Mr. Speaker. Although the formal legislative appointment to the position of child's advocate will be effective today, Dr. Parker-Loewen has assumed the new responsibilities with great dispatch, competence, and humanity. The position of child advocate is newly created and Dr. Parker-Loewen will be instrumental in defining this vital role, advocating for the future of our children and grandchildren.

Mr. Speaker, we expressed some concern during the legislation about how the work of the child advocate would be defined. But in the midst of the myriad priorities and preparations of setting up the child advocate's office, Dr. Parker-Loewen expedited meetings with me, as opposition critic, and with many others who could contribute to the well-being of Saskatchewan children.

Her immediate accessibility to children bodes well for the future of the province. I am pleased today to enthusiastically support today's motion to appoint Dr. Parker-Loewen to advocate for our children. And I would repeat our concern that children must have the first call on the resources of our province and of society. Thank you, Mr. Speaker.

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

Motion agreed to.

## GOVERNMENT ORDERS

## ADJOURNED DEBATES

### Bill No. 22

The Assembly resumed the adjourned debate on the proposed motion of the Hon. Mr. Renaud that **Bill No. 22 — An Act to establish the Transportation Partnerships Corporation and to enact a Consequential Amendment** be now read a second time.

**Mr. Martens:** — Thank you, Mr. Speaker. I want to continue the discussion I began the other day on this issue, the Crown

corporation dealing with . . . or establishing the Crown corporation in relation to the Department of Highways and allowing them the . . . or giving them the responsibility to take over some major parts of the business in SaskPower and the department of . . . or, I'm sorry, in the business of Department of Highways and taking over the Department of Highways in various ways.

In thinking about it and continuing to address some of the issues that I believe need to be addressed, I want to point out to the Assembly some of the things that I believe impact into this Bill. And it raises some concerns on our part and I want to point them out to the Assembly.

We have, I believe, a concern in a number of areas. We have concerns in the areas of labour, what this Crown corporation's going to do in relation to its involvement with a new policy of union preference tendering in Crown corporations; and also the part of the policy that allows 21 cents an hour to be charged back to the employer and also allows that money to be deposited for work by the unions, and has serious implications, I believe, in Saskatchewan and the cost of doing business.

We have raised questions about this matter on a continual basis, and we did that today, Mr. Speaker. Reports are coming to us from places where this is a policy. And this policy reflects negatively on Crown corporations and their ability to do business in the most cost-effective way, and we are concerned about that. And we're concerned about that from the aspect of this new transportation corporation that is coming into existence.

There are also other things that concern us, Mr. Speaker. What will the mandate of this Crown corporation be, this transportation Crown? If I was to speculate, Mr. Speaker, on its role in the future in Saskatchewan, I would begin to ask the questions.

This government has been notorious, and through its history has been notorious for nationalizing agencies and businesses on a regular basis. What will it do next?

We go back in history, Mr. Speaker, to think about what they did with the potash industry. We go back in history and ask the question, what it did with the pulp industry in the province. And if you go back through the history, you can add oil to that; you can add natural gas to that. You can add a whole lot of different corporations that have been piled into Crown corporations, and Crown corporations have been built on the basis that they would provide the best opportunity back to the people of Saskatchewan.

Well they didn't accomplish what they set out to do. Or perhaps they did — we can ask the question that way too. Perhaps they did accomplish what they wanted to do and really was not a benefit to the taxpayers of Saskatchewan. That raises the question about this Bill and the concern we have about it. What will the total dynamic of this transportation Act provide to the people of Saskatchewan? Will it be an asset to them, or a

liability?

The discussion we had today about information that has been relayed to us from people who have investigated this very same Crown corporation being involved with the businesses in British Columbia have estimated that the volume increase in cost is 25 to 30 per cent.

Now if you have \$100 million worth of business to do in the construction side in Highways and it's going to increase the cost 25 to 30 per cent, Mr. Speaker, that increased cost is going to be between 25 and \$30 million; 25 to \$30 million, Mr. Speaker, is a very significant amount. And that amount, we want to talk about that in its relation to the implication to the taxpayer. The taxpayer, Mr. Speaker, is going to have to put into the system another 25 to \$30 million that he is already under some pressure to provide to the people of Saskatchewan on the basis that it's an increased cost.

So having said that and dealing with that, we have a very serious problem I believe in what the government is intending to do. We have questions to ask that need to be answered. And I don't believe that we can have a clear understanding of this until we have the minister tell us all of what he wants to do in this corporation.

There are all kinds of possibilities that this Crown corporation could be involved with, business ventures that the Crown corporation could be involved with. It was stated that this was a part of an involvement to provide money from the federal government to the provincial government, and that the provincial government would have a way of moving money funded by the federal government into building roads in the province. That's the way it began. And as it began in the discussions in November and December, the Minister of Highways said that this Crown corporation would take that money and put it into use as a way to construct highways, bridges, and things like that.

What we have, in fact, Mr. Speaker, we had the federal Liberal government decide that they weren't going to do this sort of thing. They weren't going to become involved in putting money into road construction in the province of Saskatchewan.

What it has meant, I believe, is a serious cut-back to the people of Saskatchewan. If you put that together with the volume of money that the government is going to reduce its transportation benefit to the people of Saskatchewan, we have hundreds of millions of dollars being lost to the province of Saskatchewan in lieu of the transportation policy set out by the federal government. And that is going to seriously erode the effectiveness of this Crown corporation.

And we see that as a very significant negative to establishing this Crown corporation to start with, because they said they weren't going to become involved. And we on this side of the House say, well if they're not going to become involved with this Crown corporation as a way to put money into building roads and constructing bridges in the province of

Saskatchewan, then why should we have confidence . . . as the taxpayers of the province of Saskatchewan, why should we have confidence in doing business with this corporation?

Another concern that I think needs to be addressed in this discussion deals with how this transportation corporation is going to respond to agencies that are already in existence. And I want to point out some of them. One of them is the short-line railroad that we have in southern Saskatchewan. Is this an aspect of the provincial government, that they are thinking about how to handle the short-line railroads in the province of Saskatchewan? Is this a method, for example, of them establishing across this province a control of the railroad beds in the province of Saskatchewan? Is that an option that this Crown corporation is going to use? And we ask that question in a very legitimate way. And, Mr. Speaker, we're concerned about it.

We're particularly concerned about it from the fact that the people . . . the federal government have given 1.6 billions of dollars to be paid out over the next year or year and a half. They've given this money to the people of Saskatchewan who are farmers in lieu of the fact of a \$7 billion . . . effectively a \$7 billion payment to western Canadian farmers. And that volume of dollars has been taken away from Saskatchewan or western Canada. That \$7 billion has been removed from the federal budget. It was annualized in its payment to contribute to Saskatchewan roughly \$320 million.

(1445)

Now it's our wish that the people of Saskatchewan should know, does this minister of transport have any idea of using this corporation in dealing with the transportation problems that have been placed upon the grain producers in the province of Saskatchewan? And we raise this as a question to the Minister of Highways in order for us to understand the dynamics of this corporation.

The reason we ask it, Mr. Speaker, is because the reputation and history of this government and this party have always been that for them to own and control and manipulate and guide the economic policies of individuals in the province of Saskatchewan is one of the foremost ideas that they have. It is fundamental to their philosophy.

And in that, Mr. Speaker, we raise this question. Are they going to establish a Crown corporation that is going to control the roadbeds in the province of Saskatchewan? That's a question we have of the Minister of Highways and Transportation.

Another area that I want to point out, Mr. Speaker, is we need to raise questions about, and we are planning on doing that, is what area of the Department of Highways and Transportation is the Minister of Highways putting up to put into this Crown corporation?

We see as a matter of fact, Mr. Speaker, that the Finance minister has decided to put \$20 million into this Crown

corporation to establish it, and that's the start-up fee. Or that's the start-up money that the Crown corporation's going to have — a very, very significant number, Mr. Speaker. This \$20 million that the Minister of Finance is going to put into the pot or the grubstake of the Minister of Highways and Transportation to manage this Crown corporation is in my view a very significant number.

Mr. Speaker, if I look through the Highways and Transportation *Estimates* by themselves, \$20 million is one-fifth . . . no, sorry, it is about one-twelfth of the volume of dollars for the whole Department of Highways.

If I look through various areas of the *Estimates* book, I find out that there are significant departments in this government who have less money to deal with than the Crown corporation in transportation is going to have. And I think that that is a very serious thing to consider. Is this money well worth spending in a Crown corporation just to put it aside and have it build for itself? If I take a look at the total revenue of the Liquor Board for example, this volume of \$20 million being put into this Crown corporation is about again one-twelfth of the volume of dollars and . . . or 12 per cent, I'm sorry. And that, Mr. Speaker, is a very significant amount of money.

If I look at the gaming, the profit from gaming, \$95 million in gaming is estimated to be the value of the contribution of gaming to the province of Saskatchewan. This Crown corporation is going to get 20 per cent of that budget. And as we look through the whole volume of *Estimates*, we have to consider what does this Bill and what will this Bill impact and what will its impact be in the province of Saskatchewan?

Will this Bill be a Bill that is a beginning of putting the Department of Highways into a Crown corporation that will not be able to be dealt with in this Assembly? Mr. Speaker, this Assembly has always dealt with the Department of Highways and the estimates of the Department of Highways. My question to the Speaker and to the Minister of Highways would be this: what volume of dollars are going to be transferred to this Crown corporation so that this Legislative Assembly hasn't access to find out what is going to happen with that \$20 million or the budget of that Crown corporation? Is this Assembly going to have any access into that budget?

And the answer very likely is going to be no. We are not going to be able to ask questions. So when the auditor comes to the people of Saskatchewan and he says, 45 per cent of the budgets of the province of Saskatchewan are not dealt with by this Legislative Assembly, we're going to have an increase and an increase and an increase of the volume of dollars dealt with by this Assembly, to the place where what is the purpose of doing estimates in this Assembly?

And I say that if you have the whole thing go to Crown corporations — and the back-benchers in the government side should be concerned about this — how much control do you have . . . in relation to the ministers responsible for those Crown corporations in doing the things that they do, how much

responsibility will you be able to show for the taxpayers and giving them an idea of what that money is being spent for?

And I would say to the members of this Assembly that the people on your front benches, the executive branch of government, are the ones that will regulate and control the volume of dollars that flow into this, and you will not be able to access information regarding that. Neither will anybody else.

And when we have the discussion in Crown Corporations Committee, we don't get access to that except in an after-the-fact kind of fashion.

Mr. Speaker, this leads me to the concern I have in relation to which part of the Department of Highways is also going to be put into this Crown corporation. It's obviously going to have to have some administration in it. Is the administration from the Department of Highways going to administer this Crown corporation?

The administration for the Department of Highways is 4.3 millions of dollars. Is that going to be a part of this Crown corporation? Or is it going to establish its own administration in order to measure out where the dollars in that corporation are supposed to go?

So we have that question to ask, Mr. Speaker. Is the administration going to be a part of the Department of Highways' administration or is it going to have its own? If it's going to have its own, why would you want to put another set of administrators into place to deliver an opportunity for serving the people of Saskatchewan? They already have all of the administration available to deliver on the funding required for contracts; they have all the funding . . . administration required to deliver on all of the administration of the repair depots; all of the administration in regard to the employees — all of that is already in place.

Why would they want to put another set of administrators into this Crown corporation in order to deal with the problem? I want to just point out that I believe that the fact of the matter is and the reason that they're going to do this, put these people into this Crown corporation, is it's another ploy on patronage.

The other day we dealt with a whole list of people who will be likely sitting in administration on the board of directors and dealing with this Crown corporation. So we already know that it's going to have a board of directors. That administration cost is already going to come out of there.

What would be the problem of having the administration come right out of the administration of the Department of Highways? Why wouldn't the board of directors be eliminated and allow the Department of Highways to run it? That's the question we have, and it's a very serious one.

So which part of the Department of Highways are going to be put into a Crown corporation to deliver this Crown corporation to the tax . . . before service to the taxpayers of Saskatchewan?

It's a question we have.

This morning the member from Thunder Creek, driving in from his home, ran into a very serious snow problem on the highways, six to eight inches of snow on the highways. And you know what, Mr. Speaker? There were cars in the ditches, semi-trailer trucks jack-knifed on the highway by the overpass at Belle Plaine, traffic backed up at least a mile past the Belle Plain turn-off. And what did we have, Mr. Speaker? What did we have? We had absolutely no — absolutely no Highways department people on the job. There wasn't one person in a grader; there wasn't one person in a truck-driven snowplough; there was nothing of that sort.

Now is this Crown corporation suddenly going to eliminate all of these problems in the Department of Highways? Is it going to eliminate that? I doubt it, Mr. Speaker, because I think that what it's going to do is have a place for political appointments of individuals from the NDP Party. That's what's going to be there. And I'm not sure that they have the concern of the citizens of the province in mind. They have their own vested interests in determining how they're going to respond.

Mr. Speaker, that's the kind of thing that we're concerned about. And the question is this. Is this Crown corporation going to enhance the opportunity and responsibility of the Department of Highways in a way that is going to make it better than it was before? And I would suggest from the information that we have, the answer is no. The answer is no. So we have this Crown corporation which we haven't been told what it's supposed to do. We haven't been told what its mandate is, and we're concerned about it.

Will this Crown corporation do the snowploughing in the province of Saskatchewan? Will it? Will it be responsible for going out there this morning and cleaning off the snow? Will it be responsible for that? Or going to Lumsden? And I heard people coming in from Lumsden that cars were in the ditch all over. Will the people who are in this Crown corporation be responsible for the snowploughs or will they move that into there after the fact. Is this an opportunity to put the Crown corporation into existence for them to do a couple of things.

And if we think about this a bit . . . just think about this process, Mr. Speaker. We have a Crown corporation established. We have a Crown corporation union preference policy on contracts in the Crown corporation. Now we'll have employees in this Crown corporation who will be responsible to deliver services, very likely.

And when they do that, Mr. Speaker, 21 cents of every hour will be funnelled from the treasury bench of this government into a union coffer some place down the road. And who will get the money from that, Mr. Speaker? Who will have access to that money?

When we take that third step, Mr. Speaker, then we begin to assess where does the real concern of ours come into play. And that is that the money that has been expressed in this

government, the money from this union preference policy in Crown corporations will be used to tell other people that unions are good. It will go from contract site to contract site to tell people that unions are good.

And that, Mr. Speaker, is what that 21 cents an hour, its purpose is. And we suspect that the money that will be funnelled for construction purposes in the Department of Highways will be used to be funnelled into this process and into the program of the unions. And we are very concerned about that.

(1500)

We're concerned about that from the area of what it will do in relation to the engineering, and particularly the engineering requirement by the rural municipalities. Rural municipalities get funding from the provincial government. Funding coming from the provincial government can be funnelled through the Municipal Affairs minister. It can be funnelled through in a way that will say, okay, contracts will be awarded on this basis.

And I'll use the example of the Department of Health. We had people writing to us and saying, from the Department of Health's perspective: union preference hiring was the order of the day for construction on a facility. Okay?

Take that one step further. When the engineers and the architects filed that letter with the contract firms, they then had to say, okay, we will have union preference in tendering. That came from the Department of Health and instructions for the Department of Health.

Next in line will be the RMs (rural municipality). And the RMs will be told, you have a responsibility to hire union-only in your contract. Is that what we have to do? Is that what this funding is going to do to the rural municipalities?

And we are concerned about that because this minister has not identified what the purpose of this Crown corporation is. And we are suspicious on the basis of all of these things that I have mentioned. And we're concerned about it because what is in reality is what I said, and it is verified by instances that we have been notified of. And we're concerned about the implication for the future. Will RMs and cities be required to have union-only in their preference of hiring for contracts? Is that what's going to happen?

We'll go on to another point that I have a concern about this Bill. This Bill talks about setting up a Crown corporation that is going to administer certain volumes of dollars. I talked about the administrative side. What about the real side? What about the real side in this issue?

For example, one item that has already been privatized is one item like cutting grass in the province of Saskatchewan. Is that going to be required through this Crown corporation to deliver a union-preference-only in its role for getting the grass cut along the highways? Is that what it's going to be? And we are

asking that question and I believe it needs to be answered.

All across this province, people have purchased mowers and grass-cutting equipment to eliminate the grass along the roadsides. And now, if the policy of the Provincial Secretary and the minister responsible for CIC were to follow, each one of those individuals will have to have a contract of individuals with union preference preferable. And, Mr. Speaker, we're only raising these questions as a part of our concern in relation to the delivery of service to the people of Saskatchewan. We are concerned about it, very concerned. And we have to deal with it on an ongoing basis.

Another area that we have a concern with is grading. There are a lot of roads in the province of Saskatchewan today that are in areas where there is reduced volumes of traffic. We have roads that are operated by the Department of Highways and there are highways that are gravel. And will the responsibility of these roads be tendered out to people to come in through this Crown corporation to deliver that service? Will they have to have union preference in their policy in dealing with how they handle the grading of those roads?

This has small contractors very concerned, very concerned. And we have to be concerned about this from the aspect of dealing with this in a way that is going to give a benefit to the people of Saskatchewan. This concern for us is getting the highest degree of efficiency for tax dollars that have been contributed to this Assembly by the people of Saskatchewan. It's very important for us to do that. It's very important for us to consider that. And that's why we're raising this as a part of our concern.

The construction industry in Saskatchewan is a big industry but it's made up of many players. And the problem being, Mr. Speaker, that these individuals come together from all across Saskatchewan; they run one or two graders, three or four buggies, and that's the way they do business. They've done that business with RMs. They've done that business with the people of rural communities and they will continue to do that. That's why we, on this side of the House, have a real serious concern about this Crown corporation.

This Crown corporation has many areas that it needs to be . . . and we will be asking the question about addressing these to the minister. What about the area of patching roads? What about resurfacing?

One of the big areas in this province is the signs. Across this province you see signs all over the place, along the highways. Is the Department of Highways going to turn that over to the Crown corporation so that the money can go into that and then be transferred as a contract to that union and then the union preference hiring will be required to pay 21 cents to the coffers of the union? Is that the reason why these people are doing it? Or pavement markings — the trucks that go up and down and paint the white and yellow stripes along the highway. What about the ice treatment? And what about the 13 ferries we have across the province of Saskatchewan? What about those?

Is this the area that you're going to make into a Crown corporation so that the money can flow from the treasury into the Crown corporation so that the Crown corporation then can deliver it back to the union? And then the union, on 21 cents an hour under the Crown corporation's union-preference hiring policy, can deliver 21 cents an hour back to the coffers of the union.

The interesting thing, Mr. Speaker, is they don't necessarily always have to hire union people but they will have to compete on the basis of union wages in order to deliver that. And that's what is going to cost money. And in British Columbia, they have concluded that it's cost their budget an extra \$100 million. And that's why this is a concern to us.

Is this going to increase the costs to the people of Saskatchewan for exactly the same volume of business, exactly the same service?

I could go on to add bridges to this whole discussion, or construction of new bridges. We've got construction of a major bridge across the Saskatchewan River at Cumberland. Is this bridge going to be 10 million, or 15 or \$20 million? And in order to deliver that amount of money, is that amount of money going to then be able to be turned around on the labour component, be able to deliver 21 cents an hour back to the union people? That's the concern that we have. It's a major, major concern.

I, Mr. Speaker, could go on for hours talking about these things as I've already pointed out. I won't. But I will, in questions in Committee of Finance and Committee of the Whole, I will be asking the Minister of Highways these questions in order to confirm in our own minds what the real reason for the purpose of this Crown corporation is.

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

**Mr. Boyd:** — Thank you, Mr. Speaker. Mr. Speaker, we have a number of concerns about this Bill. It essentially creates a Crown corporation to handle highway construction projects. The minister has confirmed during his second reading speech that this Crown was initially intended to accommodate funds promised by the Liberals for the federal-provincial highways improvement program.

Since the original announcement of this Crown last November, the feds have squashed this program. Instead of starting the . . . Instead of killing this Crown as well, the NDP have decided to add a new addition to their family of Crown corporations. Mr. Speaker, after all, a new Crown corp will allow for a multitude of new patronage appointments and will assist the NDP government's pay-off to organized labour — another one in the long list of those.

The only function anyone can see for the new Crown is to ensure that all highway tenders are awarded to union companies. Mr. Speaker, this isn't necessary, this Crown corporation; there is no need for it whatsoever. They can use

CIC. They can use other agencies to move this money through from the federal government, if indeed there's going to be any from the federal government.

Mr. Speaker, we see little need for something of this nature. All it will allow, as we have said, is to ensure that all highway tenders are awarded to union companies rather than the lowest qualified tender as the policy of Sask Highways is currently. And for that reason alone, you shouldn't be bringing something like this forward.

The minister himself has stated the new Crown cannot hire employees and requires all administrative functions and expenses to be borne by the Department of Highways and Transportation. You see, Mr. Speaker, if this Crown is not created, the Highways department must award highway construction tenders, as I've said, to the lowest qualified bidder — not the lowest qualified, unionized labour bidder, Mr. Speaker.

The government is sneaking this legislation by the public, or at least attempting to. And what we are trying to do, Mr. Speaker, is alert the public all across this province to the kinds of thing that this government is doing with regard to unionized policies. The NDP knows that people are not happy with its new union-preference Crown tendering policy. And we see this as another step towards that in another one of the line departments of the government, a policy that requires 75 per cent of workers must belong to a union.

Although the construction industry is only 20 per cent unionized, the NDP are guaranteeing them 75 per cent of the jobs, Mr. Speaker. And I can't see, in a free and democratic society, how this can possibly be justified by the government opposite.

To add insult to injury, non-union employees are prohibited from applying for union-designated jobs. Clearly this discrimination . . . and this is discrimination, and that is why we have notified the Human Rights Commission on this matter.

In plain and simple terms, Mr. Speaker, the NDP government's new union-preference tendering policy is a political pay-off. The NDP needs votes and money from trade unions.

Consider the following. For the past two years the Saskatchewan Federation of Labour did not contribute financially to the NDP, yet in 1991 they donated \$28,000. The government needs the support of organized labour, obviously will do anything to recoup union donations, including, Mr. Speaker, creating a new Crown corporation. If that's what's necessary to do it, that's what they'll do, and widen the circle a little bit more.

With this addition, non-unionized workers won't have a chance, Mr. Speaker, won't have a chance. If you don't belong to a union, the NDP doesn't care about your employment prospects. This is becoming more and more obvious.



And the minister brags that this new Crown will mean new jobs for Saskatchewan. I suspect he meant new union jobs. This is, in our view, Mr. Speaker, a very, very disturbing trend.

We've seen the union preference policy rear its ugly head in the Department of Health, and now we see it again in the Department of Highways. We wonder what department will be next. Will it be the Department of Education? Will every government department that has money to spend on capital construction projects be limited to hiring unionized labour? Will our non-unionized construction workers be forced to leave the province to find new work?

Mr. Speaker, those are the kinds of concerns that we're hearing from companies across this province. Those are the kinds of concerns that we're hearing from ordinary folks all across this province.

I spoke to a business group up in Saskatoon just last week, Mr. Speaker. And they were absolutely astounded that a government would bring in a union tendering policy such as they brought in. In fact they were so astounded, Mr. Speaker, I don't think they believed that any government would bring forward that.

And since that time, we've sent them copies of the legislation as well as this policy, and copies of the union-only preference tendering policy. And what the reaction, Mr. Speaker, has been, such that they are appalled that a government would do something of such a discriminatory nature against non-union companies and non-union employees. They think it is blatantly unfair that you want to tip the table, unlevel the playing-field to such an immense degree.

Twenty per cent of the companies in Saskatchewan are unionized, Mr. Speaker . . . construction related companies are unionized. And now they're going to tip that balance to 75 per cent in favour of unionized corporations, unionized companies, unionized labour. And we think that that's wrong.

(1515)

The Progressive Conservative policy is very, very clear on this, Mr. Speaker. The tendering policy should be very simple — to the lowest qualified tender, union or non-union, simple as that.

And that's the kind of policy I believe, Mr. Speaker, that the people across this province want. This fair wage policy, as they call it, is nothing more than a sham to attract unionized support and unionized dollars in the next election campaign, Mr. Speaker. And that's why, Mr. Speaker, that I think people across this province are beginning to look at this government in a whole different way than they may have looked at six months ago or maybe even a year ago.

I was in Melfort the other day, Mr. Speaker, talking to business people up there, and they were appalled, Madam Minister, that your government would be bringing in such legislation of this nature. They see it as so discriminatory and blatantly unfair that you would bring forward pieces of legislation . . . (inaudible)

. . . And that's why that minister is in some degree of political difficulty up there, and she knows it.

And she knows, Mr. Speaker, that policies such as this one and setting up new Crown corporations like this one, Mr. Speaker, will be her undoing. It will be her undoing in Melfort. And I suspect it will be the undoing of a number of members. When the people in your constituency, sir, find out, I think it will be the undoing.

We do not need new Crown corporations in this province. There's lots of Crown corporations that could be doing this job for you, Mr. Speaker. There's not a need for this, and the people across this province realize that, Mr. Speaker.

Mr. Speaker, I want to reiterate one single thing in conclusion of my remarks, that it is plain and simple; the policy that the Government of Saskatchewan should have is a policy which says to the lowest qualified bidder — union or non-union — the contract should go to.

And with that, Mr. Speaker, we have a great deal of concerns about this piece of legislation — many, many questions, many more things to say about this piece of legislation, many more people who would like to speak on that, Mr. Speaker. And so, Mr. Speaker, with the conclusion of my remarks now, I'd like to move to adjourn debate on this piece of legislation.

Debate adjourned.

#### Bill No 25

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Cunningham that **Bill No. 25 — An Act to amend The Farm Financial Stability Act** be now read a second time.

**Mr. Neudorf:** — Yes, Mr. Speaker, the point that the opposition would like to make at this time is that we do have some questions left in this Farm Financial Stability Act that we would like to ask the minister. And to help facilitate matters, Mr. Speaker, I think we will simply allow this Bill, as the next Bill, to be passed into committee, and we'll ask our questions directly at that point.

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

#### Bill No 39

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Calvert that **Bill No. 39 — An Act to amend The Medical Profession Act, 1981** be now read a second time.

**Mr. Toth:** — Thank you, Mr. Speaker. Mr. Speaker, as my colleague from Rosthern just indicated regarding the previous Bill, we find as well that it might be . . . we might gain more by

allowing this Bill to go to committee as well, and addressing some of the concerns and the questions we have.

However, I might also indicate, as I indicated the other day, the fact that it appears that the minister has consulted with the specific groups that would be duly affected by this piece of legislation. We certainly will bring that to the minister's attention and find out who all the minister talked to, which doctors he talked to, and whether or not there is unanimity and agreement regarding the process.

I therefore find that it isn't in our best interests just to continue the debate in second reading, but it would be appropriate for us to allow this Bill as well to move to committee and address our questions directly through committee. Therefore we'll allow this Bill to move to committee.

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

### COMMITTEE OF THE WHOLE

#### Bill No. 23 — An Act to establish The Agri-Food Innovation Fund

**The Chair:** — Before we proceed to clause-by-clause consideration, perhaps the minister could introduce the officials who have joined us here this afternoon.

**Hon. Mr. Cunningham:** — Thank you, Mr. Chairman. I would like to introduce the officials. Next to me is Dr. Hartley Furtan, who is the deputy minister; Doug Matthies, who's the general manager of Saskatchewan Crop Insurance, behind me; John Gruszka, who is from sustainable production branch, to my left; and Doug Winsor, to my right.

#### Clause 1

**Mr. Swenson:** — Thank you, Mr. Chairman. And welcome to the minister and his officials today to the discussion surrounding Bill 23, An Act to establish The Agri-Food Innovation Fund.

That is a very catchy title, Mr. Minister, given everything that we see going on in agriculture today. I think everyone that farms in this province and everyone that is associated with the ag food industry today understands that we must be innovative and that we must diversify and that we have to change the ways that we've done things.

And I think the fact that the government has committed some money is also a plus. I guess what I'm hearing from people is that they're not sure that the amount of money is significant enough to make much difference, particularly in the short term, given the changes that are upon us. And number two, that the type of input that farmers and farm organizations and others that truly want to be innovative and accomplish new ways of doing things . . . won't necessarily have their voices heard as strongly as they might like. And there is some concern about

the make-up of the board and how they will in turn pass money out.

The regulations, Minister, seem quite vague on criteria. I had one individual phone me up, and he says, well does that mean because I'm a farmer and I happen to want to diversify my operation that I could start up a motorcycle repair operation on my farm because I enjoy motorcycles, and there's a lot of them in my district — quad-runners that type of thing — and therefore I'm going to apply to this particular agency to start up a motorcycle repair shop on my farm? And I, from reading the Bill, have not seen anything that would tell me that that definitely would be ruled out, just looking at some of the criteria.

So given those concerns — and I'm sure they must have been voiced to your officials if not yourself — if you could give us some indication of how those will be addressed, why you feel very comfortable with this. And do you feel that the amount of funds allocated is sufficient to actually target and jump-start parts of the agri-food industry in a big enough way? Given that transportation costs have increased, fuel costs have increased, fertilizer costs have increased, taxation across the board has increased to most people in the agri-food industry, is this enough money to accomplish what you purport the Bill to accomplish?

**Hon. Mr. Cunningham:** — Well, Mr. Chairman, I would be glad to respond to the member. We are planning to have a conference with the industry after this Bill is passed to fine tune what the criteria are. The plan behind this Bill is to help develop the infrastructure for emerging industries related to value added agricultural products. We've developed this by talking with industries and a committee of industry.

Will it be enough money? Obviously we could always use more money. This will not replace \$300 million that we're losing in the Crow benefit. It will not be grants to individual producers.

In the long run, we firmly believe that this will return us many times over the investment that we put into it. As a provincial government, it is almost impossible to prop up and support an agricultural industry in this province because the industry is so huge. Our province depends so much on the industry that it's extremely difficult as a provincial government to support the price of wheat or the price of cattle in order to keep that industry viable in the long run.

What we think we can do in this province is help to people who are going to help themselves, to diversify on the farm and off the farm, to get some jobs into rural communities, to help them find markets, to be sure we build the infrastructure, and to help them with things like business plans and development of small industry in rural Saskatchewan.

This fits in with our strategy in the Ag 2000. We have the Ag Development Fund which the member opposite is well aware of; it's been around for a good number of years. There's 11 or \$12 million in there that's targeted at research and development.

It's targeted at research into things that can be commercialized in this province so we can help with devising new crops and so on, and new industries.

(1530)

The ag innovation fund will be for similar purposes, although more targeted to the development side of the industry. So when we find that we have a raspberry that grows very well in the province, we then will have some help for somebody who wants to grow it, process it.

There will hopefully be help for things like test markets, like pilot-scale production, like doing business plans, and so on. We don't see this as giving out grants; we see it more as help to emerging industries to give them the leg up they need to become viable in the world market. And we certainly see a wide range of opportunities in that field and we think this will be very successful in time, although it certainly won't happen overnight.

With the federal money that's going into this fund, we will have a total of \$91 million over a four-year period going into this activity. That certainly would be nice, if we had more than that, but we think that's certainly enough to, as the member says, jump-start some value added industry in rural Saskatchewan.

**Mr. Swenson:** — Minister, that \$91 million is something certainly new to me. I have never heard that total put on this before.

I'd like you to answer a couple of questions. I'd like you to answer how that funding flows, federal-provincial share, over the next four years. Are they equal amounts? Are they on a percentage basis? Is it a very structured amount of money that will flow each year? And I would like you to, I guess, to assure both ourselves and agriculture producers that this isn't some kind of initiative instigated at the bureaucratic level to prop up Ag 2000, which in my view, to date, has been a lot of talk and not much else.

We'd like some examples, and you give me quite a list here in section 8 of the Bill about the kind of things you are very interested in this board and fund taking a part of. And there must be people around there that have a crying need, that have been coming back to you and saying, this is the area, and you've identified them in this Bill where I think there's a possibility. And rather than telling us that it's . . . Because quite frankly, Ag 2000 identified exactly the same things, but we haven't seen a whole lot of results out of that operation to date.

So can you tell me the breakdown of the funding on a yearly basis, over the next four years, and then give us some specific examples of what you're talking about so we've got an idea of where this money is going to start to float to.

**Hon. Mr. Cunningham:** — Yes, I can give a breakdown on the funding. The Bill that's here will put \$18 million into a fund. There's another \$9 million in the '95-96 budget. That's the

provincial contribution. The federal government will contribute \$10 million in '95-96, \$18 million in '96-97, \$18 million in '97-98, and another \$18 million in '98-99. That gives you the total \$91 million as per the agreement that we made with the federal government when we negotiated a new safety net last fall.

As for specific examples, as the member knows, there will be a board that will make those final decisions. But there are some things that certainly we see as strong possibilities for this funding. One of the things is a food incubation centre where we would have a centre where somebody who was interested in food processing would be able to go to get help with some of the things I mentioned before — a business plan, labelling, test small-scale production so that they can get enough product to put it into a market somewhere and test the market — those sorts of things.

Contrary to what the member says, there has been a good deal of activity in rural Saskatchewan. We are having some successes there. There are things like Drake meats and Thomson Meats and a greenhouse in Biggar and a flax straw plant in my riding. So there are some successes that are happening.

One of the things that we're finding is that there's a very long time period between some communities with an idea, and when it actually comes to production. I think the greenhouse in Biggar, when we were out there to cut the ribbon they were telling us, five to six years they worked from the time they had the idea until they get the ribbon cut on the greenhouse.

I know the flax straw plant in my riding, they've been working on that for at least five or six years, and some of that is unavoidable. You have to do research, you have to do testing, you have to test market, you have to do business plans — all of those things take some time.

But often community groups are slowed down because of the process of not being able to raise enough money to get a business plan done or going to different arms of government and so on, in order to fight their way through. What we're hoping for with this fund is, that firstly we'll get more of those projects, more of the good ideas that are out in rural Saskatchewan, coming to commercialization. But secondly, also that hopefully we can speed up the time cycles that it takes to get them off the ground.

**Mr. Swenson:** — Well, Minister, I'm glad to see that the federal government have committed themselves out to that area. But I hope when you were down there giving away the \$317 million in the GRIP (gross revenue insurance program) fund that this isn't what you got in return. Because that's a rather lousy trade, 317 for 64, and we can discuss that a little bit later.

And I'm very familiar with all of those things that you mentioned because I know when they were all started. And you're right, those things do take some time to come to fruition, and they have to have a government that understands

diversification and allowing people to think about the future.

And the reason that that flax straw thing and other operations in the province . . . is because there was people in primarily the ag caucus of the former government that did understand that and encouraged people to do those type of things to diversify this province; not just grow wheat.

And what we want, I guess, is some assurance from you that your government is prepared to move in similar directions rather than being hidebound by some of the constraints that traditionally went with New Democratic Party governments. And that's why I asked you about specifics.

Because there's people out there talking about trading north and south and about doing things that have nothing to do with orderly marketing, that have nothing to do with the Canadian Wheat Board, that have absolutely nothing to do with some of the truisms in agriculture as we knew it in this province, and truisms that were in many cases dictated by politics, not practicality. And given what we face in agriculture going into this next century, I think practicality probably has more to show us today than it has ever shown us before.

And I guess I'd ask you this: is this organization open-minded enough and free enough and has the ability to put seed money into something, for instance, that might run counter to Canadian Wheat Board jurisdiction, or might run counter to shipping east or west, or might run counter to some of the things that we've sort of taken for granted? Are we truly talking about leading edge here, free of ideological constraints, or is this more of what we've seen in the past?

**Hon. Mr. Cunningham:** — Well, Mr. Chairman, the member raises excellent points. We do have to change in Saskatchewan. We've always changed. I don't think that when we talk about change, it's new for Saskatchewan farmers. The first tractor I drove had steel wheels on it and you had to reach back and pull a rope to get the cultivator out of the ground, and I'm not that old. And I've seen a lot of change and certainly don't expect that to slow down.

So I think Saskatchewan farmers are well prepared to adapt, and we're being forced to changed by circumstance. And we're prepared to do that.

Saskatchewan people have always been practical and not ideological in their endeavours. We certainly are prepared to look at whatever is there, including different marketing structures for different industries. We hope that the member opposite has dropped his ideology and doesn't continue to make derogatory remarks about Canadian Wheat Board, because certainly they have a role to play, and they may need to change their functions in order to function in a new world. But we certainly are prepared to take advantage of the opportunities that are there.

I must say that right now in the changing world and the growing markets in some of the third world countries for our

products, that there are certainly huge opportunities in rural Saskatchewan. It's a question of tapping into them and finding the money and the capital to change and adjust to the changing times without too much pain for the people that are out there now.

**Mr. Toth:** — Thank you, Mr. Chairman. Mr. Minister, if I'm not mistaken, you laid out a period of funding that will be coming forward to the agri-food innovation fund. I believe you indicated that the federal government will be putting funds in for — if I'm not mistaken — about five years. But from the Bill here I see there's an injection, when this Bill comes into force, of some \$18 million out of the General Revenue Fund and I don't see any other commitments by the provincial government to this fund.

And I'm wondering if you could explain to us why the provincial government is only making one contribution and the federal government is then making the rest of the contributions. Who then is actually controlling the fund? And who is managing the fund? And at the end of the day, who makes the appointments to the board? If you're only making one contribution and the feds are making the rest, they obviously must want to have some input or some involvement. If you could clarify some of those questions, Minister.

**Hon. Mr. Cunningham:** — Mr. Chairman, we are putting in \$18 million right now, when passage of this Bill, and that's to have some money in the fund as soon as possible. We have another \$9 million budgeted for in the '95-96 budget, which is before the House at this time. The federal government is putting theirs in over a four-year period.

The board structure will be made up of mostly industry people. Some of them will be appointed by the federal government; some will be appointed by the provincial government. We don't see a problem with that. In fact I think it will help to eliminate the duplication and overlap that could otherwise occur. We're much better spending it through one board than we are having two boards doing their own thing.

So we certainly will have control of this fund and the industry will have adequate input into decisions that it makes.

**Mr. Toth:** — Well, Mr. Minister, the Bill indicates the money is coming out of the General Revenue Fund. Where is that money really coming from?

I'm not sure . . . We're just trying to find out in the financial or the budgetary address given by the Minister of Finance about a month or so ago, and we're not exactly sure . . . we haven't been able to pinpoint where the \$18 million is coming from this year. And I'm wondering if you could indicate where that money is being accounted for.

Is it coming out of your budget? Is it coming out of the Department of Finance? Where is funding for this particular fund . . . your contribution to this fund actually coming from?

**Hon. Mr. Cunningham:** — That money will . . . this \$18 million that's going in this year will come out of the General Revenue Fund.

**Mr. Toth:** — So that is not coming out the agricultural portfolio then. It's coming out of the General Revenue Fund. Where is the budget . . . or where is it accounted for in the budget?

(1545)

**Hon. Mr. Cunningham:** — As I understand it, because this is a statute it would be statutory funding. It will show up that way and not be a special warrant thing. Nine million dollars that's in the . . . for next year is in the budget.

This was not money that was budgeted for at the beginning of last year, wasn't in the budget when we drew up the budget. It's something that we decided to spend after we had negotiated a new deal with the federal Department of Agriculture, and it will be statutory spending coming out of the General Revenue Fund.

**Mr. Toth:** — I guess, Mr. Minister, that's the concern we have here, and it comes back to some of the discussions we've been having with the auditor lately. The auditor continually brings to our attention the fact that for us as MLAs and as opposition members trying to establish how the money is being spent in this province, where the money is going, how it's flowing around, the auditor continues to remind us of the fact that we seem to have basically three different . . . and I'm going to use the analogy of grain bins on the premises. The grain is moving from one bin to the next, but it's not necessarily out there in a place where the public can actually see where it's coming from, and how is the government really accountable for this \$18 million that's going into this fund.

It would seem to me, Mr. Minister, if this fund is being administered by the Department of Agriculture, that it probably would have been appropriate or would have been more appropriate for that funding to have come out of your department; your department being accountable for it versus just through a statutory motion brought before this Assembly where again it's not necessarily out in front for the public to see.

And those are some of the concerns we have when we see a funding in this manner and \$18 million being poured into a fund, and where that money is being accounted for. At the end of the day, how do we determine whether or not every cent and every dollar that the Finance minister has talked about is actually being accounted for, especially if you're responsible for a fund and yet the money comes from another area of government?

**Hon. Mr. Cunningham:** — I'm not sure what the member's difficulty with this is. If we hadn't done it through an Act . . . If the Department of Agriculture, with government decisions, spends more money during the year — money that is not budgeted during the year — it would normally show up as a special warrant and that would pass an OC (order in council) in

cabinet and be made public. That's all the publicity there would be had we spent this just out of our agricultural budget.

We're here today in front of the legislature, in public and on TV, saying we're spending \$18 million. I don't know how much more accountable we could be than that.

**Mr. Toth:** — Well, Mr. Minister, while we're talking of spending \$18 million, and yes, while we're discussing it here, we're accountable. But at the end of the day we still . . . I think it needs to show up on a line within government spending and budgetary figures as well, to show that that money has been expended and where that money has actually gone. And I think that's something that's important that it's there, is brought forward, is shown.

And I guess I would have taken for granted that, because this is a fund that's being established under the department, your department, that there would have been a line in your department to show that expenditure, rather than just coming out of the General Revenue Fund. And that's a concern we raise, and I think we can continue to have, in the fact if it's . . . exactly where do you find the expenditure, and that's what I'm trying to bring forward.

Mr. Minister, I guess when we look at the agri-food development fund, or innovation fund as we see it here, and I think it indicated . . . I was looking through the Bill. It talks about diversification. We've talked about research and development in this province as far as agriculture, and we talk about encouraging farmers and rural residents to create economic opportunities and jobs.

I think over the past number of years, regardless of whether or not people knew or may have had an inclination in the backs of their minds that Mr. Martin, when he brought forward his budget, was going to axe the Crow, if you will . . . many people in this province, many farmers, many innovative farmers both young and old, have for the past number of years been looking at ways in which they can become more successful in their farming operations and can define or find off-shoot avenues whereby they can make their farms productive.

And I'm just wondering, Mr. Minister, if . . . and a couple of questions I'm going to raise here because there's been discussion out in our area on it regarding a number of projects. One is the mainland terminal. We've seen a number of terminals or . . . I don't know if there's . . . maybe two or three have been set up, and a couple of others are already on the go. And Moosomin main line terminal is one . . . whether or not the funding of this nature will be beneficial or be available or accessible or is for groups that are trying to establish terminals in the province, whether or not this innovative fund is going to address some of the value added that groups like the Moosomin main line terminal are looking at. They're looking at the possibility of a flour mill being added on or being part of their economic complex, their manufacturing complex.

I know there's a group in Grenfell that have been talking over

the past number of years about an ethanol project. And I know these are somewhat larger. There are a lot of other small innovative projects across the province, but maybe you could give us an idea of what this fund will do to actually help farmers diversify and encourage job creation throughout the province.

**Hon. Mr. Cunningham:** — Certainly that is the purpose of this fund . . . is to help with value added. Certainly a flour mill would be something that would certainly fall into this category. Ethanol is an excellent example. Ethanol is something that has a potential to create jobs in rural Saskatchewan. The problem right now is not quite being able to show economic viability with ethanol plants.

If we can help to develop new products . . . and there are many potential new products that could be developed and new technology to extract or process those products which could make those plants viable or help with marketing of those products. If it's a human food product out of ethanol that is a by-product of the ethanol production that needs some help with test marketing and those sorts of things, that's what this fund would be designed for. It wouldn't necessarily be to give a grant to people to build an ethanol plant, but it certainly would be there to do some research in the ethanol area to help with test markets to test or help develop new equipment and new technology. So that's certainly exactly what this fund is intended for.

**Mr. Toth:** — So basically what you're saying, Mr. Minister, is that the fund is basically out there for research purposes to look at alternative methods of generating economic activity in the agricultural sector. And whether it's through ethanol production . . . and I think you're probably right in the fact that it's not just the ethanol by-product that you're looking at from an ethanol plant. There are the opportunities of taking some of the pulp and the meal from that and turning it into either human forms of consumption or even animal consumption.

And I believe when you look at an ethanol plant overall, that is part of the broad picture, that you've got to look beyond just the ethanol production. You've got to look at the pulp or the meal — or whatever they call it — that you arrive at and methods in which you can utilize it.

But on the other hand, when it comes to . . . and this question, Mr. Minister, may not deal directly with the Bill in front of us. I know I've talked to your office, and I think it's been a lack of ability for myself to get in touch with your officials as they've been tied up, and when they've called I haven't been available. But I know a question that has come from Moosomin main line terminal is whether or not there's any seed money available for a terminal in establishing or building their terminal. And I'm not sure if your department has any or if there is any funds available on that matter or even whether or not this agri-food Bill presents that or makes that possibility available.

**Hon. Mr. Cunningham:** — There isn't anything available for construction of terminals at the present time. Many of them are

going up . . . or not many, but some of them are going up, and they seem to be able to raise the capital. It's not impossible that when the board is set up that that might be a use of the money, although it's not really what we're targeting, certainly not at least with the capital expenditures.

What we see from this Bill is trying to get together the ideas and the development of an idea into something that's commercial. And from that point on, usually private capital will take over.

If you can design a business plan for an ethanol plant that shows that there's been some work done on the market so that we know they can market the products — we've done the research on the equipment, and we know it works, and you can put together a business plan that says this will work — then government probably doesn't need to be involved with capital because private individuals out in communities and banks and so on will put money into a project. The problem is trying to get the money to get the groundwork done to prove that the idea will work. So that's more what the fund is targeted at.

We do have — and I didn't mention earlier — an ag equity fund that we passed last year which has \$20 million over four years in, and that fund is designed to take an equity position to help raise capital for some of the processing projects that might arise from the sort of research that's going on in rural Saskatchewan, the idea being that it gives a source of . . . (inaudible) . . . capital that will take a chance on some new ventures. And then as they become viable, the capital will be pulled out and rolled into another one.

So we have the ag development fund. We have the ag innovation fund, and at the end of the line we have the ag equity fund. So I think we have all the pieces there although certainly it's not intended to replace the private capital and the capital from lending institutions that's going to be needed to get the kind of activity going in rural Saskatchewan we need.

**Mr. Toth:** — Mr. Minister, prior to or even during your discussions with the federal government, were there any discussions with the effect that industry groups, organizations, or individuals prior to the establishment of this fund? Were there any organizations that were contacted, consulted with? And if so, Mr. Minister, could you give us the type of feedback that you may have received from organizations that would have been affected with or may have been consulted in trying to put together this innovation fund and program?

**Hon. Mr. Cunningham:** — Yes, we have actually six areas in the province or six areas in the department, six committees: special crops, special livestock, horticulture, biotechnology, crop processing, food processing, and sustainable agriculture. And we've had those committees working for quite some time. They all have private-sector people on those committees, and they've also dealt of course with private-sector industry, looking for things that we can do in those sectors to help them develop, and they were all very supportive of this sort of fund.

So that's really . . . it's certainly coming from the industry. And that's basically what industry is asking us for. They're not asking us for grants. They're not asking us for tax breaks. What they're asking us for is some help to get developed to get an idea to the stage where it's potentially . . . they can prove out its commercial value. And at that point the industries mostly feel that private interests can take over from there. But it's very difficult to raise capital, particularly in a community. If it takes even small amounts to do business plans and to do some research on ideas and so on, it's very difficult to raise. And that's where we're trying to fill that need with this fund.

(1600)

**Mr. Toth:** — So basically what you're saying then, most of the consultations took place with individual groups right within different departments in the Department of Agriculture, rather than private or independent groups outside of the department. Is that true? And what suggestions were brought forward by these groups?

And, Mr. Minister, as far as this innovation fund that we're talking of, as we have it here before us today, were there any objections to the fund? And maybe you could specify whether there were any, what they were.

**Hon. Mr. Cunningham:** — These committees, as I said earlier, have actually not only department people but industry people actually sitting on the committees, and the committees have done broad consultation. I think we'll find that many of these committees and many of the industries are sitting, waiting for this fund to come in place because they have a whole lot of ideas as to how it could be spent. So I think there will be a quick uptake on the fund, and industries will certainly be ready to partake. I don't know of anybody who has protested against this sort of funding.

**Mr. Toth:** — What specific groups from the industry are you talking about would have made representations proposals for this fund? Which sectors would it have been, manufacturing or as far as the machinery or food processing or . . . And I know there's a number of different avenues. Specifically can you give us an idea of the type of groups you might have been talking to, who they would have represented?

**Hon. Mr. Cunningham:** — Certainly. In for instance the food processing industry, we've consulted with the Saskatchewan Food Processors Association. We've consulted with university people. We've consulted with individuals such as David White from Drake Meats and other people. The horticulture committee has talked to the vegetable growers and other societies in the industry.

So biotechnology . . . of course we've consulted with biotech companies and POS in Saskatoon. We really have had a very broad based consultation and a broad based strategy, which goes back to Ag 2000. We've been working on a strategy.

This, I think, fills in a bit of a hole that we were told was in the

strategy of getting that researched idea into actual production, that there was a gap, and that this was one way to fix it. So really it comes, as has all of our strategy, basically arisen from the agricultural industry.

**Mr. Toth:** — Mr. Minister, how did you arrive at the level of funding? Was this part of the discussion with these groups at determining what level of funding that you should be asking? It would seem to me that you must have had a level that you kind of had in the back of your mind that you felt would be appropriate for this fund to really operate and operate efficiently and effectively.

And when you went to Ottawa to negotiate with the federal government, I'm just trying to determine what level of funding the different organizations would have suggested would have been appropriate for it to be a worthwhile fund, and what that level would have been, and whether or not you were able to achieve that level in the amount of funding that you're suggesting you have arrived at today.

**Hon. Mr. Cunningham:** — Well obviously governments always have to make choices as to where they spend their money. This was part of the negotiation with the federal government, and we negotiated an increased . . . enhanced NISA (net income stabilization account) or whole farm account. We negotiated a sector program for grains and oilseeds which we felt our producers were in drastic need of. And we negotiated probably as much money as we possibly could for this area.

I don't think that \$91 million is going to be enough to develop all the ideas that are out there. Certainly each sector would probably be happy if they got it all. But certainly we think that's . . . because this is not investing in capital . . . \$91 million in capital might not build a whole lot of plants, but \$91 million in research and development and marketing and so on could see a huge industry develop if there's a decent success rate at the ones that begin.

**Mr. Toth:** — So what you're basically saying, Mr. Minister, you really didn't have a level of funding that you had established that you were looking at and going to the federal government with a suggestion that this is a specific level we think would be appropriate, between our contribution and the contribution from you, that would make this innovation fund workable.

It seems to me, Mr. Minister, you just went with a suggestion that we should maybe establish one, at least from the comments you made, without knowing really where you wanted to end up at the end of the day. Is that true?

**Hon. Mr. Cunningham:** — Well certainly we went to the federal government with funding levels that we wanted for the province that we felt were fair for the province overall. We wanted a safety net that was fair to Saskatchewan.

I would say that this is probably the biggest research

development fund that's ever been established in Saskatchewan. It's certainly better than a lot of other provinces have. I don't think anybody else has anything comparable to this.

I think there's no doubt that the federal government is going to get some heat from places like Alberta, who are now out of GRIP and don't have the enhanced NISA that we have and don't have a sector program and also don't have a research and development fund of \$91 million that we have.

So while we would've liked to have seen it bigger, I think we did get a reasonable amount of money into it.

And I think it would've been very much more difficult trying to negotiate that at this time. Remember that the federal government has reduced their spending on agriculture dramatically, talking about going from 850 down to \$600 million in safety net funding. So in hindsight, I think this deal looks better all the time.

**Mr. Toth:** — Mr. Minister, how do you see this fund meeting the objectives and purposes as you outline in the Bill in section 4(1)(a) through (c) where you talk about enhancing the diversification of the Saskatchewan agriculture and food industry. And I'm wondering what you really mean on that line there; what you're really talking about; what you're looking at at the end of the day; what your goals and objectives are.

And in support of research and development of the Saskatchewan agriculture and food industry, and encourage Saskatchewan farmers and rural residents to create economic opportunities and jobs — it seems to me that that is somewhat vague. I think it's a fairly open statement and it could be interpreted in a number of different forms or manners. And I'm wondering what the department, what your department and the industry as they've come to you and established this fund, what they see by these objectives and purposes you've outlined here.

**Hon. Mr. Cunningham:** — Well, Mr. Chairman, we certainly tried to have some flexibility because we have a board that's going to be appointed, and we're not going to be telling them specifically what projects they should or shouldn't choose.

But we've done the research, having the six groups working on trying to determine what the needs are in each of these sectors. So we have a very good idea of what the needs are, based on our study and on consultation with the industry. So I think the board shouldn't have a great deal of difficulty in achieving those goals.

The goal is obviously to create wealth in rural Saskatchewan, to help with jobs and people . . . depopulation in rural Saskatchewan. We certainly see huge opportunities in rural Saskatchewan. We see problems. We've certainly come through some difficult times, and things like changing of the Crow benefit are going to put a great deal of stress, and some of the change and adjustment that's going to happen is likely going to happen with a great deal of pain. And we want to protect our producers and our rural residents to the best of our ability.

But we also see huge opportunities out there, and this fund is designed so that we can get on with creating some new jobs and some viable farms and communities in rural Saskatchewan.

**Mr. Toth:** — Mr. Minister, as you see this fund, do you see this fund as being a fund that will be available to a number of — and how can I put it? — could I say individual producers, farm organizations farm business groups. And when I say that, I look under 4(2)(a), you talk about supporting "the biotechnology infrastructure to the extent that the Fund considers necessary to allow Saskatchewan farmers and rural residents to be on the leading edge of new economic opportunities."

It seems to me when we talk of biotechnology, that in itself can absorb a fair chunk of the funds, if you will, if you looked at just the innovative features of biotechnology in the agricultural sector.

I guess I'm wondering how does this directly relate to farmers in general? Will specific farmers have access to it? Or how will this fund be allocated and how do you endeavour or how do you see the fund being utilized to enhance the objectives and purposes and the goals that you're outlining for us here?

**Hon. Mr. Cunningham:** — Well the board will have the final say in all decisions and it will be dominated by industry people.

But certainly what I would see is individual farmers . . . It may be money going into researching a new variety of saskatoons that grows well in some areas of the province. It could be to help some farmer do a business plan, who wants to crush the saskatoons and sell the saskatoon juice, or whatever they might come up with as an idea.

There might be money available for PAMI (Prairie Agricultural Machinery Institute) to some research on equipment to do a mechanical picker of those berries. And there might even be money for biotechnology or research that finds certain components in saskatoon berries that have high value and uses somewhere in the world, and then genetically engineering a saskatoon bush to produce that.

So I think that range goes right from certainly individual farmers, agronomic research to help them produce products on the farm, to processing which might be done right on the farm or in the community as a community project or a larger scale project or plant that's based on high-tech research from biotechnology.

**Mr. Toth:** — Could you define, Mr. Minister, what you mean by food and non-food uses more closely and what sort of technologies do you have in mind. Just for an example, would a microbrewery, if you will, fit into that definition?

(1615)

**Hon. Mr. Cunningham:** — Yes, certainly food is fairly simple, but there are a lot of non-food uses for agricultural



products that are becoming some of the more exciting markets. An example of that might be canola where you can genetically engineer a canola plant to produce an oil that's suitable for power saws to be used in forestry where people are concerned about the environment.

Another non-food use might be, for example, the flax straw processing plant that's going up in my riding, or is up. There are many areas for products that could be developed. There are an awful lot of good ideas out there. A microbrewery is certainly one that probably would fit in a category that might get some help from this fund.

So there certainly are a lot of ideas -- all the way from the Premier's favourite of making golf balls out of wheat.

**Mr. Toth:** — I missed that last one, Mr. Minister. Mr. Minister, is there any requirement that agriculture products actually have to come from Saskatchewan? When we look at this fund and the fact that we're . . . a lot of our borders are fairly accessible, and I think in some cases, like you look at the Lloydminster area, there's people just basically cross back and forth over the border fairly easy and trade back and forth, and certainly on the east side there are examples of it too.

I'm wondering, is this fund limited just to Saskatchewan-based agricultural opportunities and initiatives, or would projects that are in close proximity of the borders where some of the other, say, agricultural innovative opportunities might arise that may . . . A person, say, lives in Saskatchewan but does most of their farming in Manitoba or Alberta *per se*, are we eliminating this to specifically Saskatchewan-related initiatives or is there opportunity for people from outside the province? Has that been a question that has been raised with you in regard to this fund?

**Hon. Mr. Cunningham:** — Well certainly we would like to see particularly the plants and stuff in Saskatchewan. But if, you know, if somebody is going to want some research into how to pick berries, a mechanical berry-picker, or some way to make a new product out of carrots or whatever, we wouldn't be able to restrict that research within the boundaries of the province, and certainly easily see a processing plant that would be drawing commodities from other provinces.

As an example, last year there were 200,000 pounds of choke-cherries that were sold out of Saskatchewan on a test-market basis. If that market were to expand and this fund may end up helping with some research in the choke-cherry area or a marketing plan for choke-cherries, wouldn't necessarily limit people from bringing their choke-cherries from Alberta or Manitoba, for example. So certainly we would . . . the idea is to develop Saskatchewan industries but, as you point out, there are pretty open borders in Canada.

**Mr. Toth:** — I find that interesting, Mr. Minister, your comment about . . . I think you said 200,000 — did I hear you right? — about choke-cherries developed? And, I don't know, that probably would be jellies and syrups and whatever, that

were processed and sold out of the province.

It seems to me that the saskatoon berry industry is another avenue that seems to be springing up as an alternative to . . . an alternative crop in agriculture, and certainly opportunities there. But I'm hoping, Mr. Minister, that they can find a saskatoon bush that I can purchase to put on my farm. I've purchased eight already and they still haven't given me anything. I don't know what the problem is.

But when it comes to other alternatives than being a Saskatchewan product . . . and I think of the flax plant that is going up in your area. Certainly flax straw is something that people over the past number of years . . . well as far back as I can remember, even 10 or 15 years ago, they were gathering flax straw in our area. In fact at that time, if I'm not mistaken, it was trucked into Manitoba to be utilized in a plant at that time, and then all of a sudden it just quit. So it seems to me there's opportunities out there.

Maybe utilizing flax straw is maybe not something that you'll find in every province. Maybe like you say, if this project at Canora really gets up and running there'll be people from the Manitoba side looking at whether or not they could access the opportunity to dispose of their flax straw in that manner.

So it seems to me that if we can come up with some real alternatives and initiatives and be promoters and, if you will, be the initiators of some of these processes, other provinces and groups and individuals will certainly come and take a look at us.

I'm wondering what you necessarily mean when you talk of primary production alternatives in the objectives and purposes under (2)(d) and you talk about . . . What do you foresee as being new skills that would be supported by this fund? And whether or not there will be, as we look at new alternatives, whether or not there will be classes. Do you foresee classes or conferences being held to promote utilization of the innovation fund? And who would be responsible for setting up and managing such educational opportunities?

**Hon. Mr. Cunningham:** — Certainly some of the sectors have identified a need for skill training in particular skills — for example, in the horticulture sector. And in order to get development, some of those opportunities for training will have to be there.

We are already doing an awful lot of seminars and information within the department. We're having huge turnouts to things like herb and spice seminars and game farming seminars and many other areas. So skill training is one of the things that some of the sectors will require.

We're also, in the department, working on getting onto the information highway to be able to transfer information that's going to be needed as we gear up and diversify our economy. It's no longer good enough for the Department of Agriculture to know about wheat and barley and cattle and hogs; we also are

being asked to know about saskatoons and raspberries and what you treat elk with, and on and on it goes. So we need to gear up and get information out to producers as well.

**Mr. Toth:** — Well maybe, Mr. Minister, it's unfortunate . . . And if you will . . . I'm not exactly sure . . . until this fund is up and running and we see the actual results that take place . . . You talked about the fact that we've probably reached the point where we need to look well beyond just producing wheat and barley in this province and maybe marketing hogs. Maybe it's unfortunate that more people didn't, even a few years back as we were struggling through the '80s with the low commodity prices especially in the wheat and barley or the coarse grains, look at the fact that there were some other alternatives out there.

And I note in our area that one producer has gone to taking the hulls off of oats and removing the meal, and set up a little operation just on his own because he couldn't seem to make it any other way. And now he's basically rented out his land and that's all he's doing — he buys his oats and he's found a market for it.

So it seems that while through the years we were tied in to the method of payment as going strictly to the producer, it really limited many of the opportunities to expand or to look at . . . for producers to look at alternative methods of being more productive in this province and the avenues that were available to them.

And so I guess I could only say we trust that this fund indeed meets some of the objectives and the goals that you are setting out for it.

I am wondering . . . I look at sections (e) and (f) and I see it mentions:

work in co-operation with persons or organizations having objects and purposes similar to those of the Fund;

support the development of skills that will assist agricultural producers in adapting to the changing agriculture and food industry;

I look at that, and I'm taking from those two sections, (e) and (f), that there are specific requirements for people in order to qualify for any assistance under this fund.

And what I'm wondering, Mr. Minister, what has the department set up as specific requirements; and what do you really mean by "work in co-operation with persons" . . . You must have some specific requirements and objectives that you're bringing forward as to the availability or the access to funds under this fund in order for people to maybe look at accessing it and getting help or looking at ways in which they can work together with the fund. I wonder if you could outline those for us, Mr. Minister.

**Hon. Mr. Cunningham:** — Certainly we will be working with

many different groups and organizations, including universities, and associations within commodity groups and so on. It's quite possible that we would be cost sharing some project with the pulse growers, for example. They have a check-off fund, so they may bring a project to the board that asks for cost sharing. So this will allow us to work with other people and cost share and develop things in conjunction with other organizations.

**Mr. Toth:** — And you had also indicated a moment earlier that, I believe, there's a lot of research, as you've indicated, in the area of canola oil and some of the other avenues that it could be utilized for. I believe there's also research looking at whether it could be used as a fuel for farm equipment or even . . . I'm not exactly sure if they've got into a lubricant value but I know there is some research in that area.

And I'm wondering, is this an avenue that . . . you talked about pulse crops and the different avenues in which pulses could be marketed and some of the processing that could take place.

I take it these are some of the things that you're looking at that could possibly fit into what you see as the overall objectives of this fund. Is that true?

**Hon. Mr. Cunningham:** — Yes, that's exactly what we hoped to accomplish. One of the strong advantages we have in Saskatchewan is the biotechnology centre at Saskatoon and other research there as well. There are very exciting things happening with breaking down the different plants, whether it's oats . . . as Canamino is now going to be selling oats for cosmetics. They're finding components of oats that may be useful in the pharmaceutical area. They're working on different types of canola for oils for different uses.

And one of the things we hope is because we have the research here, we're fast becoming . . . we are one of the centres of excellence for biotechnology in the world — 30 per cent of Canada's ag biotech happens in Saskatoon.

So we need to take advantage of that, have people who are there to pick up some of these new products and commercialize them right here in Saskatchewan. And it's helpful in that we have the research here in Saskatoon. We have POS there who does a lot of work with testing of products and so on. And so it becomes attractive for companies to locate in Saskatchewan because although that takes place in Saskatoon, many times we will be on the very leading edge of these new products, and if we can take advantage of having that research done in Saskatchewan and actually commercialize the products here and ship out the finished products, that's exactly the goal of our whole strategy. And we think this fund will help us to do that.

**Mr. Toth:** — Well, Mr. Minister, just before I turn it over to one of my other colleagues with some questions, what do you or your department or the government perceive as being the economic benefit at the end of the day of this fund to the province of Saskatchewan?

It would seem to me, as we look at all these different ideas and

avenues that are available to us, as we do research, as we find different methods of marketing our product, there must be in the back of, either your mind or the mind of the officials or the government in general, that I guess what we're saying at the end of the day is we're hoping that there's some economic spin-off and economic benefit to the province.

And I wonder, is there any economic benefit that you perceive right now that you could identify in specific numbers, even a ball-point figure, that the potential of benefit to this province — which at the end of the day becomes a benefit to the taxpayers, certainly as an asset to the province and to the Finance minister as well — is there any idea of what you perceive that benefit could be?

(1630)

**Hon. Mr. Cunningham:** — Much of the work that's been done on the value of agricultural research is somewhere usually in the neighbourhood of 50 to 100 times the return of the money that you put into agricultural research. And certainly in my opinion there's no more fertile place, and more opportunities for new development, than in Saskatchewan.

We have some space. We have the climate. We have innovative people. We've got the infrastructure. We've got markets for food products that are rapidly growing. We certainly expect a huge increase. We think we can probably double the value of crops produced, and that's just in the crop sector.

So we're certainly expecting a huge rate of return, and I think that's often the better return for your dollar than direct to support the producers, although that continues to be important.

Some of the research that's been done in the past . . . Dr. Slinkard, in his research on lentil varieties, has put our lentil producers at the forefront in the world and created an industry that made a lot of dollars for our producers. And most of that, or a lot of that, can be contributed to the fact that we did some research here and got ahead of the competition. So we certainly expect huge returns over time.

**Mr. Martens:** — Thank you, Mr. Chairman. At the beginning of your discussion on this Bill, you indicated that there were payments of 18 million, 9 million, 10 . . . 18 and 9 from the province and 10 and 18 and 18 and 18 from the federal government. Is that correct?

**Hon. Mr. Cunningham:** — Yes, that's correct.

**Mr. Martens:** — In the *Saskatchewan Estimates 1995-96*, does the 9 million come into place in that year, or is the 18 million in '95-96?

**Hon. Mr. Cunningham:** — The 9 million is in '95-96.

**Mr. Martens:** — Is it in this *Estimates* book?

**Hon. Mr. Cunningham:** — It's in there. I don't have the book

here to . . . I don't know if it shows up in a line as ag innovation fund, but it's in the budget.

**Mr. Martens:** — Can you show me where?

**Hon. Mr. Cunningham:** — It's on page 35 under section 9: sector programing and development, \$9 million. That's where it shows up in the budget.

**Mr. Martens:** — Okay, so it's 9 million there. Where does the 18 million show up?

**Hon. Mr. Cunningham:** — The 18 million is current year funding. We went through this earlier. It's statutory so it won't show up in the budget. But it's from general revenue. It's a decision that was made part way through the year and it's part of . . . will show up in the final statements of '94-5 when it's audited.

**Mr. Martens:** — Will it show up in the Minister of Finance's estimates?

**Hon. Mr. Cunningham:** — We're not sure where it shows up. It will either be in the Finance or Ag department. Again, it's not in the '94-95 budget because it wasn't in the budget at the beginning of the year. It's additional spending. Would have been . . . had we not done the Act, a statutory funding would have showed up as special warrant and would have showed up in the Ag department.

But because it's statutory, it will show up in the final estimates that the Finance minister tables and gives to the auditor. I'm not sure whether it will show up . . . exactly where it will show up. We could find that out if you're interested.

**Mr. Martens:** — Will the Provincial Auditor have an observation to make on this or will he be able to do the . . . will he do the audit on the \$18 million?

**Hon. Mr. Cunningham:** — Yes, he will do the audit on it.

**Mr. Martens:** — The \$18 million, the money runs out in 10 days or 11 days — no, 9 days. Would you be able to give us a list of projects that this has funded in order to deal with the \$18 million, or have you spent nothing, or is it all spent? Where is the money at right now?

**Hon. Mr. Cunningham:** — We haven't spent a cent of it. We will put the \$18 million into the fund and establish a board and begin getting applications immediately.

**Mr. Martens:** — Then, Mr. Minister, why didn't you budget for it in 1996 and allow us to see what was happening? Why did you use that as a part of your finance strategy on how to fudge the books from one year to the next?

**Hon. Mr. Cunningham:** — As I pointed out to your colleague earlier, this was part of safety net negotiations with the federal government. We needed to put our money into the fund and we

wanted to get it up and get it started in this year.

**Mr. Martens:** — Well, Mr. Minister, so we're going to have \$27 million to spend in the year under review under this program. Is that correct?

**Hon. Mr. Cunningham:** — One of the reasons for setting up this fund is that we want to put the money into a fund. It's money that we have to put towards agriculture. One of the things the industry keeps telling us is, give us some committed funding so we can see what's there so we can plan.

These funds, many of them will be for projects that maybe take five years to completion or even 10 years to completion. So while the money is put into the fund — it's there, it's available — the board will start making decisions, but it won't all be spent within any given time frame.

**Mr. Martens:** — My suggestion to you perhaps, and my observation, would be that 27 million spent and promises made over the next three months would be a significant benefit to you, and that's what we think you're doing with it. You're putting it into place in last year so you can spend it in this year, or in '95-96, with a view to put in for an election gimmick that's going to transcend all opportunities for us to even discuss it and provide us with an opportunity to have even a discussion with you about what it's going to be used for and how it's going to be spent.

There'll be \$18 million that we put into this fund, and you don't know what you're going to do with it and we don't know what you're going to do with it. And I think that that's not a good thing for this Assembly to be considering. I think it's wrong. And the auditor has said over and over again that this is one other condition that the Legislative Assembly does not have access to any opportunity to discuss in a budgetary basis.

You make it in a statute . . . If it wasn't coming here under this year in particular, we wouldn't have an opportunity . . . Next year, you can do it over and over again and you can just say, well it's under statute, and just let it slide through and nobody gets to talk about it.

And I know what your answer's going . . . (inaudible interjection) . . . Well a warrant wouldn't be any better, but at least we would know where it was being spent. And that's what we want to have as a consideration for this discussion.

And I think you're wrong to do it this way. And it is just as wrong as putting it in a warrant. We should have it on this Assembly floor so we can discuss exactly what you want to do with it. That's what we should have an opportunity for — in the year under review, because it was paid out in '95-96 . . . or '94-95, not in '95-96.

**Hon. Mr. Cunningham:** — Well the money is paid out in '94-95 into a fund, and you certainly have the potential right now to ask questions. And you have spent a good part of the day asking questions about how it's going to be spent. This is

the opportunity you have. It's pretty hard for us to bring back details as to how money is spent before it's spent.

And it will be spent by a board. If you want industry participation in the process, much as we do with ADF (Agriculture Development Fund) and other funds that you're well aware of, the opportunity will be here next year after the money is spent for you to question how it's spent. But I don't know how you anticipate us predicting exactly how our board is going to divide up \$18 million until it's been done. Certainly this is as open a process as you can get. We're coming here in public, on TV, saying we've got \$18 million to spend on agriculture. And I don't know how much more open a process you could possibly have.

**Mr. Swenson:** — Thank you, Mr. Chairman. My colleague from Morse has asked some very good questions of the minister, so I think we should get into a discussion of this board and understand clearly how it's going to operate, the make-up of it, because I'm sure the minister must have some ideas.

And he's outlined some things in the legislation here about the board — 12 in number. That's a fairly large board. I wonder, Minister, why you selected 12 and why you have very clearly defined that only a third of the people on that board will either be primary or secondary producers. Why did you do that, minister?

**Hon. Mr. Cunningham:** — This board is going to be appointed, six by the federal government and six by the provincial government which, seeing there's funds from both governments, would seem to me to be sensible.

A third is a minimum. We are still working with the federal government on who to put on the board. I think it's fair to say that both the federal government and the provincial government are in agreement that at a very minimum the majority of the board should be industry participants.

**Mr. Swenson:** — Minister, you've got to understand our reluctance to give you another board to play with when one reads the newspaper on Monday or Tuesday and saw a column that stretched the entire length of the newspaper of what you've done with boards and commissions since taking power in '91, even though your Premier said that was a terrible no-no and ought not to be done.

And yet you've packed every possible niche and cranny full of patronage appointments. And we see twelve more here on a list; six of them, I guess, at your discretion. And you've got an identification that you don't want too many producers on it, and that leaves us very suspicious about why you would be that way.

And I'm wondering if you would give me a definition of what a secondary producer would be. Is this sort of like someone in a grain company, or what is it? Tell me what a secondary producer is in your mind so that I get an idea of who we're including in the farmer category here.

(1645)

**Hon. Mr. Cunningham:** — A secondary producer would be a food processor, remembering that this fund is certainly going to be aimed at a lot of value added and industry people, as well as right-on-farm activity.

**Mr. Swenson:** — So you're telling me that Sask Wheat Pool, UGG (United Grain Growers Limited), Cargill — all sorts of people like that — or anybody in the crushing business, could be on this board that you're going to appoint?

**Hon. Mr. Cunningham:** — Yes, that's true.

**Mr. Swenson:** — Okay. As a primary producer gives me some consternation because people that are in the buying side and the marketing side often have a different agenda than what I as a primary producer have. In some cases it's profit driven, other cases it's their own agenda.

And I'm wondering why you would not say, okay, I've got the ability to appoint six individuals here that I will have primary producers being in the majority and secondary, and other academic types or bureaucratic types being in the minority. If your mission statement that you laid out to us earlier in the day is what you say it is, then I would think that you would want those primary producers to feel that a company, a grain company or others, whose agenda may be different than theirs, would not be in control of a publicly funded agency that you have just told us carried over 18 million bucks from last budget year to this year so that you can play with it in an election year.

Wouldn't you think primary producers would be a little bit suspicious, Minister, of that?

**Hon. Mr. Cunningham:** — Well I think the primary producers will want people on this board who are competent and who understand the industry, and certainly your primary producers will be on the board and they will have a role to play. But I think it's also fair to say that somebody in the food processing industry will have a good understanding of the food processing industry and will have some idea of what idea might or might not fly in the food processing industry and what sort of business plan is reasonable and not reasonable.

So I don't see your objection to having people in the industry on a board that's making decisions in the food processing industry.

**Mr. Swenson:** — You obviously, Minister . . . and you're the Minister of Agriculture. You're the person that's supposed to have the heartbeat of Saskatchewan farm families firmly within your grasp; understand what the heck's going on out there as they go through this period of transition . . . must understand that there is a significant difference between a farm family and a grain company who market in the best interests of a grain company.

Your legislation clearly says that the board has the power to structure committees, to seek input from all types of

professionals that you can pay per diem, that you can pay remuneration to anybody who you would consider of a professional nature.

The issue at hand here is why you would want this board primarily stocked up with folks whose interests may be different than the diversification of the family farm in this province and the maintenance of rural Saskatchewan versus the agenda of a profit-driven corporation who want to develop X product because they can probably buy it cheaper from the farmer and sell it for more money. I mean that's often the case. You're a farmer; you understand that.

And I'm wondering why, given that your legislation says that you can use any of these people in any means that you wish, you would not have given the primary producer of this province primacy when it's their money, their taxpayers' money that's going into this operation; and why you would let the federal government dictate to you otherwise.

This is for Saskatchewan to diversify its agricultural sector and you have all opportunity, according to the legislation, to use all the professional help you want and pay for it. Why would you not give primary producers in this province the primacy on that board of directors?

**Hon. Mr. Cunningham:** — Mr. Chairman, I think the member opposite has a very bad approach to economic development in this province. The people who are producing beef — the cow/calf guy and the feedlot operator and Drake Meats and Thomson Meats — are all on the same side in this battle.

In order for the food processors to compete in the world market, they need product from primary producers. Primary producers need further processors to find markets for their products. And we're finding more and more industries that are working cooperatively rather than competitively within the industry, and there needs to be those ties.

So I don't know — certainly the primary producer needs to be represented and will be represented on the board. But I also certainly think that you need somebody who understands the food processing industry on the board to sort out the applications that come for research and development and business plans and so on. When the first producer comes forward with a business plan to make golf balls out of wheat, we need not only a farmer but we need somebody who understands the manufacturing process and so on, on the board to help make those decisions. And I don't think that the groups are enemies.

**Mr. Swenson:** — Well, Mr. Minister, I didn't imply they were enemies. There's a lot farmers in this province that are every bit as smart business-wise as anyone else. I mean it kind of amazes me because the Minister of Economic Development comes in here and talks about his estimates and he trots out the same names you do. I mean most of the folks that you just mentioned are busy flying around with the Minister of Economic Development, would you not admit, to places like Mexico and

Taiwan and Hong Kong.

They've all been on those junkets. And the Minister of Economic Development says, well, I've got to have them on my advisory group because they know how to do this, this, and this. Okay? And then the Minister of Agriculture comes into the House, says, I got another bunch of money to spend and I've got to have these folks back on my board because these dumb farmers don't understand how to manage their business.

**An Hon. Member:** — That's terrible.

**Mr. Swenson:** — Well that's what he said to the Assembly. And I don't buy that. I don't buy that. I agree with you.

And the Minister of Economic Development probably needs those people and needs to fly them around to make sure that our products get marketed properly and developed properly and that we open up those niches.

But I think farm families in this province expect you, Minister, given what's happened . . . I mean you're the guy that took their insurance away. You're the guy that let the federal government get away with taking a whole bunch of money out of this province. It's your government that fought getting \$7.2 billion and settled for 1.6.

And when you come up with a fund here, an innovation fund which you're, I suspect, going to trot around this province on all sorts of platforms . . . And the Premier's already been doing it, already been doing it because he's going to call an election one of these days and he's saying, have we ever got a deal for you, farm family; it's called the ag innovation fund; we've got X number of dollars and we're going to do wonderful things for you.

Why in the world you would not want to have some farm families represented on the board of directors at least, and not the Economic Development minister's friends who he flies around the world. They're already getting their fix. Why in the world wouldn't you want farmers, Minister, to have the majority on the board for this small amount of money that you've left them after you either took or gave the rest of it away.

**Hon. Mr. Cunningham:** — Well it's interesting that the member opposite continues to be stuck in the old days and want to go back to the '91 GRIP program rather than doing the innovation fund and the diversification and value added that needs to be done in this province. This is probably a new first, Mr. Chairman, when we're having a board that's been criticized before it's been appointed because we might appoint somebody to a board. I think that has to be a new . . . It really is rather ironic to have a board criticized before it's even been appointed.

And I know the opposition has spent a lot of time criticizing board members and personalizing some of the issues, but to be criticizing a board that's not yet appointed, I think is certainly a new area for this House.

**Mr. Swenson:** — Well, Minister, if you don't clear the process . . . if you think that your appointments can stand up to the process, why don't we agree here today that when you start selecting board members, you'll bring them in here to the House and we'll talk about them. Okay?

If you've got a few folks in the secondary business, as you like to put it, that you think farmers in this province would be quite comfortable with, why don't you just bring those names in here and we'll stack that up with our federal appointments, and we'll see who is coming with the straight goods, you know.

Will those appointments stand the test of this House? Will it stand the test of the farmers in this House? Would you agree to do that, Minister? Before this House rises, that you'll bring us a list of potential board appointments, and we can discuss whether they would be appropriate for the mission statement that you've outlined for us.

**Hon. Mr. Cunningham:** — We'll appoint a board, and farmers will judge that board very shortly in the election. That's the way the system works.

The committee reported progress.

The Assembly adjourned at 4:58 p.m.